

Input and Output Driven Sales Personnel Performance Measures: Insights from an Experiment

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ABSTRACT

It is a globally accepted strategy that, retaining existing consumers is significantly cost effective than focussing on acquiring new consumers. In brick-and-mortar retailing, sales personnel play the most important and complex role whereby they are the ones who are connected to consumers directly on a real-time basis. It is observed that the majority of brick-and-mortar retailers in India use measures to measure sales personnel performance which is mathematically derived numbers viz. average transaction value (ATV), average basket size (ABS) and contribution margin percentage (GM%) and these are all output driven measures. Such output driven measures are making the sales personnel's role furthermore complex and in turn, their focus is expected to have shifted from consumer needs to these output driven measures set by their management. In this research, we have carried out an experiment using input driven measures viz. category invoice penetration (CIP) and invoices/bills generated by the sales personnel per day and evaluated the change in (a) sales personal attitude towards consumer orientation and (b) overall store profitability.

Keywords: Brick-and-mortar store, Offline store, Physical store, Salespeople, Salesperson, Sales personnel, Customer orientation, Sales Personnel Performance.

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