

*The role of sales forces management in establishment a long term relationship with the industrial customer in the business to business market*

***The role of sales forces management in establishment a long term relationship with the industrial customer in the business to business market.***

***Case study of the new glass company -NOVER-chlef***

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Abstract.

This study aims to provide a new addition to the figures, as well on the subject of the relationship between the enterprise and the customer in business to business markets, this current study shed light on the theoretical concepts related to the sales force management and the relationship between the institution and the customer, In addition to the use of statistical methods to reach the extent of the role of the sales force management in the creation of a long-term relationship with the customer, through the study on the glass enterprise NOVER, it has been shown by the study that the management of the sales force have a significant impact on the relationship with the customer in the business to business market.

Key words.

Sales forces management, Long-term relationship, business to business market.

Abstrait.

Cette étude a pour but de fournir une nouvelle addition aux littératures concernant le thème de la relation entre l'entreprise et le client industriel dans business to business marchés, cette étude éclairent les concepts théoriques liés à le management de la force de vente et la relation entre l'entreprise et le client, Outre l'utilisation de méthodes statistiques pour atteindre l'étendue du rôle de la force de vente dans la création d'une relation à long terme avec le client industriel, à travers l'étude sur l'entreprise de verre NOVER, il A été démontré par l'étude que le management de la force de vente a un impact significatif sur la relation avec le client dans le marché business to business..

Mots clés.

Le management des forces de vente, la Relation à long terme, marché business to business.

Introduction.

The new Chlef glassworks (NOVER) is a subsidiary company of the National glasses and abrasives Company (ENAVA) and it was created more than ten years ago to meet the important national demand in pharmaceutical, agro-alimentary and cosmetic packing glass. Indeed, with installations meeting the international standards, modern and sophisticated facilities, quality control tools as well as a young, dynamic and qualified staff, NOVER has unrivalled assets which help the company be a leader in the field of bottle manufacturing in Algeria, but this seem so hard according to the big

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competition in this industry, so it concentrate its efforts in creating a long-term relationship with the buyers.

The cooperative buyer-seller relationships in industrial markets have become increasingly important during the last years, although they are by no means new management concepts. This rise in importance particularly seems to be due to the fact that the forced development of cooperation was discovered as a third way between markets and hierarchies in order to create competitive advantage. Therefore, cooperation became instruments of strategy (Wilson and David 1995)<sup>1</sup>, business relationships between buyers and sellers play a key role within the intensive discussion on relationship management both in academic theory and business practice, however, in many cases a biased understanding of business relationships can be stated that may be characterized as follows: Business relationships are of importance where buyer and seller have a very closed relation.<sup>2</sup>

In other hand, personal selling is Represented as one of the most prominent activities that represent the primary interface of economic institutions which through linked reciprocal relations with the surrounding environment, particularly in the Business to business markets because this last is difficult to apply compared to marketing consumer and because the sales relationship is communication process that involves economic aspects, social, and behavioral; it is necessary Talk about the sales management as a party of communication and, which is considered responsible for all the plans and strategies for selling; industrial customers usually judge the organization through their dealings personal with them therefore is essential that these sales force perform certain activities in order to acquire industrial customers and establish long term-relationship

Based on the above, the present study shed light on the activities of the sales force management in order to establishing a long-term with the customer and answers the following question Relationship:

How sales force management contributes in establishment of a long-term relationship with the industrial customer in the business to business market?  
Theoretical framework.

In the academic literature, relationship marketing has been characterized as a fundamental reshaping of the marketing field (Webster 1992) and as a paradigm shift that deserves new theory and language<sup>3</sup>; There are several studies done in this subject of the relationship between the industrial seller and the industrial buyer but the absence of lasting relations between researchers and directors reduces the opportunity to establish an elevated level of trust although a research of good quality can be provided.

We can review some studies results, we have a study on the Value of Cooperative Buyer-Seller Relationships in Industrial Markets, and it shows that benefits and sacrifice may be considered as building blocks of relationship value, with relationship benefits being the main value drivers (Thomas Werani,2001)<sup>4</sup>, however, anna Kaunonen illustrates in her study how industrial buyer seller

relationships develop outside the Western World, especially in the case of China<sup>5</sup>, we have also a working paper wish tries to light of the Perceptions of roles and

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characteristics of buyers and sellers in business-to business relationships (Tommi Mahlamäki, Mika Ojala & Doris Jansson ,2011); the relationship development is not smooth and monotonic through the various stages Internal and external changes can derail even a well-set relationship(Das Narayandas & V. Kasturi Rangan, 2004)<sup>6</sup>, however, Markets Roberta J. Schultz demonstrates how capitalizing on an effective understanding of the buyer's corporate culture can be used by sellers to achieve a Competitive advantage in developing and maintaining longterm buyer-seller relationships (MarketsRoberta J. 1999 )<sup>7</sup>, In the same context, the role of the sales force is discussed and another study and it reviews the literature on relationship marketing and personal selling and through descriptive statistics and explores sales-force role, as perceived by the respondents, in gaining customer trust (Paolo Guenzi)<sup>8</sup>.

1-The concept of long relationship in business to business markets.

To study the factors that create long-term relationship in the industrial market we must first knowledge of the concept and value of this relationship.

Here characteristics are discussed that can empirically be tested for their

Discriminating power between cooperative and non-cooperative business relationships<sup>9</sup>:

1. Long-term orientation: degree of long-term orientation rather than the duration of a relationship are an adequate indicator to differentiate between cooperative and non-cooperative business relationships.
2. Relationship-specific investments: The interdependence of partners in cooperative business relationships points to the necessity of an efficient coordination of all relationship activities. In this context, mutual adaptations, which have to be considered as relationship-specific investments are of utmost importance.
3. Contractual safeguarding: As mentioned earlier, other than contractual obligations in a legal sense may occur in business relationships. Referring to the work on relational contract law, especially in cooperative business relationships a reduction of formal and contractually fixed legal grounds in favor of implicit agreements and relationship-specific norms, which develop during the relationship, is to be expected. This leads to hypothesis H3 that in cooperative business relationships contractual safeguarding plays a minor role than in non-cooperative relationships.
4. Frequency of interaction: Cooperative business relationships imply an intensive Mutual coordination of partners
5. Change of contact persons: cooperative business relationships are expected to be based on long-term orientation, in such relationships relatively stable patterns of social interaction with the consequence of a lower degree of fluctuation of interaction partners should be present.

In other hand, these properties lead to a cooperative relationship, but cannot call it a long-term relationship only if the deal between the two sides for a long period of time, by duration of relationship, we designate the number of years during which the client knew and dealt with the salesperson. The

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Construction of a long-standing relation becomes a strategically vital objective Aida Matri Ben Jemaa (Aida Matri Ben Jemaa, 2009)<sup>10</sup>.

## 2- The role of sales forces management in a business to business transaction.

Relationship selling is necessary for success in both large and small sales organizations regardless of the nature of the product, the type of buyer, the

Buyer's or seller's position in the channel of distribution, the size of the firms, the matching of buyers and sellers, and a relationship between buyer and seller corresponds with many of the analogous fundamentals that contribute to a successful integration. ( Marvin A. Jolson, 1997).

Relationship selling strategically creates value through the construction of close alliances between buyers and sellers; Relational selling requires extensive knowledge about the other party, as well as a commitment to such issues as trust and cooperation , the majority of the industrial salesperson's time in the context of interorganizational relationships therefore, is devoted to working with the buyer in such activities as determining needs, co-developing joint plans and support, and matching client needs with seller abilities (Roberta J. Schultz,1990)<sup>11</sup>; However, to date, we still have a poor understanding of the role played by sales force-related factors, as opposed to company-based factors, in gaining and developing customer trust, which is one of the most important results in the relational perspective (Paolo Guenzi<sup>12</sup>, 2001)

The following table describes the four most important strategies pursued by the sales management to deal with industrial buyers, assimilation, separation, marginalization, integration, (see table n01).

Applied frame.

This study aims to identify the role of the sales force management in the creation and development of a long-term relationship with the industrial customer by revealing the correlations between variables, and after reviewing some of the previous studies and the literatures we identified best suited model to the study, the figure shows the hypotheses of the study and process of applied study. (Fig 01)

We identified the activities performed by the sales force management in three activities, namely: communication activities, strategic analysis activities, value -added activities, it has been studying the relationship between each group activity among the determinants of long-term relationship with the industrial customer, which were represented in the Buyer-specific assets, Continuity, Performance evaluation.

### 1- Study hypothesis.

As is explained in Figure the study was based on three hypotheses:

H1: There is a positive correlation statistically significant between the communication activities performed by sales forces management and the existence of a long-term relationship with the industrial buyer significant level 5%.

H2: There is a positive correlation statistically significant between the analytical-strategic activities performed by sales force management and the existence of a long-term relationship with the industrial buyer significant level 5%.

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H3: There is a positive correlation statistically significant between the added-value activities performed by sales forces management and the existence of a long-term relationship with the industrial buyer significant level 5%.

## 2- Study Methodology:

In order to answer the question posed in the study, it has been relying on descriptive and analytical approach.

## 3- Society and the study sample:

A community study represents of all individuals in which the characteristics of the subject of the study are available, the study sample are individuals selected from the study population to ensure the provision of the required data, the study sample consists of all the sales men in the new company for glass -chlef- NOVER, while the second sample was all the members buying management of major industrial buyers, and these buyers are laboratories neomedic, naftal chlef, the questionnaire e has been distributed among 30 individual.

## 4- Data Collection Tool:

the questionnaire has been used as a tool for assembling the current study data, because it is considered the best tool to get the data in this type of studies, also we used the personal interview method in order to answer the questions respondents if there is ambiguity or lack of understanding of the questionnaire adequately, the questionnaire designed and the questions formulated in accordance with the objectives of the study, it has included the following parts:

-Part1: It is dedicated to a sample sales management force.

-Part2: It is dedicated to sample procurement management.

The questionnaire has been prepared based on access to many of the previous studies and with the addition of what we have seen fit through our dealings with the subject to design the appropriate questionnaire to the subject of the study and the most viable, as shown in the table n 02.

Noting that the five-Likert scale has been relying on to answer phrases.

## 5- Test the stability of the study tool.

In order to test the accuracy of the study , the Cronbach's alpha coefficient scale relied to led the value of the the tool stability used to measure and study variables, it was as a whole 0.875, this is an acceptable value, being higher than 0.60 wich is the agreed value by specialists and scientific research methodology . (Tab 03).

## 6- Statistical used:

In the context of the study data analysis and the testing of hypotheses, it have been relying on the statistical programs of Social Sciences package SPSS, using the following statistical tools:

1-Reliability coefficient Cronbach's Alpha to identify the extent of the internal consistency of the paragraphs of the activities of the sales force management; and the paragraphs of the determinants of long-term relationship.

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2-Pearson correlation coefficient, to test the relationship between the activities of the sales force management of the determinants of long-term relationship with the customer.

7-means, standard deviations, to determine the level of importance of the study variables.

Means and standard deviations for the variables of the study:

the Table n Review the means and standard deviations of the dimensions of the independent variable (the activities of the sales force management).

The table shows that the communication activities ranked first in the answers, the mean was 3.72 (high) , and the standard deviation was 0.83, and this is due to the fact that the sales management of the NOVER company provides care to contact the customer, and the total mean of the dependant variable is 3.57 (high)

The means and the standard deviations of the procurement management sample answers for every determinant of long-term relationship is shown in the table 04.

The table n 05 shows that the continuity is ranked first in the answers as the major determinant of long-term relationship, the mean was 3.72 (high) , and the standard deviation was 0.70, and this is due to the fact that the buying management cares to maintain the relationship with supplier in order to reduce experimentation costs and T switch supplier costs, and in order to benefit from the guarantees and other benefits provided by the supplier to the loyal buyers, and as it is shown the total mean of the dependant variable is 3.70 (high) .

8-Test of the study hypotheses.

The first hypotheses test:

The results of the linear regression analysis indicated on the table 06 schedule that the value of F amounted to 106.096 wich is bigger than the tabular value, as the significant value of  $\alpha$  was less than the significance level authorized 0:05, and this requires the acceptance of the hypothesis which states that there is an existence of the role of communication activities carried out by the new glass company NOVER in building a long-term relationship with the industrial buyer. (Tab 06).

The estimated value of the correlation coefficient was  $R = 0.73$  and this indicates the presence of a positive and powerful relationship between the two variables, The explanatory power of the model amounted to (0.535), which means that communication activities performed by the sales management interprets 35% of the dependent variable (a long -term relationship determinants from the point of customer's perspective) .see table n07.

The second hypothesis test:

The results of the linear regression analysis indicated on the table 08 schedule that the value of F amounted to 112.32 wich is bigger than the tabular value, as the significant value of  $\alpha$  was less than the significance level authorized 0:05, and this requires the acceptance of the hypothesis which states that there is an existence of the role of analytical-stregetic activities carried out by the new glass company NOVER in building a long-term relationship with the industrial buyer. (Tab 08)

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The estimated value of the correlation coefficient was  $R = 0.64$  and this indicates the presence of a positive and powerful relationship between the two variables, The explanatory power of the model amounted to (0.412), which means that communication activities performed by the sales management interprets 41% of the dependent variable (a long -term relationship determinants from the point of customer's perspective) .see table n09.

The third hypothesis test:

The results of the linear regression analysis indicated on the table 10 schedule that the value of F amounted to 120.43 wich is bigger than the tabular value, as the significant value of  $\alpha$  was less than the significance level authorized 0.05, and this requires the acceptance of the hypothesis which states that there is an existence of the role of added-value activities carried out by the new glass company NOVER in building a long-term relationship with the industrial buyer. (Tab 10).

The estimated value of the correlation coefficient was  $R = 0.70$  and this indicates the presence of a positive and powerful relationship between the two variables, The explanatory power of the model amounted to (0.492), which means that communication activities performed by the sales management interprets 49% of the dependent variable (a long -term relationship determinants from the point of customer's perspective) .see table n11.

### 3-results analysis and discussion.

1-the regular contact with the customer is one of the most important elements of customer service. on strategies for customer service Should to be built on the basis of sharing information and the search for a way to increase the constant flow of information that is shared with the client freely, the NOVER company educate the customer about the various products, as well as on the company's history and her career, in addition to the news about the new dedicated customer service.

The company use all means of communication available to even communicate with its customers, which include sending sales representatives to customers in addition to the use of its website to provide information to permanent clients and potential, the e-mail, fax and phone also used, all of this for customers noticing about the company commitmet and its keenness on their interests and their needs.

2-Successful strategic analysis carried out by the sales management is considered as an important factor, the successful market analyse and the knowledge of opportunities and threats faced by the sales management helps to create long-term relationship with the customer, the Sales Management at NOVER analyses the market to provide information on customers , But they are doing it on the care of the intervals because it is a national company and it does not have a lot of competitors in this area so it don't need constantly an analysis of the market.

the profitability of every customer analysis is very important because it can identifies the most profitable customers ,thus focusing efforts contact with him more, in addition to the follow-up to the needs of customers and the implementation lead to gain customer trust and a the sense of its importance to the company and thus creating a long-term relationship.

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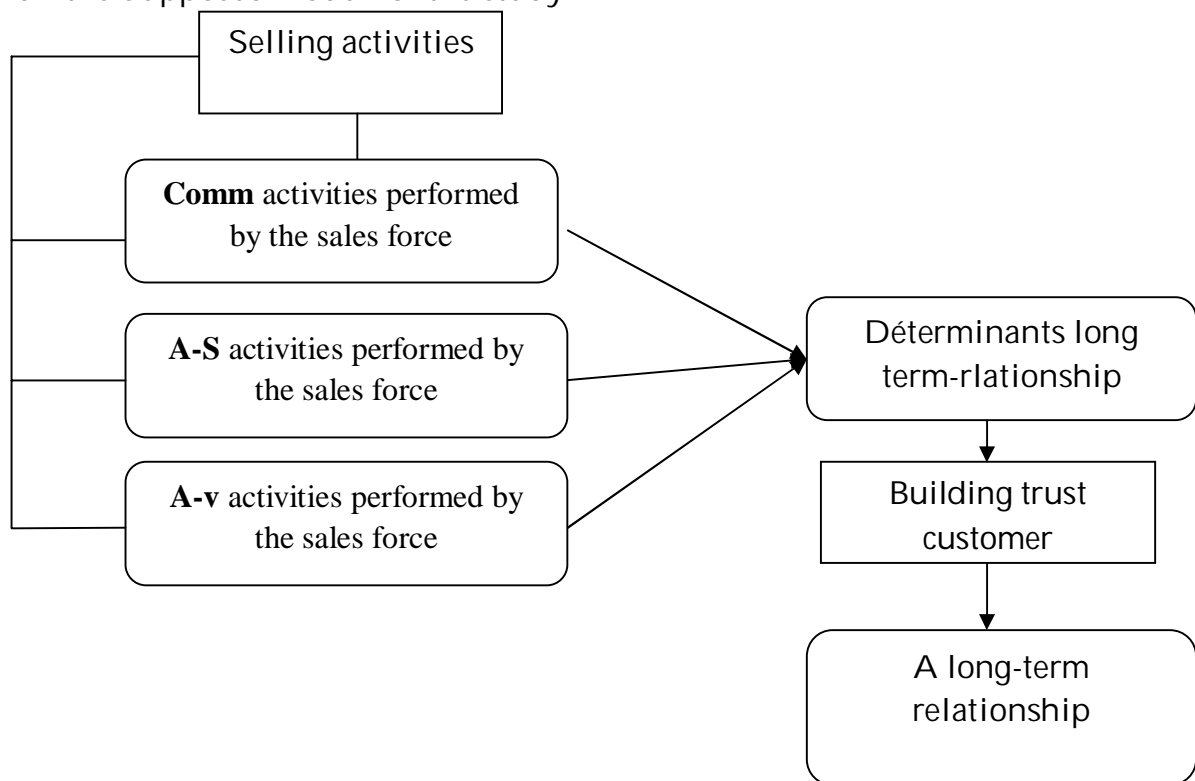
3-pre-sales functions start from the initial communication phase, this stage provides initial support or transitional to carry out the sale, the pre-selling NOVER company services consists of sending samples of pharmaceutical products or cosmetic or food to customers for testing and standing on the product advantages themselves, also it includes inquiring about some of the problems and propose solutions through the Enterprise Products Services, in addition to that , the management is served by providing more clarification on the products characteristics .

the after-sales service has gained large share also from the management's activities since the enterprise retrieves all damaged products and compensated it, and also it incites the on the fact-ray customer about the products after carrying out a purchase, thus the customer trust and increases , and that contributes to creating a long-term relationship with him.

Conclusion.

During the study to a number of results was reached wich it have enabled us to visualize a marketing model designed aims to improve the relationship between companies and customers in industrial markets, it has been shown through the application study that the sales management in the enterprise plays an important role in creating a long-term relationship with the industrial customer, and this is due to the process sales is primarily a personal process communication between the sales force and the industrial customer , this is why the company requires to apply communication activities and provide significant advantages to the customer in order to gain his trust , thus, contributes to establishing a long-term relationship with him.

Fig n01: the Supposed model for the study



Source: Prepared by researchers depending on previous studies.



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Table 01: Intercultural interaction strategies and their impacts on industrial sellers.

Strategy	Impacts on Industrial Sellers
Assimilation	Relinquishing of own culture Loss of loyalty of salespeople to selling organization Selling organizational contact with salespeople diminishes
Separation	Buyer's culture dominates Salespeople must disregard their own culture Potential for resentment to cultural domination
Marginalization	Salespeople lose professional ties with both buying and selling cultures Cultural separation continues to evolve Loss of loyalty to seller and buyer objectives and culture
Integration	Requires desire to satisfy both buyer and seller cultures Encourages long-term value to buyers and sellers Salespeople need to balance diverse cultures and needs Sellers must commit resources to understanding buyer cultures Fosters long-term buyer/seller relationships

Source: Roberta J. Schultz, Intercultural interaction strategies and relationship selling in industrial markets industrial marketing management, 1999. p593.

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Table 02: the references of questionnaire.

The study variables	Questionnaire phrases	The References
Determinants of long-term relationship	1-2-3	Performance Implications of Buyer-Supplier Relationships in industrial Markets, a Transaction Cost Explanation Jan B. Heide Rodney L. Stump
Communication activities performed by the sales force	1-2-3	Paolo Guenzi, SALES-FORCE ACTIVITIES AND CUSTOMER TRUST
Activities performed by the sales force	1-2	Paolo Guenzi, SALES-FORCE ACTIVITIES AND CUSTOMER TRUST
	3-4	By The researcher
Analytical-Strategic Activities performed by the sales force	1-2	Paolo Guenzi, SALES-FORCE ACTIVITIES AND CUSTOMER TRUST
	3-4	By The researcher
Added-value activities performed by the sales force	1-2-3	Paolo Guenzi, SALES-FORCE ACTIVITIES AND CUSTOMER TRUST

Source: Prepared by researchers.

Table 03: Cronbach's alpha scale results

axe	Dimension	Paragraphes num	Cronbach's coeff
Independent variable The sales management activities	communication activities performed by the sales force	3	0.752
	Analytical-Strategic activities performed by the sales force	4	0.822
	Added-value activities performed by the sales force	3	0.774
dépendent variable	Determinants of customer trust	8	0.786
The questionnaire as a whole		18	0.785

Source: Prepared by researchers on depending on SPSS results.

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Table 04: means and standard deviations for the dependant variable.

ACTIVITIES	MEAN	STAND DEV	RANK	DEG
communication activities performed by the sales force	3,72	0.92	1	high
Analytical-Strategic activities performed by the sales force	3.55	0.83	2	high
Added-value activities performed by the sales force	3.45	0.78	3	aver
General mean and standard deviation	3.57	0.84		High

Source: Prepared by researchers on depending on SPSS results.

Table 05: means and standard deviations for the independent variable.

Determinants of long term relationship	MEAN	STAND DEV
Buyer-specific assets	3.62	0.89
Volume unpredictability	3.22	0.72
Continuity	3.72	0.70
Performance evaluations	3.70	0.68

Source: Prepared by researchers on depending on SPSS results.

Model	Sumo of Squares	df	Mean Square	F	Sig.
1 Regression	61.972	1	61.972	106.096	.000 <sup>a</sup>
Residual	80.608	138	.584		
Total	14.580	139			

Table 06: analysis of variance ANOVA results.

Source : SPSS results.

Table 06: analysis of variance ANOVA results.

Model	R	R square
	.732	.535

Source :SPSS results.

Table 07: analysis of variance ANOVA results.

Model	Sumo of Squares	df	Mean Square	F	Sig.
1 Regression	55.872	1	66.834	112.32	.000 <sup>a</sup>
Residual	77.728	138	.224		
Total	133.6	139			

Source :SPSS results.

Table 08: analysis of variance ANOVA results.

Model	R	R square
	.642	.412

Source :SPSS results.

Table 09: analysis of variance ANOVA results.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	53.892	1	61.972	120.43	.000 <sup>a</sup>
Residual	75.554	138	.584		
Total	129.446	139			

Source :SPSS results.

Table 10: analysis of variance ANOVA results.

Model	R	R square
	.702	.492

Source :SPSS results.

## References.

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