Impact of Sales Training on the Revenue of Online Sales

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Abstract

Sales training is a challenge for any domestic or multinational company, manufacturer or service provider, large or small, especially in today's rapidly changing global economy. Companies spend millions of dollars on employee training, and sales training is a significant portion of that budget. Previous research shows that training improves a seller's knowledge base and skill level, leading to better performance. This current study explored multiple dynamics of Sales training in revenue generation, especially in the sales of E-commerce platforms. The survey was conducted directly to participants at each online store using a structured questionnaire. A total of 238 valid cases were obtained from the 500 questionnaires distributed, and then the results were further analyzed by tech-based tools. The current study highlighted that the sales triaging of the online sales team in the E-commerce organization collectively enhanced the productivity, efficiency and organizational performance, including the sales team turnover, followed by some significant enhancement in the revenue of online sales. Hence it was identified that sales training possessed ultimate effects on online sales and discussed with shreds of evidence in this particular research study.

Keynotes: E-commerce, global economy, multinational company, sales training

Introduction

Organizations today face many challenges, and one of the most important is training their sales force. In recent years, companies have become more interested in their employees and in practices related to managing them, especially training. It is generally accepted that human resources and organizational knowledge are two of the primary sources of sustainable competitive advantages for a company (Kodwani & Prashar, 2019). Sales training is a challenge for any domestic or multinational company, manufacturer or service provider, large or small, especially in today's rapidly changing global economy. Companies spend millions of dollars on employee training, and sales training is a significant portion of that budget (Donohue & Sheridan, 2021). However, despite its cost, a sales training program has many advantages. Sales training includes systematic attempts to understand, explain, and communicate 'good sales practices' to sales personnel. Through a sales training program, sales reps can learn how to work more effectively and faster (Kabir, 2021). In one of the study Pahurkar et al. (2020), shows that training improves a seller's knowledge base and skill level, leading to better performance. There is a need and justification for training because what an organization can do to facilitate the sales training process through mentoring, roleplaying, observation, etc., is better than no training (Rangarajan et al., 2020). In addition, sales reps, sales leaders, and sales managers are highly motivated to train, with the American Training and Development Association concluding that "the timing of sales training has never been better" (Singh et al., 2015). Therefore, sales training research is also of interest to academics and practitioners to enrich and expand the sales training knowledge base during ongoing business challenges and opportunities.

In e-commerce, sales analytics is how businesses measure and track the amount of money they make from online sales and there were some traces of research that sales training linked to the E-commerce sales of the organization. This information may be used for pricing, marketing and product development decisions. Sales analytics can also show the performance

of a company's e-commerce strategy and identify areas for improvement. By understanding how a company's revenue is generated and what drives it, companies can make more informed decisions about where to focus on growing their business (Wei et al., 2021). Revenue growth analysis is essential for e-commerce businesses because it helps them predict and plan for future trends. Businesses can identify patterns and predict future sales by looking at historical sales data. This information helps businesses make inventory, pricing, and marketing decisions, but sales trend analysis also helps them track success and change business strategies if necessary (Lee & Hallak, 2020). Hence this current research study explored multiple dynamics of Sales training in the dimension of revenue generation especially in the sales of E-commerce platforms.

Literature Review

Impacts of Sales Training

In one of the key study Attia et al. (2021), indicated some important dynamics on the sales training that included systematic attempts to explain and communicate "good selling practices" to salespeople. The most common sales training goal is to improve sales performance. Salesperson performance represents actions measured in terms of their contribution to organizational goals. Skill level is one of the predictors of sales performance and is related to an individual's ability to perform sales tasks (Koponen et al., 2019). Research shows that training improves a seller's knowledge base and skill level, leading to better performance as results from Itani et al. (2019), suggested that the most critical factors contributing to salesperson failure can be addressed through training. From this perspective, training improves learning and enables salespeople to reach more acceptable performance levels in less time than they would have learned from direct experience alone (Brixiová et al., 2020). These point partially consistent with this effect were reported by Bharadwaj & Shipley (2020), in an exploratory study based on his three companies collecting data from vendors.

Hence after series of results a sales manager rated sales training as one of essential factors in improving sales force performance.

Subsidized Sales Training

Moreover, promoting investment in training means that the state participates in these investments by providing subsidies. This type of funding implies less accountability to both management (government) and learners (companies) than private funding (Milearosari & Ramadhan, 2023). Similarly, Utama & Hussein (2021), based on a study of British and German firms, closely monitored the use of public funds for training to ensure that the activity was effectively implemented and value for money. It suggests that you should make sure that, public funds for training needs to be monitored closely to ensure that the activity is effectively implemented and provides good value for money. Furthermore, Wardoyo et al. (2019), points out that the poor attitude of managers towards training is due to excessive government intervention. Referring to the discussion of sales management studies above, several authors argue that sales training can effectively achieve training goals. The most common is to improve sales performance but critically dependent on Participation of managers in training (Ozkeser, 2019 ; McKenzie, 2021). Therefore, to the extent that the state funds training, given the reduced accountability for this investment and the negative impact on management attitudes, the effectiveness of training in improving sales force performance is likely to be subsidized. Suggest that it is balanced with gold decline.

Sales Training and Customer Orientation

Van Tien et al. (2021), highlighted that for successful implementation of the customer, orientation requires that salespeople should have the necessary skills and knowledge to; "gather information about the customer through effective listening, analyze and understand customer problems, tailor their offerings to customer needs", and the company can provide the appropriate training so that salespeople gain the resources as mentioned earlier to become more

customer-oriented. Additionally Semenova et al. (2020), suggested the fact that apart from these traditional training methods, sales training can be implemented using high-tech methods (e.g. computer-assisted instruction, interactive video, and tele-training). On the one hand, empirical studies show that companies rarely used them in the early; this is probably due to the high initial cost and associated uncertainty of returns. On the other hand, these methods are very flexible and highly effective because they require the active and direct participation of the trainees, unlike other traditional training methods such as lectures and conferences (Razmak et al., 2022). Hence under the modern dynamics the implications of the modern tools for sales training must be implemented for higher achievements in sales skills development.

E-Commerce Sales Importance

The importance of E-commerce sales for businesses is utmost. In this direction, many research studies illustrated some core prospects. Melović et al., (2021), suggested that organizations can use their e-commerce store to expand the range of products/services they sell, grow their business, acquire more customers, and diversify their sales. It is the ideal way to transform the store into an innovative hotspot. With the enhancement in the e-commerce sales revenue, the organization could fully reach customer segments without worrying about relocation with just one online store, eradicating the element of store location mobility. In a similar direction, Agmeka et al. (2019), illustrated that e-commerce helps B2C and B2B companies increase brand awareness in the market, which ultimately ended in a huge customer base and multiplied the revenue for the organization with the bit of initial cost.

Secure Revenue Transactions

In modern dynamics, operating over the Internet is safer and more reliable than doing it in a physical store. From your home, without anyone spying on your secret number or credit card, the management of organizational revenue is possible because the E-Commerce website must have an SSL certificate. This certificate not only allows safe browsing on the web. In

addition, it keeps the data encrypted, so it is safe to enter keys and passwords. This will be necessary not only for the customer's business account but to use of even more sensitive data, such as credit card information, with complete peace of mind (Köğçe & Şişeci, 2019). It is worth mentioning that 33% of E-Commerce experts identified Security, mobile payments, and mobile apps as the most critical investments in 2019. Security will continue to be one of the most extraordinary focuses of E-Commerce. With changes in technology, user behaviours, and shopping patterns, sellers must provide solutions to ensure the trust and safety of shopping processes (D'Adamo et al., 2021). However, the standpoint is conclusive that Security is one of the critical advantages in the domain of revenue for the consumer as well as for the business organizations.

Salesperson's Role in Online Sales

When a company buys from a business-to-business (B2B) provider, different people may be involved in the purchasing decision. Multiple approvals may be required before a transaction goes through. Depending on the nature of each customer, different procurement rules may need to be followed to overcome regulatory hurdles. Companies that sell products to consumers are no exception. Children may need to persuade their parents before buying an expensive bike. Those buying larger devices may need to come back with their spouse or partner before they are ready to make a final decision on which model to get. For larger items such as homes and cars, Consumers should look for financing options or save money. A good salesperson learns all the steps necessary to move a potential sale from a vague interest to someone who signs up or opens a wallet. They speed up the process as much as possible. You can do legwork or due diligence to try and remove other obstacles that may arise (Chaker et al., 2022). Even with excellent marketing material, customers can still ask, "Why does this company over the competition?" (without saying it aloud). The simplicity and availability of

digital channels also allow customers to postpone purchases. They are trained to create feelings (Fergurson et al., 2021), hence importance in ultimate.

Hypothesis

On the grounds of above-mentioned theoretical concepts and literatures, a hypothesis is generated for the current research study; "Sales of the organization increases due to effective sales training of the Sales force".

Materials and Methods

The sample frame consists of salespeople working in large online store platforms in Pakistan like Daraz.pk. This study focuses on store training department for the following reasons: (i) unified work focus, (ii) do not make assumptions and see what size the customer thinks, (iii) preempt returns, (iv) keep options open, (v) stimulate curiosity; The study is based on a targeted sampling methodology, with participants drawn from selected large-scale online vendors in Pakistan. The survey targeted sales associates as respondents to this survey because they are directly involved in the sales process and provide knowledge and skills or experience of all operations and activities at their respective malls. The survey was conducted directly to participants at each online store using a structured questionnaire. A total of 238 valid cases were obtained from the 500 questionnaires distributed, and then the results were further analyzed by tech-based tools.

Results and Discussions

Results of Sales Training Effects on E-Commerce Sales

In this study, analyzes of reliability and validity of reflex variables were measured. A combined reliability (CR) analysis was calculated by fitting with an internal reliability analogous to Cronbach's alpha. Table 1 shows that the CR for all variables exceeds 0.70, which is a rule of thumb (Hayes & Coutts, 2020). The model confirmed that all items had factor

weights greater than 0.60, indicating acceptance of the items. Given that the factor loadings for each scale were all above 0.60 for individual items, the reliability was reasonably judged. The convergent validity of studies is measured using the sampled mean variance (AVE). According, AVE for all variables exceeds 0.50 (Schrepp, 2020), indicating a satisfactory level of convergence validity. Table 2 showed analyses confirmed the

discriminant validity of all constructs.

Table 1; CFA Summary results of the measurement model and convergent validity

Constructs	No. of Items	Loadings	AVE	CR	CA
Training	5	0.919-0.958	0.883	0.974	0.967
Salesperson's Knowledge	4	0.915-0.968	0.901	0.973	0.963
Salesperson's Skills	4	0.961-0.979	0.941	0.984	0.979
Organizational Productivity	4	0.933-0.969	0.931	0.982	0.975
Organizational Effectiveness	4	0.880-0.924	0.819	0.947	0.926
Organizational Performance	4	0.911-0.917	0.853	0.958	0.943

Table 2; Discriminant validity Coefficients

Constructs	OE	OPE	OPR	SK	SS	TR
Organizational Effectiveness (OE)	0.9051					
Organizational Performance (OPE)	0.7508	0.9235				
Organizational Productivity (OPR)	0.4074	0.7181	0.9649			
Salesperson's Knowledge (SK)	0.3701	0.6941	0.8492	0.9494		
Salesperson's Skills (SS)	0.3729	0.6497	0.2166	0.0774	0.9700	
Training (TR)	0.3322	0.1401	0.851	0.8864	0.2032	0.9400

Discussion

Primarily the results highlighted the organizational productivity of the E-commerce brands, increased under the training of the sales teams these findings perfectly aligned with the findings of Rocha et al. (2020), that, one positive factor driving investment in sales training is lower sales force turnover. Given that it often takes time for new sales reps to become fully productive, high sales rep's turnover can have a serious negative impact on sales productivity and Insights found that companies with sales training programs that exceed expectations have the lowest annual turnover of sales reps (11.9%). On the other hand, companies with successful sales training programs had a slightly higher turnover rate (13.9%). Finally, companies with

sales training that needed improvement had significantly higher turnover (19.5%) , hence the overall productivity of the organization on online channel got enhanced.

Additionally, the results also suggested sales training made impacts over the organizational performance, and the main performance was the online sale and revenue generation. As in the findings Luo et al. (2021), highlighted that It's likely that your sales team is the main revenue-generating department for your company, and competition between organizations is fierce. So, aside from giving your sales team the competitive edge necessary, sales enablement works wonders when it comes to the bottom line of your business. In fact, the Aberdeen Group found that companies with successful sales enablement and training programs have 32% higher sales teams quota attainment, 24% better individual rep quota attainment, and 23% higher lead conversion rates. Moreover, when it comes to developing and delivering sales enablement and training to your sales team, it's important to remember the sales objective you want to achieve. The objectives of your training program are the ultimate outcomes or goals you want to reach, which means that your sales objective of training should be a reflection of your sales process. Your objectives should clearly define how sales reps can successfully do their jobs. We recommend considering your overall organization goals, how your sales team can impact those goals, and what might stop your team from reaching those goals (Higuchi et al., 2019). The answers will likely uncover key areas for improvement where sales enablement and training can be useful.

The present study shows significant effects of sales training activities, not only on sales force performance, but also on its customer orientation. More training investment leads to higher performance but does not imply higher levels of customer-oriented selling. Yet, higher levels of performance and customer-oriented selling are found when specific training methods and content are implemented. In addition, sales force customer orientation has a positive influence on salespeople's performance, and training seems to moderate the relationship

between sales force performance and its effectiveness. Traditionally, it has been said that a successful salesperson is born rather than made. It has been shown that highly trained sales forces perform better. In addition, conventional wisdom suggests that it is better to invest more in training. Nevertheless, our results suggest that the allocation decision and the source of funding are more important than the amount of money spent. In this sense, we have found that subsidized training has no effect on sales force performance, whereas there is a positive effect when it comes to non-subsidized training (de Ruyter et al., 2020). Thus, consistent with previous research, it seems that when training has been subsidized, company involvement with sales training activities is lower, thereby obtaining worse results. In this scenario, as previously argued, subsidizing implies that salespeople may attend training programs designed by external trainers and offered to different companies simultaneously, making adaptation of the training activities to the specific needs of the company difficult, and in turn to the salespeople's training needs as well. Therefore, the subsidizers should try to involve the companies by: subsiding part of the cost but not all of it; asking them to participate actively in designing the sales training programme; and asking management to require evaluation of sales training in order to assess its effectiveness. The choice of sales training methods and content influences performance and customer orientation. On-the-job training is still one of the most effective methods of training salespeople (Charoensukmongkol & Suthatorn, 2021). However, it is important to combine this method with others, such as in-house training (lectures, group discussions, case studies, role playing, etc.), external training or own-house training that equip the salesperson with the necessary product knowledge, market and company information.

Conclusion

Studies analyzing sales training effects on online sales performance and sales revenue are very rare. We have considered the effects on sales force outcome performance, yet future research should also take into account behavioral performance. In addition, it would be

interesting to analyze training effects on the aforementioned variables at the salesperson level, thus controlling his/her experience, knowledge and personal characteristics. In this scenario it is also possible to introduce the salesperson's knowledge structure and skills so as to see how training can modify them in order to improve his/her performance and also his/her customer orientation. Finally, further research is needed to study in depth the relationship between sales people performance and customer orientation by taking into account different selling environments. As proposed by Charoensukmongkol & Suthatorn (2021), in some situations the impact of an immediate sale outweighs the potential of future sales given by a customer-oriented selling approach.

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