A Study on the Influence Mechanism of Sales Control on Cross-purchase Intention from the Perspective of Service-sales Ambidexterity in Household Industry

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Abstract. The household industry, as a traditional industry, is also experiencing the impact of economic changes again. Combining the business scenario and internal and external environmental factors, from the perspective of sales control, we mainly analyse the mechanism of action brought about by corporate output control, activity control and capability control on employees' service-sales ambidexterity, explore in depth the effective ways in which sales control affects the formation of consumers' cross-purchase intention, and make up for its shortcomings in relevant theoretical studies. This study uses service and sales staff of three leading household companies as research subjects, explores service-sales ambidexterity using MOA theory and self-determination theory, and introduces resistance to change to moderate the results of the inter-variate effects. An in-depth study is conducted on the mechanism of sales control's influence on consumers' cross-purchase intention, providing a theoretical basis and practical experience for companies and employees to achieve service-sales ambidexterity.

1 Introduction

For the frontline salesperson, it is his job to correctly present and sell a product to the customer, while providing high quality customer service is not included in his work protocols but is his personal initiative. In recent years, such behaviour has also received increasing attention from marketing scholars, who have introduced the characteristics of organizational ambidexterity to the individual employee and referred to the act of providing both sales assistance and customer service as employee service-sales ambidexterity, which leads to customer satisfaction with the salesperson and increases the customer's willingness to buy the product. Resistance to change is often cited as a key predictor of failure in organizational change programmes (Jaramillo, Mulki, Onyemah, & Pesquera, 2012) [7]. Salespeople are more likely to accept behavioural changes that benefit them and resist behavioural changes that do not benefit them. As innovation processes require changes to an individual's emotional and psychological systems, most people find it difficult to engage in such a change process (Sundbo, J., Sundbo, D., & Henten, 2015) [20].

There has been a lot of literature available on the issue of how formal sales control achieves consumer cross-purchase intention, as well as on the moderating effect of resistance to change, but there is a lack of observation and research under the perspective of service-sales ambidexterity. This study takes three leading companies in the home furnishing industry in China as the research sample, builds a research model based on the main theories related to formal sales control and service-sales ambidexterity (MOA theory and self-determination theory), takes service-sales ambidexterity as the core variable, and conducts an in-depth discussion on the issue of sales control on cross-purchase intention under the regulation of resistance to change.

The study is not only of theoretical value but also of great practical significance in the current scenario of drastic changes in the external environment of the home building industry. In the light of the above analysis, this paper focuses on the following questions: What are the main formal sales control methods that affect service-sales ambidexterity? How does formal sales control affect service-sales ambidexterity? What is the moderating role of resistance to change in the relationship between formal sales control and service-sales ambidexterity?

2 Literature review

2.1. Model theory

The MOA model is the Motivation, Opportunity, Ability (MOA) model, also known as the MOA theory. It was first applied to industrial psychology by Lawshe (1945), and then in the field of communication and marketing by Petty & Cacioppo (1981), who studied information reception as a function of the two prerequisites of an individual's information - "Motivation" and "Ability" - and the possibility of refinement. "motivation" and "ability", with "ability" containing the variables "opportunity" and "Batra & Michael (1986), MacInnis,
Moorman, & Jaworski(1991) point out that one of the three elements of MOA is indispensable, and that the elimination of any one of them would have a significant impact on the comprehensiveness of subsequent studies (The components of MOA theory have been conceptualised and empirically tested in different ways in marketing applications [11]. Several studies have tested the linear effects of motivation, opportunity and capability and have shown that all three types of variables have significant effects on behaviour (Wu, Kuo, Wang, Wu, & Hung, 2004) [21]. In addition, the sales control system is a method to identify and use the sales organization, which affects and guides the motivation of the sales organization to achieve specific sales performance. According to the basic concept of agency theory, principle and agency have competitive interests. For example, the sales manager (representative) can ask the sales representative (representative) to spend more time looking for new customers or new customers. Controlled sellers are naturally motivated to develop new customers, so this introduction can provide more opportunities for sellers and impress their managers or colleagues. In addition, we also suggest that the sales control system develop sales ability and capability through guidance, training and guidance. Previous studies have shown that behavior control is related to favorable outcomes, such as sales ability, motivation and job satisfaction. Therefore, on the basis of higher content, we have made it clear that individual motivation, ability to participate in expected behavior, and ability to achieve specific goals will affect the results of their behavior.

Self-Determination Theory, developed by Deci & Ryan (Deci, 1975), is a theory of human motivation that has been developed over the past 50 years and has a deep philosophical foundation, a sound theoretical framework and a rich ideological content [8]. It assumes that human beings are active organisms with a positive tendency towards self-integration, self-improvement and continuous learning. However, such tendencies do not occur naturally, but require the support of external social factors to achieve them. Self-determination theory powerfully illustrates the causal pathways through which the environment influences individual behaviour and is an important guide for motivating and changing individual behaviour (Zhang Jian, Zhang Wei and Song Yahui, 2016) [20]. In a later theoretical review, Deci et al. argue that self-determination theory includes two sub-theories: cognitive evaluation theory and organic integration theory. Self-determination theory emphasizes the interaction between the environment and the individual, which in turn suggests that the social environment has a significant influence on an individual's motivation, emotion, behaviour, and well-being. Self-determination theory suggests that autonomy-supportive interactions are more conducive to having a positive impact on individuals than controlling interactions. This hypothesis has been supported by a large body of empirical research from various branches of theory.

2.2 Formal sales control system

Sales control refers to attempts by management or other stakeholders in the organisation to influence the behaviour and activities of marketers in order to achieve desired results (Jaworski, 1988) [8]. Sales control refers to attempts by management or other stakeholders in the organization to influence the behavior and activities of marketers in order to achieve desired results (Jaworski, 1988) [8]. Since sales work often involves independent, entrepreneurial, and autonomous tasks and responsibilities, establishing an effective sales control system is an important tool for successfully managing salespeople. A sales control system is defined as "a set of procedures by which an organization monitors, directs, evaluates, and provides feedback to its employees". Although there are different ways to conceptualize sales control, here we adopt Jaworski's conceptualization and sales management control can be further differentiated into formal control consisting of policies, systems, and practices prescribed by the organization or manager, and informal control consisting of unspecified habits (Jaworski, 1988) [8]. Formal controls are written, management-initiated mechanisms (e.g., budgets or quotas, call plans) whose ultimate goal is to influence individual behaviour so as to achieve organizational goals (Jaworski, 1988) [8]; formal control systems consist of three subsystems: output control, activity control and capability control.

Output control refers to formal mechanisms designed to monitor and evaluate the results of an individual's behaviour, as opposed to certain performance criteria. When output control is used, management is more interested in monitoring the results achieved by salespeople, who have greater - or even complete - freedom to determine the level of effort, the type of behaviour and the strategies needed to achieve company objectives (Anderson & Oliver, 1987) [2].

Activity control is a more complex method of control in which salespeople are not responsible for results, as long as certain procedures and routines (number of sales visits, number of samples distributed) are followed (Kohli, Shervani, & Challagalla, 1998) [9]. Refers to the close supervision and control by managers of the daily work of frontline sales staff to review to ensure proper work processes, activity control is also a job requirement as the control includes various activities that employees must complete during the sales process. This means that salespeople's behavior under activity control is already set and without much freedom, their work seems more mechanical, and they can't talk about interacting with consumers with emotions. Salespeople in activity control are not concerned with the needs of the consumer, they are more concerned with completing the behavioral specification. In the act of selling, they are more concerned with the next step.

Capability control, which refers to the development of salespeople's competencies and skills, requires the management team to invest in training and coaching salespeople and to establish effective feedback mechanisms for competency enhancement (Kohli et al., 1998) [9]. The aim of competency development is to help
salespeople to respond better to customer questions, to have the ability to build good relationships with customers and to support salespeople to explore and experiment with new adaptive selling techniques.

2.3 Service-sales ambidexterity

As companies come under increasing competitive pressure, they must not only consider how to satisfy their existing customers as much as possible, but also have the ability to identify and anticipate potential customers and continuously develop new ones. But these conflicting activities often mean frequent competition for limited resources, making it difficult for companies to have both capabilities at the same time. In the service sector, more and more service organizations are trying to achieve a service-sales balance on the basis of service, but because of the lack of theoretical guidance, the successful ones are few.

"Ambidexterity" refers to the simultaneous pursuit of dual, sometimes seemingly conflicting, strategic goals (Simsek, 2009) [9]. The concept of ambidexterity has emerged in a number of theoretical fields, including organizational learning and design and innovation. At the firm level, ambidexterity refers to a firm's efforts to exploit existing capabilities and explore new opportunities, two seemingly contradictory goals (Raisch & Birkinshaw 2008) [10]. The literature on service sales ambidexterity differs from traditional types of ambidexterity research in that it investigates the link between salesperson service and sales activities rather than between exploration and development activities (Yu, Patterson,& Ruyter, 2015) [11]. Over the past decade, research on the service-sales ambidexterity has focused on exploring service and sales as two distinct, irreplaceable, yet interdependent activities (Yu et al., 2015) [12]. While views on the service selling ambidexterity vary, researchers seem to agree that the ultimate goal of both service and selling is to satisfy the needs of customers. The ultimate goal of both service and sales is to satisfy the needs of the customer.

In recent years, the service-sales ambidexterity of frontline employees has been studied in depth. Patterson et al. identified self-efficacy as one of the influencing factors in the service-sales performance model; Yu et al. examined the positive and negative effects of learning orientation and performance avoidance orientation on service-sales ambidexterity [13] [23]. Sok et al. argue from self-determination theory and regulation model theory that both energetic and justification motives drive employees' service-sales ambidexterity. For now, the research on the antecedents of employees' dualistic sexual behaviour’s focuses on the emotional and psychological levels of employees and lacks understanding from a knowledge management perspective.

2.4 Resistance to change

Resistance to change is a multidimensional construct. In particular, Oreg (2006) defines resistance to change as "a three-dimensional (negative) attitude towards change that includes emotional, behavioural and cognitive components" [16]. Resistance to change is often seen as a key predictor of failure in organizational change programmes (Jaramillo et al., 2012) [7]. Salespeople are more inclined to accept behavioural change that is beneficial to them and resist behavioural change that is detrimental to them. As innovation processes require changes in the emotional and psychological systems of individuals, most people find it difficult to engage in such change processes (Jaramillo et al., 2012; Sundbo et al., 2015) [7] [20]. Ambidexterity is a well-known concept in the organizational innovation literature and refers to the ability to simultaneously accomplish several conflicting tasks, such as the possibility of implementing cross-selling and up-selling, engaging in innovative activities, closing performance gaps and smooth customer handling (Jasmand et al., 2012; Ruyter et al., 2020). However, salespeople who resist change are less likely to engage in two-handed ambidexterity, resulting in poor service innovation performance. In many sales organizations, resistance to ambidexterity is not tolerated. However, salespeople believe that ambidexterity competencies complement their job descriptions and may perceive it as a burden if they do not exercise it regularly.

2.5 Cross-purchase intentions

Cross-purchase intention refers to customers purchasing other products or brands from the retailer in addition to those already purchased (Ngobo, 2004; Yimiao Yang, 2009) [15]. Customers' willingness to cross-purchase is mainly related to conflicting images of a supplier's ability to provide high quality services from different service activities and the perceived convenience of cross-purchasing from the same supplier. The impact of the customer's experience with the service provider has a weak or marginal effect on cross-purchase. There are many drivers that influence consumer cross-purchase. From a consumer perspective, consumer emotions and attitudes (e.g., Approval, satisfaction, trust, etc.) influence cross-purchase intentions, purchase experience influences cross-purchase intentions and consumer needs influence cross-purchase intentions. From a firm's perspective, price attractiveness affects cross-purchase intention, the level of product supply-consumer relationship affects cross-purchase intention, and service activities affect cross-purchase intention.

3 Research Design

3.1 Research model

The research mainly studies the relationship between the service-sales ambidexterity and related variables of front-line service personnel in the household industry. Based on the relevant research of the academic community, the final model is made, as shown in Figure 1.
3.2 Research hypothesis

Choi, Dixon & Jung (2004) showed that output control reduced dysfunctional behaviours such as ignoring certain work-related activities because they were not monitored by management. Secondly, because managers set, monitor and evaluate performance standards or sales results in an output control environment (Jaworski, 1988; Jaworski & MacInnis, 1989; Jaworski et al., 1993), managers rarely interfere in the lives of their salespeople, who enjoy a considerable degree of autonomy (Anderson & Oliver, 1987). As a result of this higher level of job autonomy, salespeople feel that management trusts them and encourages them to choose the best way to behave. This, in turn, increases their level of intrinsic motivation and motivates them to engage in positive sales behaviours, such as being innovative in solving customer problems or being less opportunistic in customer interactions (Wang et al., 2012). Based on this, we propose hypothesis H1: Output control positively influences service-sales ambidexterity.

The purpose of activity control is to evaluate salespeople against specific processes and activity monitoring and to reward them for the extent to which they follow a prescribed formula (Anderson & Oliver 1987). Activity control entails following daily rules and procedures and meeting expectations. Empirical evidence (Oliver & Anderson 1994) suggests that activity control is most effective when salespeople are risk averse. Supervisors oversee mechanical and routine activities and do not deviate from standard practice (Kohl, Shervani & Challagalla 1998). Based on this, we propose hypothesis H2: Activity control positively affects service-sales ambidexterity.

The purpose of Capability control is to develop the competencies of salespeople so that they are better able to perform their tasks and responsibilities. Capability control involves setting goals to develop sales skills and customer relationship management competencies, monitoring and evaluating the salesperson’s performance against these goals, and providing feedback on areas for improvement. By its very nature, developing competencies (e.g., the ability to close sales and manage customer expectations and emotions without putting pressure on the customer) takes time and patience. Based on this, we propose Hypothesis H3: Capability control positively influences service-sales ambidexterity.

Unlike specialised roles (e.g., new account development), nimble roles require salespeople to develop expertise in revenue enhancement and service delivery. This dual expertise allows salespeople performing SSA behaviours to focus on the task of selling and problem solving, thereby preparing these salespeople to proactively address the unique relationship needs of the customer. As a result, customers experience the value-added benefits of fewer relationship hand-offs (i.e., single point of contact) while ensuring common goals through SSA salespeople. If the salesperson is able to solve the customer’s service problem while promoting additional value-added offerings, the customer should provide greater value to the salesperson and, in our example, be willing to pay a premium. This is supported by the fact that customers who perceive greater value from the salesperson relationship, both in terms of sales and service quality, are more loyal and willing to pay more (Palmatier, Scheer & Steenkamp, 2007). Based on this, we propose hypothesis H4: Service-sales ambidexterity positively influences cross-purchase intentions.

Resistance to change is often seen as a key predictor of failure in organizational change initiatives (Jaramillo et al., 2012). Salespeople are more inclined to accept behavioural change when they believe it will benefit them, and more inclined to resist when they believe it will cause them problems. As the innovation process requires changes to an individual’s emotional and psychological systems, most people find it difficult to engage in such a change process (Jaramillo et al., 2012; Sundbo et al., 2015). In this study, we apply MOA theory to create a sense of mission to overcome employees’ internal resistance to accepting the service-sales ambidexterity and to facilitate their effective handling of service recovery. In summary, the following hypotheses are proposed: H5-1: Resistance to change plays a negative moderating role in output control affecting service-sales ambidexterity, i.e., when resistance to change is high, output control has a weaker relationship with service sales ambidexterity.
positive effect on service-sales ambidexterity; H5-2: Resistance to change plays a negative moderating role in activity control affecting service-sales ambidexterity, i.e. when resistance to change is high, activity control has a weaker positive effect on service-sales ambidexterity; H5-3: Resistance to change negatively moderates the effect of ability control on service-sales ambidexterity, i.e., when resistance to change is high, the positive effect of ability control on service-sales ambidexterity is weak.

3.3 Measurement of variables

This study will empirically analyse the impact of sales control on service sales ambidexterity. The formal survey questionnaire includes basic information about the respondents, the perceptions of sales or service personnel subject to resistance to change in relation to corporate control methods, and the perceived influence of digitalisation in the relationship between service-sales ambidexterity and cross-purchase intentions. The variables involved were measured using a multi-indicator approach. Respondents’ agreement with the statements (a score of 1 indicates fair and 5 indicates strong agreement) was measured on a 5-point Likert scale, using classic scales that have been used by scholars in existing studies and have some reliability and validity.

3.4 Sampling design

The sample selected for this study was drawn from three leading companies in the home furnishing industry segment. Based on the work characteristics of the sales staff, and in order to maximise the sample size, it was proposed to visit the sample retail shops and service outlets in Hangzhou, Zhengzhou and Nanning respectively for a month to collect information, which was sent to 100 service staff from each of the three companies through the Questionnaire Star link, involving 300 shops. The three companies in which this research survey was conducted classified all shops into A, B and C grades according to the city in which the shop is located, the grade of the business district, and the factors considered important within the company. It is argued that the different levels of shops are of different importance to the business and receive different support from the business in terms of resources, which in turn may have an impact on staff performance. This study explores the impact of formal sales controls on service sales ambidexterity, and therefore we control for two shop information, shop level and number of shop employees, as well as five pieces of personal information on sales staff, gender, age, education, income and years of service.

4 Summary

In today’s competitive business world, the role of sales strategy in achieving a company’s strategic objectives is receiving significant attention. Without a comprehensive plan for service personnel to target potential customers and maintain existing customer relationships, organisations will not be able to achieve their objectives. With this focus, we develop and validate a model of formal control systems for service personnel, service-sales ambidexterity and cross-purchase intentions in B2B organisations. We further add to the literature by including formal sales control as a factor between antecedents and service-sales ambidexterity and the moderating effect on resistance to change between service-sales ambidexterity and outcomes. Our findings have contributed to a number of key streams of literature, including ambidexterity, innovation, psychology, sales and service management literature.

Firstly, the research highlights the importance of service personnel control systems in B2B sales organisations. The formal control system of sales management considers employees to be rational opportunists and advocates that managers control them through a formatted system of supervision and incentives, and that sales control should have a clear, predetermined system of goals, including result control and activity control (also called behavior control, which can be subdivided into activity control and competence control). Formal control systems with three major control subsystems as constituent elements have good results in terms of sales performance (sales and profits). However, it inevitably has shortcomings in achieving long-term corporate benefits, winning long-term customer loyalty, and improving employee job satisfaction. The main aim of this paper is to address a significant gap in the literature on the service-sales ambidexterity. Our paper delves into how output-based, activity-based and capability-based control systems affect the simultaneous implementation of sales generation and service ambidexterity, which is referred to as the service-sales ambidexterity. The current study is one of the earliest efforts to better understand the role of service personnel control systems as a supervisory approach to the service-sales ambidexterity, as experienced by service personnel during service interactions.

The results of this study provide valuable insights for managers. Firstly, it is recommended that managers use a combination of output control, activity control and capability control so that they can increase the enjoyment of service staff and provide incentives to sell to more potential customers.

Our findings also suggest that when service staff in an organisation are motivated and empowered to achieve specific goals, they can expect to receive consistently high-quality customer service, while also engaging in cross-selling or up-selling opportunities to maximise profits.

References


