

CHAPTER 2

LITERATURE REVIEW

This Research is analyzing about the personal selling improvement in EF Swara Group. The personal selling that being used by EF Swara Group is mostly face-to-face selling and telemarketing. The Consultative selling skill and sales persuasiveness performance is applied by course consultant on personal selling process that will enhance the satisfaction before purchase from the *lead customer* or new customer of English First Swara Group in order to improve the purchase decision to buy English First product and service.

2.1 Selling

Defined by Philip Kotler on his book *“The Principle of Marketing”*, selling is one of the oldest professions in the world. The people who do the selling are goes by many names such as salespeople, sales representative, account executive, sales consultant, sales engineers, agents, district managers, and account development reps. However, according to (Pederson, Wright, & Weitz, 1988), *“Our definition of selling that influence and persuasion are only a part of selling. Selling is also involves helping customer identify the problems, supplying information on potential solutions, and proving after-the-sales-service to ensure long term satisfaction.”*

Thus, the selling itself it is not only just create a sales or make customer making a purchase, but selling is also the process of understanding customer main problem, help them to understand those problem, solve the problem with the product or service which we offer, and also maintaining the relationship for long term valuable relation.

2.1.1 The Nature of Selling

(Jobber & Lancaster, 2009) Selling is the simplest way to think of nature function to make a sale. Selling is often very complex process to make a sale, involving the use of a whole set of principle, technique and substantial personal skill, and covering a wide range of different types of selling task. Selling is a conceptual approaches to the simplicit *“how it is done”* approach which has mean to understand the way to finish the selling activity by making a deal as a success of selling process. Some

companies spend large sums of money to train their salesperson in order to master the art of selling, that's why selling become the most important link within the company and customer.

Selling is the activity that performs by a company or organization with using a work force which is called a sales people, salesforce, or salesperson to do both selling function and organizational fuction(Marshall & Johnston, Relationship Selling and Sales Management, 2005).

The Sales Bible said that, *“Selling is not a matter of leads and appointments then closes. It is not event a matter of the quality of your product and services you response. But selling is a matter who you are, what your attitude is, and how dedicated you are to personal excellence”*. The phylosoply of sales is how responsible the salesperson for the action that they are take in selling and how good they could helping both themselves and customers, so that ultimately the salesperson can win theirselves challenge which is making a sales(Gitomer, 2008). Selling or sales activity have 10 commandments to make it successful and achieve the goals, as follow:

1. Think means positioning the sale in your head as a mindset. The mindset which approaching in the sale will make the salesperson become more friendly, smiley, enthusiastic, positive, confident, self-assured, likeable, and prepared beyond nervous. Everybody has a different way of creating his or her mindset
2. Believe means develop a determination to your fate that can penetrated the fearness of offering product or services which also greater the trust with the company and believe in customers that contacted with you. Thus it will create the better performance in selling activity with low fearness.
3. Engage will develop personal relationship or engagement within salesperson and customers. Because selling is more easier when performing to your friends instead of person whose do not know who you are.

4. Discover leads people to buy for their reason not because of the salesperson persuasion. The most people does not understand their motive and major need, so it is important to discover and help them to find out the motive and need first before they making a purchase.
5. Ask question will greater the information about prospective buyer and another information from the environment that could become a knowledge which is useful and beneficial in selling process.
6. Observe is the salesperson ability listening to the prospective, about their perspective and problem understanding.
7. Dare means how the salesperson willing to take a risk. Risk that come from himself and also how the prospective buyer have to be treated well in order to build a trust from risk taking.
8. Own referred to know whose fault it is make when the sales is not made. The salesperson should not blame his or her self but must to take a responsibility for it. Learn from every experience and do something for the future improvement.
9. Earn means sell for the relationship, not the commission. *“If you make a sale, you can earn money, but if you make a friend, you can earn fortune.”* Those of quote have explain about if you sell a help to customer, so you will create relationship for long term profitability and loyalty.
10. Prove is use to motivate the salesperson from himself. Proving their good performance and fantastic result will lead the salesperson join in a good competition and make them always do the best in every selling activity. Sometimes people need to prove about what they can do to self-actualized themselves for the better performance.

Those are the 10 commandments to make it successful and achieve the goals explained by (Gitomer, 2008). In (Hannan, 2004) study

of consultative selling explained that's selling is also a transfer of value which arranging customer resources (time, talent, and money) to be transferred to products or services that being purchased by those customer. Not only in face-to-face selling but sales call or telemarketing must exchange the value as well. Thus, Selling it is not always about the exchange of products or services that offered by salesperson with the money form its customers, but also can become a transfer of value within sales salesperson and customers in terms of information, expectation, value added, and long term relationship troughout product or service which offered.

2.1.2 Sales and Marketing

In (Marshall & Johnston, Relationship Selling and Sales Management, 2005) introduce about the role of selling inside marketing. Companies practicing the marketing concept to the customers for gathering the information in making strategic decision about what prodcuts to market, where to marketing them and how to get them to the market, at what price, and in how to communicate with customers. Sales do selling activity not only for make a sale but also for gathering some of information that can be use in marketing concept. Furthermore, The 4P's Marketing concept (product, place, price, promotion) are aslo known as marketing mix, become a marketer tools kit that help to develop marketing strategy which contribute in sales activity. Promotionan Mix or Merketing promotional mix (advertising, sales promotion, public relation and publicity, and direct marketing) is also use by salesperson in selling practice to ensure the practice of integrated marketing communication (IMC) within a frim's and customer are work effectively. Those the fact or sales and marketing are a combination to create the best selling practice.

According to (Walker, Boyd, John, & Larreche, 2003) there are competitive factors that affecting a market in term of selling. Market-oriented perspective that contain by customer-orientation and sales-orientation which perform in selling activity is the combination of

marketing principle and selling principle that appear from selling practice in the real world.

2.1.2.1 Customer-Oriented Marketing

Customer Oriented(Walker, Boyd, John, & Larreche, 2003) is a customer focused strategy that aimed at improving the product or service quality and reducing the cost with the ultimate objective of improving customer satisfaction and loyalty. This orientation is more focus on customer need and perception to make them satisfy immediately to improve not only in satisfaction but also the retention. (Kotler & Amstrong, 2006) also said that customer-oriented marketing is a principle of sustainable marketing which holds a company should view and organize its marketing activities from the customer's point of view. It should work hard to sense, serve, and satisfy the needs of a defined group of customers.

2.1.2.2 Sales-Oriented Marketing

(Walker, Boyd, John, & Larreche, 2003)Sales-Oriented is focuses on selling what the firms want to make rather than customer needs. At this orientation, the marketing is focused on selling effort rather than more concerning on customer important need. This orientation are concentrate on sales volume levels that will greater the market share, steal share from competitors, and seek for new market segment. The other book of (Perreault & McCarthy, 1999) said that a Sales-Oriented seeking for some level of unit sales, dollar sales, or share of markets without referring to a profit. In this oriented, the marketers are more concerned about sales growth because they think that the sales growth always leads to more profit. Thus, increase the probability of purchase is more important for the business.

2.1.3 Salesperson

Salesperson is an individual that represent a company to the customers by performs the following activities such as prospecting, communicating, selling, servicng, information gathering, and relationship

building (Kotler & Armstrong, 2006). Salesperson also classified into several kind of job which are related to their activity in making a sale (Manning & Reece, 2007). Today, salesforce or salesperson must have a wide range of skill to compete successfully. Not like previous selling activity which only required simple presentation and closing skill, now a days, salesperson must be able to use a wide array of skill for modern selling or 21st sales and marketing activity which also concern on customer perspective rather than only a selling (Jobber & Lancaster, 2009). Those of skill in modern selling activity are following by:

- Customer retention and deletion

Many companies find out that 80 percent sales come from 20 percent of their customer. It means that retaining existing high volume of customer will greater the potential to gain highly profitable customers.

- Database and knowledge management

Modern salesperson needs to be trained in the use and creation of customer databases and how to use the media or technology to aid the sales task, such as finding customer and competitor information.

- Customer relationship management.

Requires the salesforces focuses on the long term relationship not simply on closing the next sale. The emphasis should be on creating win-win situations with the customers, so that both parties will gain the interaction and want to continue the relationship.

- Marketing the product

The modern salesperson is involved in much broader range of activities than simply planning and marketing a sales presentation. Face-to-face interaction not only performing for making a sale but also conducting in selling activity for gaining beneficial information so that the salesperson can participate in marketing area such as product development, market development and segmentation of markets, as well as the other task supported the

marketing activities such as database management, provision and analysis of information, and assessing market segment.

- Problem solving and system selling
Modern selling is usually make a salesperson acting as a consultant that working with customer to identify their problems, determine major need and specific want, and implacement effective solution. This approach is different from the traditional view that make a salesperson become a fast-talker who inform averything about the product or services attributes and persuade the customer to buy and walk away with an order.
- Satisfying needs and adding value
The modern salesperson must have the ability to identify and satisfy the customer in every seingle selling activity, to fulfill the needs of solutional system rather than a product or services offered. Some customer do not recognize they have a need, and the salesperson will have to added the value to the customer's need by reducing costs and created a win-win situation for their company and the customer.

A study by (Marshall, Goebel & Moncrief, 2003) in (Jobber & Lancaster, 2009) ask sales managers to identify the skills and knowledge required to be succesfull in selling. Thus, Thereemerged the top 10 success factors of successful salesperson in every selling activity, especially in personal selling.

2.2 Personal Selling

Personal selling is the oldest profession in the world. Explained by(Kotler & Armstrong, 2006), personal selling also determined as a personal presentation by the firm's salesperson or sales force with the purpose of making a sale and building customer relationships.

(Oxford, 2009) Are cited from Business and Management Dictionary on page 423,

“Personal selling is person-to-person interaction between a buyer and seller in which the seller's purpose is to persuade the buyer of the merits of the

product, to convince the buyer of his or her need for it and develop with the buyer and an ongoing customer relationship.”

(Marshall & Johnston, Relationship Selling and Sales Management, 2005) Personal Selling involves personal communication (person-to-person interaction) with a prospect buyer. Personal selling fits into the marketing mix as a part of a firm’s promotion mix or marketing communication mix, along with advertising, sales promotion, public relation and publicity, and direct marketing. It is a process of developing relationship, discovering prospect buyer needs, matching the appropriate products with these needs, communicating benefits through informing, reminding, or persuading. It also viewed as a process to add value to the product or services offered. (Manning & Reece, 2007) Recently, personal selling have been developed to be more adoptable in marketing concept, value-added personal selling, and assume the role of a problem solver for helping customer to make buying decision. The development in personal selling are presented as a part of additional strategic in selling process with using consultative selling model that combined with the persuasive activity by which salesperson performs in directing customer unpredictable behavior about their satisfaction toward purchase decision in the selling process.

(Jobber & Lancaster, 2009) There is a simple explanation about the strength and weakness of personal selling, which are shows in the table below:

Table 2.1 Strength and Weakness of Personal Selling

Strenght	Weakness
1. Interactive: The question can be answered and objective to overcome 2. Adaptive: Presentation can be changed to meet customer needs 3. Complex arguments can be developed 4. Relationship can be built because its personal nature 5. Provides the opportunity to close the sale	1. Sales activity through meetings and calls are costly

(Source: Jobber & Lancaster, “Selling and Management: 8th Edition, p. 5)

The activity of selling is to satisfy the customer by promoting the product or services to solve their problem. Described by (Olson & Peter, 2010) promotional mix is include by advertising, public relation and publicity, sales promotion, and personal selling. Referred by (Kotler & Amstrong, 2006)also determine that the personal selling is the part of promotional mix. Personal selling involves interpersonal communication between salesperson and individual customers whether face-to-face, by telephone, via e-mail, through video or web conferences. Personal selling can be more effective than advertising in more complex selling situatuons. Salespeople can probe customers to learn more about their problems and then adjust the marketing offer and presentation to fit the special needs of each customer.

The firm's representative such as salesperson may act as a consultant to help buyers make their selection. However, face-to-face selling and telemarketing is used to contact with customer and designed to resulting a customer satisfaction through advice, education, and consultation that performed by the salesperson in personal selling process.

2.2.1 Face-to-face

(Jobber & Lancaster, 2009, p. 174) explained about the direct method in salesperson and customer interaction. Direct method estimated the person who acting on behalf of the companies which used to describe all products or services that company provided in the direct contact or face-to-face. (Zeithaml, Bitner, & Gremler, 2010) determined that face-to-face is how to do a selling that occurs between customer and salesperson in direct contact. Both verbal and non-verbal behavior is important determinants of quality of service in term of selling as are tangible cues such as employee dress and other symbols of service (equipment, informational brochure, or physical setting).

2.2.2 Telemarketing

(Sugars, 2006)Telemarketing is a form of selling practice that generally involves communicating with prospects within telephone media. It typically consist of incoming and outgoing calls or inbound and outbound telemarketing. (Manning & Reece, 2007) Telemarketing is a channel in which the sales process is conducted by telephone media. Telemarketing

serves two general purpose which are sales and services. (Baack, 2007) explained that telemarketing is the use of telephone by the salesperson to make a sales call and presentations to the customer. There are two types of telemarketing which are:

- Inbound Telemarketing that is occurs when employee handle customer call (call-in) to response to the customers that make initial call and designed to serve and attract them
- Outbound telemarketing that is occur when the employee calls the prospective customer or client (call-out) the objective is to reach as many as customer we can for raising the campaign or make relationship with previous purchasers.

2.2.3 Personal Selling Process

Personal selling process provide the steps while salesperson making a contact with customer or prospect buyer. (Kotler & Amstrong, 2006) determined the selling process consist of seven steps, which are prospecting and qualifying, preapproach, approach, presentation and demonstration, handling objection, closing, follow up.

- **Prospecting and Qualifying**

The first step in selling process is prospecting and qualifying, when the salesperson indentifying qualified potential customers. This activity can be done by simple research about their financial ability, volume of business, special needs, location, and possibilities of growth in order to qualify the prospect.

- **Preapproach**

In this step, the salesperson learns as much as possible about a prospective customer before making a sales call or direct contact. The salesperson must understand all about their organization, product, and services that they willing to offered in order to available as a sales consultant. The salesperson also need to set a strategy about which may be a qualified customer to contact with, what information that willing to gather, or make an immediate sale.

- Approach

Approach means when salesperson meets with the customer for the first time. The salesperson should know how to meet and greet the buyer and get the relationship off to a good start. This step involve the salesperson's appearance, opening lines, and follow-up remarks. The opening must be powerfull and positive followed with key question to learn more about customer major need and attract the buyer's attention and curiosity. "*As in all stages of the selling process, listening to the customer is crucial*", said Philip Kotler.

- Presetation and Demonstration

Presentation and demonstration means the salesperson tells the "*value story*" to the buyer, show how the company's offer problem solving to the customer. Customer solution problem fits better with this step of personal selling process by focusing on "*stop selling and start helping*" in order to build a relationship and satisfaction. Consultative selling is also the selling skill that teach how to do consultancy within a sale by performing listening skill to provide the best solution to solve customer problem or serving their major need as (Hannan, 2004) said.

- Handling Objection

The salesperson seeks out, clarifies, and overcome any customer objection to buying. Answering any of customer question to ensure them and make them trust on the salesperson capabilities and companies product or services. The salesperson should use a positive approach, seek out hidden objection, ast the buyer to clarify any objection, take objection as opportunities to provide more information, and turn the objections into a reason for buying.

- Clossing

After handling customer objections, now salesperson tries to close the sale. In this step, the sales person ask the customer for an order or persuade them to immediate purchase. Salespeople can use several closing techniques for persuading customer to buy, ask for

order, review point of agreement, offer to help write up the order, as the buyer preferences, or note the buyer will lose out if the order is not placed now. The sales person may offer the price solution such as lower price on discount or an extra quantity at no charge as if the company give an allowance in order to ensure the customer will purchase.

- Follow Up

Follow up is necessary if the salesperson want to ensure whether customer are satisfied or not about the salesperson performance before purchase (pre-purchase) or after purchase (post-purchase) and also persuading for repeat buying. Follow up after the sale also evidenced that the salesperson performing good after-sales-services for maintaining relationship within customer with salesperson and customer with company.

2.3 Consultative Selling

Consultative selling emerged in the late of 1960's and early 1970's as an extention of the marketing concept. Consultative selling establish two way communication between the salesperson and the customer (Manning & Reece, 2007). Since 1970, (Hannan, 2004) Consultative selling has revolutionized key account sales. Consultative selling is profit improvement selling that help customer businesses grow and supplier business achieve new earnings along with them. Consultative selling replaces the traditional selling that stimulate buyer-seller relationship with win-win partnership situation in profit improvement.

According to (Futrell, 2008) Consultative Selling is the process of helping the customer achieve strategic short and long term goals through the use of the saller's good or services. Consultative selling is also a selling technique to understand the customer problems through consultation. Depends on (Lovelock & Jochen, 2011), consultative selling or solution selling provides more service on management and technical procedure that concentrate on customer to give the best solution for satisfy them. This, approach is valuable supplement to service and selling process in order to get more satisfaction on customer.

(Perreault & McCarthy, 1999) Consultative selling approach involve developing a good understanding of the individual customer's needs before trying to close the sales. This name is used because the sales person is almost acting as a consultant to help identify and solve the customer's problem. This approach taught, the salesperson make some general benefit statement to get the customer's attention and interest, then the salesperson asks the question and listen carefully to understand the major customer need. Once their agree on need, so the salesperson tries to show the customer how the prodct could fill those needs and dragging the customer to the closing sale phase. The major implementation of consultative selling approach is the two way communication within salesperson and customer to transfer the value about the customer major need and the products or service for filling their need.

2.3.1 Consultation

Consultation is the service technique that enhancing in supplementary service. Enhancing supplementary service is required for add extra value for customer in order to ensure them to use the core product that offered or sell. (Sugars, 2006) Consultation is where you actually have a contact with the customers, discussing their situation, and how you can meet their needs. It's also your chance to show how nice you are. People tend to deal with the people they like. Sometimes, business with higher prices will win the job because they seem "friendly". In (Lovelock & Jochen, 2011), consultation suggest a simple response to customer's questions or printed information that anticipates their needs. Consultation also involve a dialog to probe customer requirements and then deveop a tailored solution. Consultation consist of immediate advice from a knowledgeable service person in response to a request and effective consultation requires an understanding of each customer's current situation before suggesting a suitable course of action.

(Hannan, 2004) The one that doing consultation is called consultant. Normally consultation can be perform by anyone. In the company that selling a product or services, salesperson or sales representative are using this technique of consultancy to improve their personal communication with customer, also greater the chance of customer to purchase product or service. The marketer also use this technique to add more value to product

and transfer it to the customer. Consultant performing consultancy or counseling service to the customer and prospect buyer. Consultancy or counseling service represent more subtle approach to consultation because it involves helping customers better understand their situation so that they can come up with their own solution or action program. This approach is particularly valuable supplement to any kind of service or product that willing to get long-term customer relationship (Lovelock & Jochen, 2011).

2.3.2 Consultative Selling Process

In (Hannan, 2004) book have explained that the consultative selling process has four parts as following by:

- It starts with a value database in the values you normally add to customer operations. Your normal values added “Norms” which are derived from the value database. The norms is what you believe in offering the product, whether the product is good or bad, the benefit is good, the attribute is better, and unique.
- By comparing customer revenue and cost against your norms, a lead database is automatically created. Lead database acquired from any kind of information that you have by doing a communication approach or consulting with customer. From there, a lead opportunity exist wherever your norms offer a competitive advantage over a customer’s perspective.
- Leads database are use in generating the proposal. From the lead data base, we could understand what the customer main problem and whether they have equal perspective with our product benefit or not. The proposal will including the profit improvement to make customer understand about their problem and how to cooperate with us in term of solving their problem.
- The process culminated with a partnered penetration plan that locks in your consultative partnership and locks out competition. Account penetration plan is looking for relationship instead of only selling. On this part, we sale the best solution and ensure the

customer to cooperate with us not with another business besides us.

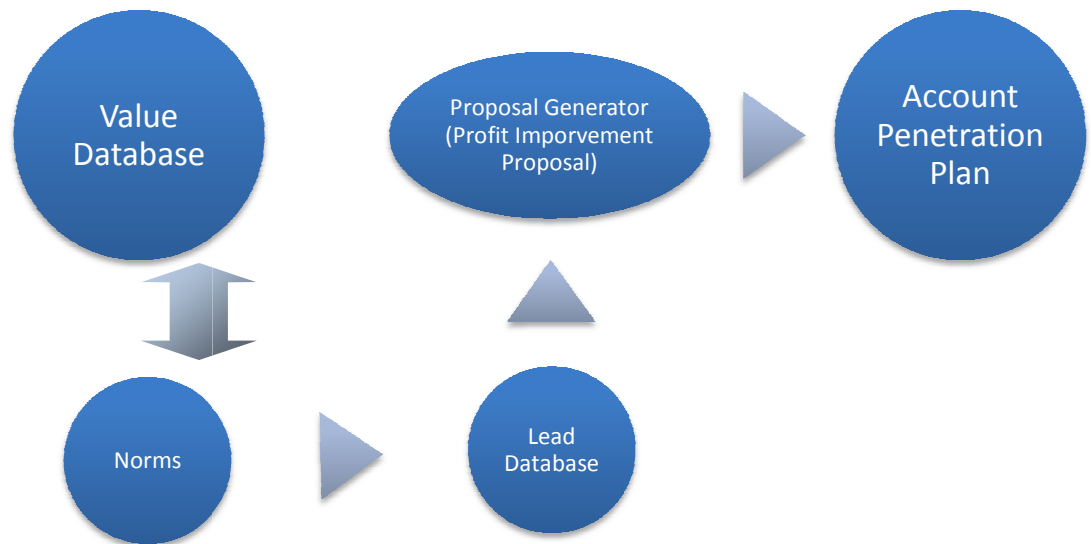


Figure 2.1 Consultative Selling Process by Mc Hannan

(Source: Hannan, *“Consultative Selling”*, 2004)

Also explained by (Manning & Reece, 2007, pp. 265-287), consultative selling presentation involves adding value by accurately determining the prospect’s needs, selecting an appropriate product or services, and initiating an effective sales presentation. Consultative selling presentation focus on identification of the customer’s problem and finding a solution while common presentation selling is different which concern on product oriented selling that just tell everything about the product to persuade customer to buy a product or services offered, no matter they need or do not need. There is the differences between consultatiove selling plan with another common presentation plan, as given:

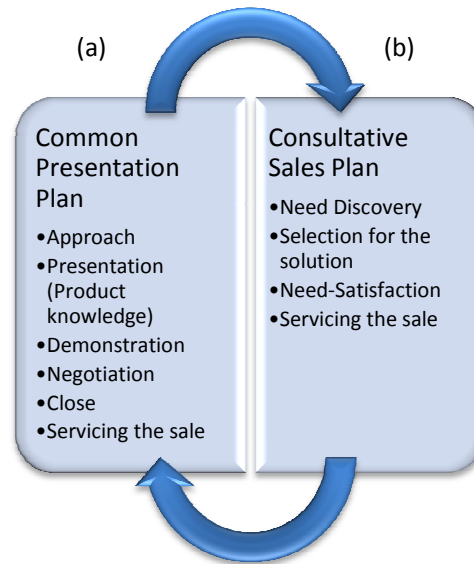


Figure 2.2 Common Presentation Plan(a) and Consultative Sales Plan(b)

(Source: Manning & Reece, 2007, pp. 265-287)

Common presentation plan consist of approaching, presenting, demonstrating, negotiating, closing the sale, and servicing after the sale. While consultative selling plan is consist of need discovery, selecting the solution, deternining need-satisfaction, and servicing the sale. Consultative selling plan has simpleset steps than common presentation plan. It is because in consultative selling plan, the salesperson are concern about the consumer major need than offering the appropriate product or services to the customer, in the other hand, the common presentation plan is only concern on how to sell the product or service without understanding about the major need of the customer. The lack of common presentation plan is sometimes happen in selling process, i.e. the salesperson will face the customer which do not agree with them, because the salesperson doesn't understand the customer main problem and just sell everything that they have on their pocket. This is how the common presentation plann is going to inefficient and ineffective,it will greater the probability of the customer getting confused, disagree, and unwilling to purchase.In consultative selling plan, the salesperson act as a consultant

which not only understand the customer major problem but also giving a solution throughout an appropriate product or services offered. So that's why the customer which threaten by consultative selling plan will getting more satisfied and trust to cooperate with the salesperson, because the sales person understand what the customer really need to solve their problems.

In consultative selling presentation plan, the salesperson should think of the sales presentation as a four part processes, wich are:

- Part One – Need Discovery
Need discover means the stage of salesperson emphasising on question. The salesperson questioning respect to discover the information from prospect buyer and also understand the major problem and need.
- Part Two - Selection of the solution
The second part of the consultative sales presentation consist of selecting or creating solution that will satisfies the prospect's buying motives.
- Part Three - Need-Satisfaction presentation
On this stage, the salesperson is less questioning and exchange an information but more emphasis on statement. The saleperson rather much informing, persuading, and/or reminding to satisfy the customer need.
- Part Four - Servicing the sale
These activities, which occur after closing the sale, ensure maximum customer satisfaction and set the strategy for a long term relationship. The objective of this stage is to build repeat business with the customer.

The more explanation about consultative selling plan in personal selling activity will explained accurately bellow:

2.3.2.1 Need Discover

A review of the behaviors displayed by high-performance salesperson in helps customer to understand the importance of precise need discovery. The salesperosn must have learned how to skillfully

diagnose and solve the customer's problem, better than competitor. Need discovery is a standard part of the sales presentation with the emphasis the question during the initial contact with customer.

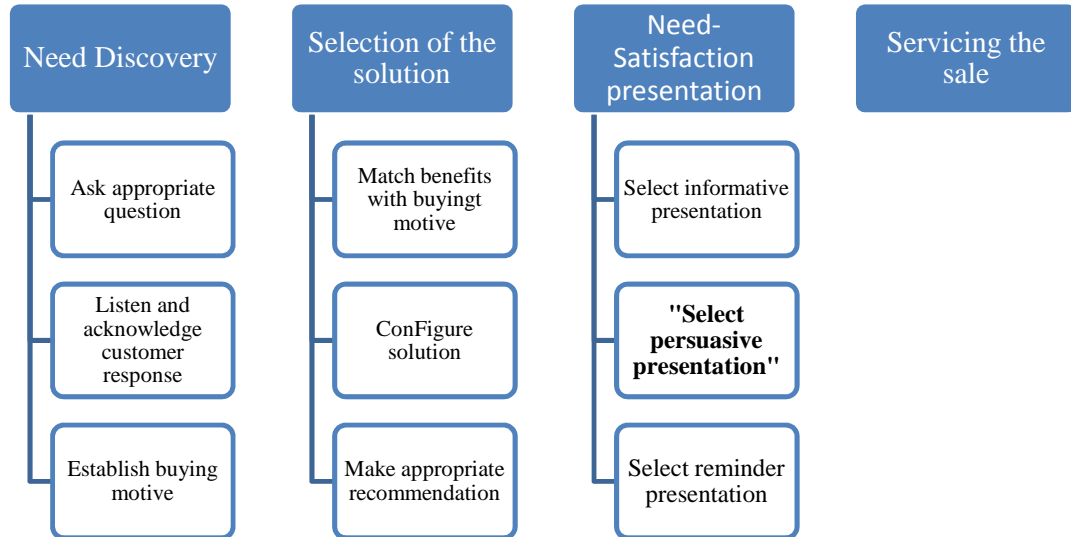


Figure 2.3 Consultative Selling Process by Manning & Reece

(Source: Manning & Reece, 2007, pp. 265-287)

- Asking question

The effective use of question are using to achieve need identification and need satisfaction understanding by the salesperson. The type of question you ask, the timing of those question, and how you pose them will greatly impacts your ability to create customer value. The Table will show the type of effective question which are used in consultative selling.

Table 2.2 The Type of Question in Consultative Selling

TYPE OF QUESTION	DEFINITION	WHEN USED	EXAMPLES
Survey	Discovers basic facts about the buyer's existing situation and problem	Usually at the beginning of a sale	"Can you describe the problems of using English language at your office?"
Probing	Designed to uncover and clarify the prospect's buying problem and the circumstances surrounding the problem	When you feel the need to obtain more specific information to fully understand the problem	"Are the language problem affecting your concentration/performance while you are working?"
Confirmation	Used throughout the sales process to verify the accuracy and assure a mutual understanding of information exchange by the salesperson and the buyer	After important information has been exchanged	"So you think the language knowledge are very important to improve your working performance?"
Need-Satisfaction	Designed to move the sales process toward commitment and action	When you change the focus from the problem to a discussion of the solution	"with facilities and English First academic system, we can help you in increasing knowledge of the English language, thus what aspects are willing to improved? and how long do you think that your english can be improved?"

(Source: Manning & Reece, 2007, pp. 265-287)

- Listen and acknowledge customer response

To fully understand the customer, salesperson must listen closely and acknowledge every responses from the customer. The developing listening attitude is major concern on Need Discovery process, because if the salesperson do not listen carefully so they can not understand what the customer problem or the salesperson could not ask proper question based on the customer answer. Thus it will ruin the question flows on the need discovery stage in startng the consultative selling. How to develop listening attitude is following by:

1. Active listening skill, is the process of sending back to the prospect about what the listener think or meant, both in term of content and feelings.
2. Focus on full attention means to give a space or roam on salesperson mind, to think ahead, and to plan what the salesperson going to say next.
3. Paraphrase the customer's meaning provide the interaction after the customer stops talking. This technique not only helps to ensure understanding question but also in creating effective customer relation strategy. The customer will feel good knowing that you understand what they have said.
4. Take notes is important because not all salesperson be able to remind what has been told by customer accurately. When take a note, you increasing the memory of what you heard, arranging information obtained, develop buying solution, and also demonstrate to the customer that you are actively listening.

- Establish buying motive

The primary goals of questioning, listening, and acknowledging is to uncover prospet needs and establish buying motive. The salesperson

efforts to discover prospect needs can be more effective if they are focus on questioning, defining, and determining the prospect's primary reason for buying.

2.3.2.2 Selection of The Solution

Determining the customer needs and selecting or configuring customer fitted solution are very critical in sales and marketing today, in order to satisfy their needs. Therefore, an important function of the salesperson is product solution and recommendation. The salesperson must choose the product or services that can be provide maximum satisfaction. Thus, salesperson must be aware of all product options, including those offered by the competition. Salesperson who have ability to conduct an effective value-added needs analysis will achieve the status of trusted adviser.

- Match specific benefit with buying motives

When possible the salesperson should focus on benefits related to each customer, of course it is a mistake to make benefit statement that do not relate to the specific needs of customers. Product and services are solving tools, thus the salesperson should be able to offer appropriate product or services to clarify the customer problem.

- Configure the solution

Most salespeople bring to the sale a variety of product or services. Salespeople mostly offer several hundreds items to the customer without knowing what the best product or service which suitable for customer needs. Salespeople is also the person who have many information about variety of product or services produce by the company. thus, it is essential for a salespeople who could offer variety options to customer and make them purchase even only a single product or services which suitable for customer major need or problem..

- Make appropriate recommendation

Recommendation is used by salesperson not only for informing the best optional product or services but also can be a strategy which available to create customer interest based on the expert person said,

such as doctors, financial advisor, government, or public Figure , also an existing customer. Recommendation also can be use for recomending another product but not selling those products.

2.3.2.3 Need Satisfaction

The third part of consultatve sales presentaton consist of communicating to the customers both verbaly and non-verbaly, about the product that being offered. At this part, the salesperson place less emphasis on the use of question and begins making statements. These statements are organized into a presentation which informs, persuades, or reminds the customer of the most suitable product or services. This part are conjunction with the sales function (demonstrating, negotiating buyer resistance, and closing the sale) which provide the best performance of salespeorson inside the selling activity, also generating better service performance in order to make the customer satisfy when they are contact with the salesperson eventhough only for gather the information about the product offered.

The need-satisfaction strategy involves assesing the customer's needs, selecting the product, and deciding whether to use an informative, persuasive or reminder presentation.

- Informative presentation is to emphasize factual information which often taken from technical reports, company-prepared sales literature, or written testimonial from person who have used the product. This type of information is commonly used to introduce new product or service with the goal of transferring the information into customer mind.
- Persuasive presentation is the strategy to influence the prospect's beliefs, attitude, or behavior to encourage buyer action in order to purchase. Enthusiastic and persuasive salesperson is usually appropriate to make a sales success. Every buying decision is influenced by booth reason and emotion, but the amount of attention given by salespersn to each of the elements during the decision making process can grater the probability of customer will decide to purchase.

- Reminder presentation sometimes called reinforcement presentation which have the capabilities to maintain the market share. The sales are really low if only doing single sales activity. Manning and Recce know that if the salesperson do not make a frequent call and remind customer of their product, the competition will hardly to capture. The remind presentation is sometimes became a dimension of service after the sale which occur salespersonel contact with the existing customer to do a repeat buyer or gathering referals for new prospect buyer, also inform the customer about new product that represent the company is still exist.

2.3.2.4 Servicing The Sale

Servicing the sale is amajor way to create value. These activities, which occur after closing the sale, ensure maximum customer satisfaction (after the sale) and set the strategy for a long term relationship. Service activities include suggestion selling, making credit arrangment, following through on assurances and promises, and dealing effectively with complaints.

Consulttative selling practice can be easily mastered, but the truth is the consultative selling has a complex process that puts great demands on salespersonnel ability. This approach to personal selling requires an understanding of concept and principles borrowed from psychology, communication, and sociology. It takes a great deal of personal communication and self-discipline to become a better sales consultant or adviser for gaining relationship with customer even before the purchase is made (satisfaction before purchase, trust, and willingness to buy) and also after the purchase is made (retention, repeat purchase, recommendation to another, and less complaint).

2.3.3 Consultative Selling Factors

The consultative selling approach takes more skill and time when performing it within selling activity. The salesperson must be able to analyze what motivates a particular customer and show how to the company's offering would help the customer satisfy those needs (Perreault & McCarthy, 1999).

(Manning & Reece, 2007) Service, retail, manufacturing, and wholesale firms that embrace the marketing concept already have adopted or are currently adopting consultative selling practice. The customer is seen as a person to be served, not prospect to be sold. Consultant or consultative salesperson believe their function is to help the buyer make an intelligence decision.

(Hannan, 2004) as an expert lecture of consultative selling has explained that consultative selling is a profit improvement selling, which replace the traditional selling practice in creating buyer and seller relationship. Consultative selling requires strategy to improve the traditional selling practice. It means that stop to selling product only but start selling the impact to the customer. More accurately taught by Mack Hannan that there are 4 categories identify the salesperson is using consultative selling skill while doing selling activity or consultative presentation. Those of four factors are following by:

- The consultant can identify the problem
- The consultant can improve the solution for the problem
- The consultant can assist customer to solve their problem
- The consultant could create commitment and relationship with customer

In the first sentence, a consultant identifies customer problem whether the problem is costing the customer financial term or the customer could be earning without the problem. If you mention your product or service, so you are doing a selling and not consulting.

The second sentence, a consultant quantifies a profit improvement solution to the problem. Solution given for help customer understand about their major problem. It also appear to helping customer improve their profits, not to persuading them to purchase the product or service for what they not actually need but to make customer understand that what is provided by the company will generate the profit which can be used by customer. A consultative seller's day-to-day work is the generation of profit improvement proposal. Profit improvement adds value to the customer's objective thought the application of product and service system to the customer. There is 5 criterias of profit improvement that have a greater chance of succeeding the consultative selling, which are:

- New profits should be achievable within 365 days, longer time frames could cause unpredictable risk.
- New profits should be significant for both seller and customer. Shared profit improvement should not be confused both parties.
- New profits must draw on a major product or services capability to be profitable for your company. The profit improvement proposal must affect a major product, service, or operation.
- New profits must be measurable as an asset. If it cannot be measured, the profit improvement may be impossible to obtain.
- New profits should not be an isolated entity but a module that leads naturally to the next infusion of profits and then to the next one after that.

The third sentence, a consultant takes a position as a manager of a problem-solving project and accept single course responsibility for its performance. In the course of defining the project in term of contribution to customer profit, at this perspective, you are able to mention product or service for the first time as a solution for solving the customer problem.

To solve the customer's problem, a consultant must be known the needs and major problem. Only when customer's needs are known, then the expertise, hardware, and services that compose a system become useful components as the solution for the problem. This is difference between servicing a product or servicing the customer, because it is allows your relationship with the customers to be consultative rather than simple sell and bill relationship.

2.4 Sales Persuasiveness

(Lovelock & Jochen, 2011)Salesperson are an individual acting for a company by performing one or more of the following activities, such as prospecting, servicing, information gathering and then interpersonal encounters in which efforts that are made a particular brand or product are referred to as personal selling.

(Marshall & Johnston, Relationship Selling and Sales Management, 2005)Selling involve persuasive communication which means when the salesperson communicate with prospect buyer, actually they persuade them and hope to make the

prospect buyer to do something. In previous selling method, the salesperson only focus on communicating hard sell message. This is happen because there is no real relationship in the selling process. Buyer and saller are likely to be adversarial, little trust between them, and they are not working for long term or win-win solution.

(Manning & Reece, 2007) Many Salesperson believe that when a real need for their product exist, the satge is set for a persuasive action throughout persuasive presentation, explanation, and handling objection. The major goal of using the persuasive method within a selling process is the strategy to influence the buyer's beliefs, attitudes, behavior, and to encourage buyer action on decision making.

In the field of personal selling, persuasion is an acceptable strategy once a need has been identified and a suitable product has been selected. When it is clear that the buyer can benefit from ownership of the product or services, an enthusiastic and persuasive sales method is usually appropriate. The persuasive method on selling process such as presentation, explanation, and handling objection requires a high level of training and experience to be effective, because a poorly planned and delivered persuasive method may raise the saler's anxiety level. (McClay, 2010, pp. 69-70) Sales persuasiveness is can be said as sales ability or sales performance which performed by using appropriate interpersonal style and communicaton method to gain acceptance of a product, service, or idea from prospect and customer with the greater satisfaction from the customer point of view in the stages of pre-purchase because of the best persuasive performance by the salesperson while greeting, introducing, presenting, questioning, and asking the question within selling activities.

2.4.1 Sales Performance in Persuasive Salesperson

Sales persuasiveness is can be said as sales ability or sales performance which performed by the salesperson in selling activity. The persuasive is very related to the performance because in every salesperson action are performing the persuasiveness. While they are greetings, they use persuasiveness to be more closer and nice to the prospect buyer. When the salesperson are asking the question, their persuasiveness leads them to be more enthusiastic and concern on every customer explanation and objection. And so on until the presentation, introducing the product and service, also adding the value of the product or service, the persuasive skill is use to make the salesperson could persuade the customer to have willingnest to buy also

trust the product, company, or salesperson itself. That's why, the better persuasiveness of salesperson will reflect the best performance of the professional seller.

2.4.1.1 Persuasion

Persuasion is mostly use in sales presentation and the salesperson always performing sales presentation in selling activity as their working performance. Not only on sales presentation but persuasion also consist in every activity in selling process that required the performance of the seller. Thus, sales performance is related to how the salesperson performing their selling skill such as persuasion, and to be persuasive is an essential to achieve a greater sellinggoal. (Manning & Reece, 2007) Explained that persuasion is the act of presening product appears so as to influence the prospect buyer's belief, attitude, or behavior. Persuasion is a strategy designed to encourage the buyer to make a buying decision. Persuasion also can be integrated into every phase of sales presentation in selling activity. A friendly greeting and a firm handshake at the time of initial customer contact represent a relationship-oriented form of persuasion. Aditonal forms of persuasion include positioning yourself to ask question, gaining agreement at each stage of buying process, and asking for the sale.

Thus persuasion not only just a selling method but very close and related to the salesperson in doing all of selling acidity, such as when the salesperson want to ask some question, when the salesperson gaining an agreement, when the salesperson handling objection, how the salesperson put a statement in communication, and when saleperson asking for purchase and long term commitment. Salesperson normaly use persuasion to ensure and attract customer to buy the product or service offered and greater their sales performance of making a sale.

2.4.1.2 Performance

Performance is a result of one's work achieved in carrying out the tasks assigned to him based on the skills, experience, determination, and working time. Performance appraisal is used as a form of how someone

has worked which compared with the target that has been set by the company (Cushway, 2002, p. 198).

(Mathis, 2006, p378) in (Margaretha, 2006, p12) explained that the performance is basically what is the employee's doing or do not doing. Performance is the ability of the labor by using their knowledge and skills to perform a job. Performance is derived from the actual performance or job performance that has meaning of a person's quality of labor while carrying out duties in accordance with the responsibilities that assigned to him (Mangkunegoro, 2000, p. 67).

According to (Robbins, 2005) describe that performance is the end result of the activity. Performance is the work of an individual or group to achieve organizational goals set in accordance with the specified time period. Thus, performance is everything it takes to do a job that pay attention to what is done and how to do it in order to achieve the goals set. Performance can also be the answer of a successful or unsuccessful activities in achieving objectives. Performance can be influenced by many things, such as motivation, work ethic, and skills or abilities.

From the Journal Of Personal Selling And Sales Management (Marshall, Mowen, & Fabes, 1992) explained about the calculation of salesperson performance evaluation. Psychologist Fritz Heider develop the concept of salesperson performance evaluation of all their activity within selling and organizational task. He classified the variables evaluators use to interpret the actions of others into three categories which are (1) performance variables (i.e., task success or effectiveness); (2) environment mental variables (i.e., task difficulties and luck); and (3) person or dispositional variables (i.e., ability and effort). Then he proposed that evaluators to these following equation, given by:

$$\text{Ability} = \text{Task Dificulty} \div \text{Effort} \dots\dots\dots(1)$$

$$\text{Perfromance} = (\text{Ability} \times \text{Effort}) \pm \text{Task Dificulty} \dots\dots\dots (2)$$

In equation 1, the salesperson that performs more difficult task is expected to have greater ability. Also if 2 sales person same an equal task

difficulty, so their personal ability and effort will determine the higher ability salesperson. So that in equation 2, a sales manager's perception of a salesperson performance is a function of ability times effort and ignore contextual factors such as territory difficulty or luck, then plus or minus on the effect of differing task difficulty.

2.4.2 Implementation of sales persuasiveness performance

Determined in (Cateora, Gilly, & Graham, 2009), persuasion is the ability of "handling objection" or counter every responses from the customer. The two stages between task-related information exchange and persuasion are blend together as each side defines and refines its needs and preferences. Persuasion is a act of asking and answering customers questions in order to build trust, perception, willingness, and beliefs of what salesperson informed, also generating satisfaction before purchase from how the salesperson could reply any customer objections and responses professionally. The most powerful persuasive tactic is actually asking more question.

Determine in Oxford Business and Management Dictionary at page 424,

"Persuasive advertising is advertising is used to build selective demand for a brand by persuading consumer that it offer the best quality for their money."

Persuasiveness not only implemented while the salesperson contact with customer but also performed in advertise the product or services. According to (Kotler & Amstrong, 2006), Persuasive becoming a part in selling process and advertising procedure that contact with customer directly in order to:

- Persuading customer to purchase now
- Persuading customer to receive sales call
- Encourage the customer to switching to your brand
- Changing customer's perception of product attributes, and
- Building brand preference

According to (Futrell, 2008, p. 160) Persuasion means that the ability to change a person's belief, position, or course action. The more effective in communication, then the greater chance of being successful at persuasion. Memory is recall overtime, Enthusiasm in yourself will show your excitement toward customer, and credibility is the relation with their customer through continued empathy, willingness to listen to a specific need, and continual enthusiasm toward their work and customer. Thus, salespeople who have established memory, enthusiasm, and credibility can improve their persuasiveness on the selling process.

Small changes can make a big difference in your powers of persuasion. Persuasion is not only an art, it is also a science, and researchers who study it have uncovered a series of hidden rules for moving people in your direction. (Cialdini, Goldstein, & Martin, 2008) explained six principles that will guide human behavior toward their decision making throughout the persuasiveness of the salesperson, which are:

1. Reciprocation: Reciprocity is simply understand with an exchanges or changes. People like or even feel obligated to return favors, or can be said as the obligation to give when you receive. The first to give is must be personalized and unexpected.
2. Scarcity: We tend to want what we can't have. This makes the "fading or limited time offer" effective. In other words, people wanted more of those things that are less which can make them feel satisfy. It cost the benefit of using the product or service being offered by the salesperson, the uniqueness of the product or service itself and also what they stand to lose if they are failed to consider on the se proposal.
3. Authority: People tend to look to experts for guidance. This can include the principle of people will follow the lead of credible knowledgable experts. The scince taught how to make people trust on the salesperson and believing on salesperson personal before you persuade prospective buyer. The first

thing is the salesperson can introducing their selves how brilliant they are, or simplicity can assign someone else to do it for the salesperson. The second things is the salesperson must be consider to the ethical and costless implementation to make their being favorable, trustable, and believable by the customer.

4. Commitment or Consistency: People like to feel that they live and act in accordance with their values, that they keep their word. For the salesperson, the consistency is looking for or asking for the commitment that can be made by both of customer and salesperson. This principle are considering on willingnest to do something. Even a small willingnest can influence the commitment and lead the consistency change. To make sure the consistency, willingnest must be following by the appointment to make it clear and commit.
5. Liking: The principle of liking have 3 important factors that make prospect customer would likely to be persuaded which are (1) prospect like the people who similar to them, (2) like people who pay them a compliments, and (3) like people who cooperate with them.
6. Consensus: Consensus is a social proof, that means people will look to the actions of others to determine their own. The behavior of the group frequently guides individuals' behavior. Customer oftently look to others for clues on how to react. Scince of persuading teach that references or recommendation is the single most effective message to generating the success of persuading to make customer do it what the salesperson requested, which are sales order and transaction.

Those of six principles will guide your persuasiveness in doing a sales within a sales call, presentation, or can be though email, that can incresingling improve the chances of someone will be persuaded to your (salesperson) requested.

2.5 Customer Satisfaction

In (Marshall, Mowen, & Fabes, 1992), today customer always expect something that they can earn from the salesperson, not only the product or services which are purchased but also the service and interaction from both salesperson and their managers as representative from the company. (Manning & Reece, 2007) Customer demanding a cluster of satisfaction that arise from the product or services itself, from the company that makes or distribute the product, and also from the salesperson who sells and services the product.

(Marshall & Johnston, Relationship Selling and Sales Management, 2005, pp. 176-177)renew estimationof customer satisfaction that the goals of the sales presentation in selling activity is to satisfy the customer's need. The customer satisfaction on these needs can be determined by identifying their problem and information, applinying knowledge to customers, and creating a plan of action for the customer that incorporates your prouduct or services to address them. Every sales presentation should focus on customer satisfaction, no matter how much negotiation remains and no matter how tough it is to close the sale or build that long term relationship, the customer should receive some satisfaction as a result of these sales presentation. Get customer agreement, minimize change conflict, and establish relationship are also the objective on satisfying the customers before doing any transaction or can be said as a satisfaction approaching in sales presentation process.

According to the Chally Group report that written in Johnston and Marshall book "Relationship Selling and Selling Management, explained that customer are seeing their market place change, driven by rapidly advancing technology, global competition, shifting demographics, and the consequences of mature markets. To address these changes, customer seeking support from their suppliers to define their major need and expectation. There are 3 theme of how customer thinking, needing, and expecting from the salesperson and their manager, which are:

- Customer wish to focus on their core competencies and outsource to rest of their business needs.
- They seek suppliers (sals person) that understand the customer's business wvll enough to provide solution, not just products or services.

- Customer want to collaborate with the suppliers (salesperson) who must prove that they add value to a products or services also negotiation and transaction within a selling activity.

Explained by (Kotler & Amstrong, 2006), customer satisfaction depends on the extent to which a product's perceived performance matches a buyer's expectation. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectation, the customer is highly satisfied.

Determined by (Hae, Black, & Heitmeyer, 2005) there are several kinds of satisfaction that found in customer buying decision process which is:

- Pre-Purchase Satisfaction is the satisfaction before purchasing that occur on evaluation stage influenced by internal search (perception and expectation) and external search (product attribute)
- Post-Purchase Satisfaction is the satisfaction after purchasing that affected by customer involvement and product performance.

2.5.1 Post-Purchase Satisfaction

(Gerstner & Posselt, 2005) Found that Post-purchase satisfaction has a stronger impact on the customer rather than pre-purchase satisfaction. More importantly, post-purchase satisfaction is considered in influencing the repurchase intention with the variable as product meet expectation, customer support, on-time delivery, and availability of the product that customer wanted. These variables are significantly affected thewillingest of repurchasing that based on the customer experience and satisfaction after using the product.

Table 2.3The Post-Purchase (Post-Sale) variables

Variables	Explanation
Availability	Product was in stock at time of expected deliver
Tracking	Ability to track orders until delivered
On-Time	Product arrived when expected

Expectation	Correct product was delivered and it worked as described or depicted
Support	Availability or ease of contacting courtesy and knowledge of staff, resolution of issue

(Source: Gerstner, Eitan; Posselt, Thorsten, 2005, p35-47)

2.5.2 Pre-Purchase Satisfaction

(Szymanski & Hise, 2000) In (Gerstner & Posselt, 2005) found that pre-sale satisfaction (pre-purchase satisfaction) variable as convenience, site or place design, and financial security are dominant for the customer assessment of the satisfaction. (Srinivasan, Anderson, & Ponnnavolu, 2002) also found that pre-purchase satisfaction have positive effects on word-of-mouth, willingness to pay, and further loyalty.

Table 2.4 The Pre-Purchase (Pre-Sale) variables

Variables	Explanation
Ease	How easily were you able to find the product that you were looking for
Selection	Types of products available
Clarity	How clear and understandable was the product information
Price	Price relative to other place
Look	Overall look, physical evidence and design of the product and everything related to the product, such as product color and attribute, store condition, salesperson or employee, environment.
Ship-Fee	Shipping charges
Ship-Options	Desired options were available
Charge	Total Purchase amount (including shipping or handling charges) displayed before order submission.

(Source: Gerstner, Eitan; Posselt, Thorsten, 2005, p35-47)

(Sugars, 2006) The first thing that salesperson need to understand is customers expect to be satisfied when making contact with any business. They have a need that they want to be satisfied. They've also gone to the trouble of finding out which business can satisfy that need, then they've done something about it. Customers expect satisfaction, but will actually talk to others about your business if they get more than they expect. So give them something to talk about and this is the first step to creating a successful in selling. Good salesperson is proactive. Don't wait until you have a problem in this area before doing something about it, before you think about ways and means of taking care of your customers.

2.6 Purchase Decision

According to (Kotler & Amstrong, 2006), purchase decision is the buyer's decision about which brand to purchase. There are 2 factor that affecting purchase decision which are attitudes of others and unexpected situational factor. Attitudes of others means the impact of other person toward our decision to purchase (i.e. If someone important to you thinks that you should buy the lowest-priced car, then the chances of you will buying a ore expensive car are reduced). In the other hand, the second factor, the unexpected situational factor which han an impact to purchase decision means the relative event during the purchase decision making which may change the purchase decision. As we know, the customer will directly purchase based on relative factors such as expeted income, expected price, and expected product, but there is another unpredictable factors which may change those purchase decision. However, the factor such as unexpected event during the decision making may change the final purchase decision (i.e. the economy might take turn to the worst, a close competitor might drop its price, or a friend might report being disappointed in a product or services performance). Thus, the preferences and even purchase decision do not always related to the costumer income, payable price or the product, and expected product itself, but has another impact from the unexpected event such as economy condition, competiton between competitor, and comments or suggestion from referals.

Cited from Oxford Business and Management Dictionary, that explained on page 166,

“Purchase Decision, decision making is the act of deciding between two or more alternative courses of action. To determine purchase which explained on Page 132, Consumer Buying Behavior is the behavior of individual s and household who buy goods or services for personal consumption.”

(Baack, 2007) From a selling perspective, the salesperson by the personal selling approach must effectively handle the each stages in customer buying process, which are:



Figure 2.4 Customer Buying Decision Process

(Source: Baack & Clow, 2007)

- During the problem recognition, salesperson must help the customer to clarify their major need because most of customer on this stage are not really recognize and not completely aware of what their need.
- The salesperson also assist in information search by providing facts about models, design, and options.
- While the customer evaluate the alternatives, the salesperson may discuss the benefit of all brands and show how his or her company options is superior. On this stage, the salesperson try harder to make the

customer trust them and their company in order to make the customer do not hesitate to buy the products or services that being offered.

- When the purchase decision is made, the salesperson si stop selling the product and start to selling other related items, such as service contracts. It is important to make sure the customer believes the product was a great choice, and also performing the sales persuasiveness to persuade customer for repeat buy.
- Finally the post-purchase stage also need to be touch by the salesperson in terms of after sales service and customer relationship management that performed by them.

Unfortunately, many salesperson in single transaction settings use of high-pressure tactics to make a sale such as persuasive approach and do not recognize the important of the first three stages which consider on understanding what is the customer major need which can be done by consultative selling approach. A successful salesperson is not only could sell a products or services but also can sell the value to the customer. The successful salesperson could satisfy customer before they closing the sale in order to minimize the number of shoppers who walk out with the chance of confused and frustrated by not having a sufficient information.

Successfull consultative salesperson focus a great deal of attention on need awareness which step one in the buying decision process model. This is where salesperson can create the most value by helping customer gain an understanding of their problems and create solution that correct these prolems. Consultative selling encompaes the concept that salesperson should conduct a systematic assessmet of the prospect buyer's situation. This usually involves collecting as much information as possible prior to the sales call and using a series of carefully worded questions to obtain the customer's point of view during the sales. Two way communication will provide for a mutual exchange of ideas, feelings, and perceptions.

2.7 Theoretical Framework

In (Margareta, 2012) explained that the phenomenon which are being observed in their marketing research is the marketing management approaches, not the approach of financial management or operational management which

associated with business. Marketing management create relationship between the business unit (company) with the market (customer) using a 3rd party as a link between those of two parties, such as marketers or salesperson or consultant. Salesperson connecting the buyer (customer) and seller (business) with the goals to exchange the value within the transaction (money from customer, exchange with products or services offered by company). The unit of analysis on this previous research is a financial services company. The concept of marketing science which are approaches on Margareta's marketing research is related to the used of consultancy as a provider for the marketing of services.

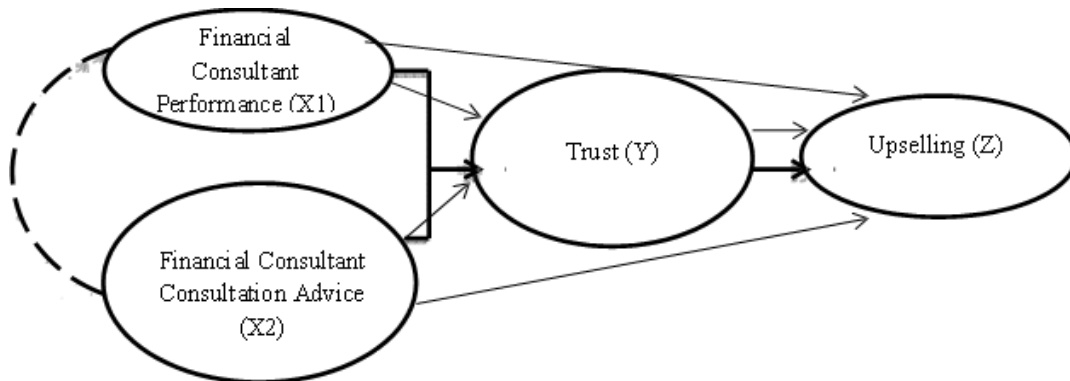


Figure 2.5 Fanny Margaretha's Research Theoretical Framework
(Source: Margaretha, 2012)

Differs from Margareta's research, in this research, consultative selling skill and sales persuasiveness are the factors that affected the customer pre-purchase satisfaction. In Margareta's research, the consultant performance and ability is performing to built trust toward purchase, but at this marketing research, the performance of salesperson throughout consultative selling and sales persuasiveness are affecting pre-purchase satisfaction toward purchase decision. The similarities are located in how the researcher see the marketing concept which conducted consultancy in selling process. Another similarities are comes up with the purchase decision as a main goal from using those consultancy and sales performance whether directly or indirectly throughout any intervening variables such as trust or pre-purchase satisfaction. This research point of view see the customer can be satisfied before the purchase is made and the marketer also can generate those

satisfaction with providing better selling services throughout consultative selling method and persuasiveness of the sales performance. If those of 2 factors are performed very well, so the customer will satisfy and then they will decide to buy the product or services offered, but if are not performed well so the result is the customer will not satisfy with the salesperson and will not buy the product or services offered because they will think that the salesperson are not responsible enough for solving their problems. From the explanation above, the writers could illutrated the framework which given by:

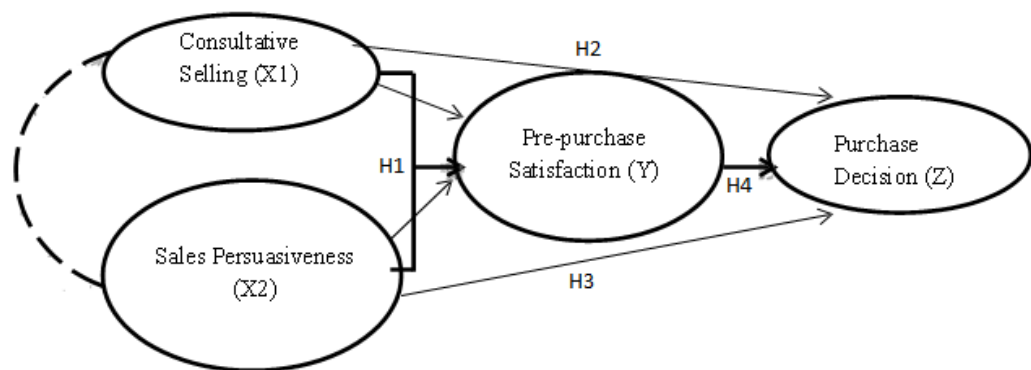


Figure 2.6 Research Theoretical Framework

(Source: Researcher, 2013)

The theoretical framework explanation is given by:

- Independent variable (X1) : Consultative selling
- Independent variable (X2) : Sales persuasiveness
- Intervening variable (Y) : Customer Pre-Purchase Satisfaction
- Dependent variable (Z) : Purchase Decision

The framework also explained the relations between variables as follow:

—————→ , describe or illustrates the simultaneous effect

—————→ , describe or illustrates the individual effect

← - - - - - → , describe or illustrates the correlation relationship between variables

The previous research and this research have similarities which analyzing the consultant (or salesperson that act like consultant) who provide consultation advise which combined with their nature of sales performance in communicating with the customer to reach an agreement or sales. The differences between the previous research and this research is appear on the Independent variable (X2) which analyzing the performance. The previous research said the consultant are measuring by their overall performance in order to help customer or persuade them to purchase, but on this research focus on the salesperson performance in personal selling process which conducted by sales persuasiveness or persuasive sales communication skill. The performance and consultation technique will impact the customer trust toward company, in the other hand, persuasiveness of salesperson and consultative selling skill will also impact customer pre-purchase satisfaction. The second differences is appear on the Intervening variable that differentiate customer trust with customer pre-purchase satisfaction, but those 2 variables have similar impact toward customer purchase decision. Another differences come up on the variable dependent which discussed on the previous research that the trust can impact upselling in order to make the customer or client doing another purchase activity or repurchase. In the other hand, this research conduct the purchase decision affected by customer pre-purchase satisfaction for a first time buyer whose contact with the salesperson until they have paid. The explanation in this paragraph mostly tells about differences between this research with the previous research, but still have similarities on analyzing the use of consultation technique and worker performance to attract customer before they are purchase in order to achieve the company main goal of sales, is to generating a customer to purchases.

The framework on **Figure 2.6** shows that consultative selling and sales persuasiveness are approaching together and in relation as factors that effect customer pre-purchase satisfaction. The consultative selling could directly affect customer purchase decision and sales persuasiveness can also effect customer purchase decision. In the process on the field, consultative selling and sales persuasiveness are effects each other (combined/performing together) to create greater sales performance and build more satisfaction in customer side to guide them to do a straight purchase decision.

Thus, there are 4 relationships for this research that given by:

- Consultative selling and sales persuasiveness are influencing customer pre-purchase satisfaction
- Consultative selling is effecting customer purchase decision
- Sales persuasiveness is effecting customer purchase decision
- Customer pre-purchase satisfaction have an impactin customer purchase decision

2.8 Hypothesis

in this section, the researcher describe all the hypotheses which are developed based on related researches and some understanding of the object under study. Each Hypothesis and the relationship among waviables can be seen in the explanation above.

2.8.1 Relationship between consultative selling and sales persuasiveness which influence customer pre-purchase satisfaction (Hypothesis 1)

Dell Computer Corporation, well known its transactional sales methods which containt persuading to increase the sales and maintain its performance of Account Division (Salesperosn) while the consultative selling practice is also implementing and performing to achive its objective for long term relationship within company and buyer instead of increasing the sales volume. From the case study in “Selling Today: Creating Customer Value” (Manning & Reece, 2007) determined that some company use both consultative and some kind of transactional selling approaches together. Those of 2 approaches are combined in order to achieve greater chance in selling process between sales goals (transaction) and sales etention (relationship selling) throughout customer satisfaction which characterized by customer trust and willingnest to buy. Thus, from the explanation above has been found following explanation which is:

Ho : Consultative Selling and Sales Persuasiveness are not effecting customer pre-purchase satisfaction

Ha : Consultative Selling and Sales Persuasiveness are effecting customer pre-purchase satisfaction

2.8.2 Relationship between consultative selling and customer purchase decision (Hypothesis 2)

Customer-oriented means the marketers are requires seeing the point of view of customer, the marketers should understand what the customer need and wants also providing the service based on customer side. Consultative means a consulting or consultations that develop the relationship between 2 persons or more in term of communication to know the problem and solve their problem. (Liu & Leach, 2001) in (Terho, Haas, Eggert, & Ulaga, 2012) determined that consultative selling is the process of providing information for helping the customer take action to achieve their objective. Consultative salespeople is must be communicative and knowledgeable in order to satisfy the customer through add value to the product or service that presented and also design appropriate solution for advising customer decision. Thus, Consultative selling is can be said as customer-orrieted that has an objective to solve the customer problem by the received information from the customer then solve their problem throughout the consultation with the aim of making customer satisfy and increase the probability of selling within a solution or consultation given by consultant or salesperson. From the explanation above has been found following explanation which is:

Ho : There are no relationship between consultative selling and customer purchase decision

Ha : There are relationship between consultative selling and customer purchase decision

2.8.3 Relationship between sales persuasiveness and customer purchase decision (Hypothesis 3)

Selling-orientation is an opposite of customer-oriented, which focused on needs that are required for selling in market, they focus on how that they can sell the product to the customer and make the customer interest with the product or services that they sell. Persuasion is natures of

salespersonnel for persuading a customer to trust the sales and buy the product. Persuading effort related to sales persuasiveness to contact with customers. (Horvath, 2011) said convincing people to buy something is only one of the places you might employ the principles of persuasion. When I talk to the people in government or non-profit about persuasive design, their typical knee-jerk reaction is “that’s not for me.” When we dig a bit in to their reasoning, it typically comes down to one of two things. They either justify their position by claiming that they are not selling anything, or they take the high moral ground that “persuading” is akin to “tricking”. Since they are government or non-profit organization, it’s an extra focus to not tricking somebody. In this paper, I will explained deeper in how various principles of persuasion can be used for things other than selling, it is create trust, shared knowledge, and built a satisfaction from what a person perform for convince the other people. The higher the persuasiveness of sales can cause the easiness to make the customer willing to buy, but in other hand the low sales persuasiveness will generate the low probability of customer to buy and satisfied by the selling services. Thus, from the explanation above has been found following explanation which is:

Ho : There are no relationship between sales persuasiveness and customer purchase decision

Ha : There are relationship between sales persuasiveness and customer purchase decision

2.8.4 Relationship between customer pre-purchase satisfaction and purchase decision (Hypothesis 4)

(Rickwood, 2009) Final decision making is influenced by pre-purchase behavior. If the prospective buyer are satisfy and have a sense of willingnest before they are purchased, so it will greater the probability that the person will purchase the product or services. In this research, the researcher is analyzing the factor that influence the pre-purchase decision making.(Gerstner & Posselt, 2005) found that there are 2 kind of satisfactions within pre-sale and post sale which can generate the

purchase intention. While the post-purchase satisfaction has a stronger impact on the customer repurchase intention or repeat purchase decision, than the pre-purchase satisfaction have positive effects on the first time buyer to do purchase. Thus, from the explanation above has been found following explanation which is:

Ho : There is no relationship between customer pre-purchase satisfaction purchase decision

Ha : There is relationship between customer pre-purchase satisfaction purchase decision

2.9 Previous Research

Related research that identifies about sales performance such as sales persuasiveness and sales skill such as consultative selling skill that will affect the customer pre-purchase satisfaction and give an impact on customer purchase decision were done before. The summary of those researches can be seen in **Table 2.5**:

Table 2.5 Previous Research Summary

Researcher	Research Object	Variable	Research Result
Singh & Koshy (2011)	249 small and medium sized Indian firms (studies in the b2b customer value research have focused on emerging markets, especially the BRIC countries)	X1: Customer-Oriented marketing X2: Selling Oriented marketing Y: Value Creation and relationship development Z: Customer Satisfaction	salesperson's customer orientation directly leads to value creation and relationship development with customers. On the other hand, a sales orientation destroys value, although it may lead to relationship development in the

			<p>short-term. We also found that customer satisfaction was related to both types of salesperson's orientations. Our study has a considerable impact for small and medium sized businesses in the BRIC emerging markets such as India, as it throws light on how firms can leverage their suppliers salesforce to create value creation with their customers.</p>
<p>Liu & Leach (2001)in Singh & Koshy (2011) in Newel, et all (2011)</p>	<p>A mail survey were sent a sample of 735 organizational buyer. The current customer and prospect customer all within Washington D.C., Georgia, and Florida</p>	<p>K1: Salesperson power (performance) K2: Consultative selling (contact quality) L: Perceived credibility (trust with salesperson) M: Satisfaction with supplier N: Loyal Behavior</p>	<p>Customer satisfaction is related to a customer's intention to purchase, especially for future business contact. Enhancing the level of customer's trust and perception with a salesperson may ultimately enhance sales revenue. In order to do this, salesperson must be</p>

			perceived as credible consultant.
Hostler, Yoon, Guo, Guimaraes, & Forgionne (2011)	The study developed a theoretical model to illustrate the impact of RAs on online consumer behavior. The model was tested through an online shopping simulation over 200 persons which used a collaborative filtering based product RA.	X1: Recommendation Agent (Persuasion and promotion) X2: Product Search Effectiveness Y: User Satisfaction Z: Unplanned Purchase Decision	few authors have studied how consumer behavior is affected by those that make suggestions to online consumers based on their recent shopping behavior. Fewer still have examined the role that RAs play in influencing impulse purchasing decisions online. Results showed that our model provided insights into the impact of an RA on online consumer behavior and thus provided suggestions for implementing effective systems.
Huang & Dubinsky, (2013)	First, 93 data are collected, than the second 433 data participated. In total, there is 526 data participated in this research.	X: Customer Pre-purchase satisfaction Y: Purchase Decision Making	Previous studies have addressed customer satisfaction as a post-purchase phenomenon. However, examining solely post-purchase satisfaction when

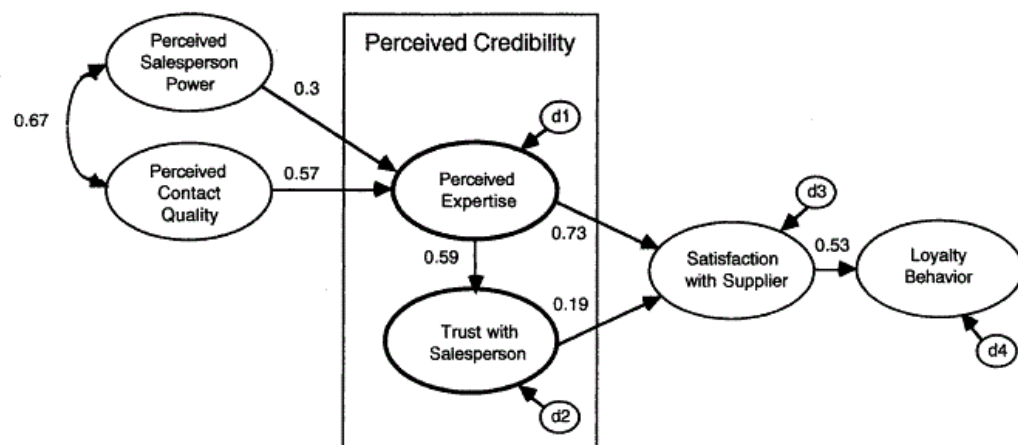
			<p>investigating consumer satisfaction is incomplete because multiple stages are involved in the purchase decision making process.</p> <p>Thus, the result of this study was there's the decision making of first time buyer can be influenced by pre-purchase satisfaction, so develop an instrument to assess customer satisfaction in the pre-purchase stage will greater the chance of making customer doing purchase.</p>
Rickwood (2009)	<p>55 participant in Sydney, Australia. The participants that are join are the AXA Pty LTD (financial planning and insurance) customer</p>	<p>X: Customer pre-purchase behavior (internal, external, and risk factors) Y: Pre-purchase Satisfaction Z: Decision making</p>	<p>Final decision making is influenced by pre-purchase behavior. Pre-purchase behavior which contain internal, external, and risk factors influenced decision making, and those factors of pre-</p>

			<p>purchase cause a customer to make a decision to save for retirement. Purchase behavior can be generated by the sales reps. performance and communication ability to make them understand of their internal, external, and risk factors. If the prospective buyer are satisfy with sales reps. performance and ability of making them understand of those 3 factors, so they will have a sense of willingnest to make a decision to save for retirement (purchase).</p>
Gerstner & Posselt, (2005)	About 1000 sample of customer from 1.3 million active shoppers in BizRate.com which volunteered to provide rating and complete the feedback form	X1: Pre-Sale Satisfaction X2: Post-Sale Satisfaction Y: Purchase Intention	Post-sale satisfaction has stronger effect on purchase intention than pre-sale satisfaction. While the post-purchase satisfaction has a stronger impact on the customer repurchase intention

			or repeat purchase decision, than the pre-purchase satisfaction have positive effects on the first time buyer to do purchase.
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(Source: Data processed by researcher, 2013)

From the customer point of view, the salesperson is the essential part for the customer purchase intention. What is perceived by the customer from the quality and efforts of the salesperson will affect customer purchasing decisions for products or services which are being offered. If customers feel that the salesperson has enough ability in explaining the product to be sold and they are also able to serve consumers with better performance, knowledge, and selling service, thus the customer will feel satisfied although they are not yet



conducting any transactions.

Figure 2.7 How Customer Think To Buy Product Theoretical Framework

(source: Liu & Leach (2001) in Singh & Koshy (2011) in Newel, et al (2011))

Perceived means what the customer received from the service provider. The service provider for a marketing product or service is a salesperson. In the beginning of the selling process, the salesperson contact quality and power are essential to make the customer willing to share their problems and exchange the value with the seller. The sales person power can be said as how

the salesperson could persuade customer to tell about their problem and also offering the product which suitable for them. And salesperson contact quality is how the salesperson could build a relation with the customer from how they greet the customer, talk briefly and clearly with them, introducing their self and product offered, and asking the question politely. Once the customer perceived the salesperson power and contact quality, then they will trust to the salesperson because they think the salesperson are professional and has an ability to solve the problem. And then from further contact and handling objection, the customer will more satisfied and have a willingness to purchase the product. From the first time of the selling process. The salesperson are actively stimulated customer behavior, trust, and satisfaction toward their selling service. Thus, it makes the customer think that the product or service offered are good, the company who produce the product are the best, and the salesperson are trustable, and so on. Finally, it will reduce customer ambiguity toward the product that they purchased, minimized the intensity of complaint, gaining more willingness to purchase at the first time, and generating the loyalty from the beginning until another repeat purchase.

Moreover, another research which concentrate on stimulate customer satisfaction are evaluated from the marketer point of view. The marketer see that the customer satisfaction could be generated from their marketing activities which consist of customer-oriented and selling-oriented that can perform separated or perform together in creating more satisfaction at customerside. From the Journal of industrial marketing management, the writer's found the framework that shown by:

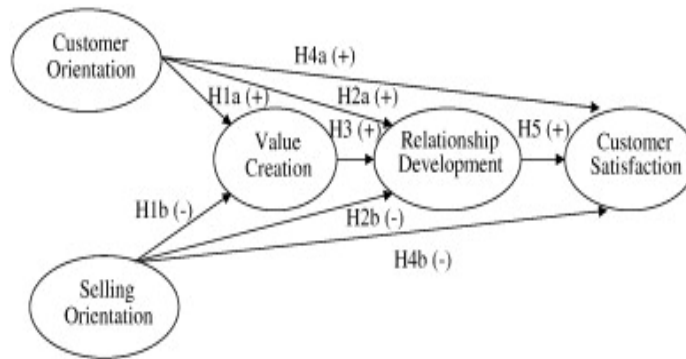


Figure 2.8 Customer-Oriented; Selling-Oriented; Customer Satisfaction Theoretical Framework
(Source: Singh and Koshy Journal Framework)

From the framework, we could see that customer-oriented and selling-oriented are performed together to reach customer satisfaction. Customer-oriented can be formed by consultative selling that provides consultancy to solve customer problems, and sales persuasiveness is a kind of selling-oriented that focuses on persuading the customer to get direct purchase and reach immediate relations with the customer. Customer-oriented and selling-oriented have different objectives in the selling process but produce the same result on value creation, then it will develop a relationship between the seller and buyer before it builds a satisfaction in the customer. In the sum of all, customer-orientation and selling-orientation can also directly affect customer satisfaction.

(Huang & Dubinsky, 2013) from their journal of service industries, "Measuring customer pre-purchase satisfaction in a retail setting" explained that customer satisfaction is also involved in the pre-purchase stage that will determine the purchase decision-making process. On that research, the researchers are developing a reliable and valid scale as proposed by (Churcill, 1979, P64-73) and (DeVellis, 2003) in order to measure the relation of pre-purchase satisfaction toward customer purchase decision. The variable which are pre-purchase satisfaction will influence the purchase decision. On the result founded that satisfaction not only appears on post-purchase stage but also in pre-purchase, determining if the customer is satisfied so they will decide to purchase after that if the product performance is the same with their expectation, so they will be more satisfied.

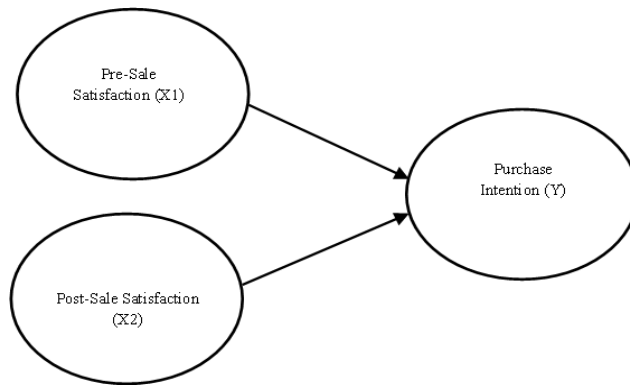


Figure 2.9 Pre-Sale Satisfaction and Post-Sale Satisfaction Influence Purchase Intention (Source: Gerstner & Posselt, *Journal of Interactive Marketing*, volume 9, number 4, autumn 2005)

Professor Gerstner and Posselt also said that Satisfaction are comes up in both pre-sale and post-sale activity. The impact of post-sale satisfaction is 10 times stronger to make customer willing to do a repeat purchase or shop again. It follows by the most important factors that influence repurchase intention which are product met expectation, customer support, on-time delivery, and availability of the product. In the other hand, pre-sale satisfaction which consider on the variable of convenience, physical evidence, product attribute, selling service performance, information and demonstration, also financial security in transaction also found to create positive effect on personal selling activity, word-of-mouth marketing, improving customer willingness to pay, and loyalty for the first time buyer. Supported by Szymanski and Hise (2000) and Wolfinbarger and Gilly (2003), the pre-sale (pre-purchase) satisfaction are straightly affected customer purchase decision in buying the product or serviced offered by the marketer.

Thus, the previous research underlie this research. The different between previous researches with this research is the name of independent variable which are consultative selling skill that can be said as customer-orientation whose play the role to organize the relationship with the customer. At the same time, sales persuasiveness that is taking a part in terms of sales-orientation to persuade and building the customer trust. Those of two independent variable are have the same meaning and objective with customer-oriented and selling oriented, but in this research the researcher is more focus

on the name of skill and performance that performing. More importantly, consultative selling skill and sales persuasiveness performance will generate the customer satisfaction before purchase called pre-purchase satisfaction, because the customer feels that they really served well, informed well, be favored by the salespeople, and the sales people really take care of their problem. After that the customer satisfaction will greater the relationship and trust with salespeople then generately impact on purchase decision. Finally, the effectiveness can be seen as a objective of personal selling that is making purchase, but it achieved through out customer pre-purchase satisfaction and several personal selling activity that performed with consultative selling skill and sales persuasiveness.