

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT



The Effect of Sales Skills on Sales Performance: The Case of Habesha
Construction Materials and Development (HCMD)

A Research Report Submitted for the Partial Fulfillment of the Requirements for
Degree of the Masters in Marketing Management

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DECLARATION

I, **SAMRAWIT TEFAGIYOGIS**, declared that this research paper entitled “The effect of sales skills on sales performance: The case of Habesha Construction Materials and Development (HCMD)” is my own original research work. I have been conducted it independently through the use of significant contribution of my research advisor and all sources of information in the study has been appropriately acknowledged.

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**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE GRADUATE
STUDIES MA PROGRAM**

**The Effect of Sales Skills on Sales Performance: The Case of Habesha
Construction Materials and Development (HCMD)**

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Abstract

The objectives of the present study were to understand the influence of sales skills dimensions which are: interpersonal skills, salesmanship skills, technical skills and marketing skills on sales performances of salespeople, in the case of Habesha Real Estate. This is an empirical study with quantitative research design and particularly, utilizing correlation research methodology. Data has been collected using self-report questionnaire and all sales agents within the organization were included as respondents (n = 62, 95% response rate). The data has been analyzed using SPSS software employing the descriptive statistics, Pearson's correlation and hierarchical regression statistical techniques.

Bivariate correlation analysis between sales skills and sales performance of the sales people showed that all sales skills have statistically significant relationship with salespersons' performance at $p = 0.01$. A two-step hierarchical regression analysis indicated that marketing ($\beta = 0.98$, $t = 3.27$, $p = 0.01$), interpersonal ($\beta = 0.73$, $t = 2.45$, $p = 0.05$) and technical ($\beta = -0.69$, $t = -2.41$, $p = 0.05$) skills were statistically significant that contribute 77.7% (R^2 -change = 0.777, $p = 0.01$) to the predicting power of the model that enhance salesperson performance. In contrast, the findings also revealed that salesmanship skills do not influence salespersons' performance.

Key Words: Sales Skills, Salesperson Performance, Real Estate, Sales Agents, Ethiopia

Table of Contents

List of table	page
Acknowledgement	i
Abstract	ii
Table of content	iii
List of Table.....	v
List of Figure.....	v
list of Acronym	vi
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.2 Overview of Study Area.....	3
1.3 Statement of the problem	4
1.4 Research Questions of the Study.....	6
1.5 Objective of the Study.....	7
1.5.1 General objective	7
1.5.2 specific objective	7
1.6 Significance of the Study	7
1.7 Delimitation/ Scope.....	8
1.8 Operational Definition of Terms	9
1.9 Organization of the research report.....	10
CHAPTER TWO: REVIEW OF RELATED LITERATURE.....	11
2.1 Introduction	11
2.2 Theoretical Review	12
2.3 The Personal Selling Process	18
2.4 Sales Skills	21
2.4.1 Interpersonal Skills	22
2.4.2 Salesmanship Skills	23
2.4.3 Technical Skills.....	25

2.4.4	Marketing Skills.....	25
2.5	Salesperson Performance	26
2.6	Relationship between Sales Skills and Sales Performance	26
2.6.1	Interpersonal Skill and Sales Performance	27
2.6.2	Salesmanship Skill and Sales Performance	28
2.6.3	Technical and Marketing Skills and Sales Performance.....	29
2.7	Empirical Evidence	30
2.8	Conceptual framework.....	31
CHAPTER THREE: METHODOLOGY		33
3.1	Introduction.....	33
3.2	Research approach	33
3.3	Research design	33
3.3.1	Population of the study	33
3.4.1	Self-Administered Questionnaire	34
3.5	Sources of Data	34
3.5.1	Primary Source	34
3.6	Reliability and Validity of Research Questionnaire	35
3.7	Research Ethical Issues.....	36
CHAPTER FOUR: RESULTS AND INTERPRETATION		37
4.1	Descriptive Analysis	37
4.1.1	Demographic Characteristics of Respondents	37
4.2	Data Preparation and Assumptions	39
4.3	Relationship between Sales Skills and Sales Performance	42
4.3.1	Effects of Salespersons Skills on Sales Performance.....	43
4.3.2	Relationship between Interpersonal Skills and Sales Performance	45

4.3.3	<i>Relationship between Salesmanship Skills and Sales Performance</i>	45
4.3.4	Relationship between Technical Skills and Sales Performance	46
4.3.5	Relationship between Marketing Skills and Sales Performance.....	46

CHAPTER FIVE: SUMMERY OF FINDINGS, CONCLUSION AND

RECOMMENDATIONS.....47

5.1	Conclusion	47
5.2	Summary of findings.....	47
5.3	Limitations of the Study.....	49
5.4	Recommendations.....	49
5.5	Implication of the Study and Further Research	50

Reference

APPENDIX-A

APPENDIX-B

List of Tables

Table 1:	Three dimensions of the Selling Skills Scale items (adapted from Rentz et al. 2002) ...	13
Table 2:	Questionnaires’ Reliability Output	35
Table 3:	Descriptive Statistics of Scales, N= 62.....	37
Table 4:	Demographic characteristics of Respondents, N = 62.....	38
Table 5:	: Hierarchical Regression of Salesperson Skills versus Sales Performance.....	44

List of Figures

Figure 1:	: personal selling Process (Adopted from Marshal and Moncrief, 2005).....	19
Figure 2:	Theoretical framework (<i>Source</i> : Abed & Haghighi, 2009).....	32
Figure 3:	: Scatter Plot of regression standardized residuals vs. predicted value.....	40
Figure 4:	Normal P-P Plot of regression standardized residuals	41
Figure 5:	Normality check of Regression Standardized Residuals.....	42

LIST OF ACRONYM

B2B	Business to Business
HCMD	Habesha Construction Materials and Development
IT	Information Technology

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Personal selling is one of the oldest professions in the world. Kotler and Armstrong, (2016) claim that the people who do the selling go by many names, including salespeople, sales representatives, agents, district managers, account executives, sales consultants, sales engineers ...etc. Moreover, the term salesperson covers a wide range of positions, in which at one extreme, a salesperson might be largely an order taker, such as the department store salesperson standing behind the counter. At the other extreme are order getters, whose positions demand creative selling, social selling, and relationship building for products and services ranging from appliances, industrial equipment, and airplanes to insurance and IT services (Kotler & Armstrong, 2016).

According to Gough (2003), companies spend large sums of money training their sales personnel in the art of selling and the reason for this attention to personal selling is simple: in most companies the sales personnel are the single most important link with the customer. The best designed and planned marketing efforts may fail because the sales force is ineffective. This front-line role of the salesperson means that for many customers the salesperson is the company. Allied with the often substantial costs associated with recruiting, training and maintaining the sales force, there are powerful reasons for stressing the importance of the selling task and for justifying attempts to improve effectiveness in this area (Gough, 2003). Thus, sales groups are forced to work harder in order to produce the revenue streams that support all of an organization's business activities in the contemporary competitive markets.

Although there are many factors that contribute to salesperson performance, it has been acknowledged that sales skills are one of the key individual-level determinants that contribute to performance (Basir, Ahmad & Kitchen, 2010; Churchill, Johnson & Walker, 2000). Ingram, La-Forge, Avila, Schweppes, and Williams (2004) added that turbulent business environments force sales departments to headhunt highly skilled salespersons in their attempt to secure and consolidate sales. Thus, good salespersons may offer substantial performance improvements in today's business environs (Baldauf & Cravensm, 2002). Top-quality sales staff who maximize

revenues from existing customers and systematically identify, convert, and manage new prospects well will allow a business to grow faster than its competitors (Futrell, 2006). Such efforts are particularly important in an environment where valuable customers have many more options and choices than ever before. Considering the pivotal role played by salespersons in ensuring continual sales; hiring and retained highly skilled sales personnel is critical (Churchill *et al.*, 2000; Ingram *et al.*, 2004; Futrell, 2006). Furthermore, advances in technology results in organizations facing environments that are extremely complex and dynamic. And consumers are getting smarter and expect the best from sellers to fulfill their demands and satisfy their needs (Atuahene- Gima & Michael, 1998). For many companies, salespersons are the most important marketing tools in the interface between the companies and their customers. Operating at the interface between the organization and its environment, salespersons perform important boundary-spanning roles (Baldauf & Cravens,2002). Good salespersons may offer substantial performance improvements in today's increasingly competitive business environment, but, effective salesperson is who maximizes revenues from current existing customers and systematically identifies and manages new prospects well will allow a business entity to grow faster than its competitors (Futrell, 2006). Such efforts are particularly important in an environment where valuable customers have many more options and choices than ever before. Considering the pivotal role played by salesperson in ensuring continued growth of sales, therefore, hiring highly skilled sales personnel organizations becomes critical (Futrell, 2006; Ingram *et al.*, 2004).

Therefore, salespersons in sales groups are perhaps the most important individuals in the firm's marketing communication process since salespersons occupy a boundary position within the organization. They represent the organization to customers, interact with them, underpin transactions, and serve as a mechanism to scan and monitor the external environment. The need to increase market share and be the preferred service provider or seller have motivated management to understand the factors underpinning salesperson performance. Meanwhile, sales performance has been one of the commonly used variables to gauge the productivity of salespersons (Ahmad, Sah & Kitchen, 2010). Moreover, many researchers have emphasized the importance of salesperson's skills level on salesperson performance (Rentz, Shepherd, Armen-Tashchian., Dabholkar & Ladd, 2002). Futrell, (2006) argued that though there are many factors

that contribute to salesperson performance, it has been acknowledged that sales skills possessed by salespersons plays a pivotal role in relation to sales performance. Besides, Churchill et al. (2000) argue that sales skills are one of the key individual–level factors that contribute to salesperson performance (Churchill et. al., 2000). Moreover, in another study, Rentz et al. (2002) categorized selling skills into three dimensions namely interpersonal skills, salesmanship skills and technical skills. These sales skills dimensions had been found to be useful predictors of salesperson performance. Besides, research conducted by Ahearne and Schillewaert (2000) added a fourth dimension, marketing skills, as predictor of salesperson performance.

Therefore, as the objective of the current study is to examine effect of sales skills of sales persons on their performance in a company known as Habesha real estate, analysis of these relationships will be conducted using quantitative method of research and survey method of data collection.

1.2. Overview of Study Area

The real estate sector has been one of the fastest growing segments of the Ethiopian economy and it has contributed 12.5 per cent to domestic growth in the past 10 years. The residential real estate market in Addis Ababa (the capital city with a population of more than 3 million) is evolving into a varied mix of extensive government-built condominiums (supposedly for low-income groups), mid-market developments by housing cooperatives, and largely high-end homes built by real estate developers and/or homeowners themselves. Private investment in the real estate sector is expected to grow in the coming years and driving factors considered include: (i) overall economic growth; (ii) demographics (the urban population continues to rise); (iii) a long history of unmet housing demand; (iv) the expansion of city roads and infrastructure; and (v) tax and investment incentive schemes, involving a broadening of investment areas, extended lease periods, and reduced income tax (Deme, 2016).

As part of the private sector, the Habesha Construction Materials and Development (HCMD) is a share company established September 13, 2002 with the vision of apartment construction to engage on the supply of construction materials and Real estate development in Ethiopia in general and that of Addis Ababa in particular. The company is currently engaged on the

construction of residential buildings (Apartments) on three large sites in the eastern expansion areas of the city. In addition, it has acquired several sites within the inner city itself for construction of mixed use buildings. HCMD, therefore, has the vision and the potential to become one of the main actors in the Real estate development in Ethiopia and to be the reliable choice for home buyers. Currently, the HCMD has sales department with 61 sales persons and four sales managers, excluding external real estate agents (Demi, 2016).

1.3. Statement of the problem

According to Krzysztof, Maciej and Piotr (2007), the dispute between two camps on the determinants of effective sales man, several studies have been conducted to justify their claims such that some argue that salespersons are born and others claim effectiveness of salespersons are achieved through training and experience. Many studies have been conducted on the factors that affect the sales performance of salespersons. Given the critical importance of sales performance to organizations, numerous studies have been conducted over the decades in searching for the most powerful determinants of salesperson performance. While the predictive power of these variables varies widely across situations and studies, the overall explained variance in sales performance has not been high due to lack of all-inclusive comparisons sales skill dimensions (Vinchur, Jeffery, Fred, & Philip, 1998). Besides, previous studies that try to compare among the personality traits, sales skills and their sub dimensions are usually conducted through meta-analysis review, a method which compiles together many studies by calculating overall effect sizes of individual antecedent variables(Ahmad, Sah, & Kitchen, 2010; Vinchur et al., 1998),nevertheless, methodological and contextual differences among each another. From the reviewed articles, it shows that previous studies utilized different combination of predictors such as: aptitude, skill level, role perception, and personal factor (Nasser, Ramayah, & Mohd Ameen, 2001; Mohd Ameen, 2000); technical skills, salesmanship skills, and marketing skills (Ahearne & Schillewaert, 2000); and technical skills and salesmanship skills (Grant & Cravens, 1999; Katsikea & Skarmeas, 2003; Baldauf & Cravens, 1999).With regards to this, although these sales skills dimensions have long been recognized as predictors of salesperson performance, unfortunately there have been so far no empirical researches conducted to ascertain its compliance in the real estate industrythe individual-level skills factors that contribute to the

performance of real estate agents. Thus, there is a remaining gap in the literature regarding its practical applicability in the real estate industry.

Furthermore, previous studies need to update the selling competencies to meet today's technological and contextual requirements of sales. There is a rich tradition of research in selling and sales management, but much of the knowledge is based on models and assumptions originating from the past few decades (Jones, Brown, Zoltners & Weitz, 2005). The drivers of change, such as more knowledgeable salespeople, responding faster and providing value-added, customized solutions to customers' problems, require salespeople to develop longer-term and closer relationships with customers than in the past (Cron, Marshall, Singh, Spiro & Sujan 2005; Jones et al. 2005). Managing these areas provides skills and behaviors that are different from the traditional salesmanship skills. As for selling process and techniques, European sales academics have emphasized the importance of researching individual-level approaches for improving the effectiveness of customer interactions and sales outcomes (Geiger & Guenzi 2009). Marshall et al. (2003) underline the need to update research on the selling process steps and skills. In addition, the shift in focus from products to solutions and from products to services have increased the importance of customer-focused or consultative selling, resulting in changes to the traditional selling process and selling process skills (Sheth & Sharma 2008). Furthermore, the search on related literature indicated that neither published researches are available on the sales agents operating in the real estate industry in Ethiopia nor comprehensive studies exist on the relationship between sales skill dimensions and sales performance. In the contemporary time of technological advancements, real estate sales persons (sales agents) are required to conduct their business professional competence by acquiring sophisticated skills such as listing of available properties, honest and trustworthy communication skills, having existing market knowledge, the legal procedures related selling of closing of sales...etc.

A majority of selling models and concepts has been created in the US based on research conducted in the American business environment. From 2003–2007, those authors who published articles in marketing journals outside of US schools accounted for only 31.9% of the total (Richards, Moncrief & Marshall 2010). It has been questioned whether personal selling concepts developed and validated in the US can be generalized across national and cultural

boundaries. The European purchasing context differs from the American purchasing context as to the degree of internationalization. The American purchasing market is more domestically oriented in nature. Business cultures and selling practices vary essentially from country to country, and there are differences, for example, between European and the American business culture. Cultural matters certainly have an impact on salespeople's and buyers' behavior (Herche, Swenson & Verbeke 1996). This is also one reason why this is a study of considerable importance.

The lack of published information on the professional standard of real estate agents in Ethiopia, it drives anyone to look into the existing level of sales agents' skills in relation to their performance in the industry. So, studying the existing empirical gap through scientific approach is imminent reality. Therefore, the current study could fill the literature paucity on scope of studies on sales skills dimensions and it might also give some clue to real estate developers and owners in recruiting and training skilled and professional agents.

1.4. Research Questions of the Study

In this study, the correlation between each sales skills dimension and sales performance has been addressed. Furthermore, the effect of sales skills dimensions (interpersonal, salesmanship, technical and marketing skills) on sales performance of salespersons has been analyzed statistically. Thus, the research questions which are addressed in the current research were:

- i. What is the relationship between interpersonal skills, and sales performance sales people in HCMD?
- ii. How does Salesmanship skills relate with sales performance of salespersons in HCMD?
- iii. Is there significant relationship between technical skills and sales performance of sales people in HCMD?
- iv. Do marketing skills of a sales person influence their sales performance in HCMD?
- v. Does Salesperson skill spredict the performance of sales people in HCMD?

1.5. Objective of the Study

1.5.1 General objective

The general objective of this study is to identify and determine how sales skills dimensions namely interpersonal, salesmanship, technical and marketing skills affect the salesperson performance using quantitative research approach and investigate the degree of influence of sales skills dimensions on sales performance of the salespersons.

1.5.2 Specific objective

The specific objectives of this study were:

- i. To assess the relationships between each of the sales skills (interpersonal, salesmanship, technical and marketing skills) and sales performance of sales agents in the HCMD.
- ii. To understand the effect of every sales skill on sales performance of sales agents in the HCMD.
- iii. To examine the relationship between technical skills and sales performance of sales people in HCMD?
- iv. To determine if marketing skills of a sales person influence their sales performance in HCMD?
- v. To examine whether Salesperson skills predict the performance of sales people in HCMD?

1.6. Significance of the Study

As mentioned above, in Ethiopia, it is estimated that the real estate industry and related industries it has contributed 12.5 percent to domestic growth. In contrast, in our day to day activities, the people who work as agents and brokers in the industry does not seem to have professional expertise. The non-professional activity has its own negative consequences in delivering quality services as well as customer's dissatisfaction in the industry. Therefore, the result of the current study might provide clues to the real estate entrepreneurs in recruiting and

training of their employees in general, salespersons and independent agents in particular. Because effective salespersons require standardized training and experience to deliver professional services to their customers. As Sohi (1996) argues that professional salespersons are important marketing tools in the interface between the company and its customers. They represent the firm to the customers, transact with them, scan and monitor the external environment. Thus, a skilled salesperson may be able to maximize revenues from existing customers and systematically identifies and manages potential prospects well and facilitates a business entity to grow faster than its competitors (Futrell, 2006). Furthermore, in the time of technological and global advancements as well as competitive business environment, skilled and flexible salespersons are vital in providing quality services and in improving the real estate industry as a whole. Finally, the current study might be significant because it will add to the small but growing theoretical and practical knowledge on the influence of sales skills dimensions on salesperson performance in real estate business environment.

1.7. Delimitation/ Scope

Nevertheless, the existence of several real state organizations in Addis Ababa, the present study will be delimited on salesperson recruits in Habesha Real estate and agents who are contracted to the organization. Besides, the HCMD has branch projects in many parts of the country, geographically the current study will be limited to only the sales people operating from Addis Ababa due to limited time and resources. Despite the factors that influence sales performance are various factors such as personality traits; aptitude; and organizational/environmental (Singh & Koshy, 2010),organizational commitment (Ahmad& Kitchen, 2010) and so on, the present study is restricted solely to the effect of sales skills of sales agents on their sales performance.

1.8. Operational Definition of Terms

Salesperson performance is defined as the extent to which a salesperson's contribution to achieving the organization's sales objectives. This performance constructs considers the results that can be attributed to the salesperson rather than factors (e.g. market potential, intensity of competition, brand image) affecting performance that are not controllable by salesperson.

Sales skills refer to the individual's learned proficiency at performing the necessary sales tasks, and it includes learned abilities such as interpersonal skills, technical skills, salesmanship skills.

Interpersonal Skills refer to mental and communication algorithms applied during social communication and interaction to achieve certain effects and results through the sub-skills of *active listening, empathy, perceptive observation skills, and optimism.*

Salesmanship Skills refer to the abilities of the salesperson in prospecting, qualifying prospects, presenting the sales message and closing the sale by utilizing the micro-skills such as *adaptive skills, consultative selling, negotiation and questioning, and salesperson cues and communication styles.*

Technical Skill are acquaintances of the sales agent on the market of products, company's procedures, competitors' products, services, and sales policies, level of understanding product line, including product features and benefits.

Marketing Skills are the expertise that sales agents have in possessing real time information, able to resource of competitive information and well-informed about important events of customer orientation and the industry trends.

An *agency* refers to the relationship in which the principal gives an agent the right to act on the principal's behalf and to exercise some business judgment and discretion. In real estate industry an agent could be (1) A listing agent represents the seller of a property; (2) A selling agent works with the buyer, but may be a subagent of the seller or an agent of the buyer; and real estate agents must disclose which party they are representing, before someone accidentally reveals any confidential information.

1.9. Organization of the research report

This research paper is categorized in to five chapters. The first chapter is the introductory part which addressed background of the study, statement of the problem, objectives of the study, research model & hypothesis, significance of the study and delimitation of the study. The second chapter deals with the review of related literature where theoretical and empirical evidences. The third chapter presents the research design and methodology which focuses on the type of research. The fourth chapter is about the results and their respective interpretation of the research findings, whereas, chapter five comprises of conclusion, discussions and recommendations that is concerned with the summary of findings in comparison with previous studies, limitations of the study and suggestions of further researches are discussed

CHAPTER TWO: REVIEW OF RELATED LITERATURE

2.1. Introduction

Real estate agents are middlemen who use their knowledge and skills to facilitate exchanges between buyers and sellers of properties. The frequency with which sellers and buyers choose to involve agents suggests that market participants value their services. The real estate market is about transactions involving the right to own or use a building or land and the real it refers to the organizational process that deals with identifying, anticipating, and profitably satisfying customer requirements (Luca & Ciobanu, 2016). Purchases related to property are one of the biggest financial decisions for most people in their lives, since they require a substantial financial and emotional investment. Especially in a business such as real estate, which involves complex decision making from the part of the consumer, the relationship between the agent and the client is assumed to be very important. Since homes typically represent a large portion of an individual's wealth, understanding the transaction process is important. Research has shown that recently the real estate market has been developing to a more service and customer-oriented direction (Palm, 2016).

A study by Beck (2009) exploring the effects of agent characteristics on outcomes reported that understanding the role of real estate agents in the transaction process takes on extra significance and studies show that more active agents sell homes faster, but do so at the detriment of sales price. Besides, the study also verified that listing agents holding a greater number of concurrent listings obtain a lower sales price, though the marginal effect is very small (Beck, 2009). Therefore, due to the complex nature of the real estate industry, the role of a real estate agent involves much more than simple selling of products and services; it involves developing diverse selling relationships with both property sellers, as well as buyers. Real estate agents need to sell their expertise and reputation to customers dealing with one of the most important financial decisions in their lives - selling and buying property (Palm, 2016).

Similar to the salespeople in the manufacturing and service providing organizations, the real estate agent is usually the only contact the customer has with the company, he or she is responsible for the service quality delivered as well as building a strong relationship with the

customer. The agent is responsible for customer satisfaction and thus customer retention through both his/her expertise and sales skills. As every item of sale in the real estate market is different, the communication skills of the agent in this complex market are very important (Sharma & Patterson, 1999). In addition to the mainstream salesperson skills, Evans and Evans (2007) argued that real estate agents owe very high degrees of loyalty, good faith, and confidentiality to their principals, often expressed as fiduciary obligations. An agency refers to the relationship in which the principal gives an agent the right to act on the principal's behalf and to exercise some business judgment and discretion. In real estate industry there are several types of agents such that (1) A listing agent represents the seller of a property; (2) A selling agent works with the buyer, but may be a subagent of the seller or an agent of the buyer; and real estate agents must disclose which party they are representing, before someone accidentally reveals any confidential information. Besides, a dual agent is supposed to represent both the buyer and seller, but this is virtually impossible for one person to do. The status arises most often when one real estate agent in an office represents the seller and another real estate agent in the same office represents the buyer; then the broker is technically considered a dual agent. In such situations the broker must take care that each agent not reveal confidential information to the other. A transaction agent is technically no agent at all, but is simply a facilitator who uses superior knowledge of real estate customs and practices to assist buyers and sellers (Evans & Evans, 2007).

Therefore, the current literature review includes theoretical and empirical assessment of sales skills and sales performance, relationship between sales skills and sales performance of salesperson during personal selling.

2.2. Theoretical Review

Churchill et al. (1985) published a seminal paper on the antecedents of sales performance or sales success. Based on a meta-analysis on the determinants of salesperson performance, sales agent skills were considered the second most determinants of sales performance next to personal factors. Sales performance refers to behavior how the salesperson's behavior contributes to the goals of the firm, such as the market share, sales revenue, selling high profit-margin products,

quickly generating sales of new products and exceeding sales targets among others (Behrman & Perreault

1982; Hunter & Perreault 2007; Sujan, Weitz & Kumar 1994). According to Rentz et al. (2002), selling skills, as the individual's learned proficiency at performing the necessary tasks for the sales job, consists of three distinct components: (1) Interpersonal skills, such as knowing how to cope with and resolve conflicts; (2) Salesmanship skills, such as knowing how to make a presentation and how to close a sale; (3) Technical skills, such as knowledge of product features and benefits, engineering skills, and the procedures required by company policies. In order to separate highly-skilled salespeople from lesser-skilled salespeople, they developed a tri-component model of selling skills based on the sales performance literature between 1985–1999. In their final scale, they classified interpersonal skills, salesmanship skills and technical knowledge into 15 items scale. These three skills are still regarded by practitioners today as competencies constituting salesperson performance (Plouffe, Hullah & Wachner 2009).

Table 1: Three dimensions of the Selling Skills Scale items (adapted from Rentz et al. 2002)

Interpersonal skills
Ability to express yourself nonverbally
Ability in general speaking skills
Awareness and understanding of the nonverbal communications of others
Ability to control and regulate nonverbal displays of emotion
Ability to manipulate others to control the situation
Salesmanship skills
Ability to prospect for customers
Ability to qualify prospects
Ability to close sales
Ability to present the sales message
Ability to service the account
Technical knowledge
Knowledge of customers' markets and products

Knowledge of one's own company's procedures
Knowledge of competitors' products, services and sales policies
Knowledge of product line, including product features and benefits
Knowledge of customers' operations (e.g. store and shelf layout, employee training, etc.)

As can be seen, contemporary selling skills and behaviors, such as knowledge brokering and consultative, relational, customer-oriented and value-selling approaches are missing in this scale, although today, over a decade later, these skills are ranked highly on the selling skills rankings. Nonverbal communications skills play quite an essential role in this scale and the salesmanship skills represent traditional selling process skills.

A contemporary meta-analysis conducted by Verbeke, Dietz and Verwaal (2011) on drivers of sales performance synthesizing empirical evidence from 1982-2008. They redefined the selling skills defined by Rentz et al. (2002) as micro- and macro-selling skills. Micro-skills consist of interpersonal skills and a degree of adaptivity while macro-selling that includes selling related knowledge. Traditional salesmanship skills were replaced by a degree of adaptivity because of the given importance of the salesperson's adaptability in the selling literature. Owing to the importance of knowledge-based solutions for customers, the category of technical skills was replaced by the selling-related knowledge, which further categorized (Ahearne & Schillewaert, 2000) into technical skills and marketing skills. The target was also aimed at emphasizing the richness and quantity of knowledge needed today in successful selling. In their multivariate causal model analysis, Verbeke et al. (2011) found that five sub-categories of 18 sub-categories demonstrated significant relationships with the performance: (1) selling-related knowledge, (2) degree of adaptiveness, (3) role ambiguity, (4) cognitive aptitude and (5) work engagement. They found also that in predicting relational sales performance, that is, relationship quality, interpersonal skills, goal orientation, the external environment, and supervisory leadership style, all of them seemed to be more crucial determinants. Dispositional traits, that is, predominantly personal characteristics, seemed to have a stronger association with traditional rather than relational performance against all expectations. They emphasized that salespeople have become knowledge brokers requiring sufficient cognitive abilities (Verbeke et al., 2011). Sales presentation skills compiled by Johlke (2006) consist of the following salesperson's skills related

to job performance: (1) active listening; (2) adaptive selling behaviors; (3) handling customer's objections;(4) closing sales transactions; (5) negotiating with customers; and (6) identifying potential prospects. The results suggest that sales experience underlines the entire set of sales presentations skills while training provided associates with adaptive selling and prospecting skills. All of the sales presentation skills were found to be positively associated with sales performance.

Compared to the three component selling skill model, Johlke (2006) emphasizes the impact of relational, adaptive behaviors on the improved performance of the salesperson. The study of salespeople's success factors among the sales managers of several industries represents the seller side's viewpoint of selling skills and behaviors as well. Marshall et al. (2003) categorized the success factors were categorized into a total of six levels of importance, the success factors of the highest, second and third in their decreasing level of importance. Six of the seven items in the highest level of importance category can be broadly categorized as interpersonal skills: listening skills, adaptability skills, tenacity-sticking with a task, well-organized, verbal communication and proficiency in interacting with different people in customers' organizations and the next order of the most highly-ranked is follow-up skills that refer to emphasizing the maintenance of customer relationships. The second level of importance category represent mostly traditional salesmanship or selling process skills: overcoming objections, closing skills, negotiating skills, prospecting skills and skills in preparing a sales visit and empathy important for relationship building. Personal planning and time management skills and decision-making skills. The third level of importance category represents mostly of interaction and communication skills. Customer and product knowledge were not ranked highly while proficiency in interacting with people was highlighted by sales managers(Marshall et al., 2003).

Marshall et al. (2003) suggest that findings show clearly the importance of all elements of the traditional 'seven steps of selling' model. However, most of the research concerning sales process steps and skills were conducted before 1990, and there is a need to update the content of skills to match the demands of the relationship-selling era and the changing role of salespeople.

The selling process and selling techniques have been the most common research topic in the sales field, the goal being to improve the effectiveness of buyer-seller interaction at the individual level (Williams & Plouffe, 2007). Personal selling process, according to Dubinsky (1981), consists of seven steps a salesperson may go through when selling and closing a sale. A salesperson can use several selling techniques for each step. The selection of an appropriate technique depends on the product being sold, i.e. whether a product or service. It depends also on the customer type, i.e. whether a consumer is industrial customer, a reseller or an end user. The model was developed based on a sample of 181 salespeople representing 15 industries. The traditional seven steps of selling, as discussed in the next section, is one of the oldest paradigms in the sales discipline. For more than 80 years, the steps excluding step-7 (i.e. follow-up) have practically been the same. These steps have been the basis of sales training, reflected by the fact that the structure of most sales textbooks today is based on this model (Moncrief & Marshall 2005). From the viewpoint of this study, selling process research is important because traditionally salesmanship skills have been examined intertwined with sales process skills without considering the sales relationship building and solution based sales skills such as follow-up step.

In organizational level, knowledge management competence refers to a firm's ability to develop, disseminate, and apply knowledge and Knowledge competence at the firm's level frames the knowledge competence at the individual's level. (Arnett & Badrinarayanan 2005). As Rentz et al. (2002) describe, technical knowledge skills at a salesperson level and divided the knowledge skills into product knowledge, customer knowledge and competition knowledge. Salespeople should know the products, their company, the customer and the customer's market. Knowledge enables them to build self-confidence, to win a customer's trust, and to satisfy a customer's needs. Knowledge assists them also in adapting their selling style to customers and sales situations (Manning, Reece, & Ahearne, 2012; Weitz, Castleberry & Tanner, 2009).

Knowledge has become an essential part of value creation (Verbeke et al. 2011). Innovations, production and selling and marketing provide large amounts of knowledge for managing sales. The role of the salesperson has a new dimension, and salespeople are expected to act as 'knowledge brokers', giving technical knowledge to customers. Reid, Plank, &

Minton(1997)categorize salespeople's information handling skills as getting, using and giving information, and they suggest that ability to use customer information is the most important one for the salesperson, while getting and giving information follows in its importance for the buyers. Besides, customers know the market much better than before due to the Internet and digitized information (Verbeke et al. 2011). According to the findings of a CEB study (2012), among decision-makers and influencers of large B2B organizations, the average customer had completed nearly 60% of the decision-making process before contacting the supplier or a salesperson. The digital evolution thus provides that salespeople take on the role of proactive knowledge brokers.

Rentz et al. (2002) argued that earlier assessment of the empirical research, however, had focused primarily on personality characteristics, organizational, and environmental variables, and role perception. Fewer had focused on individuals' characteristic related to skill level of salespersons. Moreover, research on sales performance frequently stresses the role of salesperson as the principal force behind the initiation, and success of a firm's performance, because of direct responsibility and involvement in sales activities (Churchill et al., 2000). Therefore, the sales skill possessed by the salesperson is particularly important in the current study because they are an essential element to explain the success of the salesperson.

Finally, the vital step in applying the sales skills successfully in our context is basically to become aware of the potential significance of cultural differences in relation to the origin of previous studies and practices. Iyer, Sharma and Evanschitzky (2006) showed that to develop close interpersonal relationships with customers in countries characterized by high context cultures, such as China, Japan, India, Brazil and Mexico, should develop close interpersonal relationships with their customers while the role of interpersonal relationships in the Western world characterized by low context cultures is smaller. However, despite the globalization of firms, studies on the competencies of how cross-cultural sales relationships are best managed are scarce (Hansen, Singh, Weilbaker & Guesalaga, 2011). There are several classifications of cultures although, they simplify the reality, and they are a useful tool to understand cultural differences. Lewis' model, as an applicable example, classifies cultures into linear-active, multi-active and reactive cultures. Linear-active cultures demonstrate task orientation while multi-

active cultures are more extroverts, and reactive cultures are people oriented but dominate with knowledge, patience and quiet control (Gates, Lewis, Bairachnyi & Brown, 2009).

2.3. The Personal Selling Process

Almost all selling - regardless of the product that's being sold - follows a particular sequence of steps. It's a simple but logical framework that has been accepted model for almost a hundred years (Moncrief & Marshall 2005). Moncrief and Marshall (2005) claimed that salespeople have adapted the specifics of the process as culture and technology have changed, but the fact that they have followed the same basic model has for so long testifies to its effectiveness. These steps have been the basis of sales training, reflected by the fact that the structure of most sales textbooks today is based on this model (Moncrief & Marshall 2005). The model consists of the following stages: (1) prospecting, (2) pre-approach, (3) approach, (4) presentation, (5) overcoming objections, (6) close, and (7) follow-up. Moncrief and Marshall, state that Dubinsky (1980/1981) modernized the 'seven steps of selling' and since then, selling has occupied the position of a professional discipline. Personal selling is not one-time process; rather it is process taking several steps. As Marshal and Moncrief (2005) revised the seven steps of selling as indicated in Figure-1 below. Tsalidis (2010) argues that the alignment and the rigidity of the sequence should not be overstated, as the actual activities undertaken within each of these stages will vary not only from organization to organization but also between the salespersons.

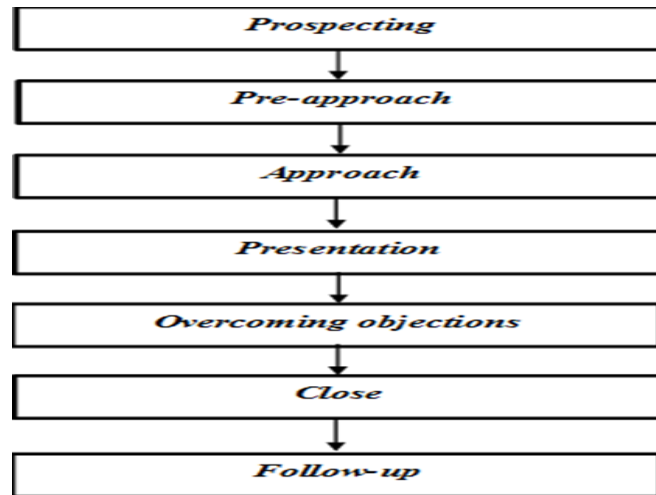


Figure 1:: personal selling Process (Adopted from Marshal and Moncrief, 2005)

Salesmanship skills are required to manage the selling process. In most cases, regardless of the selling model (transactional, consultative, solution, relationship), the selling process includes the above mentioned seven steps. Prospecting is the method by which salespeople search for new customers and potential customers (Marshal & Moncrief, 2005). One obvious reason for prospecting is to expand the customer base, which is important because most sales organizations lose customers every year (Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al., 2009).

Pre-approaching means planning and preparation the sales visit and provides planning skills from the salesperson. It saves both the customer's and the salesperson's time. Every sales visit practically provides a pre-approach stage. Thanks to planning, the salesperson can increase the dependability and decrease the stress. The main stages of pre-approaching are information gathering about the customer and the company, setting objectives for the visit and making an appointment. (Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al., 2009). A successful approach or opening provides that the salesperson should create a good impression during the sales meeting. The salesperson should open the meeting in a way that matches the personality type of the customer. An important issue is to build rapport with the customer and a nice and friendly atmosphere for the whole conversation. The approach consists of small talk, a handshake

and making eye contact. There are many approaches a salesperson can employ when opening a meeting, e.g. the introductory approach, the product approach, the customer-benefit approach, the referral approach and the consultative approach (Manning et al. 2012; Moncrief & Marshall 2005; Weitz et al., 2009).

Need identification is a very critical step of the whole selling process. A successful solution configuration is not possible if the salesperson fails to listen to the customer and recognize the needs or problems. It requires managing different questioning techniques (Moncrief & Marshall, 2005; Weitz et al., 2009). Tuli, Kohli, and Bharadwaj(2007) found that customers are not always fully aware of their needs. Therefore, it is important that a salesperson ask the right questions, not only from the buyer but also other stakeholders, in order to find the explicit and implicit needs of the customer company. Needs identification should not only focus on product specification but should also cover the customer's business needs from a broader perspective. Defining future needs is also important to meeting changing and evolving customer needs.

Presentation is an essential part of the sales visit and it may consist of one presentation or several presentations in connection with sequential sales visits and is undertaken by the salesperson or the sales team. Making the presentation provides the salesperson with a good strategy on how to effectively communicate a solution for the customer's needs or problems. The salesperson's task is to change the features of the product into benefits that are appreciated by the customer and solving the problem or meeting the buying criteria. The customer buys benefits instead of features. The salesperson can strengthen the presentation, including the selling points and attributes, by quantifying his or her solution or showing the added value (Moncrief & Marshall 2005; Weitz et al., 2009). However, contemporarily presentation techniques have shown major changes due to the IT and digital technology advancements. Cost-benefit analysis, return-on-investment calculations and payback period calculations are tools easily presented using several software packages (Manning et al. 2012).

Overcoming or handling objections means that the salesperson responds to all questions the customer is presenting or negotiates on them. The customer may ask questions at any time during the sales meetings and before or after the meetings also. Questions may concern several issues:

timing, the salesperson, the company, the product, pricing and delivery terms, after sales services, etc. From the buyer's point of view, the questions are all relevant and need to be clarified by the salesperson. The salesperson can prepare the customer's questions in advance. There are effective methods on how to handle the questions or objections. To be successful, the salesperson has to have good negotiating skills (Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009.)

Closing (i.e. obtaining commitment) is a crucial step for the customer, the selling company, and the salesperson. For several reasons, it is not possible or even meaningful to close the deal in every meeting. But getting some commitment or agreeing on the next step is essential. Without any commitment, the meeting has been a waste of time. The salesperson can use different closing methods depending on the situation and on the buyer to close the deal or to get a commitment. High pressure closing should be avoided in B2B business because professional buyers want to make purchasing decisions without any manipulation of salespeople. Getting commitment should ideally be a logical progression of the effective antecedent sales process (Manning et al. 2012; Moncrief & Marshall, 2005; Weitz et al. 2009.)

Follow-up is a more recent addition to the selling process that is attributed to the relationship orientation. Follow-up as the sales process step means maintaining and developing a relationship with the customer. It consists of securing customer satisfaction, maintaining continuous contact, managing conflicts and complaints, and monitoring and controlling deliveries. It also includes expanding and developing the relationship. (Manning, Reece, & Ahearne, 2012; Moncrief & Marshall 2005; Weitz et al. 2009). Therefore, the traditional selling processes that emphasize on the salesmanship skill have been in practice for longtime, but contemporary practices showed that post sales follow-up processes such as relationship and solution based approaches were not empirically evidenced in the several sectors of the industries.

2.4. Sales Skills

Churchill et al., (1985) and Ford et al., (1988) found that besides aptitude; role perception, motivation, personality and organizational factors, sales skills also affect a salesperson's performance. Moreover, in another study, Rentz et al., (2002) categorized selling skills into three

dimensions namely interpersonal, salesmanship and technical skills. These dimensions were found to be useful predictors of salesperson performance. Furthermore, Ahearne and Schillewaert (2000) introduced marketing skills as another predictor of a salesperson's performance. The following are brief summaries of the four dimensions of sales skills and their respective components.

2.4.1. Interpersonal Skills

Interpersonal skills refer to mental and communication algorithms applied during social communications and interactions to reach certain effects and result (Churchill et al., 2000). According to Rentz et al., (2002), the term interpersonal skills are used often in business contexts to refer to the measure of a person's ability to operate within business organizations through social communication and interactions and comprises of four micro-skills namely: *active listening, empathy, perceptive observation skills, and optimism*. These dimensions are likely to collectively realize effective interpersonal skills, and, in turn, salesperson performance for achieving high sales performance leading to the requirement that salespeople have or develop strong interpersonal skills (Rentz et al., 2002).

Listening skills are critical for assessing a customer's needs and gaining information about the selling environment (Moghareh-Abed & Haghghi, 2009). Beyond simply listening or attending to customer comments, salespeople are often encouraged and trained to use active, or effective, listening techniques. Shepherd, Castleberry, & Ridnour (1997) found that effective listening includes creating a situation in which the speaker wants to share information, accurately adding meaning to the message being received, evaluating the message, and providing feedback. It has been suggested that active listening consists of focusing on the speaker as well as the message, not being preoccupied, analyzing the message, avoiding interrupting the speaker, providing feedback, asking questions, recording what is being said, and responding. Marshall et al. (2003) found that sales managers rank salesperson listening skill as the most important skill of all, while Luthy (2000) reports that senior sales executives feel that listening skill is the single most desirable topic for sales training. Clearly, the salesperson's ability to actively listen to customer comments, feedback, and complaints is seen

as key to improving sales performance, especially when it comes to developing long term buying relations with customers. Shepherd et al. (1997) observe that a significant body of anecdotal literature suggests that effective listening skills can be learned through training and experience, and they found that listening skill is correlated with salesperson job performance. Empathy is focusing on what the customer wants to learn as a result of your communication, not what you want to tell her/her. Empathy is an integral part of emotional connection, one of the elements of a brand that you learned about in. In parallel with active listening, empathy is a way of understanding a person from his or her frame of reference rather than one's own, or vicariously experiencing that person's feelings, perceptions, and thoughts. Optimism refers to the attitude that good things will happen and that people's wishes or aims will ultimately be fulfilled. Optimists are people who anticipate positive outcomes, whether serendipitously or through perseverance and effort, and who are confident of attaining desired goals (VandenBos, 2015).

2.4.2. Salesmanship Skills

Salesmanship skills refer to skill in selling or skill in persuading people to buy (Manning & Reece, 2004). The dimensions of salesmanship skills can be generally categorized into four subcategories that are: *adaptability, consultative selling, negotiation and questioning, and salesperson cues and communication style skills* (Rentz et al., 2002). Adaptive selling framework proposes that the proper use of an adaptive selling strategy can be critical to a salesperson's effectiveness (Boorum, Goolsby & Ramsey, 1998). Similarly, consultative or relationship selling, takes place when there is a long-term or ongoing relationship between the customer and the seller, and the salesperson takes on the task of truly understanding the customers' needs and providing solutions to meet those needs. For example, if you were working with a real estate agent to buy or rent an apartment, the advisor would be consulting you on the best ways to save and how to best invest your money. The agent would adapt to your needs based on your feedback (Manning et al. 2012).

Buhler, (2009) claimed that as a sales presentation skill, negotiating is often used simultaneously with questioning technique, a good way to engage your prospect in

conversation and learn more about what customer needs, handling objections and closing sales, despite the three skills are clearly distinct. Questioning is a way to gather more information and learn about your customer and their needs. It is also an excellent way to demonstrate that you are communicating by listening. Focusing on listening and asking the right questions, results in salesperson rewarded with great information (Buhler, 2009). According to Thull (2007), if customer asks questions and the salesperson responds in ways that supports the customer, and interaction like this builds credibility because it demonstrates that you (a) have done your research and understand your customer's problems, (b) are interested in finding a solution specific to your customer's situation, and (c) are competent and won't waste your customer's time.

Only if the salesperson can satisfactorily address the prospect's objections and if the two parties come to an agreement via negotiating is the transaction likely to be consummated. The focus is on seeking an integrative solution that is achieved via open and accurate informational exchange, mutual concessionary behaviors and mutual respect for individual goals, as well as to minimize the use of any deleterious influence tactics (e.g., threats, promises). This strategy clearly requires greater negotiating skill, and they found that its use is associated with greater negotiator satisfaction with the process as well as improved levels of agreement (Johlke, 2006).

Effective communication is clear, concise, brief, specific, and timely and creating your message is only one half of communication; listening is the other half; being a good listener improves your ability to be a good communicator. There are three types of communication: verbal, which involves speaking to one or many people to convey a message; nonverbal, which includes body language and other observations about people; and written, which includes a message that is read in hard copy, e-mail, text message, instant message, Facebook, Twitter, blog, or other Internet-based written communication. *Communications* such as introduction, a presentation, a telephone conversation, videoconference call are all examples of *verbal communication* because information is transmitted orally. Despite the ubiquitous use of technology in the business world, verbal communication is the most common method of exchanging information and ideas. Verbal communication is powerful, fast, and natural and includes voice inflections that help senders and receivers understand the message more clearly.

The downside to verbal communication is that once it is spoken, the words are essentially gone; they are preserved only in the memory of those present, and sometimes the memories of the specific words spoken vary dramatically. Nonverbal communication is extremely powerful. A gesture, a smile, a nod, eye contact, what you are wearing, the fact that you are frequently checking your cell phone for text messages, and how close you stand to someone are all examples of nonverbal communication. In fact, some studies indicate that the influence from nonverbal communication such as tone and visuals can have a greater impact than the spoken words (Denning, 2001).

Albert Mehrabian (2009) considered a pioneer in the area of body language and nonverbal communication, his research includes an equation, called the Mehrabian formula, (*total Liking = 7% verbal liking + 38% vocal liking + 55% facial liking*) that is frequently used to define the relative impact of verbal and nonverbal messages based on experiments of communication of feelings and attitudes. Written communication is best used for factual information, whereas verbal communication is best used for emotional topics or those that require discussion. The Mehrabian formula is used to explain situations in which verbal communication and nonverbal communication do not match. In other words, when facial expressions contradict words, people tend to believe the facial expressions (Mehrabian, 2009). The best method of communication depends on your customer's preferences and on the situation (Denning, 2001).

2.4.3. Technical Skills

Technical skills refer to the proficiency of salespeople in providing information about the design and specification of products; and the applications and functions of products and service (Churchill et al., 2000; Futrell, 2006). Technical skills are also manifested in behavior to keep up-to-date with the technological development of products and services (Ahmad et al., 2010).

2.4.4. Marketing Skills

Marketing skills refer to salespersons knowledge about the industry in general such as customers' needs, competitive information, industry trends, company's sales policies, and knowledge of customer operations. Thus, marketing skills maximize the level of understanding

salespersons have about the business in which they operate (Ahearne & Schillewaert, 2000; Ahmad et al., 2010; Manning & Reece, 2004; Futrell, 2006).

2.5. Salesperson Performance

Salesperson performance is defined as the extent to which a salesperson contribution to achieving the organization's sales objectives (Ahmad et al., 2010). This performance construct considers the results that can be attributed to the salesperson rather than factors (e.g. market potential, intensity of competition, brand image) affecting performance that are not controllable by salesperson (Churchill et al., 2000). Salesperson performance is undeniably the central variable of interest in the field of sales force management. The reason for salesperson performance's central role in the sales literature would appear to be rooted in the obvious link between sales performance and overall corporate performance. When salespersons do well, the organization is likely to do well, and contrary is normally true as well (Comer, 1999). The success of any sales and marketing organization ultimately depends on the success of individual salespeople, for their performance directly affects the firm's bottom line, not just in the short run, but in the long run as well. In the process of buyer seller interaction and communication, salespeople develop new business, build customer trust, nurture long-term relationships, create added value for customers, and provide market information to management. With changing and more diverse buyer behavior, the salespeople's role as relationship managers in the marketing organization has never been more critical (Anderson, Joseph & Alan, 1999). Furthermore, salespersons provide key link in adding value for customers (Luthy, 1997), in helping in new opportunities (Gordon, Denise, Peter, & Kimberly, 1997), in influencing future intentions and in gaining referrals (Boles, Danny, Thomas, & Hiram, 2000). Similarly, other studies that represent remarkable efforts to summarize and review salesperson performance include such as Porter, Wiener, and Frankwick (2003); Baldauf and Cravens (2002); Rentz et al. (2002); and Johlke (2006).

2.6. Relationship between Sales Skills and Sales Performance

Although there are many factors that contribute to salesperson performance, it has been acknowledged that sales skills are one of the key individual-level determinants that contribute

to performance ((Basir, Ahmad & Kitchen, 2010; Churchill et al., 2000). Ingram et al., (2004) added that turbulent business environments force sales departments to headhunt highly skilled salespersons in their attempt to secure and consolidate sales. Thus, good salespersons may offer substantial performance improvements in today's business environs (Baldauf and Cravens, 2002). Topquality sales staff who maximize revenues from existing customers and systematically identify, convert, and manage new prospects well will allow a business to grow faster than its competitors (Futrell, 2006). Such efforts are particularly important in an environment where valuable customers have many more options and choices than ever before. Considering the pivotal role played by salespersons in ensuring continual sales; hiring and retain highly skilled sales personnel is critical (Churchill et al., 2000; Ingram et al., 2004; Futrell, 2006). Moreover, many researchers have emphasized the importance of salespersons skill levels in relation to their performance (Churchill et al., 2000; Rentz et al., 2002). Therefore, the following brief summaries hypothesize the relationship between each of the dimension of sales skills and sales performance.

2.6.1. Interpersonal Skill and Sales Performance

According to Rentz *et al.*, (2002), the dimensions of interpersonal skills are listening, empathy, optimism and perceived observation skills. These dimensions will be operational zed and empirically tested independently to represent interpersonal skills measures in predicting salesperson performance. Thus, these dimensions are likely to collectively realize effective interpersonal skills, and, in turn, salesperson performance for achieving high sales performance leading to the requirement that salespeople have or develop strong interpersonal skills. Comer and Drollinger (1999), Ramsey and Sohi (1997), and Shepherd *et al.*, (1997) found that effective listening skills are a valuable communication skill for successful salespersons. Meanwhile, Comer and Drollinger (1999) pointed out that empathetic skills contribute to salesperson performance. McBane (1995), Philling and Eroglu (1994), and Plank, Minton, and Reid (1996) support this.

Additionally, Rich and Smith (2000) found that individuals possessing high responsive characteristics seem to have greater identification or perceptive observation skills concerning

the social style of others, which are critical traits for successful salespersons. Jane and Dawn (2003) also suggested that empathy and perception of others emotions could explain salesperson performance. Therefore, the following relationship will be tested as follows:

H₁. Salesperson skill at using interpersonal selling techniques is positively associated with job performance.

2.6.2. Salesmanship Skill and Sales Performance

The dimensions of salesmanship skills can be generally categorized into four subcategories namely: adaptability, consultative selling, negotiation and questioning, and salesperson cues and communication style skills. Adaptive selling is important because it shows the amount of customization a salesperson utilizes (Weitz, 1981). Babakus, Cravens, Kent, Ingram & La-Forge, (1996) found a positive association between adaptive selling and salesperson performance, and sales organizational effectiveness measures. Booromet al. (1998) also reported a positive relationship between adaptive selling and several sales outcomes. Besides, also positive relationship has been found between working smart (a dimension of adaptive selling) and salesperson performance. Goolsby, Lagrace, & Boorom (1992) and Schuster and Danes (1986) posited that questioning and negotiation skills possessed by a salesperson contributed to the salesperson's success. Meanwhile, Morgan and Stoltman (1990) found that there was a positive relationship between adaptive personal selling and questioning, listening, and non-verbal behaviors. They stated that a salesperson's perceptual abilities, including probing, asking questions, listening, and detecting verbal and nonverbal clues, provide the basis for adaptive selling. Goolby *et al.*, (1992) confirmed these findings when they posited that negotiation and questioning ability possessed by a salesperson contributed to the salesperson's success. Additionally, communication style plays a critical influence on a salesperson's ability to close sales (Stafford, 1996; Whittler, 1994). Futrell (2006) found that successful salespersons are those who can adapt their communication styles appropriately to interact with customers. Similarly, Williams, Spiro and Fine (1990) also suggested that salespersons that vary their communication styles in relation to the customers will significantly increase the potential to close the sale. Furthermore, a person's nonverbal cues could influence

others behavior (Cho, 2001). Salesperson's nonverbal cues have emerged as a critical component of successful selling (Futrell, 2006; Stafford, 1996). Leigh and Summers (2002) posited that employing four nonverbal symbolic expressions such as voice qualities, nonverbal vocalization, body movement, and spatial distances might result in the likelihood of a sale. Likewise, Gabbot and Hogg (2000) found that certain voice characteristics correlated highly with output sales performance. Consultative skills are another aspect of salesmanship which influences salesperson performance (DeCormier & Jobber, 1993). Therefore, the relationship between salesmanship skills and sales performance will be tested according to the following hypothesis.

H₂: Salesmanship skills of salespeople are likely to be a strong predictor of sales performance in HCMD.

2.6.3. Technical and Marketing Skills and Sales Performance

Technical knowledge refers to salespersons skills in providing information about design and specification of products and the applications and functions of both products and services. Salespersons also possess knowledge about the industry and trends in general such as customers, markets and products; competitors' products, services, sales policies; knowledge of competitors' product lines, and knowledge of customer operations (Baldauf & Cravens, 2002; Futrell, 2006). These constitute the marketing skills of a salesperson. Thus, both knowledge assets refer to the level of understanding a salesperson has about the business in which he or she operates. An extensive knowledge base is important for a salesperson since it allows them to cope with the complex market environment. A positive relationship empirically supports that the use of technical knowledge results in higher salesperson performance (Babakus et al., 1996; Baldauf & Cravens, 2002). Moreover, Churchill et al., (2000), Schoemaker and Johlke (2002), and Ingram et al., (2004) revealed that knowledge of external and organizational issues is crucial for salespersons to perform their selling tasks. Researchers have also identified that customer knowledge is critical for salesperson performance (see Donath, 1993; Smith and Owens, 1995). Ingram et al., (2004); and Pettijohn and Pettijohn (1994) supported this when they found that customer knowledge is an important topic for salesperson training. It is also

recognized that effective salespersons possess richer and more interrelated knowledge structures about their customers than those that are less effective. Ingram et al., (2004) posited that there is a significant positive relationship between performance and strategy formulation capabilities (i.e. which requires extensive knowledge of the market, competitors, products etc.).

Additionally, Ahearne and Schillewaert (2000) confirmed that marketing skills also influence salesperson performance. Meanwhile, Sengupta, Krapfel and Pusateri(2000) found that two other individual-level variables, namely, strategic ability and entrepreneurial ability were significant determinants of salesperson effectiveness or performance. Likewise, Dariane et al., (2001) and Makinen (2004) found that salesperson's product knowledge is important. Therefore, the relationship between technical and marketing skills will be tested as follows:

H₃: Knowledge of technical skills predicts salesperson's sales performance.

H₄: understanding the marketing skills positively impacts sales performance of salespeople.

2.7. Empirical Evidence

The prevalence of empirical evidence regarding the effect of sales skills on sales performance of real estate agents is scarce. An empirical study by Hunt and Baruch (2003) indicated that training and development initiatives have been proven by many previous empirical studies which can lead to improved interpersonal skills of salespersons. Besides, sales organizations should now treat interpersonal skills as a critical skill component in salesperson recruitment and selection exercises, and also in formulating rewards and recognition policies(Hunt & Baruch, 2003).Rapisarda (2002) in her research on the impact of emotional intelligence on work performance reaffirmed that interpersonal skills in general and empathic competency in particular strongly correlated with sales performance. An empirical study that utilized self-administrated survey questionnaire in Malaysian telecom showed that effects of interpersonal skills positively influenced salesperson performance. However, unexpectedly, the findings also revealed that salesmanship skills, technical skills and marketing skills do not influence salesperson performance (Basir et al., 2010).Generally, previous empirical studies demonstrated

a positive relationship between the four dimensions of interpersonal skills on salesperson performance (Jane & Dawn, 2002, 2003; Rich & Smith, 2000).

Previous empirical studies on the five dimensions of salesmanship skills (i.e. adaptability, consultative selling, negotiation and questioning, and salesperson cues and communication style skills) had utilized each dimension independently to represent salesmanship skills in testing its relationship with salesperson performance (Rentz et al., 2002). Unilateral studies on dimensions of salesmanship skills showed direct impact on sales performance. For example, adaptive selling and several sales outcomes (Boorum et al., 1998); working smart (a dimension of adaptive selling) and negotiation and questioning with salesperson performance; (Futrell, 2006; Ingram et al., 2004); salesperson's perceptual abilities and sales performance (Morgan and Stoltman (1990); communication style versus sales performance (Stafford, 1996) and consultative skills (DeCormier & Jobber, 1993) showed positive influence on sales performance.

Therefore, studies on the impact of technical knowledge (Baldauf & Cravens, 2002) against sales performance as well as marketing skills - such as customer knowledge, knowledge of external, organizational and environmental situations - (Ingram et. al., 2004) impact the effectiveness of salesperson positively. In sum, previous empirical studies demonstrated a positive relationship between the four dimensions of sales skills on salesperson performance. Finally, an empirical survey study in relation with sales agents in real estate industry of Australia and New Zealand, in which vendor participant were asked questions the reason for you choose the real estate firm you dealt with and to what extent did participants feel pressured into making the purchase by the sales agent. In the former instance the vendors responded that 78% of buyers were reacting to "pull" rather than "push" marketing, advertising and in the latter case 7% (50) reported pressure by agent to purchase as high whilst 48% (339) reported pressure as low and the findings confirm a downward trend over the decade in the percentage of respondents who perceived low pressure from the agent to purchase (Davis, 2015).

2.8 Conceptual framework

The present study investigates the effect of sales skill dimensions (interpersonal, salesmanship, technical, and marketing) on sales performance through analysis of individual dimension

relationship with sales performance. Based on the literature review of previous studies and research questions produced, the researcher assumes the following hypotheses for the current study.

Sales Skills Dimensions

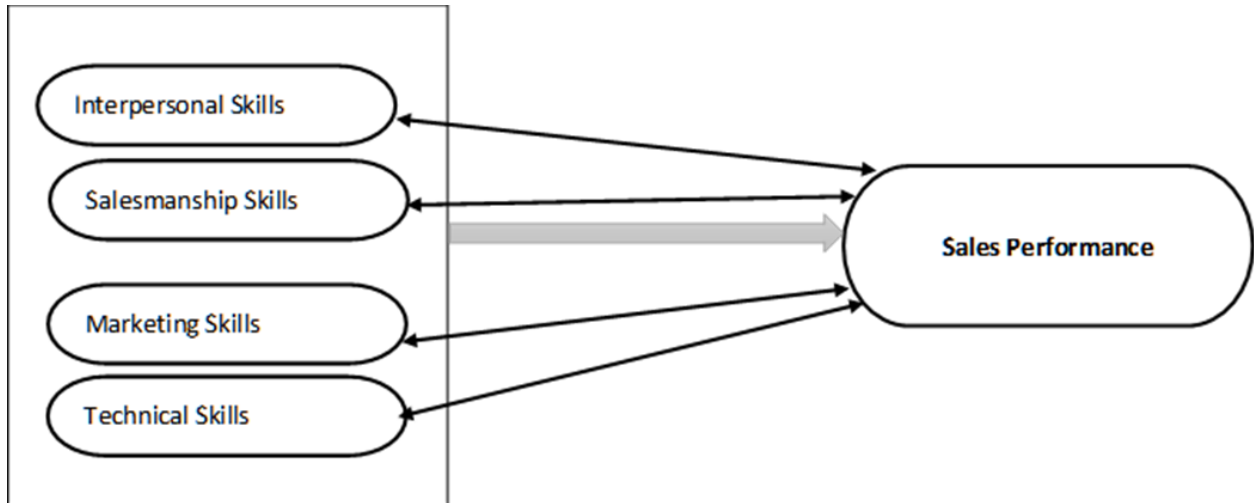


Figure 2: Theoretical framework (Source: Abed & Haghghi, 2009)

CHAPTER THREE: METHODOLOGY

3.1. Introduction

The selection of research approach depends on the philosophical worldview, research problem or issue being addressed and procedures of inquiry the researcher employs in the study (Creswell, 2014). As a plan and framework of a research project, the research design guides the data collection and analysis procedures to ensure that the study will ultimately address the relevant problem of the study (Kothari, 2004).

3.2. Research approach

The current research study utilized quantitative research approach in data collection, analysis and interpretations of data in order to accomplish the purpose of the study. Thus, the quantitative method is used appropriately to comply with the respective research questions of the present study. In the next subsections, specific techniques of sampling, data collection, procedures of inquiry and ethical issues are described successively.

3.3. Research design

According to Saunders (2003), explanatory studies are studies with the emphasis to study a situation or problem in order to explain the cause and effect relationship between given variables. In order to accomplish that well defined research problem has to be done and hypotheses need to be stated. Explanatory research is mostly used within areas where extensive research has already been done. In line with this reasoning and purpose of this study is explanatory type.

3.3.1. Population of the study

The population of the current study included salesperson employees of HCMD, Addis Ababa, all (65 sales agents)within the organization were included as respondents (n = 62, 95% response rate). The plan for inclusion criterion of the participants of the study was to include all sales people

who work in the HCMD and independent agents and all available independent real estate agents that operate in connection with Habesha Real State. Unfortunately, only one external agent has been available to participate in the current study.

3.4. Method of Data Collection

The current study has utilized a cross-sectional survey data collection method. The sources of data in this study are primary data collected through self-report questionnaire. A semi-structured and self-administered questionnaire has been distributed to the salespeople in HCMD and to the independent real estate agents of Habesha Real Estate.

3.4.1. Self-Administered Questionnaire

The self-report questionnaire has been prepared depending on the review of related literature and similar research reports published on several international journals. The self-report questionnaire has three parts, first the demographic characteristics such as age, gender, educational background, level or position of job and sales experience in current organization. The second part consists of 6-statements for each of salesperson skills that measure the interpersonal, salesmanship, technical and marketing skills. The third part of the questionnaire comprises 10 statements that measure of sales performance of respondents at 7-point Likert scale items.

3.5. Sources of Data

3.5.1. Primary Source

Primary data was collected through questionnaires that has been completed by salespersons and sales management personnel in HCMD. A questionnaire approach was considered to be the most effective method for collecting primary data for fulfilling the purpose of investigating the effect of salespersons' sales skills on their sales performance.

3.6 . Reliability and Validity of Research Questionnaire

Reliability is a measure for the consistency of collected data through time and validity refers to whether the items measure what they are supposed to measure. In order to make sure the reliability and validity of the instrument for data collection, self-report questionnaire has been prepared based on previous research instruments and available literatures utilized on the similar studies. Regarding with the validity, previous researches that utilized the same instrument indicated the Likert scale items have good validity values. For example, Predictive and Discriminate Validity conducted by Basir (2010) on one-tailed Pearson correlation tests were employed to assess predictive validity of the independent variables(interpersonal, salesmanship, technical and marketing skills) correlated with the dependent variable - salesperson performance indicated correlation coefficients of 0.63, 0.54, 0.51 and 0.52 with p-value of 0.01 respectively. Similarly, our correlation analysis between the independent variables and sales performance showed statistically significant result at $p < 0.01$ (refer Table - 5).

As indicated in Table-2 below, unilateral reliability analysis of all the variables indicated that sales performance produced the minimum Cronbach's alpha coefficient of 0.87 and marketing Skills gave the maximum Cronbach's alpha coefficient of 0.95. In conclusion, the total reliability output of the sales skills is 0.97, whereas, the total reliability analysis of the current study (i.e. all questionnaire items) showed Cronbach's alpha coefficient of 0.98, both coefficient indicate maximum reliability of the questionnaire which supported for the validity of instrument.

Table 2: Questionnaires' Reliability Output

<i>Variables</i>	<i>C.A</i>
<i>Interpersonal Skill</i>	0.91
<i>Salesmanship Skill</i>	0.92
<i>Technical Skill</i>	0.90
<i>Marketing Skill</i>	0.95
<i>Sales Skills Total</i>	0.97
<i>Sales Performance</i>	0.87
<i>Total</i>	0.98

Note: C.A. Cronbach's Alpha;

Analysis of the data collected in this research has been conducted using quantitative methods in compliance with the quantitative data collected through self-report questionnaire. Descriptive analysis is used to locate the typical data and its variability using the measures of central tendency and dispersion respectively. Relationship measurements, which base their techniques on correlation and regression, measure the associations between or among variables depending on the number of variables involved. Variables are labelled as dependent and independent variable, not as one causes the other but to express the degree of relationship in which one could predict the other variable (Housden, 2005). The data gathered using the self-administered questionnaire related with the demographic data of employees, the relationship between each dimension of salesperson's skills and sales performances of salespeople using appropriate statistical methods of analysis. In this analysis process, the correlation among each of salesperson's skills dimensions and salespeople performances has been conducted using Pearson correlation coefficient.

3.7 . Research Ethical Issues

Ethical issues in marketing researches are the moral guidelines that govern the conduct of behavior in the research process. Thus, researchers, whether individuals or organizations, must consider the ethical issues such as: goodwill of respondents – willing to participate and to discontinue trust participants' relationship with researcher, professionalism, confidentiality – anonymity of their identity as well as the information they provide and informed consent so that participants' rights are under protection (Housden, 2005). In this study, the researcher has addressed different ethical issues. An informed consent form, which explains the purpose of the study, request for cooperation, absence of any remuneration for participating, confidentiality of their identity and the information they supply and their freedom to withdraw from participation. Therefore, the informed consent form has been provided and clarified to every participant during the questionnaire distribution. In addition, confidentiality of the data provided and anonymity of respondents has been applied by giving successive numerical codes (1, 2, 3...etc.).

CHAPTER FOUR: RESULTS AND INTERPRETATION

4.1. Descriptive Analysis

Variable items representing their underlying factors were then aggregated and mean was applied as a measure of central tendency, which indicated that all variables were above their midpoint level (4.00) as indicated in Table-3. It offers a general picture of the data without unnecessary inundating one with each of the observations in a data set. The four independent variables - interpersonal, salesmanship, technical and marketing skills- have mean values of $M = 5.71$, $M = 6.10$, $M = 5.59$ and $M = 5.86$ respectively. The dependent variable (Salesperson Performance) mean value is $M = 5.75$. The dispersion of the data as measured using the standard deviation values are within range of 1.04 and 1.58 that indicates the mean values are within the range of 5 to 7-point Likert scale (refer Table-3).

Table 3: Descriptive Statistics of Scales, N= 62

Variables	Mean	Median	SD	Range	Min	Max
Interpersonal Skill	5.71	6.25	1.58	6.00	1.00	7.00
Salesmanship Skill	6.10	6.50	1.24	5.00	2.00	7.00
Technical Skill	5.59	6.33	1.54	6.00	1.00	7.00
Marketing Skill	5.86	6.33	1.43	5.00	2.00	7.00
Sales Performance	5.75	6.00	1.04	3.38	3.63	7.00

Note: SD – Standard Deviation

4.1.1. Demographic Characteristics of Respondents

As indicated in Table -4, the participants ($n = 62$) of the current study comprise of 26.9% male and 73.1% of females and age of the participants ranges from less than 25 years (42.3%) to 45 years old (53.9%) Looking into the age groups, it indicates that more than all of the participants are equal or less than 45 years old excluding one participant's unreported age.

Table 4: Demographic characteristics of Respondents, N=62

Variables	Description	Frequency	Percentage
<i>Gender</i>	Male	17	26.9
	Female	45	73.1
<i>Age (in years)</i>	From 25 to 35	26	42.3
	Less than 25	28	46.2
	From 36 to 45	5	7.7
	No response	3	3.8
<i>Educational Background</i>	Vocational or Diploma	5	3.8
	First degree	52	88.5
	Master's degree	5	7.7
<i>Job Position</i>	Sales agents	45	65.4
	Ass. Sales manager	7	11.5
	Sales manager	4	15.4
	Ass. General manager	3	3.8
	Other*	3	3.8
<i>Sales Experience</i>	Less than 1 year	23	38.5
	2-5 years	23	38.5
	6-10 years	16	23.1

Educationally, around 90% of the respondents are first-degree holders group, and the rest are diploma (3.8%) and MScs' holders (7.7%). With regards to job position about a third of the participants (65.4%) work as sales agents, whereas, the others are either sales managers or assistant managers and a general manager. The prevalence of respondents' sales experience encompasses 77.6% shared equally between less than one year and 2-5 years' work experience and the rest have sales experience from 6 to 10 years.

4.2. Data Preparation and Assumptions

The effect of the sales skill dimensions (interpersonal, salesmanship, technical and marketing skills) on the sales performance of the salesperson was conducted using hierarchical regression. In regression, if we have categorical variable such as gender, age of participants, educational background, job position and sales experience, they must be transformed into dummy variables in which if a variable has k categories, $k-1$ number of dummies are formed. Therefore, gender has been transformed into dummy variables, so that Gender has values of 0 and 1 in which the reference component is male as zero and female is measured in terms of male. Similarly, age, education, job position and sales experience have five, six, two and five categories in their respective order. Therefore, these demographic variables have been transformed into their $k-1$ respective number of dummies and their respective smallest possible value is converted into 0 that increases by one towards to $k-1$ number of categories successively.

Furthermore, prior to conducting any multiple linear regression analysis, certain basic assumptions of multiple linear regressions have been checked. These basic assumptions include, linear relationship between the dependent and independent variables, no significant outliers, independence of observations, non-multicollinearity, homoscedasticity and approximately normal distribution of the graph of residuals (errors) of the regression. In order to check the assumptions, all independent variables have been entered as one block in the regression and sales performance as dependent variable. The outputs of the analysis have been checked for fulfillment of preconditions of the multiple linear regressions (refer Appendix-B). Homoscedasticity is that regression standardized residuals do not vary systematically with the predicted values by plotting the residuals against the values predicted by the regression mode as indicated in Figure-3 below, the scatter plot between residuals and predicted values varies randomly, not systematically.

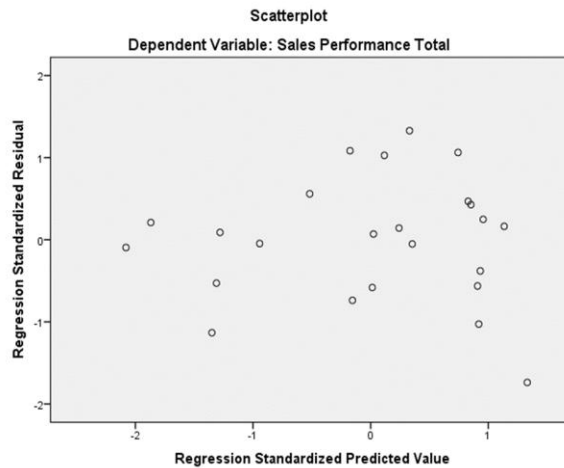


Figure 3:: Scatter Plot of regression standardized residuals vs. predicted value

Normality – the residuals should be normally distributed as demonstrated in Figure-5, whereas, linearity – the residuals should have a straight-line relationship with predicted DV scores – sales performance in our case as illustrated Figure-4 below. Besides, these set of assumptions can be examined to a fairly satisfactory extent simply by plotting scatterplots of the relationship between each explanatory variable and the outcome variable.

Multiple linear regression analysis are expected mainly to conduct Collinearity diagnostics, which enables to detect inflated linear relationship that give two values—Tolerance and VIF (variance inflation factor) and both are related to each other in the way that tolerance is just the reciprocal of VIF. Tolerance, which is simply $1 - R^2$, very low values of tolerance (0.1 or less) indicate a problem. Very high values of VIF (10 or more) indicate a problem.

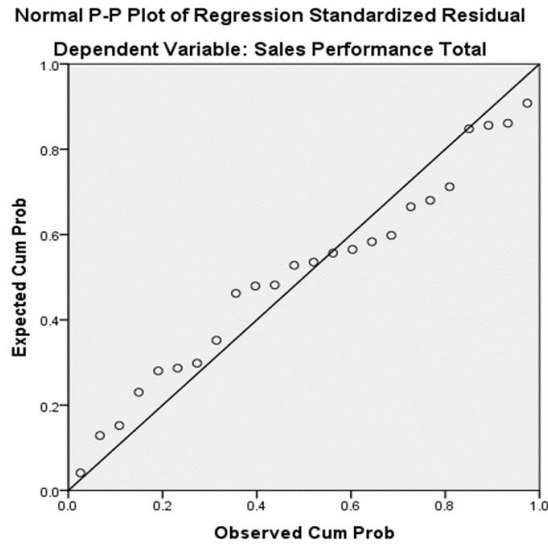


Figure 4: Normal P-P Plot of regression standardized residuals

According to Gaur and Gaur (2009), once multicollinearity is detected in the model, the regression coefficients are likely to be meaningless. One may consider removing some independent variables, which are highly correlated to reduce multicollinearity or standardizing/transforming the predictor variables. A value of VIF higher than five (or Tolerance less than 0.2) indicates the presence of multicollinearity while in social sciences research, a VIF value as high as 10 is considered to be acceptable (Gaur & Gaur, 2009). Therefore, in the current analysis, the test results of collinearity values (refer in the two columns of right side in Table-6 or Appendix-C) of minimum and maximum of each tolerance and VIF (0.11 to 0.91 and 1.10 to 9.13) respectively, indicate no problem of multicollinearity. Another simplest way to ascertain whether or not our explanatory variables are highly correlated with each other is to examine a correlation matrix (Table-5). If correlations are $r \geq 0.90$ then we may have a problem, but no such strong relationship among the explanatory variables have been detected.

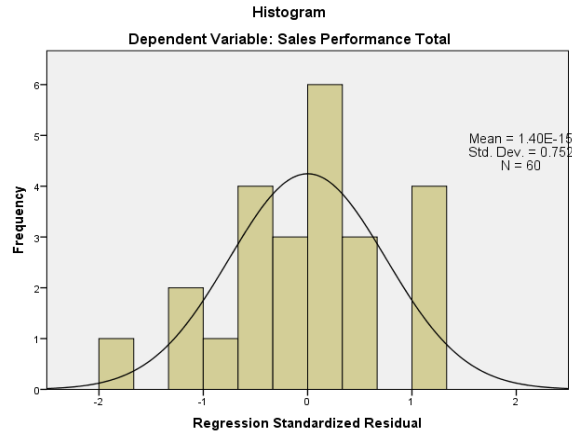


Figure 5: Normality check of Regression Standardized Residuals

4.3. Relationship between Sales Skills and Sales Performance

The analysis of the relationship of sales skills with sales performance showed that all have direct and statistically significant correlation with the salespersons' performance. The correlation matrices outcomes indicated that the correlation between the four salespersons' skills (interpersonal, salesmanship, technical and marketing skills) and sales performance on Pearson correlation values (0.77, 0.63, 0.50 and 0.76) are statistically significant with p-value= 0.01 (refer Table-5).

Table-5: Correlation Analysis of Variables, N= 62

Variables	1	2	3	4	5
1 <i>Interpersonal Skills</i>	1				
2 <i>Salesmanship Skills</i>	0.79**	1			
3 <i>Technical Skills</i>	0.70**	0.51**	1		
4 <i>Marketing Skills</i>	0.71**	0.54**	0.80**	1	
5 <i>Sales Performance</i>	0.77**	0.63**	0.50**	0.76**	1

Note:** Correlation is significant at 0.01 significance level.

4.3.1. Effects of Salespersons Skills on Sales Performance

Hierarchical regression analysis outputs of the relationship between salesperson skills and sales performance participants, at the same time controlling demographic factors such as gender, age of participants, educational background, job position and sales experience (refer Table – 6 below).

Once the assumptions and necessary preconditions checked, the hierarchical regression analysis has been conducted in two step process. First, to control the influence of demographic variables –*Gender, Age, Educational Background, Job Position and Sales Experience*- have been entered to the model as predictor variables and sales performance total scores as dependent variable. Next, the *salesperson skills* (interpersonal, salesmanship, technical and marketing skills) have been added into the model. As indicated on table-6, the hierarchical regression output in the ANOVA section shows that the value of F-ratios in the first model is $F(5, 18) = 0.25, p = 0.94$, statistically insignificant output. However, after entering the second group (sales skills) in to the second model the F-ratio increased to $F(5, 18) = 12.65, p = 0.001$, which indicate statistically significant value. Therefore, these statistically significant values of F-ratio give us an assurance that the regression model with the sales skills can be used to predict sales performance of salespersons.

In other words, in model one, which gave correlation coefficient value of $R = 0.25$ and coefficient of determination, $R^2 = 0.064, p = 0.94$, though not statistically tells us that the collective contribution of demographic variables (including variables not considered) to the regression model accounts 6.4%. In the second model, after controlling the effect of demographic variables, the $R = 0.92$ and $R^2 = 0.84, p = 0.001$; gave rise to R^2 -change = 0.777. This means that the sales skills have solely 77.7% contribution to the model, meaning one way or another, sales skills that salespersons have are directly related with sales performance of sales people.

Table 5:: Hierarchical Regression of Salesperson Skills versus Sales Performance

<i>Predictor Variables</i>	<i>R²</i>	<i>ΔR²</i>	<i>F Change</i>	<i>t</i>	<i>β</i>	<i>Tolerance</i>	<i>VIF</i>
<i>Step-1(Contrl variables)</i>	0.165	0.165	0.245			0.75	1.34
<i>Gender</i>				-0.107	-0.028	0.52	1.92
<i>Age</i>				0.709	0.224	0.91	1.10
<i>Education</i>				0.668	0.159	0.86	1.17
<i>Job Position</i>				-0.272	-0.067	0.54	1.87
<i>Sales Experience</i>				-0.202	-0.063		
<i>Step-2 (Main Effect)</i>	0.835	0.777**	16.35*				
<i>Gender</i>				-1.303	-0.21	0.47	2.12
<i>Age</i>				-0.099	-0.016	0.47	2.14
<i>Education</i>				1.362	0.186	0.66	1.51
<i>Job Position</i>				-0.081	-0.01	0.80	1.25
<i>Sales</i>				0.108	0.017	0.50	2.01
<i>Interpersonal skills</i>				2.446*	0.727*	0.14	7.21
<i>Salesmanship skills</i>				-0.008	-0.002	0.26	3.81
<i>Technical skills.</i>				-2.413*	-0.687*	0.15	6.61
<i>Marketing Skills</i>				3.27**	0.98**	0.14	7.32

Note: Controlled variables includes Gender, Age, Education, Job Position and Sales Experience.** **p<0.01** and * **p<0.05**. **VIF:** variance inflation factor

In order to retain the regression coefficients (β) of each predictor variables we take those coefficients (β) with statistically significant t-test values with $p \leq 0.5$. Accordingly, variables that have statistically significant values are Interpersonal skills, $\beta = 0.73$, $t = 2.45$, $p = 0.05$, Technical skills, $\beta = -0.69$, $t = -2.41$, $p = 0.05$ and Marketing skills, $\beta = 0.98$, $t = 3.27$, $p = 0.01$ (refer Table -6or full SPSS output in Appendix-B). Looking into specific statistically significant values of sales skills, Marketing skills has the strongest regression coefficient, $\beta = 0.98$ and; whereas, the next strong sales skill is Interpersonal skill with $\beta = 0.73$ of and the least sales skill is Technical skill with $\beta = -0.69$. The relationship between sales skills and sales performance

indicates that salesmanship skill is not statistically strongly related with sales performance (i.e. $t = -0.008$, $\beta = -0.002$, $p = 0.99$).

4.3.2. Relationship between Interpersonal Skills and Sales Performance

The result of the current study on the relationship between interpersonal skills and salespersons' performance is consistent with previous conducted researches. This study found that there is a positive relationship between interpersonal skills and salesperson performance ($\beta = 0.73$, $t = 2.45$, $p = 0.05$). The result of the current study on the relationship between interpersonal skills and salesperson performance is consistent with that of previous research, which demonstrated that interpersonal skills significantly predict salesperson performance (Pilling & Eroglu, 1994, Anselmi & Zemanek, 1997 & Rozell et al., 2006). Besides, a study by Basir et al., (2010) on salespeople of a Malaysian Telecommunications Company indicated that interpersonal skills as sole predictor of sales performance in the presence of organizational commitment as a moderator. Similarly, Ferris, Witt, and Hochwarter, (2001) found out that interpersonal skills as the single strongest predictor of performance rating dimensions of task performance, job dedication, and interpersonal facilitation as well as for an overall rating of performance.

4.3.3. Relationship between Salesmanship Skills and Sales Performance

Despite, statistically significant correlation, the present study found no predicting relationship between salesmanship skills and salesperson performance. Looking into the mean values of sales skills, salesmanship skills have the highest mean value ($M = 6.10$) in comparison to the other sales dimensions (mean values that range from 5.59 to 5.86), that means high level of salesmanship skills do not predict high sales performance. Previous studies have opposing support on the main effect of salesmanship skills on salesperson performance, in which, some studies indicated a positive association between salesmanship skills and salesperson performance (Baldauf et al., 2001; Katsikan & Skarmeas, 2003; Baldauf and Cravens, 1999), other studies by Ahearne and Schillewaert (2000) and Grant and Cravens (1999) found no association. Therefore, the results of the current study indicates that salesmanship skills do not influence salesperson performance.

4.3.4. Relationship between Technical Skills and Sales Performance

There was significant relationship in the current study between technical skills and salesperson performance ($\beta = -0.69$, $t = -2.41$, $p = 0.05$). This is consistent with previous findings in light of the volume of previous evidence supporting that technical skills influence salesperson performance (Baldauf et al., 2001; Grants and Cravens, 1999; Katiskea and Skarmeas, 2003). As a result, the finding is consistent with major previous studies that optimum technical skill levels possessed by salespersons do not necessarily lead to positive effects in terms of salespersons' performance. Therefore, real estate clients are more attracted if the sales agents possess good knowledge of property developments, housing specifications and product features (such as location of housing, customer advantages & distance from clients work...etc.) as well as real estate delivery procedures and understand transaction processes and supports on legal obligations in real estate industry.

4.3.5. Relationship between Marketing Skills and Sales Performance

The hierarchical regression analysis on the relationship between marketing skills and salespersons' performance showed that marketing skills ($\beta = 0.98$, $t = 3.27$, $p = 0.01$) predict the performance of sales people. Market knowledge reflects a salesperson's knowledge about the industry in general (e.g., competition, trends). An extensive knowledge base is important for salespersons, because it allows them to cope with complex market environments. It is expected that salespersons with commendable marketing skills will produce good performance (Leigh & McGraw, 1989). Consequently, findings from this study comply with Ahearne and Schillewaert's (2000) findings that marketing skills have a significant relationship with salesperson performance. Acquiring marketing skills, as a study demonstrated (Wachner, Plouffe, Grégoire, 2009) with sample that include real estate sales agents, showed that that high level of customer orientation only leads to greater sales performance when it is accompanied with a high level of selling skill; by implication this means that the more salespersons are customer oriented the more they have greater expertise in utilizing marketing skills that maximizes the sales performance of sales agents.

CHAPTER FIVE:SUMMERY OF FINDINGS,CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Unlike the claims of naturalistic school of thoughts who argue that salespersons are born to be effective sales people, the current study shows sales skills of the sales agents in HCMD contribute 77.7% of the sales performance and can be concluded that sales performance are learned. Based on the output of the data analysis, it can be concluded that marketing skills, interpersonal skills and technical skill showed that statistically significant relationship with salesperson performance. In addition, marketing skill is the highest predictor of sales person performance compared to higher interpersonal skills and then technical skill of sales agents in HCMD. Sales agents with optimum knowledge of marketing skills such as able to trend, well informed and collect information on the industry, provide real time and competitive information to clients, as well as understand needs of their clients. Furthermore, effective sales agents are also efficient interpersonal skills, in which, they demonstrate speaking skills and understand verbal and non-verbal communication ways, they are optimistic and show sincere interest in their clients and control their emotions as needed. Technical skills are also essential for salespersons in order to provide clients alternatives and advantages and information related with transactions, legal procedures and geographical locations.

In contrast, sales agents need the basic skills of salesmanship, however they are not required to have higher level of salesmanship skills in the HCMD real estate industry. Finally, it is very important that careful considerations are required in interpreting the outcome of the current study.

5.2. Summary of findings

Findings of the study showed that the sales skills (interpersonal, salesmanship, technical and marketing skills) have direct and statistically significant relationships($r = 0.77, 0.76, 0.63\&, 0.50$, $p = 0.01$) with sales performance at $p=0.01$ respectively. These correlation findings are consistent with previous studies that demonstrated significant correlation between sales skills and salesperson performance (Basir et al., 2010;Rozell, Pettijohn & Parker, 2006; Baldauf, Cravens

& Piercy, 2001). However, these statistically significant correlation figures tell only part of the relationships of sales skills with sales performance. Two-step hierarchical regression analysis of the predicting power of sales skills on the salespersons' performance by controlling the influence of demographic variables showed that sales skills contribute about 77.7% ($R^2 = 0.777$) of sales performance.

According to the hierarchical regression, the variables that have statistically significant predicting power of salespersons' performance are Interpersonal skills, $\beta = 0.73$, $t = 2.45$, $p = 0.05$, Technical skills, $\beta = -0.69$, $t = -2.41$, $p = 0.05$ and Marketing skills, $\beta = 0.98$, $t = 3.27$, $p = 0.01$. Looking into specific statistically significant predicting power of sales skills, their strength; marketing skills interpersonal skills and technical skills as ordered in their decreasing prediction power.

However, the relationship between salesmanship skills and sales performance is not statistically significant with sales performance (i.e. $t = -0.008$, $\beta = -0.002$, $p = 0.99$). This finding does not support the proposition that management can increase salesperson performance by having or recruiting salespersons with high salesmanship skills. The reasons for this insignificant relationship could have several explanations as such the type of organization the salesperson is operating due to that in real estate business customers are expected to deal with the most important decision to commit buying a product. For example, a study on real estate sales agents' differences in negotiation skills (a sub-dimension of salesmanship) between salespersons cannot explain their sales performance and strictly recommend that customers are more inclined on trustworthy sales agents. Furthermore, they argue that face-to-face interaction between buyer and seller, and the factual knowledge about the house and the neighborhood may induce the buyer to pay more for the house than when faced with a broker (Gautier, Siegmanny, & Van-Vuurenz, 2017). Other explanations could be (as discussed in chapter-1) as Herche et al. (1996) claimed that personal selling concepts developed and validated in the US cannot be generalized across national and cultural boundaries symmetrically. Therefore, considering the variations that observed in different geographical and sectoral contexts, maximum salesmanship skills of salespersons might not be necessary for higher sales performance of salespeople either in the real estate industry or in the Ethiopian personal selling context.

5.3. Limitations of the Study

The research reported here provides some interesting and unique insights into the importance of sales skills in enhancing sales performance of sales agents in the real estate industry in Ethiopia, however, it is not without limitations. The first limitation is related with small size of sales agents' population in the study area (HCMD) in general and again smaller sample size of the participants in particular might make the result of the study only applicable to the current respondents. Secondly, inaccessibility of external real estate agents and brokers in to the sampling mixture would have provided a bigger picture on the effect of sales skills on sales performance of sales agents. As well as it would have also provided more confidence to influence of participants' individual characteristics on their sales skills and sales performances.

5.4. Recommendations

Based on the analysis and conclusions, findings in this research suggest that focus on the development of interpersonal, technical and marketing skills of salespeople can help to maximize the sales performance of sales persons. Thus, efforts to improve sales skills of real estate agents in demonstrating their interpersonal, technical and marketing skills must acquire primary considerations. Therefore, sales managers in the real estate industry must train and improve their sales agent to have the following optimum sales skills:

- Interpersonal skills such as enabling to express verbal and non-verbal communications, fluency in general speaking, able to control & regulate their emotions through showing sincere trust and optimism to customers.
- Technical skills including good knowledge about property developments, housing specifications, delivery procedures, customers' interest of product, transaction processes, legal obligations as well as product features - location of housing, customer advantages & distance from clients work in the industry.

- Marketing skills such as enabling salespersons in collecting and providing information on real time, competitive, industry's trends as well as offer the location that is best suited to customer problems.

Furthermore, as the bivariate correlation indicated that salesmanship skills and sales performance of salespersons are significantly related, which indicates that salesmanship skill which includes adoptability, consultative selling, negotiation and questioning skills are important for personal selling. However, insignificant prediction power of salesmanship skills on salespersons' performance shows that additional training to maximize salesmanship skills might be unnecessary extra efforts.

5.5. Implication of the Study and Further Research

Despite the limitations mentioned above, the current research gives general picture of on the sales skills required for effective salespersons performance. However, to acquire holistic understanding of the effectiveness of salespersons in the real estate industry, future research should strive to confirm these findings with sufficient sample size and inclusion of various sales agents and brokers in the real estate industry. Furthermore, to understand the effect of sales skills on sales performances and track the differences across various sectors, future researches are required in other sectors and industries that involve sales management systems. Besides, to fully understand the factors that influence the effectiveness of salespersons' performance, future studies should also consider additional variables such as personality, pole perception, environmental factors and aptitude of individuals.

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ADDIS ABABA UNIVERSITY

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DEPARTMENT OF MARKETING MANAGEMENT

APPENDIX-A: Self-Report Questionnaire

This survey is to be conducted as part of a research project which shall be submitted in partial fulfillment of MA Degree in Marketing Management. The overall purpose of this study is to examine the relationship between sales skills and sales person's performance. All information provided through this is used only for academic purpose and to be considered with top confidentiality.

I would like to thank you in advance for your participation, given your busy schedule. Please do not hesitate to call or mail if you have any doubt on the questions.

Part-I Demographic Variables

1. **Gender** Male Female
2. **Age** < 25 years 25-35 years 36-45 years 46-55 years Above 56
3. **Educational Level** Primary School High School Certificate Vocational or Diploma 1st Degree Master's Degree PhD and Above
4. **Position** Sales agent Independent RE agent Traditional Broker Sales Assist. Manager Sales Manager Assist. General Manager General Manager Other, Please mention _____
5. **Sales Experience** Less than 1 year 2-5 years 6-10 years 11-15 years More than 15 years
6. **Working Experience** Less than 1 year 2-5 years 6-10 years 11-15 years More than 15 years

Part-II: Salesperson Skills Likert Scale

Directions: Thinking about your current selling skills, how do you rate yourself each of the following statements? Please Score your skill on each statement as follows:

1 – Strongly, **2 - Slightly Disagree;** **3 – Disagree;** **4 –Neutral;**

5– Slightly Agree **6-Agreeand 7- strongly Agree** and tick the appropriate number in the box.

Effective salesperson must have interpersonal skills:		1	2	3	4	5	6	7
1.	Able to express one-self non-verbally (message without words such as through facial expression, professional appearance, handshake, posture and body movement, eye contact, etc.)							
2.	Fluent in general speaking skills (such as effective use of words, voice quality or characteristics for example speech rate, loudness and articulation: vocal clarity, and verbal expression, etc.) are most essential in communicating with clients							
3.	Become aware & able to understand non-verbal messages (such as facial expression, professional appearance, handshake, posture and body movement, and eye contact, etc.) of others							
	As a salesperson one must be good to control & regulate his/her emotions (such as anger, anxiety, joy, and delight, etc.) during interacting with customers							
4.	Demonstrate sincere interest in customers that motivates them to commit purchase.							
5.	When interacting with customers, salespeople must focus their thinking on pleasant rather than the unpleasant ones							
I believe that an efficient salesperson must own the following Salesmanship Skills		1	2	3	4	5	6	7
6.	excellent ability of get buy-in							
7.	excellent ability in sales presentation							
8.	excellent ability to service account							
9.	excellent ability to build relationship with my customers							
10.	Ability to easily change to another approach when she/he feels that the sales approach is not working							
11.	Ability to commit in providing marketing solutions to customers							

An effective salesperson must possess skills of Personal Selling processes		1	2	3	4	5	6	7
12.	Talent in presenting the sales message							
13.	Ability to identify prospects that have a need for purchase or rent of property							
14.	Best skills in addressing customer resistance regarding the product							
15.	Excellent ability of qualifying prospects							
16.	Better skills of asking and negotiating to obtain sales							
17.	Well experienced to close sales effectively							
18.	Talent in building post sales relationship with customers							
I believe that successful salespeople have good Technical Skills such as		1	2	3	4	5	6	7
19.	Good knowledge about property developments							
20.	Good knowledge of housing specifications							
21.	Good knowledge of real estate delivery procedures							
22.	Best understanding of product specifications that customers mostly require							
23.	Better knowledge transaction processes and legal obligations in real estate industry							
24.	Good knowledge of product features (such as location of housing, customer advantages, distance from clients work...etc.)							
I have an opinion that the best marketing skills salespeople must own include		1	2	3	4	5	6	7
25.	skills in collecting and providing real time information							
26.	resourceful in providing competitive information to clients							
27.	Owning a lot of information on the industry's trends							
28.	Become well-informed about important events in the RE industry							
29.	Able to offer the location that best addresses customers' problem							
30.	Able to offer a property that will be most helpful to customers							

Part-III: Salesperson Performance Likert Scale

Directions: Considering your experience as salesperson/real estate agent, could you please provide your current sales performance? Please rate your sales performance on each statement as follows: **1- Strongly Disagree 2-Disagree, 3-Neutral, 4- Disagree 5 - strongly Agree** and tick the appropriate number in the box.

A successful salesperson must have performances that...		1	2	3	4	5	6	7
1.	exceed the sales targets and objectives that are assigned to him/her							
	Able to Identify and sell to large volume accounts in the territory							
2.	Able to sell products with higher profit margins							
3.	Able to generate a high cash amount of sales in his/her territory;							
4.	producing high market share for my company in his/her territory;							
5.	Able to have more listings of property							
6.	Able to quickly generate sales of new company properties.							
7.	Good ability of IT that highly regard him/her by customers for successful							

Thank you for Participating!

APPENDIX–B: Hierarchical Regression output of Predictor vs. Criterion Variables

Model Summary									
Model	R	R ²	Adjusted R ²	SE	Change Statistics				
					R ² Change	F Change	df1	df2	p
1	0.25 ^a	0.06	-0.20	9.22	0.06	0.25	5.00	18.00	0.94
2	0.92 ^b	0.84	0.72	4.48	0.78	12.65	5.00	13.00	0.00
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients		t	p	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	39.788	8.811			4.52	0.00		
	Sexr	-.510	4.787	-.028		-0.11	0.92	0.75	1.34
	Age	3.238	4.569	.224		0.71	0.49	0.52	1.92
	Educational	4.761	7.132	.159		0.67	0.51	0.91	1.10
	Job Position	-1.171	4.313	-.067		-0.27	0.79	0.86	1.17
	Sales Experience	-.666	3.294	-.063		-0.20	0.84	0.54	1.87
2	(Constant)	17.595	6.845			2.57	0.02		

Sexr	-3.816	2.929	-.210	-1.30	0.22	0.47	2.12
Age	-.231	2.338	-.016	-0.10	0.92	0.47	2.14
Educational background	5.546	4.070	.186	1.36	0.20	0.66	1.51
Job Position	-.175	2.168	-.010	-0.08	0.94	0.80	1.25
Sales Experience	.180	1.661	.017	0.11	0.92	0.50	2.01
Interpersonal Skills	.610	.249	.727	2.45	0.03	0.14	7.21
Salesmanship Skills Total	-.002	.227	-.002	-0.01	0.99	0.26	3.81
Technical Skills Total	-.617	.256	-.687	-2.41	0.03	0.15	6.61
Marketing Skills Total	.944	.289	.980	3.27	0.01	0.14	7.32

Residuals Statistics^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	29.4248	55.7834	45.5000	7.72694	60
Residual	-7.78341	5.94929	0.000	3.36718	60
Std. Predicted Value	-2.080	1.331	0.000	1.000	60
Std. Residual	-1.738	1.328	0.000	.752	60