Influences of Service Innovation toward Effectiveness of Work Performance of Car Sales Representatives in Bangkok

Sirawish Supradith[1]
and Prasopchai Pasunon[2]
Faculty of Management Science,
Silpakorn University, Thailand
[1]sirawish_s@hotmail.com

Abstract **- This research aimed to study influences of service innovation and customer orientation toward effectiveness of work performance of car sales representatives in Bangkok. The samples of the research were 240 car sales representatives in Bangkok. A questionnaire was used to collect the data for analyses. The gained data were analyzed by using descriptive statistics, namely frequency, percentile, mean score, and standard deviation. Enter multiple regression analysis was used to determine the correlation between dependent and independent variables. The results of the research revealed three influencing service innovation factors, namely continuous practice of service innovation, price affordability, and investment in employees' work performance, and two influencing customer orientation factors, namely delivering and personal relationship. The stated influencing factors significantly affected the effectiveness of work performance of car sales representatives in Bangkok with the statistical significance level at 0.05. The effectiveness of work performance could be predicted at the level of 64%.**

Keywords **- Service Innovation, Effectiveness of Work Performance, Customer Orientation**

I. INTRODUCTION

In the industry sector, the automotive industry in Thailand has grown continuously and steadily. Various car companies are competing with each other to attract customers, snatch market shares and sales figures. Car companies frequently launch a wide variety of new car models and exploit different marketing strategies to gain as many market shares as possible. Each car company mainly aims to respond to customers' needs or different purposes of car usage; therefore, the amount of car manufacture and distribution in Thailand has increased dramatically (Automotive Industry Club, The Federation of Thai Industries, 2018).

In additon, sales representatives are one of the most important resources of car dealers since automotive business is service business that hugely relies on sales representatives who provide both pre- and after-sales services and car-related information to customers and persuade them to make a decision to buy cars from their dealers. To achieve successful and efficient work, service innovation is required. Service innovation uses information technology, process, and environment as key components to successfully and efficiently provide services to customers; furthermore, it also increases the effectiveness of sales representatives' work performance which, in turn, results in their higher incomes and better well-being. Consequently, the researchers are interested in studying influences of service innovation toward effectiveness of work performance of car sales representatives.

II. OBJECTIVES

1) To Study influences of service innovation toward the effectiveness of work performance of car sales representatives.

2) To Study influences of customer orientation toward the effectiveness of work performance of car sales representatives.

III. FRAMEWORK, THEORIES, AND RELATED STUDIES

A. Service Innovation

Chesbrough (2011), the service innovation consists of five components which are Customer Experience Management (CEM), Continuous Operational Innovation, Superior Customer Benefit, Price Affordability, and Investment in Employee Performance. When the service innovation is applied, a company's profits will be positively affected.

B. Customer Orientation

Customer orientation refers to management of customers' needs to meet their best satisfaction in order to have them become repeat customers (Marie & Juan, 1998). Being perceived as a well-known and best service provider helps attract more new and repeat customers, and the representatives feel encouraged to be determined to provide best services to customers and constantly improve their service skills (Donavan & Hocutt, 2001).

C. Work Performance

Peterson and Plowman (1953), stated that a narrow definition of effectiveness of work performance in business management was the reduction of production costs, while a broader definition was the quality of work effectiveness, competence and capacity.

In summary, effectiveness of work performance refers to the most efficient work that car sales representatives perform with the least use of resources. The representatives provide services based on accuracy of information, rapidity, time saving; moreover, they pay attention to the work and operation of customer services, and their work process is clear and accurate to achieve their goals. The effectiveness of work performance is considered according to the three aspects which are service provision, work achievements, and customers' satisfaction toward the representatives' performance.

IV. RESEARCH FRAMEWORK

The variables used in this research were divided into two group which are independent and dependent variables.

Independent Variables were service innovation and customer orientation. Service innovation consisted of Customer Experience Management (CEM), Continuous Operational Innovation, Superior Customer Benefit, Price Affordability and Investment in Employee Performance, while Customer Orientation was comprised of pampering customers, reading customers' minds, delivering, and having personal relationship with customers.

Dependent Variable was effectiveness of work performance which was considered basically on the service provision, work achievements, and customers' satisfaction toward the representatives' performance.

V. RESEARCH METHODOLOGY

A. Population and Sample

Population for this research was sales representatives who work with leading car companies in Bangkok. Since the exact number of the population was not known, the sample group was determined based on Hair's framework (Hair, 2006) which proposed that the appropriate number of samples was 10-20 people per variable. Hence, this research contained 12 variables, the appropriate number of samples was 240 car sales representatives, and the simple random sampling was used to select these samples.

B. Research Instruments

A questionnaire was used to collect data for analyses. The content validity of the questionnaire was evaluated by experts, and the value of Index of Item – Objective Congruence (IOC) was 0.83 showing that the questions and research objectives were related (Phuangrat, 2000). The reliability was also evaluated with

Cronbach's Alpha, and the value was 0.895.

C. Data Collection Method

The 240 sets of the evaluated questionnaire were distributed to 240 car sales representatives who work with leading car companies in Bangkok.

D. Data Analysis

The collected data were analyzed by using a computer program. Descriptive statistics and enter multiple regression analysis was also used.

VI. RESEARCH RESULTS

A. Demographic Information

Out of 240 car sales representatives, 126 respondents (52.50%) were female, and 114 respondents (47.50%) were male. 139 respondents (57.90%) worked in the sales department, followed with 70 respondents (29.20%) held the position as sales team leaders, and 31 respondents (12.90%) were sales managers, respectively.

The information regarding the influences of service innovation toward effectiveness of work performance of car sales representatives in Bangkok was as the followings.

The Standard Deviation (S.D.) value ($\bar{x}$ = 4.18; S.D. = 0.77) showed that the samples agreed that service innovation had influences toward effectiveness of their work performance. When each factor was considered, it was revealed that the factor of customers' experience management was the most influencing factor ($\bar{x}$ = 4.32; S.D. = 0.77), followed with customers' privilege ($\bar{x}$ = 4.28; S.D. = 0.79), price affordability ($\bar{x}$ = 4.27; S.D. = 0.75), continuously operational service innovation ($\bar{x}$ = 4.23; S.D. = 0.79), and investment in employees' work performance ($\bar{x}$ = 3.78; S.D. = 0.97), respectively.

An analysis of customer orientation also revealed that the samples agreed that customer orientation ($\bar{x}$ = 4.72; S.D. = 0.45) influenced their effectiveness of work performance. When each factor was considered, it showed that personal relationship was the most influencing factor ($\bar{x}$ = 4.77; S.D. = 0.41), followed with pampering customers and delivering with the same S.D. value ($\bar{x}$ = 4.71; S.D. = 0.49 and 0.44), and reading customers' minds ($\bar{x}$ = 4.7; S.D. = 0.46), respectively.

Basic agreement analysis of multiple regression analysis used to examine the problems of Collinearity and Multicollinearity found that independent variables did not have any conflict relationship because the tolerance value was not lower than 0.05, and the VIF value was less than 20. An evaluation of an estimate of random errors using Durbin-Watson statistics was 2.146 which was the value between 1.50-2.50. This meant that conflicts in autocorrelation were not detected which agreed with the basic hypothesis of the use of regression analysis.

TABLE I
REGRESSION ANALYSIS OF INFLUENCING FACTORS OF SERVICE INNOVATION ON THE EFFECTIVENESS OF WORK PERFORMANCE OF CAR SALES REPRESENTATIVES IN BANGKOK.

X	S.E.	Beta	t	sig
(Constant)	0.252		2.766	0.006
Continuous operation of service innovation (X2)	0.050	0.161	1.988	0.048
Price affordability (X4)	0.042	0.183	2.862	0.005
Investment in employees' work performance (X5)	0.030	0.315	5.221	0.000
Delivering (X8)	0.068	0.204	3.361	0.001
Personal relationship (X9)	0.070	0.231	3.996	0.000
Statistical significance level at 0.05; R = 0.800a; R square = 0.640; Adjust R square = 0.625				
Standard Error of the Estimate = 0.29921				
Equation for Multiple Regression Analysis $\hat{Y}$=0.252+0.050X2+0.042X4+0.030X5+0.068X8 +0.070X9				

Y referred to a dependent variable which was effectiveness of work performance, while $\hat{Y}$ represented the prediction equation in the

form of standard score Z = 0.050X2+0.042X4 +0.030X5+0.068X8 +0.070X9.

According to Table I, it was found that the factor that influenced the effectiveness of work performance of car sales representatives in Bangkok the most was continuous operation of service innovation (64.00%; R square = 0.625; β = 0.161, p<0.05), followed with price affordability (β = 0.183, p<0.05), investment in employees' work performance (β = 0.315, p<0.05), delivering (β = -0.204, p<0.05), and personal relationship (β = -0.070, p<0.05), respectively.

VII. DISCUSSION

The results of the study of service innovation factors that influence the effectiveness of work performance of car sales representatives in Bangkok revealed the influencing factors as the followings.

1) *Continuous Operation of Service Innovation*

Car dealers constantly and continuously improve an effective sales process to meet customers' needs and satisfaction. This agreed with Yen et al.'s study (2012) which showed that continuous operation of service innovation would result in changes of an organization, support for higher competitiveness, and improvement of an organization's effectiveness and achievements.

2) *Price Affordability*

Car dealers pay a great deal of attention to price standard. Price competition will decrease the value of cars which will, in turn, lower incomes of car sales representatives. The study of Wang and Miao (2015) also showed that innovation supported the business relationship between car manufacturers and dealers. Sales conditions are set, and the standard of pricing is established. The positive effects of sales competition are also decreased.

3) *Investment in Employees' Work Performance*

Car dealers understand how important the improvement of a service process is. They could invest in employees' work performance by providing the employees modern technology and tools that support their work and help them provide impressive and effective services to customers. This is similar to the study of Hussain, Konar, and Ali (2016) that the development of good service innovation creates a better work culture to hotel staff, increases effectiveness of their work performance, and helps them provide memorable service experience to customers.

4) *Delivering*

Car sales representatives emphasize the importance of customers, follow new car delivering steps, pay attention to appointments with customers, and prepare for the new car delivery accordingly to make the customers pleased and impressed. Showing polite manners also represents the willingness to provide services.

5) *Personal Relationship*

Car sales representatives can make good personal relationship with customers by following up with customers, continuously informing their orders' status, and building up positive relationship with customers. This also agreed with the study of Kim, Leong, and Lee (2005). In his work, Kim stated that when customers feel they are important and treated with special care and attention, the tendency that they will be absolutely satisfied and impressed and have good relationship with the staff will be significantly high. Consequently, the staff will concentrate on their work to reach higher achievements.

VIII. BENEFITS OF THE RESEARCH

Car dealers can apply the research results to develop their continuous service innovation schemes, make human resource development plans, arrange trainings and workshops on creating novel service innovation, and encourage car sales representatives to invent their own service innovation process. The results of the research can also be used to transform an organization's work culture to be a service-oriented organization that aims to satisfy and impress customers with excellent services and make them become repeat customers.

IX. SUGGESTIONS AND RECOMMENDATIONS

For further research, other variables, such as management innovation, process innovation, and paradigm innovation, should be studied to examine the correlation and influences that affect the effectiveness of work performance. The results of the study can be guidelines for the development of work process of sales representatives in the future. Moreover, qualitative research can be done by collecting in-depth data from samples for analyses.

REFERENCES

(Arranged in the order of citation in the same fashion as the case of Footnotes.)

[1] Chesbrough, H. (2011). "Bringing Open Innovation to Services". MIT Sloan Management Review, Vol. 43(3), pp. 85-89.

[2] Donavan and Hocutt, M. (2001). "Internal benefits of service-worker customer orientation: Job satisfaction, commitment, and organizational citizenship behaviors". Journal of Marketing, Vol. 68(1), pp. 12-33.

[3] Hussain, K., Konar, R., and Ali, F. (2016). "Measuring service innovation performance through team culture and knowledge sharing behaviour in hotel services: A PLS approach". Procedia-Social and Behavioral Sciences, Vol. 224, pp. 35-43.

[4] Kim, W.G., Leong, J.K., and Lee, Y.K. (2005). "Effect of service orientation on job satisfaction, organizational commitment, and intention of leaving in a casual dining chain restaurant". International Journal of Hospitality Management, Vol. 24(2), pp. 171-193.

[5] Peterson, E. and Plowman, G.E. (1953). "Business organization and management (3rd Ed.)". Ill: Irwin.

[6] Phuangrat, T. (2000). "Research methodology in behavioral sciences and Social Sciences (8th Ed.)". Bangkok: Odian Store.

[7] Siriwan, S. and et al. (2007). "Management and Organizational Behavior". Bangkok: Theera Film & SciTex.

[8] Wang, G. and Miao, C.F. (2015). "Effects of sales force market orientation on creativity, innovation implementation, and sales performance". Journal of Business Research, Vol. 68(11), pp. 2374-2382.

[9] Yen, R.H. and et al. (2012). "Service innovation readiness: Dimensions and performance outcome". Decision Support Systems, Vol. 53(4), pp. 813-824.