INDIAN INSTITUTE OF MANAGEMENT CALCUTTA

WORKING PAPER SERIES

WPS No. 672/ April 2011

Sales call length, call frequency, and its impact on salesperson's performance and customer relations : Few research propositions

by

endra Singh
Assistant Professor, India f Management Calcutta, Joka, Kolkata 700104

Sales call length, call frequency, and its impact on salesperson’s performance and customer relationship quality: Few research propositions

Author

Ramendra Singh

Assistant Professor (marketing), IIM Calcutta.

Email: ramendra@iimcal.ac.in

Sales call length, call frequency, and its impact on salesperson's performance and customer relationship quality: Few research propositions

Abstract

Purpose

This paper introduces the construct of *sales call length* and extends the extant theoretical understanding of sales effort allocation to shed light on how (1) sales call length and sales call frequency impact salespersons' performance, and, (2) call frequency, and sales call length impact relationship quality.

Design/methodology/approach

The paper provides an exhaustive review and synthesis of the relevant literature on sales effort allocation, and sales call planning. It then introduces the construct of sales call length to extend the extant theoretical knowledge in this area, using a series of research propositions.

Findings

This paper posits several research propositions on how sales call length, and call frequency impacts salesperson's performance, and relationship quality with their customers.

Research limitations/implications

SeI2(s)-2pro salenx sl3i5.6(their 6)-4.-91es thf-4.-9o

1. Introduction

A recent study by Cahners Research (Mulcahy, 2002) based on 23,341 businesses worldwide, suggest that salespersons have drastically reduced their contact time with customers. The survey suggests that only an average of 1.81 numbers of sales representatives manage to meet the customers every week (industry range: 1.47-2.21). Similarly, an average of 4.

Sales effort allocation has a direct impact on sales call length as well as the number of sales calls per account or per year (or call frequency) for each salesperson. However, in light of the difficulties in estimating the incremental increase in sales revenue by increasing sales effort or vice-versa, managers often rely on gut feeling and guesswork rather than taking an analytical approach (Fogg and Rokus, 1973). In the extant literature, there have been two main approaches to sales force effort allocation, (1) the work of such models of sales effort allocation has been the total ignorance of the behavioral aspects of both salespersons and customers, and the nature of the relationship.

Similarly, models based on sales force allocation to products (e.g. Zoltners and Sinha, 1979; Lodish, 1980) look at

3.1 Sales call length and salesperson performance

Beswick and Cravens (1977) suggests that the sales of consumer products are determined by salesperson's percentage of time spent in the geographic area. Moreover, Weitz's (1978) ISTEA sales process model also suggests that for new customers i.e. initial sales calls are expected to have higher call length than latter ones, since these are characterized by rapport building and information gathering, as well as impression formation and strategy formulation. This shows that sales call length is a function of salespersons' call objectives and different objectives may require appropriate duration for its completion. Leigh and McGraw (1989) suggest that fundamentally the sales call objectives of the salespersons for initial, follow-up and regular sales calls are as follows:

Initial Sales Call Objectives

- Develop personal rapport with the customer
- Gather information about customer needs and objectives
- Create favorable impression of me as a salesperson
-

The call length may be determined either by the salesperson prior to the call in accordance with his/her call planning objectives or may change during the call to suit the needs of the customer. Literature on adaptive selling suggests that most often effective salespeople need to consider th

P6: Sales call length is associated with salespersons' effectiveness, such that at low/high call lengths the salespersons' effectiveness is low but at moderate call lengths it is high (inverted U shape relationship).

3.2 Sales call frequency and salesperson performance

Several studies have reported that increased sales call frequency of a salesperson leads to higher sales volume in b2b context (e.g. Roman and Martin 2007), as well as in b2c context (e.g. Barnes, 1997; Crosby, Evans, and Cowles, 1990; Frankwick, Porter, and Crosby, 2001). In a longitudinal study, Roman and Martin (2007) show that sales call frequency is positively related to not only sales volume, but also customer satisfaction, perceived value for money and perceived service quality in the b2b context.

The underlying argument linking sales call frequency and higher sales related performance of the salesperson is that increased time devoted to customers goes towards not only making sales presentations,demonstrations,but also

P7: Call frequency is positively associated with salespersons' effectiveness, such

Since contact intensity originates not only from call frequency but also from call length, the impact of increased time spent with customers through longer calls should also exhibit similar consequences. Thus ceteris paribus, higher call lengths should also lead to higher relationship quality with customers. Thus it is posited that:

P11: Higher sales call length is associated with higher relationship quality with customers.

4. Theoretical Implications

Making a sales call is the most frequent and central activity in a sales job (Moncrief, 1986), and involves decisions pertaining to allocation of field time by salespersons. Thompson (1973) notes that "every contact a salesperson has…involves different human problems or situations…and there is no one sales situation and no one way to sell"

Secondly, this conceptual paper also demonstrates how call frequency is also important along with sales call length.

Beswick, Charles, A. and Cravens David W. (1977), “A Multi-Stage Decision model for Salesforce Management,” *Journal of Marketing Research*, Vol 14 No May, pp. 135-44.

Boles, J. S. Brashear T. Bellenger D. and Barksdale Jr. H. (2000), “Relationship Selling Behaviors: Antecedents and Relationship with Performance,” *Journal of Business & Industrial Marketing*, Vol 15 No 2/3, pp 141-153.

Cannon, J. P. and Homburg C. (2001), “Buyer–Supplier Relationships and Customer Firm Costs,” *Journal of Marketing*, Vol 65 No 1, pp. 29-43.

Coulter, K. S. and Coulter R.A. (2002), “Determinants of trust in a service provider: The moderating role of length of relationship,” *Journal of Services Marketing*, Vol 16 No 1, pp. 35−50.

Crosby, Lawrence A. Evans K.R. and Cowles D. (1990), “Relationship Quality in Services Selling: An Interpersonal Influence Perspective,” *Journal of Marketing*, Vol 54 No 3, pp. 68-81.

Darmon, Rene, Y. (2005), “Joint Assessment of Optimal Sale Force Sizes and Sales Call Guidelines: A Management-Oriented Tool,” *Canadian Journal of Administrative Sciences*, Vol 22 No 3, pp. 206-219.

Doney, P. M. and Cannon J.P.(1997), “An Examination of the Nature of Trust in Buyer–Seller Relationship,” *Journal of Marketing*, Voll1 No , pp. 35-51.

Dorsch, M.J. Swanson S.R and Kelley S.W. (1998), “The Role of Relationship Quality in the Stratification of Vendors as Perceived by Customers”, *Journal of the Academy of Marketing Science*, Voll26 o Spring, pp.128-42.

Fogg, C.D. and Rokus J.W. (1973), “A Quantitative Method for Structuring a Profitable Sales Force,” *Journal of Marketing*, Vol 37 No 2, pp. 8-17.

Frankwick, G. L. Porter S.S and Crosby L.A. (2001), “Dynamics of Relationship Selling: A Longitudinal Examination of Changes in Salesperson–Customer Relationship Status,” *Journal of Personal Selling & Sales Management*, Vol. 1 No. 2, pp.135-146.

Futrell, Charles (1984), *Fundamentals of Selling.* Homewood, IL.: rd D. Irwin, Inc.
Gounaris, S. P. and Venetis K. (2002), “Trust in Industrial Service Relationships: Behavioral Consequences, Antecedents and the Moderating Effect of the Duration of the relationship,” *Journal of Services Marketing*, Vol.16 No. 7, pp. 636−655.

Hansen, Morton (1999), “The Search Transfer Problem: The Role of Weak Ties in Sharing Knowledge across Organization Sub-Units,” *Administrative Science* Vol 44 No 1, pp. 82-111.

Heide, J. B. 4.3c0 6l5”glie4.3c(r)6AJ.2,“TardHo57(w)-42(t)6(of) E(7fcts4N(6)o)-45(c)A2(An)-45(ticipn)-45(atved)6IAnteracti.onS an

Laforge, Raymond W. Young, Clifford E. and Hamm B.Curtis (1983), “Increasing Sales Productivity Through Improved Sales Call Allocation Strategies,” *Journal of Personal Selling and Sales Management*, Vol 3 No November, pp. 53-59.

Lambert, Zarrel V. (1968), *Setting the Size of the Sales Force*, State College: Pennsylvania State University Press.

Leigh, Thomas W. and McGraw, Patrick F. (1989), “Mapping the Procedural Knowledge of Industrial Sales Personnel: A Script Theoretic Investigation,” *Journal of Marketing*, Vol 53 No 1, pp.16-34.

Lodish, Leonard M. (1980), “A User-Oriented Model for Sales Force Size, Product, and Market Allocation Decisions, *Journal of Marketing*, Vol 44 No. Summer, pp. 70-78.

Lodish, Leonard M. (1971), “CALLPLAN: An Interactive Salesman’s Call Planning System,” *Management Science*, Vol 18 No. December, pp. 25-40.

Marchetti, M. (2000), “What a sales call costs,” *Sales & Marketing Management*, Vol 152 No 9, pp. 80.

McFarland, Richard G. Challagalla, Goutam N. and Zenor, Michael J. (2002), “The Effect of Single and Dual Sales Targets on Sales Call Selection: Quota versus Quota and Bonus Plan,” *Marketing Letters*, Vol 13 No 2, pp. 107-20.

Moncrief, William C., III (1986), “Selling Activity and Sales Position Taxonomies for Industrial Salesforces,” *Journal of Marketing Research*, Vol 23 No. August, pp. 261-70.

Mulcahy, Susan (2002), *Evaluating the Cost of Sales Calls in Business-to-Business Markets*. Newton, MA: Cahners Research.

Nicholson, C. Y. Compeau L.D. and Sethi R. (2001), “The Role of Interpersonal Liking in Building Trust in Long-term Channel Relationships,” *Journal of the Academy of Marketing Science*, Vol 29 No. 1, pp.3-15.

Palmatier, Robert W. Dant, Rajiv P. Grewal, Dhruv and Evans, Kenneth R (2006), “Factors Influencing the Effectiveness of Relationship Marketing: A Meta-Analysis,” *Journal of Marketing***,** Vol 70 No. October, pp. 136-153.

Palmer, A. and Bejou, D. (1994), “Buyer-seller relationships: a conceptual model and empirical investigation”, *Journal of Marketing Management*, Vol 10 No. 6, pp. 49-512.

Parsons, L.J. and Vanden Abeele P. (1981), “Analysis of Sales Call Effectiveness,” *Journal of Marketing Research*, Vol 18 No.1, pp.107-113.

Parasuraman, A. (1982), “An Approach for Allocating Sales Call Effort,” *Industrial Marketing Management*, Vol 11 No. February, pp. 75-80.

Peterson, C. A. Wright, M. D. and Weitz, B. A. (1984), *Selling Principles and Methods*, Homewood, IL: Richard D. Irwin.

Pillai, K. G. and Sharma, A. (2003), “Mature Relationships: Why does Relational Orientation turn into Transaction Orientation?”

Ross, William T. Jr. (1991), “Performance against Quota and the Call Selection Decision,” *Journal of Marketing Research*, Vol 28 No August, pp. 296-306.

Ryans, L.J. and Weinberg C.B. (1987), “Territory Sales Response Models: Stability over Time,