

Sales Agents in B2B Markets: Analyzing Activities and Performance Gaps with Customers and Principals

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Keywords: Independent Sales Agents, B2B Markets, Sales Activities, Principal-Agent Relationship, Sales Management

Introduction

Independent sales agents (ISAs) play a crucial role in B2B markets by serving as intermediaries between manufacturers and customers, contributing significantly to global revenues. Despite their importance, limited research focuses on the specific activities ISAs perform, particularly in managing relationships with both customers and principals. Independent Sales Agents offer companies cost-effective access to markets while reducing operational risks (Bergestuen et al., 2022b). Despite their importance, research focusing specifically on ISAs is sparse, with most studies on sales

intermediaries focusing on Independent Manufacturers' Representatives (IMRs) (e.g. Bergestuen et al, 2002(a); Bergestuen et al, 2002(b); Thompson et al.,2022). IMRs are intermediaries who sell on behalf of manufacturers, typically on a commission basis, and are often used in dual distribution strategies to enhance market coverage (Anderson & Schmittlein, 1984). While similar to ISAs, IMRs usually operate as part of an agency rather than as individual agents, and the literature has largely focused on their roles in foreign markets and complex product sales (Anderson & Coughlan, 1987; Dutta et al., 1995).

Several seminar works have significantly advanced the study of sales activities. Moncrief (1986) developed one of the first empirical taxonomies of sales activities, categorizing tasks based on frequency and importance. This work was foundational in understanding the diverse roles of salespeople. Building on this, Marshall et al. (1999) updated the taxonomy by incorporating the impact of emerging technologies and Moncrief et al. (2006) further refined this taxonomy, identifying six categories of sales positions that reflected modern sales strategies and environmental changes. Most recently, Elhajjar, Yacoub, and Ouaida (2024) introduced a new taxonomy that considers the influence of digitalization and artificial intelligence (AI) on sales practices underscoring the importance of digital tools in modern sales and the need for sales professionals to develop new competencies to stay competitive.

While these studies provide a robust framework for understanding sales activities, there remains a gap concerning the specific roles and challenges faced by ISAs, especially in managing relationships with their principals and customers. This work aims to bridge this gap by applying these foundational insights to the domain of ISAs, offering a nuanced understanding of their activities in a B2B context.

Methodology

Methodologically, this research utilized a structured questionnaire administered to ISAs in Italy, focusing on both customer management and principal relationship activities. Italy's robust ISA market provided a context-rich setting for exploring these agents' dual responsibilities. The questionnaire was developed based on prior studies (Moncrief, 1986; Marshall et al., 1999; Moncrief et al., 2006) and insights from commercial agent associations, including a set of distinct activities, divided into activities oriented toward customers and those related to principal management. Respondents rated each task for both perceived importance and their own performance on a seven-point Likert scale, allowing for an assessment of performance gaps across multiple dimensions

Results

The analysis identified nine main factors related to customer activities and five related to principal relationships. In client-related tasks, Back Office Activities focus on internal efficiency, while Entertaining emphasizes informal relationship-building with customers. Use of Technology and Communication Tools underscores the importance of digital platforms, and Sales Communication involves the essential interpersonal skills ISAs use in client interactions. Personalize Offering reflects efforts to tailor solutions to individual client needs, and Market Intelligence and Forecasting involves gathering and interpreting market data. Traditional Business Development includes activities like product presentations, Order Management covers order fulfilment tasks, and Follow-up and Communication Activities ensure continuous client engagement. For principal-related responsibilities, the analysis highlighted Routine Work Activities for ongoing maintenance of relationships, Discuss Scope and Activity for initial agreements and expectations, and Understand Market and Clients for shared market analysis. Periodic Meetings and Professional Development ensure continuous alignment and skill growth, while Identify and Attract Principal involves sourcing and engaging new principal relationships.

The largest performance gap was in Use Tech & Communication Tools, with a -18% gap, indicating that while ISAs recognize the importance of technology, they struggle with integrating it into their sales processes. Another significant gap was found in Back Office Activities (-10%). Similarly, Entertaining, focused on customer relationship-building, showed a -10% gap, indicating that ISAs may not be investing enough in these interactions, which are key to maintaining strong client relationships. For principal-related activities the largest gap was in Identify and Attract Principal (-14%), indicating difficulties in early principal engagement. Discuss Scope and Activity also showed a significant gap (-12%), suggesting challenges in initial negotiations and alignment with principals.

Implications and conclusions

The implications of this study are multifaceted, with both theoretical and practical significance. Theoretically, the research contributes to the literature on B2B sales agents, extending established frameworks to include ISAs as a unique sales group that faces specific performance challenges within the principal-agent dynamic. These findings underscore the necessity for ongoing adaptation within the sales profession, particularly in response to digital advancements and the increasing importance of strategic relationship management. Practically, the results offer actionable insights for principals and sales organizations, suggesting that targeted support in areas like digital tool adoption and administrative efficiency could help ISAs achieve a more balanced and effective approach to their work. For principals, investing in initial engagement processes could provide ISAs with a clearer roadmap, enhancing alignment and potentially reducing performance disparities in the long term.

Despite its contributions, this study is not without limitations. The research focuses exclusively on the Italian ISA market, potentially limiting the generalizability of the findings to other regions or industries. Additionally, the study measures activities and

performance perceptions without directly linking these to measurable business outcomes. Future research could address these limitations by conducting cross-cultural comparisons to explore whether similar performance gaps exist in other markets. Furthermore, examining the direct impact of identified performance gaps on sales results and client-principal satisfaction could provide deeper insights into how performance improvements in these areas translate into business success. In conclusion, this study sheds light on the nuanced role of ISAs within B2B markets, identifying areas where performance gaps exist and offering a foundation for future research and practical interventions.

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