

**OKAN UNIVERSITY  
INSTITUTE OF SOCIAL SCIENCES**

**FACTORS AFFECTING SALES PERSON'S  
PERFORMANCE IN TURKEY SMARTPHONE MARKET**

**Fehim DÜZGÜN**

**THESIS  
FOR THE DEGREE OF  
PHILOSOPHY OF DOCTORATE PROGRAM  
IN BUSINESS ADMINISTRATION**

**ADVISOR**

**Prof. Dr. Gonca TELLİ YAMAMOTO**

**İSTANBUL, February 2018**

T.C.  
OKAN ÜNİVERSİTESİ  
SOSYAL BİLİMLER ENSTİTÜSÜ

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# TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
TABLE OF CONTENTS.....	i
ÖZET.....	vi
ABSTRACT .....	viii
LIST OF FIGURES .....	x
LIST OF TABLES .....	xii
LIST OF SPSS ANALYSIS.....	xiii
INTRODUCTION.....	1
CHAPTER 1 LITERATURE REVIEW .....	3
<b>1.1. PERSONAL SELLING</b> .....	<b>3</b>
1.1.1. Traditional Selling & Relationship Selling .....	3
1.1.2. Definition of Personel Selling .....	5
1.1.3. Personel Selling Process.....	5
1.1.4. The Importance of Personel Selling .....	7
1.1.5. Sales Person .....	8
1.1.5.1. Role of Sales Person.....	8
1.1.5.2. Sales Person Performance .....	10
1.1.5.3. The Importance of Motivated Sales Person.....	13
<b>1.1.6. Employee Motivation</b> .....	<b>14</b>
1.1.6.1. Motivation Dimensions .....	15
1.1.6.2. Compensation Systems .....	17
1.1.6.3. Incentive Theories.....	18
1.1.6.3.1. Expectancy Theory .....	19
1.1.6.3.1.1. Basic Expectancy Model.....	20

1.1.6.3.1.2. Assumptions of Expectancy Theory.....	21
1.1.6.3.2. The Porter-Lawler Theory of Motivation.....	21
<b>1.2. SALES PROMOTION .....</b>	<b>23</b>
<b>1.2.1. Definition of Sales Promotion .....</b>	<b>23</b>
1.2.1.1. The Function of Sales Promotion.....	24
1.2.1.2. Sales Promotions by Application .....	25
1.2.1.3. Benefits of Sales Promotion .....	26
<b>1.2.2. Promotion Mix.....</b>	<b>28</b>
1.2.2.1. Definiton of Promotion Mix.....	28
1.2.2.2. Tools of Promotional Mix.....	28
<b>1.2.3. Types of Sales Promotions.....</b>	<b>30</b>
1.2.3.1. Trade Deals .....	30
1.2.3.2. Retailer Promotions .....	30
1.2.3.3. Consumer Promotions.....	31
1.2.3.4. Gift Promotion .....	34
1.2.3.5. Price Discount.....	35
<b>1.2.4. Promotion Effect to the Sales .....</b>	<b>37</b>
1.2.4.1. Brand Level Effect .....	38
1.2.4.2. Category Level Effect.....	38
1.2.4.3. Store Level Effect.....	38
<b>1.2.5. Promotion Strategies.....</b>	<b>39</b>
<b>1.3. RELATIONSHIP MARKETING .....</b>	<b>40</b>
<b>1.3.1. Traditional Marketing &amp; Relationship Marketing.....</b>	<b>40</b>
1.3.1.1. Key Differences Between Transactional and Relationship Marketing .....	41
1.3.1.2. Development of Relationship Marketing.....	43
<b>1.3.2. Definitions and Principles of Relationship Marketing .....</b>	<b>44</b>
1.3.2.1. Definitions of Relationship Marketing.....	44
1.3.2.2. Key Principles of Relationship Marketing.....	47
<b>1.3.3. Commitment - Trust Theory .....</b>	<b>48</b>
1.3.3.1. Definition of Commitment - Trust Theory .....	48
1.3.3.2. Key Mediating Variable (KMV) .....	49

<b>1.3.4. Levels of Relationship Marketing</b> .....	<b>51</b>
1.3.4.1. Tactical Level.....	51
1.3.4.2. Strategic Level.....	51
1.3.4.3. Philosophy Level.....	51
<b>1.3.5. Relationship Marketing Programs</b> .....	<b>52</b>
1.3.5.1. Continuity Marketing Programs.....	52
1.3.5.2. One-to-one Marketing.....	52
1.3.5.3. Partnering Programs.....	52
<b>1.3.6. Relationship Marketing Inputs, Outputs and Effectiveness</b> .....	<b>53</b>
1.3.6.1. Relationship Marketing Inputs & Outputs .....	53
1.3.6.2. Effectiveness of Relationship Marketing .....	54
<b>CHAPTER 2 SMARTPHONE MARKET STATUS IN GLOBAL &amp; TURKEY</b> .....	<b>57</b>
<b>2.1. MOBILE INTERNET USAGE IN GLOBAL</b> .....	<b>57</b>
<b>2.2. SMARTPHONE MARKET STATUS</b> .....	<b>59</b>
<b>2.3. SMARTPHONE USER BEHAVIOUR &amp; REPLACEMENT CYCLE</b> ...	<b>67</b>
2.3.1. Smartphone User Behaviour.....	67
2.3.2. Smartphone Replacement Cycle.....	69
<b>2.4. TURKEY SMARTPHONE MARKET AND CHANNEL STATUS</b> .....	<b>70</b>
2.4.1. Turkey Smartphone Market Status .....	70
2.4.2. Turkey Smartphone Market Channel Status .....	77
<b>CHAPTER 3 RESEARCH</b> .....	<b>80</b>
<b>3.1. AIM OF RESEARCH</b> .....	<b>80</b>
<b>3.2. THE IMPORTANCE OF RESEARCH</b> .....	<b>80</b>
<b>3.3. MAIN RESEARCH MODEL</b> .....	<b>80</b>
<b>3.4. LIMITATIONS OF RESEARCH</b> .....	<b>83</b>
<b>3.5. EMPIRICAL STUDIES</b> .....	<b>85</b>
<b>3.5.1. Bundle Gift Promotion with SMS Communication</b> .....	<b>85</b>

3.5.1.1 Research model .....	86
3.5.1.2. Research Design & Limitations .....	86
3.5.1.3. Hypothesis of Research.....	87
3.5.1.4 Research Result.....	88
<b>3.5.2. Bundle Gift Promotion with in Store Communication.....</b>	<b>88</b>
3.5.2.1. Research Design & Limitations .....	88
3.5.2.2. Research Results .....	89
<b>3.5.3. Price Discount Promotion.....</b>	<b>90</b>
3.5.3.1. Research Model .....	90
3.5.3.2. Research Design & Limitations .....	91
3.5.3.3. Hypothesis of Research.....	91
3.5.3.4. Research Results.....	92
<b>3.5.4. Sales Person Bonus Incentive.....</b>	<b>93</b>
3.5.4.1. Research Model .....	93
3.5.4.2. Research Design & Limitations .....	94
3.5.4.3. Hypothesis of Research.....	95
3.5.4.4. Research Results .....	95
<b>3.5.5. Sales Person Survey .....</b>	<b>98</b>
3.5.5.1. Survey Questions .....	98
3.5.5.2. Research Results .....	98
<b>CHAPTER 4 CONCLUSION .....</b>	<b>106</b>
<b>4.1. PROMOTION GIFT BUNDLE AFFECT TO SALES PERFORMANCE</b> .....	<b>107</b>
<b>4.2. PRICE DISCOUNT AFFECT TO SALES PERFORMANCE .....</b>	<b>109</b>
<b>4.3. SALES PERSON BONUS INCENTIVE AFFECT TO SALES</b> <b>PERFORMANCE.....</b>	<b>110</b>
<b>4.4. CONCLUSION FOR SALES PERSON SURVEY .....</b>	<b>112</b>
<b>4.5. MANAGERIAL IMPLICATIONS .....</b>	<b>113</b>
<b>5. REFERENCES.....</b>	<b>117</b>
<b>6. APPENDICES .....</b>	<b>131</b>
<b>Appendix A. Vatan Retailer Store Base Performance Comparison Table.....</b>	<b>131</b>

<b>Appendix B. Teknosa Selected Shop List.....</b>	<b>136</b>
<b>Appendix C. Sales Person Survey Result.....</b>	<b>138</b>
<b>CURRICULUM VITAE.....</b>	<b>144</b>





# ÖZET

## TÜRKİYE AKILLI TELEFON PAZARINDA; SATIŞ TEMSİLCİSİNİN PERFORMANSINI ETKİLEYEN FAKTÖRLER

*Yeni teknoloji ile birlikte akıllı telefon pazarı da hızla büyümektedir. Akıllı telefon teknolojisinin gelişmesine paralel olarak, akıllı telefon pazarı şirketler için gittikçe daha rekabetçi ve zorlayıcı hale gelmiştir. Birçok yerli ve yabancı akıllı telefon üreticisi Türkiye’de pazara giriş yapmakta ve rekabet günden güne daha saldırgan bir hal almaktadır. Bütün şirketler rekabet edebilmek adına, satışlarını arttırıcı en doğru satış faaliyeti ya da faaliyetlerini bulmaya çalışmaktadır. Perakende pazarında satış temsilcisi, müşteri ile birebir yüzleşip satışı gerçekleştiren nokta olduğu için kilit bir rol üstlenmektedir. Bu yüzden satış temsilcisinin performansı rekabetçi akıllı telefon pazarı içinde kritik bir öneme sahiptir. Bundan dolayı şirketler satış temsilcilerini desteklemekte ve hediye promosyon, fiyat indirimi, çeşitli primlendirmeler gibi satışı arttırmaya yönelik satış promosyonları sağlamaktadır. Bu çalışmadaki ana soru; Akıllı telefon pazarında satış temsilcisinin performansını etkileyen faktör -ve bunların etkisidir.*

*Bu çalışmada Türkiye akıllı telefon pazarında dört ayrı satış promosyonu aktivitesi deneysel çalışma olarak uygulanmış ve sonuçlar analiz edilip aktivitelerin etkinliği karşılaştırılmıştır. Önce cep telefon aksesuarı olan kılıf, satış kiti hediye promosyonu olarak uygulanmıştır. Bu uygulamada iki farklı iletişim yöntemi (Lokasyon bazlı SMS ve mağaza içi duyuru) kullanılıp sonuçlar karşılaştırılmıştır. İkinci olarak satış temsilcilerine satış primi uygulanıp sonuçlar incelenmiştir. Üçüncü olarak ise teknoloji mağazaları içinde akıllı telefon fiyatları düşürülerek fiyat promosyonu çalışması yapılmıştır.*

*Bu üç deneysel çalışmaya ek olarak, akıllı telefon satış mağazalarında görev alan akıllı telefon satışından sorumlu, satış temsilcilerine anket uygulaması yapılmıştır. Uygulanan ankette; “Eğer satış temsilcisi, şirket sahibi olsaydı, akıllı telefon satışlarını arttırmak için, satış-pazarlama bütçesini nasıl tahsis ederdi ve hangi satış aktivitesini ne oranda kullanırdı?” sorusuna yanıt aranmıştır.*

*Ortaya çıkan çalışmanın çıktıları, akıllı telefon şirketlerine satış bütçesini tahsis etme ve satış promosyon & aktivitelerini belirleme konusunda yardımcı olacaktır.*

**Anahtar Kelimeler: Satış, Kişisel Satış, İlişkisel Pazarlama, Satış Promosyonu, Satış Temsilcisi, Prim, Perakende, Akıllı telefon, Satış performansı, Satış temsilcisi Performansı.**

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# ABSTRACT

## FACTORS AFFECTING SALES PERSON'S PERFORMANCE IN TURKEY SMARTPHONE MARKET

*Smartphone market is growing very quickly with embedding new technologies. Smartphone market is getting more competitive and challenging parallel to smartphone technology development. Many global and local brands are entering market. Competition is getting more aggressive day by day in this market in Turkey. All brands are looking for a way to raise the sales and make the correct sales activity to be able to compete in the market. In retail business, sales person is one of the key points that faces the consumer in the shops and ends the sales. So, sales person's performance is very critical in competitive Smartphone market. Because of this, companies should support sales person with providing sales promotion and activity tools such as gift promotion, price discount and several incentives. We are questioning the factors and proportion of these incentives affect the sales person performance.*

*In this study, four sales promotion activities executed as empirical study in Turkey and results are analyzed to compare efficiency of activities. Firstly, bundle gift promotion is done for special smartphone case with two communication methods, location-based SMS and in-store communication. Secondly, sales bonus incentive is applied to the Sales Person in store. Thirdly, price promotion is applied with reducing smartphone price in retail stores.*

*Addition to those three empirical studies, a survey is executed with Sales person (sales staff, promoter) who are allocated in smartphone stores and are responsible of promoting the smartphone to the consumer. The survey questions how sales person will use and allocate the budget to increase smartphone sales as if they are decision maker of the smartphone companies.*

*This study will guide and help smartphone companies when planning for their sales promotion & activities and sales budget allocation.*

**Keywords: Sales, Personel Selling, Relationship Marketing, Sales promotion, Sales Person, Bonus, Sales incentives, Retail, Smartphone, Sales performance, Sales person performance.**

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## LIST OF FIGURES

<b>Figure 1.1.6.3.1.1.1:</b> Basic Expectancy Model .....	20
<b>Figure 1.2.1.2.1:</b> Sales Promotion Targets .....	26
<b>Figure 1.2.1.3.1:</b> Satisfaction Chain.....	27
<b>Figure 1.2.4.1:</b> Smartphone Purchasing Increase Over 2011-2016 .....	37
<b>Figure 1.2.5.1:</b> Push and Pull Strategy.....	39
<b>Figure 1.3.1.1:</b> Relationship Marketing Vs Traditional Marketing .....	41
<b>Figure 1.3.1.2.1:</b> Transactional Marketing Vs Relationship Marketing .....	43
<b>Figure 1.3.3.2.1:</b> Relationship Marketing KMV (Key Mediating Variable) Model.	50
<b>Figure 1.3.6.2.1:</b> Effective Relationship Marketing .....	55
<b>Figure 2.1.1:</b> Mobile Internet Usage Status .....	58
<b>Figure 2.1.2:</b> Mobile Advertising Market .....	58
<b>Figure 2.2.1:</b> Smartphone Purchasing Increase over 2011-2016 .....	61
<b>Figure 2.2.2:</b> Number of Smartphones Sold to End Users Worldwide from 2007 to 2017 Q1 (in million units) .....	63
<b>Figure 2.2.3:</b> Statistics Depicts the Total Number of Smartphone Users Worldwide from 2014 to 2020.....	65
<b>Figure 2.2.4:</b> Global Smartphone Market Growth Rate.....	66
<b>Figure 2.3.1.1:</b> Frequency of Usage by Device- Smartphone.....	67
<b>Figure 2.3.1.2:</b> Smartphone Usage rate by Activity Slot .....	68
<b>Figure 2.3.2.1:</b> Combined Global Sales Units of PCs, smartphones, tablets, TVs and Video Game Consoles, 2013-2018 Units (million) .....	69
<b>Figure 2.4.1.1:</b> Smartphone Users Forecast in Turkey by 2022 .....	71

<b>Figure 2.4.1.2:</b> Device Owned by Internet Users in Turkey .....	73
<b>Figure 2.4.1.3:</b> Smartphones Brand Shares in Turkey .....	74
<b>Figure 2.4.1.4:</b> Smartphone Average Sales Price of Turkey.....	75
<b>Figure 2.4.1.5:</b> Smartphone Sales Status Based on Price Level in Turkey.....	76
<b>Figure 2.4.2.1:</b> Smartphones Sales Channel Shares in Turkey .....	77
<b>Figure 2.4.2.2:</b> Operator Channel Share Status in Turkey .....	79
<b>Figure 3.5.1:</b> Nicosia Model .....	81
<b>Figure 3.5.2:</b> Sales Performance Model (SPM) .....	82
<b>Figure 3.5.1.1.1:</b> Research Model for Bundle Gift Promotion Empirical Study .....	86
<b>Figure 3.5.3.1.1:</b> Research Model for Price Discount Promotion Empirical Study..	90
<b>Figure 3.5.4.1.1:</b> Research Model for Sales Person Bonus Incentive Empirical Study .....	93
<b>Figure 4.5.1:</b> Result Summary of Empirical Studies and Survey .....	114

# LIST OF TABLES

<b>Table 1.1.1.1:</b> Comparison Table of Traditional Selling & Relationship Selling.....	4
<b>Table 1.1.3.1:</b> Objectives and Stages of the Personal Selling Process.....	6
<b>Table 1.1.5.1.1:</b> Sales Person Roles .....	9
<b>Table 1.1.5.2.1:</b> The Meta-Analysis of the Previous Approaches on Sales Unit Effectiveness.....	11
<b>Table 1.1.6.1.1:</b> Motivation Dimensions.....	15
<b>Table 1.2.3.2.1:</b> Type of Retail Promotion.....	31
<b>Table 1.2.3.3.1:</b> Major Forms of Consumer Promotions .....	32
<b>Table 1.3.1.1.1:</b> Key Differences between the Concept of Relationship Marketing and Transactional Marketing .....	42
<b>Table 1.3.2.1.1:</b> Definitions of Relationship Marketing .....	45
<b>Table 2.2.1:</b> Smartphone Operating System Market Share Status .....	60
<b>Table 2.2.2:</b> Global Smartphone Shipments in 2016 .....	64
<b>Table 2.4.1.1:</b> Internet User Penetration in Turkey by Gender, 2008-2016.....	72
<b>Table 3.5.2.2.1:</b> Bundle Promotion Result (With in Store Communication).....	89
<b>Table 3.5.3.4.1:</b> Price Discount Promotion Result.....	92
<b>Table 3.5.4.4.1:</b> Sales Person Performance Comparison Table .....	96

# LIST OF SPSS ANALYSIS

<b>Analysis 3.5.2.2.1:</b> Paired T-Test Result for In Store Bundle Promotion .....	89
<b>Analysis 3.5.3.4.1:</b> Paired T-Test Result for Price Discount Promotion.....	92
<b>Analaysis 3.5.4.4.1:</b> Analysis of Sales Person Performance .....	97
<b>Analysis 3.5.5.2.1:</b> Number of Sales Person in Survey.....	99
<b>Analysis 3.5.5.2.2:</b> Education Level of Sales Person in Survey.....	99
<b>Analysis 3.5.5.2.3:</b> Age, Experience and Level of Technical Training Status in Survey .....	99
<b>Analysis 3.5.5.2.4:</b> Summary of Survey Responses.....	100
<b>Analysis 3.5.5.2.5:</b> Friedman Test for Survey Answers.....	100
<b>Analysis 3.5.5.2.6:</b> T-Test for Brand Marketing and Sales Person Bonus Incentive Preference in Survey .....	101
<b>Analysis 3.5.5.2.7:</b> Relationship between Education Level and Brand Marketing & Sales Person Bonus Incentive Preferences in Survey .....	102
<b>Analysis 3.5.5.2.8:</b> Relationship Between Age, Education and Level of Training with Preference for Brand Marketing and Sales Person Bonus Incentive. ....	104



# INTRODUCTION

The worldwide smartphone market reached a total of 1.4 billion units in 2015 (based on shipment), comparing to previous year; 10% increase from the 1.3 billion units shipped in 2014 (IDC, 2016). However, in 2016 continue to grow almost %5 and reached 1488,2 Million units (Vaidos, 2017).

Parallel to global smartphone market status, Turkey also becomes a potential market for smartphone business due to “monthly smartphone sales” exceeds the 1 million in average (Teknokulis, 2017). Thus, new global brands are entering to the market and competition is getting tough day by day in smartphone market in Turkey. Due to high competition in the market, brands are looking for a way to raise sales with efficiency. There are two main channels; technology chain superstores (Teknosa, Vatan, Mediamarkt, Bimeks etc) and telecom retailers (Turkcell, Vodafone, TurkTelekom, and Mix shops) in Turkey smartphone market. Technology superstores market share is around 23-28 % and telecom retailers 60-66 %. Hence, these two channels are covering around 89 % of total market (Duzgun & Telli Yamamoto, 2016)

In Turkey, technology superstores’ channel seems more suitable for fast growing brands based on the characteristics of these two channels. Mainly 2-3 technology chains are with around 200 important shops. Telecom retailing is another issue -that needs long-term investment. Smartphone retailing works around with 11.000 shops with different operators and different owners, which requires a successful franchise system.

In our research, we applied gift promotion with SMS marketing to telecom retail channel and sales person bonus incentive & price discount to technology superstores that are generally modeled alike in all countries.

In technology stores, sales person recommendation is one of the key factors that affect customer purchase decision. Retail sales people performance -in shop- is an important tool to create value for consumer and match the provided service or product with consumer needs (Duzgun & Telli Yamamoto, 2016). Hence, brands allocate sales person (promoters) in these chain stores to catch and attract consumer for their products.

Sales Promoters (Sales Person) make sales deals in technology stores. As technology stores' own staff are not concerned deeply for the customers of a specific brand because there are several different products and units.

Technology stores' dealers and brand promoters (sales person) are mostly young and energetic people. Promoter's age scale is between 18 and 25. They are mostly students or have a high school education degree. Most of them are single and have no family responsibilities; hence, job turnover rate is very high in promoter staff. Their base salary is on average level around 300-350 USD in Turkey (in 2017) and they are open to work hard to get more benefit. They also have good technology knowledge and interest.

Additional to positioning sales person (promoter), companies provide sales promotions to sales person as tool to increase sales performance. We may list sales promotions as; price discount, bundle gift, marketing activities -to attract customer to stores- sales person bonus incentive, in store marketing material and activities.

Among the above factors, we would like to measure affects of bundle gift promotion, sales person bonus incentive and price discount factors to the smartphone sales in Turkey market.

Main purpose of this study is examining mentioned factors case by case and guide companies to use most efficient sales promotion activities to improve sales person performance in Turkey smartphone market.

In first section of our study, we elaborated general literature about personel selling, sales promotions, and relationship marketing. In second section; we try to examine global smartphone market and Turkey's smartphone market for the sake of general conditions. We deal with brands status, market share, channels breakdown, and technology superstores status in Turkey smartphone market. In third section we have made five empricial studies with including sales person survey. And lastly, results are summed under the conclusion section.

Finally, with the sales person survey; we want to verify that - comparing the other factors - sales person bonus incentive is one of the important factor for sales performance on retail stores in Turkey.

# **CHAPTER 1 LITERATURE REVIEW**

## **1.1. PERSONAL SELLING**

Personal selling is one of the forms of promotion. Personal selling describes the process where by the seller or his representative ascertains and activates the needs or wants of the buyer and satisfies the same to the mutual advantage of both buyer and seller (Adesoga, 2016, s. 105).

Personal sales have an important place in modern marketing concept. In this concept, customer satisfaction and customer relations are on the center of all marketing activities. The connection between customer and company is usually provided by a sales person. Hence, companies should give importance to sales person and their performance. As, performance of companies are concerned with performance of sales person employed (Güngör, 2008).

### **1.1.1. Traditional Selling & Relationship Selling**

In the highly competitive business environment, there is a strong movement toward relationship selling as compared with traditional selling. As shown in the table below, Relationship selling involves major efforts to initiate, develop, and enhance long term trust based customer relationships. (See Table 1.1.1.1). By comparison, traditional selling called for pitching the product to a willing prospect with an eye against closing the sale at the first opportunity (Ingram, 1996, s. 5).

**Table 1.1.1.1: Comparison Table of Traditional Selling & Relationship Selling**

<b>Comparing the Traditional Task-Focused Selling and the Trust-Based Relationship Selling Processes</b>	
<b>Traditional Transaction-Focused Selling<sup>1</sup></b>	<b>Trust-Based Relationship Selling<sup>2</sup></b>
<p><b>Making Contract</b></p> <ul style="list-style-type: none"> <li>· Finding someone willing to listen</li> </ul> <p><b>Pitching the Product</b></p> <ul style="list-style-type: none"> <li>· Making small talk</li> <li>· Relating the importance of salesperson-selling firm</li> <li>· Ingratiation and rapport building</li> <li>· Delivering standardized pitch purposefully designed to;                             <ul style="list-style-type: none"> <li>- Get the prospect's <i>attention</i></li> <li>- Push prospect's hot button to create <i>interest</i>, build <i>desire</i></li> <li>- Press prospect to take <i>action</i></li> </ul> </li> </ul> <p><b>Closing the Sale</b></p> <ul style="list-style-type: none"> <li>· Being alert for closing signals</li> <li>· Employing trial closes</li> <li>· Overcoming objections</li> <li>· Closing early and closing often</li> </ul> <p><b>Following Through</b></p> <ul style="list-style-type: none"> <li>· Re-establishing contact</li> <li>· Re-selling self, company, product</li> </ul>	<p><b>Initiating the Relationship</b></p> <ul style="list-style-type: none"> <li>· Strategic prospecting and qualifying</li> <li>· Gathering and studying pre-call information</li> <li>· Determining other buying influences</li> <li>· Planning the <i>initial</i> sales call</li> <li>· Approaching and initiating contact</li> <li>· Assessing the situation and discovering needs</li> <li>· Demonstrating understanding of customer needs</li> <li>· Illustrating the value of fulfilling needs</li> </ul> <p><b>Developing the Relationship</b></p> <ul style="list-style-type: none"> <li>· Selecting the appropriate offering</li> <li>· Planning the proposal and presentation</li> <li>· Customizing the presentation</li> <li>· Linking solution to needs ( F-A-B)</li> <li>· Anticipating and negotiating concerns and resistance</li> <li>· Summarizing solutions to confirm benefits</li> <li>· Securing commitment</li> </ul> <p><b>Enhancing the Relationship</b></p> <ul style="list-style-type: none"> <li>· Following-up to assess customer satisfaction</li> <li>· Taking action to assure customer satisfaction</li> <li>· Maintaining open, two-way communication</li> <li>· Encouraging critical encounters</li> <li>· Expanding collaborative involvement</li> <li>· Working to add value and enhance mutual opportunities</li> </ul>
<p><sup>1</sup>Adapted from T.Alessandra P. Wexler and R. Barrera, <i>Non-Manipulative Selling</i>, New York Prentice Hall Press (1987).</p> <p><sup>2</sup>Adapted from T.N. Ingram and R.W.LaForge, <i>Sales Management: Analysis and Decision Making</i> (Fort Worth TX, The Dryden Press, 1992).</p>	

Source: Ingram, T. N. (1996). Relationship Selling: Moving from Rhetoric to Reality. *Mid-American Journal of Business*, p6.

### **1.1.2. Definition of Personal Selling**

Personal selling is one of the fundamental elements of promotion mix and a non-digital design element or marketing process with which consumers are personally persuaded to buy a good or service. Personal selling involves direct inter personal communication between a representative of firm and potential customer. It is face to face presentation and promotion of product or service (Adesoga, 2016, s. 105).

Futrell (2008) defines personal selling as the personal communication of information to persuade a prospective customer to buy a good, service or idea. In order to realize sales role, sales person performs the following job functions during personal selling (Soner, 2009);

- 1) Creates new customers
- 2) Sells more to present customers
- 3) Builds long term relationships with customers
- 4) Provides solutions to customers' problems
- 5) Provides service to customers
- 6) Helps customers resell products to their customers
- 7) Helps customers use products after purchase
- 8) Builds goodwill with customers
- 9) Provides company with market information

According to the American Marketing Association; personal selling is an oral presentation in a conversation with one or more potential buyers for realize the purpose of sales (Husejnagic, 2015).

### **1.1.3. Personal Selling Process**

Personal selling involves two way flow of communication between buyer and seller, often in a face to face encounter, designed to influence a person or group purchase decision.

Personal selling process involves seven steps that a sales person must go through with most sales. Kotler and Armstrong (2008) described the selling process as several steps that a sales follows when selling. The aim of these steps is to get new customers and get

order from them. The steps are: Prospecting, Pre-approach, Approach, Presentation, Overcoming objections, Closing the sale and Follow up (Adesoga, 2016, s. 105).

Throughout modern selling history, one of the oldest and most widely accepted paradigms in the sales discipline is commonly referred to as the seven steps of selling. These seven steps present the typical sales scenario as composed of the following; prospecting, preapproach, approach, presentation, overcoming objections, close, and follow-up (William & Greg, 2005, s. 13).

Meghişan (2008) explain personel selling process as below;

**Table 1.1.3.1: Objectives and Stages of the Personal Selling Process**

Prospecting	Search for and qualify prospects	Start of the selling process: prospects are produced through advertising, referrals, and cold canvassing.
Preapproach	Gather information and decide how to approach the prospect	Information sources include personal observation, other customers, and own sales people.
Approach	Gain prospect's attention, stimulate interest, and make transition to the presentation	First impression is critical; gain attention and interest through reference to common acquaintances, a referral, or product demonstration.
Presentation	Begin converting a prospect into a customer by creating a desire for the product or service	Different presentation formats are possible; however, involving the customer in the product or service through attention to particular needs is critical; important to deal professionally and ethically with prospect skepticism, indifference, or objections.

**Table 1.1.3.1 Continues**

Close	Obtain a purchase commitment from the prospect and create a customer	Sales person asks for the purchase; different approaches include the trial close and assumptive close.
Follow-up	Ensure that the customer is satisfied with the product or service	Solve any problem which faced by customer to ensure customer satisfaction & future sales possibilities.

*Source: Berkowitz Eric N., Kerin Rober A and Rudelius William (1993) (Meghişan, 2008, s. 3156).*

Some authors described NAIDAS theory with explaining the first letter of the five words used to express the stages and process of buying ; N- Needs, A- Attention, I- Interest, D-Desire, A-Action, S-Satisfaction.

### **1.1.4. The Importance of Personel Selling**

Kotler and Armstrong (2008) viewed personal selling as personal communication between firm's sales person and customers for the purpose of making sales and building customer relationship (Adesoga, 2016, s. 105).

We may say that, personal selling also plays a critical success role in building customer relationship, creative selling and maintaining customer profitability.

Personal selling kind of mandatory promotional tool by high value product and complex consumer products to promote and increase sales with targeted customers (Adesoga, 2016, s. 113).

This definition supports the importance of personal selling for smartphone products' sales. Because smartphone is a high value and complex product, which needs guidance and detailed explanation. Additionally, we may say that competitive market condition increases importance of personal selling on smartphone market.

Almost each company can get benefit from personal selling. While face to face with prospects, sales people can get more attention than an advertisement or other marketing communication. They can ask questions to understand and find out about customer's specific interests (Meghişan, 2008, s. 3156).

Personal selling gives the best strategy that catch target customers. Business call the people as Sales Person who meets a face to face encounter with the buyer. It is the process of persuading and convincing a prospect to accept and buy product or services (Ocona & Magdalena , 2014, s. 53).

### **1.1.5. Sales Person**

#### **1.1.5.1. Role of Sales Person**

Sales person is the first point of contact in business wise relationships and sales person customer satisfaction activities are important to increase the level of satisfaction for the customer and it creates long lasting business relationship that will create high retention and profit. If the sales person is rightly compensated, it will make a positive impact on positive customer feedback, customer retention, and increased sales from current customers that would be beneficial for the company (Pelham, 2006, s. 180).

In the light of the Pelham (2006), currently, many technology producer companies are locating sales person in store to convince consumer for purchase their products and try to increase their company benefit.

According to Weitz and Bradford (1999) sales people are not only responsible for a long term business oriented relationship building, they also responsible for understanding their customer's belief and expectations.

In the partnering and relationship building sales role, sales person are asked to maintain the connection between customers and the company, if sales person do not understand real needs of customer they cannot create a value upon the product or serviceto the customer. Customers also have the tendency to be guided and consulted in order to understand the value that sales representatives offer. For that reason, consultation based selling activity is highly effective for the sales representative and customer (Sarıyerli, 2016).

Sales people play key role for the long- term buyer seller relationships. As the primary link between the buyer and seller companies, they have considerable influence on the buyer's perception of the seller's reliability and the value of the seller's services and consequently the buyer's interest in continuing the relationship. Buyers often have greater



loyalty to sales person than they have to the firms which are employing the sales person (Weitz & Bradford, 1999, s. 241).

**Table 1.1.5.1.1: Sales Person Roles**

<b>Sales Person Roles</b>				
<b>Era / Role</b>	<b>Production</b>	<b>Sales</b>	<b>Marketing</b>	<b>Partnering</b>
Sales force objective	Making sales	Making sales	Satisfying customer needs	Building relationship
Sales force orientation	Short - term seller needs	Short - term seller needs	Short - term customer and buyer needs	Long-term customer and seller needs
Critical task of sales people	Convincing buyers to buy product	Taking orders, delivering goods	Matching available offerings to buyer needs	creating new alternatives by matching buyer needs with seller capabilities
Activities of sales people	Making sales calls and informing customers about the firm's offering	Influencing customer using a hard-sell approach	Influencing customer by practicing adaptive selling	Building and maintaining customer relationship
				Organizing and leading a sales team
				Managing conflict
Role of salespeople	Provider	Persuader	Problem solver	Value Creator
Focus of sales management(selection , training, motivation, evaluation and compensation	Individual salespeople	Individual salespeople	Individual salespeople	Sales teams and leaders of sales team
	Emphasis on efficient resource allocation and motivating salespeople to workhard	Emphasis on efficient resource allocation and motivating salespeople to workhard	Emphasis on selection and training to improve ability and motivating salespeople to work smarter	Emphasis on the selection and motivation of teams and developing leadership and conflict management skills in account managers
SOURCE : Based on data from Wotruba (1991) and Weitz, Castleberry and Tanner (1998)				

Source: Weitz, B. A., & Bradford, K. D. (1999). Personal Selling and Sales Management: A Relationship Marketing Perspective . *Journal of the Academy of Marketing Science* .p242

Several authors suggests the nature of personal selling such as marketing in Kotler (1998), personel selling evolved to four eras ; production, sales, marketing, and partnering ( See table 1.1.5.1.1) In each of these eras, the role of salespeople differs and salespeople engage in different activities and need different sets of knowledge, skills and abilities to be effective (Weitz & Bradford, 1999, s. 242).

### 1.1.5.2. Sales Person Performance

The qualitative and quantitative ability of sales person is one of the most important tool to reach target in competitive market condition (Aydın & Ustaahmetoglu, 2009, s. 57).

Sales performance can be affected from individual, organizational and environmental factors. These factors can be listed; individual (motivation, ability, skill level, role perception), organizational (organization culture, audit & support mechanisms), and finally environmental (competition, economical situation, market potential) (Walker et all. 1977 in Aydın & Ustaahmetoglu, 2009, s. 57).

To be able to develop a sustainable relationship building between firm and customer; Sales person should have extensive experience, good communication skills, perfect understanding and problem solving skills. That kind of relationship creates a value of trust between the sales representative and the customer and accordingly company. (Sarıyerli, 2016).

The skills that sales person expected to have may listed as; planning, problem solving, presentable, cleanliness, experience, education level, social, communication level, technology usage ability, hobbies, social activities, memberships (Aydın & Ustaahmetoglu, 2009, s. 58).

According to Aydın & Ustaahmetoglu (2009), there is a relationship between personality of sales person and performance of sales person. Based on their reseach findings; withdrawn sales person customer visit consistency is higher than extraovert sales person. But target achievement of extravort sales person is higher than withdrawn sales person. Hence, personality of sales person should consider from company while hiring or allocating sales person. Sales person personality should match with the sales person's customer personality (Aydın & Ustaahmetoglu, 2009, s. 57).

Successful relations are established by the trust that is created between the customer and sales person. As such, adding value to the customer is easy because of the credibility that the sales representative has which will make it easier to satisfy customer. To able to make this value for the customers, sales person performance became critical important for the company performance (Sariyerli, 2016).

According to Sariyerli's (2016) findings, we may say that sales person motivation will provide customer satisfaction and affect sales performance accordingly.

Personal selling performance is more related personal capability and technical expertise as (Knill, 1997, s. 15) mentioned; achieving competitive success is as much about interpersonal skills and technical excellence. The face to face communication is important in the process as later presentations and documentation.

Sales units' effectiveness is critical question in literature and many authors has different approaches for sales units effectiveness as below table indicates;

**Table 1.1.5.2.1: The Meta-Analysis of the Previous Approaches on Sales Unit Effectiveness**

Authors	Concerns	Findings
Talley (1961)	The 'kinds of evils' generated from poorly designed sales territories for sales representative	Empirical research illustrating how the development of improved techniques of territorial design allowed a company to improve performance
Lodish (1975)	Determination of the boundaries of sales territories in order to maximize profit. Procedures at that time were only based on the measurable sales potential by territory	Development of a mathematical programming model and heuristic solution procedure to realign sales territories
Lucas, Weinberg and Clowes (1975)	Relationship between sales achieved by a sales person and variables such as sales territory potential and sales representative workload	Empirical study indicating that territorial potential and sales representatives' workload are important predictors of sales. A model to assist management in determining sales force size and evaluating performance is derived from the case

**Table 1.1.5.2.1 Continues**

<p>Shanker, Turner and Zoltners (1975)</p>	<p>The cost of making an industrial sales call had increased significantly and finding ways of better investing this resource was deemed necessary</p>	<p>Development of a procedure to solve the dual problem of boundary definition and call frequency on territory design. A case example is used to illustrate how the procedure is applied in practice</p>
<p>Parasuraman and Day (1977)</p>	<p>Sales Management decision models not exhaustive enough at that time</p>	<p>Developed a model for sales territory evaluation in an intuitive way for district managers through using quantitative methods and simulations</p>
<p>Mantrala et al.(1994)</p>	<p>Organisations usually have good reasons to use the type of compensation plan they use for their sales force. However the shapes and parameters (at the territory level) determining the incentives to be paid are usually selected in an arbitrary fashion</p>	<p>The article presents an agency theoretic model-based approach that assists sales managers in determining the profit maximising structure of a common multi-product sales quato-bonus plan for geographically specialised heterogeneous sales force operating in a repetitive buying enviroment. A case involving Pharmaceutical salespeople is used to demonstrate how the approach can be applied</p>
<p>Skiera and Albers (1998)</p>	<p>The optimal assignment of sales coverage units (SCUs) to sales territories covered by individual salespersons</p>	<p>Development of a mathematical model named COSTA "Contribution Optimising Sales Territory Alignment" COSTA is a response to the complex, difficult-to-implement models developed by many researchers in the 1970s</p>
<p>Piercy, Cravens and Morgan(1999)</p>	<p>The Lack of research attention to the design of sales territories</p>	<p>Research evaluating the determinants of sales organiastion effectiveness in a sample of British organiastions. The study suggest that territory design has a large effect on sales organisation effectiveness</p>
<p>Drexl and Haase (1999)</p>	<p>The Optimal sizing and deployment of the sales force and resource allocation need to be addressed in order to maximise profits from the selling organisation</p>	<p>Development a fast approximation method to sales force deployment. An application on the beverage industry is presented</p>

**Table 1.1.5.2.1 Continues**

Zoltners and Lorimer (2000)	Improvements of sales force productivity through better understanding the sales potential from the territories	Introduce a process that assures objective criteria are used to evaluate alignment needs and recognises the need to incorporate local management judgement
Baldauf, Cravens and Piercy (2001)	The Lack of research attention to the design of sales territories	Antecedents of sales organisation effectiveness are analysed in Austria and the UK. Among others, they found important indirect impacts on effectiveness for sales management control strategy, territory design and sales person behaviour performance

Source: Sariyerli, S. (2016). *Impact of Organizational Compensation Systems, IT Based CRM Systems and Sales Unit Effectiveness On to Sales Performance in Pharmaceutical Companies* . Istanbul: Bahcesehir University.

As shown on this table, different authors focused on different areas of sales person effectiveness such as; regional territory design, workload, compensation systems, sales coverage units, relationship with sales person, management decisions models etc. Somehow all of the factors affect sales person effectiveness. In our study, among the above sales units effectiveness factors and findings, we will be focusing employee motivation factors for sales units effectiveness. Such as, sales promotion tools for sales support and compensation systems.

### 1.1.5.3. The Importance of Motivated Sales Person

Qualified sales people and qualified service and sales promotions are becoming more important to technology stores like the other businesses (Duzgun & Telli Yamamoto, 2016).

Service quality mainly related with attitude and behavior of retail sales person. Sales person are responsible for putting strategy into operation in their encounters with customers (Wetzels, Ruyter, & Bloemer, 2000, s. 65).

According to Rackham and De Vincintis (1999) sales people are not to only communicate value but also must create it. Blockeretal (2012) similarly emphasized the importance of the sales person in relationship marketing and its contribution in generating value for the seller and the customer. Building relationships with customers is action to increase customer satisfaction and loyalty. Increase the amount of favorable word of

mouth, increase purchases and having a positive relationship contributes to positive relationship outcomes (Macintosh & Lockshin, 1997, s. 490).

Theodore Levitt, made the point that “consumers don’t buy products, they buy benefits” with an example “People don’t want to buy a quarter-inch drill. They want a quarter-inch hole!” This simple idea has been the platform for success for companies as diverse as Procter & Gamble, Amazon and Rolls – Royce (Levitt, 1969).

Retail sales people performance -in shop- is important tool to create value for consumer and match the provided service or product with consumer needs. From a marketing point of perspective, the concept of value has two main parts; value of goods & services and value of buyer seller relationships (Johlke & Iyer (2013); Duzgun & Telli Yamamoto, 2016).

Anderson and Narus (1998) define value as “the worth in monetary terms of the technical, economic, service, and social benefits a customer company receives in exchange for the price it pays for a market offering”. The second research stream on buyer supplier relationships is seen as reputation, relationship quality, trust, customer satisfaction and customer retention. Consumers are often influenced by the purchase choices of others when they make their own purchase choices (Johlke & Iyer, 2013, s. 60). This situation shows the importance of relationship quality.

### **1.1.6. Employee Motivation**

The literature in the early developmental phase mostly focuses on the issue of employee motivation and satisfaction. The majority of articles supports that; in order to have satisfied customer, organizations should first have satisfied employees (Sancar, 2012).

Rafiq and Ahmed (2000) suggest that because employees are not robots, inconsistencies in the performance of service tasks and variations in service quality occur. This issue of service variability and the objective of constant high quality service bring into the picture the efforts to create employee motivation and satisfaction. In order to achieve this, the organization must handle their employees as internal customers, jobs as internal products while addressing the objectives of the organization (Berry, 1981; in Sancar, 2012).

Güngör (2008) mentioned that performance evaluation and motivation are necessary applications for sales person due to people are social presence that needs to be evaluated, encouraged, confirmed and be praised (Güngör, 2008).

Brown and Peterson (1994) suggest that, motivation is an important factor for the obtaining the success, less motivated sales person creates less output, more motivated sales person creates more output.

### 1.1.6.1. Motivation Dimensions

The summary table of Literature review for motivation is below;

**Table 1.1.6.1.1: Motivation Dimensions**

Sl. no.	Dimension	Author(s)	No. of citation
1.	Training	Commeiras et al. (2013); Panagiotakopoulos (2013); Williams (2013); Lazazzara and Bombelli (2011); Gegenfurtner et al. (2009); Gegenfurtner et al. (2009); Noe (2009); Rowold (2007); Bell and Ford (2007); Klein et al. (2006); Tai (2006); Chiaburu and Tekleab (2005); Kontoghiorghes (2004); Tsai and Tai (2003); Tharenou (2001); Kirkpatrick (2000); Colquitt et al. (2000); Seyler et al. (1998); Kirkpatrick (1996); Facticeau et al. (1995); Cannon-Bowers et al. (1995); Whitehill and McDonald (1993); Clark et al. (1993); Mathieu et al. (1992); Baldwin et al. (1991).	25
2.	Monetary incentives	Beretti et al. (2013); Panagiotakopoulos (2013); Aguinis et al. (2013); Szczepanowski et al. (2013); Schultz and Brabender (2013); Pouliakas (2010); Feldman and Lobel (2010); Park (2010); Jain et al. (2007); Rose et al. (2007); Zhang and Wu (2004); Linder (1998); Leung et al. (1996); Nelson (1996); Rowley (1996a, b); Kovach (1995).	16
3.	Job transfer	Azizi and Liang (2013); Swift and Hwang (2013); Asensio-Cuesta et al. (2012); Casad (2012); Datta and Eriksson (2012); Eguchi (2004); Zhang and Wu (2004); Cosgel and Miceli (1999); Cheng and Brown (1998); Ichniowski et al. (1997).	10
4.	Job satisfaction	Pantouvakis and Bouranta (2013); Pravin and Kabir (2011); Wickramasinghe (2009); Kaliski (2007); Saari and Judge (2004); Williams et al. (2003); Bussing et al. (1999); George and Jones (1997).	8

**Table 1.1.6.1.1 Continues**

5.	Promotion	Steidle et al. (2013); Koch and Nafziger (2012); García et al. (2012); Jung and Kim (2012); Syed et al. (2012) Pravin and Kabir (2011); Lindner (1998); Kovach (1995).	8
6.	Working conditions	Cheng et al. (2013); Jung and Kim (2012); Pravin and Kabir (2011); Dundar et al. (2007); Lindner (1998); Kovach (1995).	6
7.	Achievement	Hunter et al. (2012); Sarkar and Huang (2012); Satyawadi and Ghosh (2012); Yang and Islam (2012); Muchiri et al. (2012).	5
8.	Appreciation	Mahazril et al. (2012); Kingira and Mescib (2010); Lindner (1998); Nelson (1996); Kovach (1995).	5
9.	Recognition	Candi et al. (2013); Barton and Ambrosini (2013); Mahazril et al. (2012); Javernick-Will (2012).	4
10.	Job security	Yamamoto (2013); Pravin and Kabir (2011); Zhang and Wu (2004); Cheng and Brown (1998).	4
11.	Social opportunities	Harvey (2013); Panagiotakopoulos (2013); Kingira and Mescib (2010); Rowley (1996a, b).	4

Source: Sekhar, C., Patwardhan, M., & Singh, R. K. (2013) A literature review on motivation. *Global Business Perspectives*, 471-487.

On the table, the dimensions we focus on are monetary incentives as compensation system and made an exploratory research for high technology products smartphone in our Empirical study: “Sales person bonus incentive”. However, we have used promotion tools among above dimensions for our empirical studies.

Sales person are important contributors to the financial performance of many companies.

A common mechanism that managers use to bolster sales people performance is incentive bonus compensation programs. These programs provide sales employees with the opportunity to earn rewards based on their sales performance. Incentive compensation programs also build a mutually beneficial relationship between the company and the sales people, which makes alignment of the organization’s goals with the sales people’s goals (Jime´nez & Posthuma, 2013, s. 267).

Motivation is important because it determines individual's effort toward performing a tasks and it leads to optimistic and challenging attitude at work place. But creating a highly motivated sales person is a challenging task. Because, many contacts and dealings with buyers of various profiles is challenging sales person motivation everyday and sales person motivation is constantly under attack. Incentive motivation is concerned with the



way goals influence behavior. Incentive is the promise or stimulus for greater action. Incentives are something that is given in addition to wages. It means additional remuneration or benefit to an employee in recognition of achievement or better work (Ozimec & Lišanin, 2011, s. 245).

In our research, we will not consider other factors for sales person motivation; we will only focus financial compensation (bonus incentive system) to sales person motivation and performance.

#### 1.1.6.2. Compensation Systems

Compensation systems have been widely used for the companies since 19<sup>th</sup> century with a lot of sales person that are hired to cover a wide range of the country to be able to distribute their goods. In order to reach on a satisfaction level for the customers, the compensation payment has risen (Friedman, 2005)

Heide (1999) has made an analysis of sales person incentive schemes with the Dartnell Corporation in 1929, which is applied first time in the U.S. Afterwards the companies have started to switch sales person salary to compensation systems. Between 1982 and 1994, a switch of 80% to 60 % of salary-compensation balance has been observed. Heide (1999), Futrell & Swan & Todd (1976) suggested that compensation system could be considered as one of the motives for salesforce to reach the requested performance (Sarıyerli, 2016).

Compensation mechanisms can be powerful incentives in linking performance to rewards. Compensation systems that reward people directly based on how well they perform their jobs are known as pay-for-performance plans (Berger, 2009). These may take such forms as “commission plans” used for sales personnel. However, rewards linked to performance need not be monetary. Symbolic and verbal forms of recognition for good performance can be very effective as well (Lunenburg, 2011, s. 4).

Despite that most of the research supports that financial compensation increase sales people performance; some of the studies claim that; financial compensation is not the only factor to increase performance of sales people.

Helou & Viitala (2007) believe that despite motivating employees is essential for any organization to be successfully, motivating the sales person is not a straightforward one due to the diversity of individuals' needs. The fact that personalized needs have changed

in recent years. For instance, in many circumstances financial compensation is not considered as the main motivational factor of employees.

#### 1.1.6.3. Incentive Theories

Incentive is an individual psychological process, which inspire, guide, maintain and regulate an individual to achieve an established goal through effective self-regulation under the effect of the external stimulation. From 1950s, incentive theory was booming increasingly. The theory includes Maslow's hierarchy of needs theory (1943), Herzberg's Two-Factor Theory (Herzberg, Mausner, & Snyderman, 1967), Skinner's Reinforcement Theory (Skinner, Sep 1945), Drucker's Management by Objectives (Drucker, 1954), and the Adams' (1963) Equity Theory.

Lawler's (1970) Expectation Theory has brought up the opinion that money could only motivate staff in the following three conditions: first, the sum of money itself was huge enough to be tempting; second, the staff could get the expected money after they had finished their work. Third, the staff improved their work performance through their own efforts (Duzgun & Telli Yamamoto, 2016).

Based on the demographic status of sales person (promoters) in Turkey, we may say that, sales person motivation is directly linked with their performance. Because, sales people are young and energetic ones whom are willing to increase their income with selling more products/services.

People are pulled towards behaviors that offer positive incentives and pushed away from behaviors associated with negative incentives. (Bernstein, 2011).

Building on the base established by the driving theories, incentive theories emerged in the 1940s and 1950s. Incentive theories have proposed that behavior is motivated by the "pull" of external goals, such as rewards, money, or recognition. It's easy to think of many situations in which a particular goal, such as a promotion at work, can serve as an external incentive that helps activate particular behaviors (Hockenbury & Hockenbury, 2014).

The incentive theory suggests that people are motivated to do things because of external rewards. For example, you might be motivated to go to work each day for the monetary reward of being paid. Behavioral learning concepts such as association and reinforcement play an important role in this theory of motivation.

This theory shares some similarities with the behaviorist concept of operant conditioning. In operant conditioning, behaviors are learned by forming associations with outcomes. Reinforcement strengthens a behavior while punishment weakens it (Duzgun & Telli Yamamoto, 2016).

While incentive theory is similar, it instead proposes that people intentionally pursue certain courses of action in order to gain rewards. The greater the perceived rewards, the more strongly people are motivated to pursue those reinforcements (Cherry, 2016).

This study could be linked to Expectancy Theory due to the proposal to examine the importance of sales person incentive as a one of the sales person performance factor.

#### 1.1.6.3.1. Expectancy Theory

The Expectancy Theory of Motivation is best described as a process theory. With research pioneered by Edward C. Tolman and continued by Victor H. Vroom, Expectancy Theory provides an explanation of why individuals choose one behavioral option over others. The idea with this theory is that people are motivated to do something because they think their actions will lead to their desired outcome (Redmond B. , 2010) "Expectancy theory proposes that work motivation is dependent upon the perceived association between performance and outcomes and individuals modify their behavior based on their calculation of anticipated outcomes" (Fang, 2008) In other words, it can help explain why a person performs at a particular level. This has a practical and positive potential of improving motivation because it can, and has, helped leaders create motivational programs in the workplace. This theory provides the idea that an individual's motivation comes from believing they will get what they desire in the form of a reward. "Although the theory is not "all inclusive" of *individual* motivation factors, it provides leaders with a foundation on which to build a better understanding of ways to motivate subordinates" (Redmond B. F., 2016).

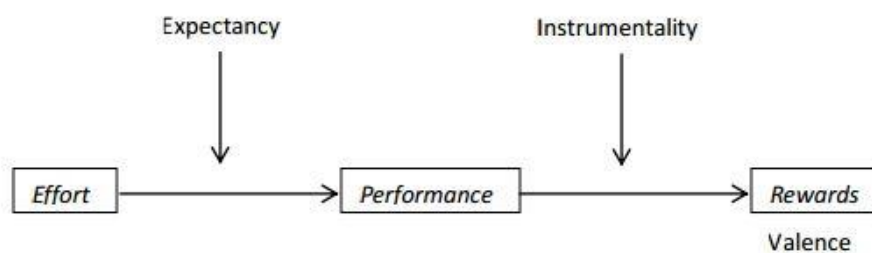
According to expectancy theory, individual motivation to put forth more or less effort is determined by a rational calculation in which individuals evaluate their situation (Vroom, 1964 in Porter & Lawler, 1968).

According to this theory, individuals ask themselves three questions. The first question is whether the person believes that high levels of effort will lead to outcomes of interest, such as performance or success. This perception is labeled as expectancy. The second question is the degree to which the person believes that performance is related to

subsequent outcomes, such as rewards. This perception is labeled as instrumentality. Finally, individuals are also concerned about the value of the rewards awaiting them as a result of performance. The anticipated satisfaction that will result from an outcome is labeled as valence (Bauer & Erdogan, 2009).

#### 1.1.6.3.1.1. Basic Expectancy Model

Vroom suggests that motivation, expectancy, instrumentality, and valence are related to one another by the equation  $Motivation = Expectancy \times Instrumentality \times Valence$ . The multiplier effect in the equation is significant. It means that higher levels of motivation will result when expectancy, instrumentality, and valence are all high than when they are all low (Duzgun & Telli Yamamoto, 2016).



**Figure 1.1.6.3.1.1.1: Basic Expectancy Model.**

Source: Lunenburg, F. C. (2011). Expectancy Theory of Motivation: Motivating by Altering Expectations. *International Journal of Management, Business and Administration* volume 15, 1.

Vroom's expectancy theory differs from the content theories of Maslow, Alderfer, Herzberg, and McClelland in that Vroom's expectancy theory does not provide suggestions on what motivates organization members. Instead, Vroom's theory provides a process of cognitive variables that reflects individual differences in work motivation (Lunenburg, 2011, s. 4).

Lawler (1971) has developed an expectancy model of behavior the model which also argues that job behavior is a joint function of ability, role perceptions and motivation. Maier (1955) has defined behavior as a result of the multiplicative interaction of motivation and ability. Lawler and Porter (1967) added the concept of role perceptions,

defined as "the kinds of activities and behavior the individual feels he should engage in to perform his job successfully" (Lawler & Suttle, 1973, s. 484).

Expectancy theory has evolved in recent years as a basic paradigm for the study of human attitudes and behavior in work and organizational settings. A number of expectancy-type models have been stated, and they have been frequently used as theoretical and operational definitions of motivation. Although the exact form of the expectancy models described by different writers has varied considerably, most of these variations have been due more to differences in terminology than to conceptual disagreements (Heneman & Schwab, 1972 in Lawler & Suttle, 1973, s482).

#### 1.1.6.3.1.2. Assumptions of Expectancy Theory

Expectancy theory is based on four assumptions (Vroom, 1964). One assumption is that people join organizations with expectations about their needs, motivations, and experiences. These expectations influence how individuals react to the organization. A second assumption is that an individual's behavior is a result of conscious choice. That is, people are free to choose those behaviors suggested by their own expectancy calculations. A third assumption is that people want different things from the organization (e.g., good salary, job security, advancement, and challenge). A fourth assumption is that people will choose among alternatives to optimize outcomes for them personally. (Duzgun & Telli Yamamoto, 2016)

The expectancy theory based on these assumptions has three key elements: expectancy, instrumentality, and valence as stated before. A person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence) (See Figure 1.1.6.3.1.1.1.) (Duzgun & Telli Yamamoto, 2016).

#### 1.1.6.3.2. The Porter-Lawler Theory of Motivation

According to Venkatesh (2015) Porter and Lawler came up with a comprehensive theory of motivation, combining the various aspects that we have so far been discussing and using two additional variables in their model. Although most parts are based on the Vroom's expectancy model, Porter and Lawler's new model is a more complete model

of motivation. This multi variate model has been practically applied to managers which explains the relationship that exists between job attitudes and job performance.

This model is based on four basic assumptions about behaviours.

- (i) It is a multi variate model. According to this model, personal behaviour is determined by a combination of factors in the individual and his/her environment.
- (ii) Individuals are assumed to be rational human beings who make conscious decisions about their behaviour in the organisations.
- (iii) Individuals' needs, desires and goals are diverse.
- (iv) Individuals decide between alternate behaviours and such decided behaviour will lead to a desired outcome on the basis of their expectations.

The Porter-Lawler theory stresses intrinsic and extrinsic rewards, task requirements and ability, and the perceived fairness of rewards (Hulk, 2014).

Porter and Lawler model has definitely made a significant contribution to the better understanding of work motivation and the relationship between performance and satisfaction (Duzgun & Telli Yamamoto, 2016).

Even then, to date, it has not made much impact on the actual practice of human resource management. (Venkatesh, 2015). In this model there are two significant things stated by Venkatesh (2015). These are appropriate reward association with the performance and rewards dispensed should have a value on the employee side that we have been trying to search from the actual reward system (Duzgun & Telli Yamamoto, 2016).

In our research, we try to make actual practice for reward system impact to employee satisfaction level and work performance accordingly.

We consider only extrinsic reward in our model and our restrictions are Value of Reward, Effort and Performance of employee satisfaction. Our assumption is; other factors of sales result -reputation, relationship quality, trust, customer satisfaction and customer retention- are constant.

During personal selling there are some mediums that sales person can use to finish the sales and get motivated. Main medium can be considered as promotion for the product or service. With the promotion tools sales person push customer to buy product or service.

## **1.2. SALES PROMOTION**

Promotion is one of the key 4Ps in the marketing mix and as such has a key role to play in market success. Promotion is concerned with ensuring that customers are aware of the products that the organisation makes available to those customers (Rowley, 2014, s. 384).

Sales promotions are typically viewed as temporary incentives that encourage the trial of a product or service (Kotler (1988); Webster (1971)) in (DeiVecchio, Henard, & Freling, 2006, s. 203).

### **1.2.1. Definition of Sales Promotion**

The well-known definition of sales promotion was provided by Shrimp (2000, s. 111); “the use of any incentive by a manufacturer or service provider to induce the trade (wholesalers or retailers) and/ or consumers to buy a brand and to encourage the sales person to aggressively sell it”. Cummins & Mullin (2002, s. 42) have defined sales promotion as incentives and offers that encourage people to behave in a particular way at a particular time and place, usually delivered by one of the other promotional tools, advertisings, publicity and direct marketers” (Husejnagic, 2015).

Sales promotion has also been defined as “a direct inducement that offers an extra value or incentive for the product to the sales person, distributors, or the ultimate consumer with the primary objectives of creating an immediate sale” (Belch & Belch, 2004, s. 238). Kotler (2013, s. 585) has defined sales promotion as “any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e. initiatives that are not covered by the other elements of the marketing communications or promotions mix).

Blattberg and Neslin (1990) has defined a sales promotion as “an action-focused marketing event whose purpose is to have a direct impact on the behavior of the firm’s customer.”

The American Marketing Association defines sales promotion as those marketing activities other than personal selling, advertising and publicity that stimulate consumer purchases and dealer effectiveness. They are important because they increase the likelihood that buyers will try products, they also enhance product recognition and can

increase purchase size and amount. Sales promotion includes displays, exhibitions and administrations. There is often a direct link between sales promotion and short term sales volume. It is different from advertising in that it offers the consumers an incentive to buy, whereas advertising merely offers a reason to buy, as such sales promotion can be particularly useful in inducing trials by consumers of rival products (Ajagbe, Long, & Solomon, 2014, s. 166).

More specifically sales promotion refers to those promotional activities which enhance and support mass selling and personal selling, and which help complete and/or coordinate the entire promotional mix (advertising, personal selling, publicity, sales promotion) and make marketing mix (Product, Price, Promotion, Place) more effective (Kalafat, 1997).

Hence, we may say that sales promotions are important for the personal selling performance and the question is which promotion is more effective and how much it affects the sales performance.

#### 1.2.1.1. The Function of Sales Promotion

Being able to create an immediate boost in sales volume, sales promotion is an important component of a company's marketing communication strategy along with advertising, public relations, and personal selling. (Jiang, Feng, & Jiang, 2016, s. 38).

There is also an important distinction between sales promotions and a permanent price reduction. Sales promotions are temporary and a "call-to-action." If customers do not take advantage of promotions within specified time frames, they will lose the benefit offered by the promotions. Sales promotions are almost always combined with some type of communication (e.g., a retailer ad) that the price is reduced and that the time period is limited (price is reduced only up to some point in time). Long-term price reductions may be accompanied by a price reduction signal (e.g., Walmart rollbacks in the US) but the time period is "until further notice" (Blattberg & Briesch, 2010, s. 587).

The primary function of sales promotion is to stimulate demand through the use of temporary sales tactics that include product displays, contests, vouchers, free samples or gifts of related merchandise, price discounts, and rebates (Tellis, 1998) There is evidence that as well as causing customers to change brands, sales promotion activities increase total category sales (Pettigrew, et al., 2015, p. 116).



Among the mentioned temporary sales tactics, we will use gift of related merchandise (bundling with the product) and temporary price discount promotion for smartphone sales in our study. Despite the high demand for smartphones, the smartphone market is very dynamic and always have the need push to customers with promotions. The brands use sales promotions so that the products may differentiate themselves from their competitors and be more preferable for the consumers.

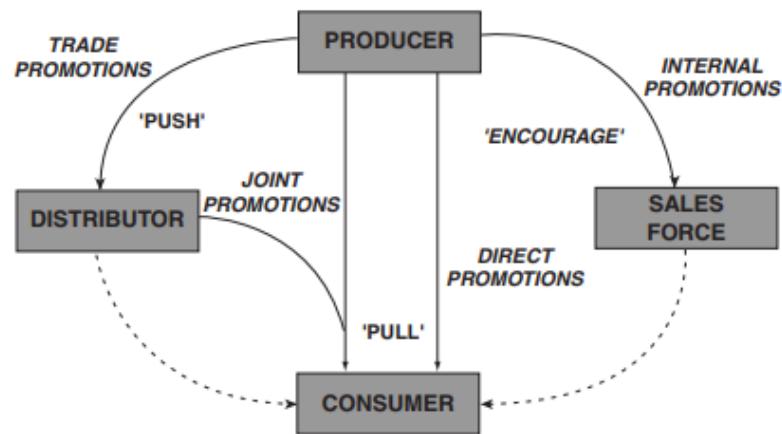
#### 1.2.1.2. Sales Promotions by Application

There are several applications of sales promotions. Most commonly used are as follows (Peattie & Peattie, 2003, s. 458).

Non-standard: Promotions are usually temporary, and may be limited to certain customer groups (such as airline frequent flier schemes) or specific to a particular distribution channel (as in ‘tailor-made’ promotions involving a producer and a single retailer).

Response orientated: Promotions seek a direct response from customers, or those who deal with customers on the producer’s behalf (See Figure 1.2.1.2.1). The direct response sought is not necessarily a sale. Promotions may encourage consumers to send for a brochure, visit a dealer or consume a sample. The ultimate aim is always sales, but this is true of marketing generally.

Benefit orientated: Promotions offer their targets additional benefits, beyond the ‘standard’ marketing mix. The enhanced mix could include extra product, a reduced price or an added item, service or opportunity.



**Figure 1.2.1.2.1: Sales Promotion Targets**

Source: Peattie, S., & Peattie, K. (2003). Sales Promotion. In M. J. Baker, *The Marketing Book* (pp. 458-459). Burlington: <http://htbiblio.yolasite.com/resources/Marketing%20Book.pdf>.

‘Push’ promotions target marketing intermediaries, supporting the selling effort to get products onto retailers’ shelves, while ‘pull’ promotions target consumers and complement advertising in persuading them to pick products off the shelves again (Peattie & Peattie, 2003, s. 459).

### 1.2.1.3. Benefits of Sales Promotion

Sales promotions can offer many consumer benefits. Past studies have concentrated on monetary saving as the primary consumer benefit (Blattberg and Neslin, 1993). However, there is evidence to suggest consumers are motivated by several other benefits, including the desire for: savings, quality, convenience, value expression, exploration and entertainment. These benefits are further classified as either utilitarian or hedonic utilitarian benefits are primarily functional and relatively tangible. They enable consumers to maximize their shopping utility, efficiency and economy. In general, the benefits of savings, quality and convenience can be classified as utilitarian benefits. By contrast, hedonic benefits are more experiential and relatively intangible. They can provide consumers with intrinsic stimulation, fun and pleasure. Consistent with this definition, the benefits of value expression, exploration and entertainment can be classified as hedonic benefits (Kwok & Uncles, 2005, s. 171).

Retailers frequently employ sales promotions to motivate consumer purchase and sales promotions can alter consumer beliefs, feelings and evaluations. Therefore, it is possible that retail sales promotions may alter consumer response to information diagnosticity (Andrews, 2016, s. 45).

One frequently overlooked point about promotions, particularly value adding ones with marketing mix elements. Each of marketing mix elements (Product, Price, Place and promotion) offer different benefits to customer. Peattie & Peattie (2003) explained this with satisfaction chain model (see Figure 1.2.1.3.1).



**Figure 1.2.1.3.1: Satisfaction Chain**

Source: Peattie, S., & Peattie, K. (2003). Sales Promotion. In M. J. Baker, *The Marketing Book* (p.464). Burlington: <http://htbiblio.yolasite.com/resources/Marketing%20Book.pdf>.

Product offering, sales promotions can:

- Enhance the product offering's utility by enhancing quality, or adding extra tangible benefits.
- Improve affordability by increasing the quantity offered, decreasing the price or easing the payment terms. This element of promotions may make them increasingly important in the near future given the record levels of consumer debt within countries like the UK and USA.
- Improve accessibility by gaining access to distribution channels and through extras such as free delivery.

- Support the advertising, sales and PR effort to boost the product's visibility and credibility through eye-catching and newsworthy promotional materials, and by creating subjects for advertising campaigns or discussions with customers (Peattie & Peattie, 2003, s. 461).

## **1.2.2. Promotion Mix**

### **1.2.2.1. Definiton of Promotion Mix**

Promotion mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. In order to ensure that a company's promotional strategies is accepted and well received by people, the companies must first have a strong way of communication because good communication skills and effective promotion is a weapon for every company to lead in the industry (Amira, 2013, s. 158)

Pheng Low (1995) while defining promotion mix states, promotion involves any ways of providing information and persuasion and reminds consumers of marketing mix of products, goods or services. Some authors defines promotional mix as the means used in bringing customers from a state of relative unawareness to a state of actively adopting the product. It entails communicating with individuals, groups, or organizations to directly or indirectly to facilitate exchange of informing and persuading one or more audience to accept an organization's product However, promotional mix can be defined as; an information flow or one way persuasion which directs someone, people, or organization to make a demand. Promotional mix has been being used to expand and penetrate the market, build the company's image, provide information, increase and stabilize sales, add value to product and differentiate the products (Husejnagic, 2015).

### **1.2.2.2. Tools of Promotional Mix**

The tools in the promotional mix include (Rowley, 2014):

- Advertising; Any paid form of non-personal presentation and promotion of ideas, goods or services by any identified sponsor. The pages of professional newsletters and magazines are common avenues for advertising information products.
- Direct marketing; the use of mail, telephone or other non-personal contact tools

to communicate with or solicit a response from specific customers and prospects. Mail shots and leaflets inserted in professional magazines are used to promote information products.

- Sales promotion; Short-term incentives to encourage trial or purchase of a product or service, such as discounts for access to a database over a limited time period.
- Public relations and publicity; Programmes designed to promote and/or protect a company's image, or those of its products, including product literature, exhibitions and articles about organisations' products in professional or in-house newsletters.
- Personal selling; Face-to-face interactions with one or more prospective purchasers, for the purpose of making sales. This is common within the business-to-business marketing transactions in the information industry, where sales representatives, often also with a support function, are common.
- Sponsorship; Financial or external support of an event or person by an unrelated organisation or donor, such as is common in respect of the arts, sports and charities. Large organisations, such as major publishing groups like Reed Elsevier, or software houses, such as Microsoft, may engage in sponsorship, but public sector organisations, in education and libraries, are more likely to be the recipient of sponsorship.

Personal selling and sales promotion are the two promotional strategies that feature most prominently within the store environment. Personal selling relates to the sales role undertaken by staff members. The marketing literature recognizes the importance of human interaction during the retail shopping experience and the potential for effective sales staff to increase customer loyalty, repeat sales, and company profits (Pettigrew, et al., 2015, p. 115).

In the light of above information, we also believe in the importance of sales staff for retail shopping experience for consumer purchase decision especially with technology developments and new products. To support that information, in Turkey, online sales coverage is just %5 in smartphone market. Despite online channel always having better price, consumers prefer retail stores for purchasing smartphones, we believe that consumer wants to get technical information and try the products especially for technology devices.

### **1.2.3. Types of Sales Promotions**

Sales promotions are designed for different purposes and different target audiences: retailer, trade and consumer.

#### **1.2.3.1. Trade Deals**

Trade promotions are offered to members of the channel distribution (called the trade) and are designed to stimulate the channel members to offer promotions to consumers (retailer promotions) or the channel member's customers (Blattberg & Briesch, 2010, s. 587).

Trade deal is discount from the manufacturer to retailer. (Neslin, 2002).

#### **1.2.3.2. Retailer Promotions**

Retailer promotions are offered by retailers to consumers to increase sales for the item, category or store.

Retailer promotions –in store price cuts, feature advertising and in store displays – generate large increase in sales (Neslin, 2002).

In our research we apply retailer promotion in our empirical studies; bundle gift promotion -with in store communication- and price discount.

**Table 1.2.3.2.1: Type of Retail Promotion**

Type of Retail Promotion	Description
Price Reduction	Retailers temporarily decrease prices on product.
Retailer Coupon	Retailers issue coupons for product in their advertisement or on the shelf.
Free Goods	The consumer receives free goods as the discount. It includes buy one get one free (or buy X get Y free), as well as promotions where goods in complementary categories are given away (e.g., salsa for tortilla chip purchase).
Sweepstakes	The consumer is entered into a contest where they have the chance of winning cash or other prizes.
Free Trial	Consumers are given free samples of the product to encourage purchase of a new product.
N-for	The retailer offers a discounted price for the purchase of a set number (N) of items purchased, e.g., three for \$1.
Discount Card	Consumers sign up for a card that tracks their purchases. In return, the retailer provides discounted prices on some items in the store for only those consumers with the card.
Rebates	Consumers receive notices of a rebate at the shelf or display and then mail in proof of purchase and the rebate form.
Bundled Promotion	The retailer gives the consumer a discount for purchasing products from complementary categories (e.g., hamburgers and ketchup).

Source: Blattberg, R. C., & Briesch, R. A. (2010). *Oxford Handbook of Pricing Management, Chapter: Sales Promotions*,. Oxford: Oxford University Press. p587.

### 1.2.3.3. Consumer Promotions

Coupons, rebates, reward programs, targeted promotions are consumer promotions (Neslin, 2002).

Consumer promotions are offered directly to consumers by manufacturers and are designed to stimulate the consumer to make a purchase at some point close to the time of

the receipt of the consumer promotion. The purpose of consumer promotions is for a manufacturer to communicate a discount directly to the consumer and avoid intermediaries (e.g., retailers) who may not provide the discount the manufacturer wants (Blattberg & Briesch, 2010, s. 588).

Peattie & Peattie (2003) classified major forms of consumer promotion as seen on table below;

**Table 1.2.3.3.1: Major Forms of Consumer Promotions**

Promotion	Key User Sectors	Notes	Examples
Discount pricing and sales	FMCG firms, retailers	Additional volume must compensate for lost revenue. Can spark price wars. Generally a defensive move	January sales, Retailer campaigns such as 'Asda Price' Amazon offers a 40% discount on a customer's 'First Anniversary'
Money-off coupons	FMCG grocery retailers	Redemption rates determine costs. Requires retailer cooperation. Allows some differential pricing	Mattel Inc's 1988 toy marketing campaign involved 582 million coupons
Refunds	FMCG consumer durables	Avoids problems of reference price changes. Non-redemptions reduce costs compared to discounts	To boost UK sales of its Windows XP operating system, Microsoft offered a 50 pound cashback deal during first quarter of 2002
Samples	Foods, toiletries	Expensive. Encourages trial. Effectiveness hard to measure. Can generate market research	Agree shampoo became No.1 in the US market within 6 months by using 31 million samples
Payment terms	Consumer durables, retailers	Reduces real cost rather than price. Useful for seasonal demand smoothing	Interest-free credit offers. In 2001 brands including Compaq, Microsoft and Mitsubishi used "buy now pay later" promotions
Multipacks and multibuys	Packaged goods, retailers	Best for small, high purchase frequency items	Kodak used a 3-for2 offer on its Ultra film during 2001 to help boost. Its share of the crucial winter /festive season market
Special features	Consumer durables	Often packaged as a special or limited edition	The Citroen Xsara West Coast special edition was a major success, offering over 1000 pound of extras including air conditioning and metallic paint plus a reduced price
Quantity increases	Packaged foods, canned drinks	Relies on ability to customize packaging processes	Canned beers feature regular 500 ml for the price of 400 ml



**Table 1.2.3.3.1 Continues**

In pack premiums	Packaged goods	Items placed in foodstuffs needs care regarding food safety	During 2000 Kelloggs put Sesame Street beanie tosy into 25 million cereal boxes
In -mail premiums	Packaged goods	Usually relies on handling houses for redemption	Stonegate Egg's offer of Chicken Run movie tickets, T-shirts and egg cups helped to sell 5.2 million extra eggs during 2000
Piggy-back premiums	Packaged goods	usually joint promotions. Can generate complemetary sales and encourage product trial	Free Gillette GII with Kleenex Fr Me gained Gillette 100 000 trials and KFM extra sales
Competitions	Packaged foods, retailers	Good for creating interest and reinforcing ad campaigns. Needs care with legalities	McDonald's 40 USD m Treasure Hunt . Hein "Win a Car a Day for 100 Days" Campaign
Information	Industrial firms, consumer durables, services	Important for reducing perceived risk. Provides consumer benefits of convenience and saved time	Product catalogues. Holiday Brochures Investment guides. CD-ROM catalogues
Valued Packaging	Retailers, FMCG firms	Packaging can be useful in itself, or can provide a game, activityi, recipe or other information	Sony's regular offer of a free case with cassette and mini disc multipacks. The enduring Paul Masson wine carafe
Loyalty cards	Retailers	Card applications and usage can be linked to EPOS information to create database marketing and targeted promotion opportunities. Some concerns about level of loyalty achieved	Boots advantage Card has over 13 million members and over 50 % of its sales are card related
Gift coupons	Petrol retailers, drough beers	usefull for non packaged goods. Helps encourage repeat purchases	Over 3 million users registered on-line for the Pepsi "stuff" merchandise collection during 2000
Product trial	Consumer durables	Often twinned with a competition. Needs close sales support	200 000 Apple Macs were "Home tested" 40% let to sales
Guarantees	Consumer durables, retailers	"pricebeat" promises often back up sales to reduce perceived risk	Supermarket "Refund and Replace" offers During 2001 Vodafone and Easyjet used "Price Promises" of refunding the difference of customers found lower prices elsewhere

**Table 1.2.3.3.1 Continues**

Cashback offers	Consumer durables	Costs depend upon redemption rates. Over -redemption can be insured against	Sanyo's 1988 10 year buyback pledge boosted TV sales by 62%
Clubs	Airlines and hotels, Children's products	Usefull for generating customer loyalty	Marriott Hotels Rewards scheme has over 15 million members and Burger King's Kids Club has more the 5 million members worldwide

Source: Peattie, S., & Peattie, K. (2003). Sales Promotion. In M. J. Baker, *The Marketing Book* (pp. 458-459). Burlington: <http://htbiblio.yolasite.com/resources/Marketing%20Book.pdf>.

However, Kwok & Uncles (2005) define sales promotion types as monetary and non-monetary sales promotions according to effectiveness approach;

The majority of past studies on the effectiveness of consumer sales promotion have focused on monetary sales promotions. However, in practice, a range of both monetary and non-monetary sales promotions are used (Tellis 1998), and there are important differences between them. Monetary promotions (e.g., shelf-price discounts, coupons, rebates and price packs) tend to provide fairly immediate rewards to the consumer and they are transactional in character; non-monetary promotions (e.g., sweepstakes, free gifts and loyalty programs) tend to involve delayed rewards and are more relationship-based. In assessing the effectiveness of sales promotions, it is necessary to examine both types (Kwok & Uncles, 2005, s. 171).

Consumer promotions and retailer promotion are targeted to the final consumer directly, in this research we apply monetary incentive (price discount) and non-monetary promotion (gift bundle) to see sales performance result. Our aim is to measure promotion tools sales performance and compare it with sales performance effect of Sales person bonus incentive.

#### 1.2.3.4. Gift Promotion

Bundle gift promotion tool is explained as “premium” in the literature by Husejnagic (2015).

Premium is something that consumers can get free product, or they can get the premium when they buy another related product (sales receipt or part of package). D’Astous and Landreville (2003) have defined gift or premium as a product or service offered free, or at a relatively low price, in return for the purchase of one or many products

or services. A milk shaker along with Nescafe, mug with Bournvita, toothbrush with 500 grams of toothpaste are the examples of premium or bonus given free with the purchase of a product. The effectiveness of this tools can be shown in two possible ways, firstly it can push consumer to buy specific product. Secondly, it can be used to reward the existing consumers who's buying regularly from the company. Zikmond (1996) (Husejnagic, 2015).

When the value of any one of the three variables (promotional percentage, free gift value or product price) is unknown, consumers can use memory-based information (e.g., beliefs regarding average discount rates) or context-based Information (e.g., product price and stated value of the free gift) for any two of these variables to estimate the third. Consistent with this reasoning, prior research shows that consumers use the size of promotional offer (e.g., coupon value) to infer the price of the product; leading to higher coupons leading to inferences of higher product price which undercuts their perceived value. Further, consumers infer the value of the free gift given the price of the product and their beliefs regarding discount rates, leading to free gifts being devalued when offered by cheaper brands (Raghubir & Celly, 2011, s. 55).

There are some research like Lu Xie (2015) that support gift card is a one of the high performance sales promotion tool.

Due to the fierce competition of the market, promotions are increasingly popular in modern business, such as Rebate, Coupon, Gift Card and so on. Among various kinds of promotion methods, "gift card" draws more attention owing to its unique advantages such as achieving slippage because of partial or no redemption, and creating additional sales as a result of consumers spending more than the value of the gift card at redeeming period (Xie, Pan, & Tang, 2015, s. 1).

#### 1.2.3.5. Price Discount

Price discount is one of the popular sales promotions. Despite price discount is operationally easy to apply and provide quick sales response, it may cause some side effects if continuously offered; as mentioned by some authors as below;

Belch & Belch (2012, s. 27) have defined price discount as a short term price reduction of the regular price of a product. Price discount is a temporary reduction of the list price of the product. Furthermore, discounts are appealing to consumers because they provide

an immediate reward and an easily recognized value to the consumer (Belch & Belch, 2012, p.59). The use of the discount sales-promotion technique offers marketers and retailers several benefits, the most important one is pushing consumers to take the decision directly and mostly inside the store. A discount promotion require minimal testing and can be implemented in a short time period, it can be controlled by the marketer, thereby ensuring that the discount will reach the intended target market and it can assist in manufacturers gaining greater trade support from the retailer. Furthermore, discounts can stimulate sales encourage consumers to repurchase or to purchase in greater volumes another important benefit for the price discount that it is very effective to make consumers switch their old brands to the one that make the price off especially when the price is an important factor for them However, discounts may attract only current and not new customers and if continuously offered, at the same time it might be risky because it might affect the brand image as consumers will start thinking that the discounted product is of low quality and this is why there is price discount for it to push the sales Furthermore, discounts are relatively easy to copy, which may result in price wars among competitors, and often result in consumers delaying purchasing until a discount is offered (Yeshin, (2006), p.265 in Husejnagic, 2015).

Evidence shows that price promotion can help small and medium-sized retailers to increase their sales and profits. However, retailers usually stop the promotion after a certain duration.

The retailing literature has indicated that price promotion effectively attracts the likelihood of customers' visiting, increases sales volume, and promotes overall profits of retailers (Zhen & Katsutoshi, 2015).

Price promotion may not be important for service sector due to quality of service is not same for all providers. But for the product like smartphone we believe that price discount may affect sales performance due to consumer buy same product with cheap price. But the question is which activity is more effective? Price discount or Sales person bonus incentive.

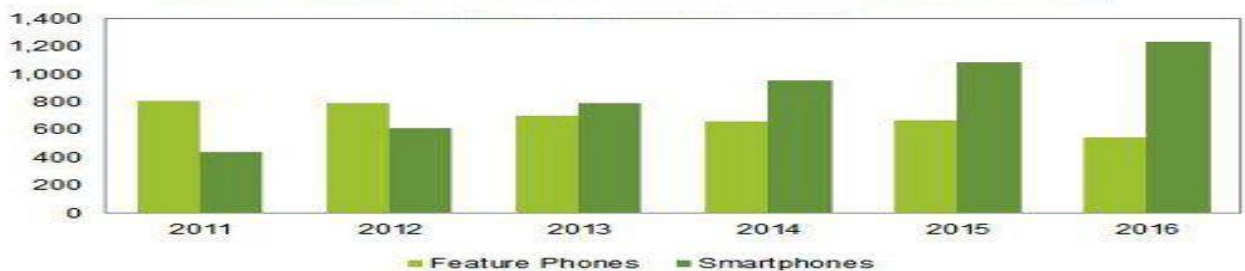
### 1.2.4. Promotion Effect to the Sales

There has never been a debate about the foundational finding in the literature – sales promotions are associated with large increases in consumer sales. The question this raises is “what are the sources of incremental volume?”

In general, the sources of volume from a sales promotion come from one or more of the following sources (Blattberg & Briesch, Oxford Handbook of Pricing Management, Chapter: Sales Promotions,, 2010):

- 1) Customers switching their purchases from other brands (brand switching),
- 2) Current consumers purchasing more quantity of the brand for inventory (stockpiling),
- 3) Current consumers accelerating their purchase of the good (purchase acceleration),
- 4) New consumers entering the market (primary demand expansion – also called category expansion)

For the smartphone market, we believe brand promotions affect customer the most on switching their purchase from other brands. Because, brands have no power to create incremental demand. Demand mostly comes with new technology development and innovation. We may verify this opinion by observing sales volume increase after the smartphone development from feature mobile phone as shown in figure 1.2.4.1.



**Figure 1.2.4.1: Smartphone Purchasing Increase Over 2011-2016**

Source: McGrath, D. (2012, 11 28). <http://www.eetasia.com/>. Retrieved 11 16, 2015, from <http://www.eetasia.com/>: [http://www.eetasia.com/ART\\_8800678622\\_499486\\_NT\\_6ebc80fd.HTM](http://www.eetasia.com/ART_8800678622_499486_NT_6ebc80fd.HTM)

Promotion effects are (Neslin, 2002);

- Brand Level Effect
- Category Level Effect
- Store Level Effect

#### 1.2.4.1. Brand Level Effect

- Brand switching: Sales promotions induce customers to switch brands.
- Reference price effect and sticker shock: Customer judge the bargain value of price by comparing it to a reference, or benchmark, price. This “reference price effect” accounts for the immediate, positive appeal of price promotions to consumers.
- Purchase-event feedback: Purchasing from a brand tend to enhance future brand purchasing through “purchase event feedback”
- Promotion sensitivity: Purchasing on promotion may sensitize consumer to future promotions.

#### 1.2.4.2. Category Level Effect

- Stockpiling: promotion results in consumer stockpiling, whether in the form of accelerated purchase timing (buying sooner), declared purchase timing or higher than normal purchase quantities.
- Consumption: Promotion increase consumption

#### 1.2.4.3. Store Level Effect

- Cross category: Research shows that sales promotion will increase sales in complementary categories (e.g. promoting cake mix will increase sales of frosting)
- Store switching: Promotions have been shown to induce store switching

As an example for store level effect from our research; we may say that, increase on smartphone sales is increasing sales of smartphone cover case and other accessorizes. Cover case is one of the complementary product of smarphone.

### 1.2.5. Promotion Strategies

Retailer Promotional Strategies; Many retailers use a merchandising system called "category management" designed to assist them develop pricing, promotions, item selection, space allocation, displays and retailer advertising tactics\_(Blattberg & Briesch, 2010).

We believe gift and pricing strategies are more suitable for short-term sales result. That's the reason why we made gift and price promotion as push strategies in our research. We may additionally that say in store display and retail advertising mostly result in long-term sales and it's difficult to measure in a short-term sales performance result.

A push strategy involves the Producers marketing activities; primarily the sales person and trade promotion. Sales person push customer to purchase product. A pull strategy involves marketing activities (primarily advertising and customer promotion) directed at the end users, the customers who may purchase the products. The purpose of the pull strategy is pull customers to retailer to buy product or service. Pull strategy mostly apply with promotions. (Husejnagic, 2015).

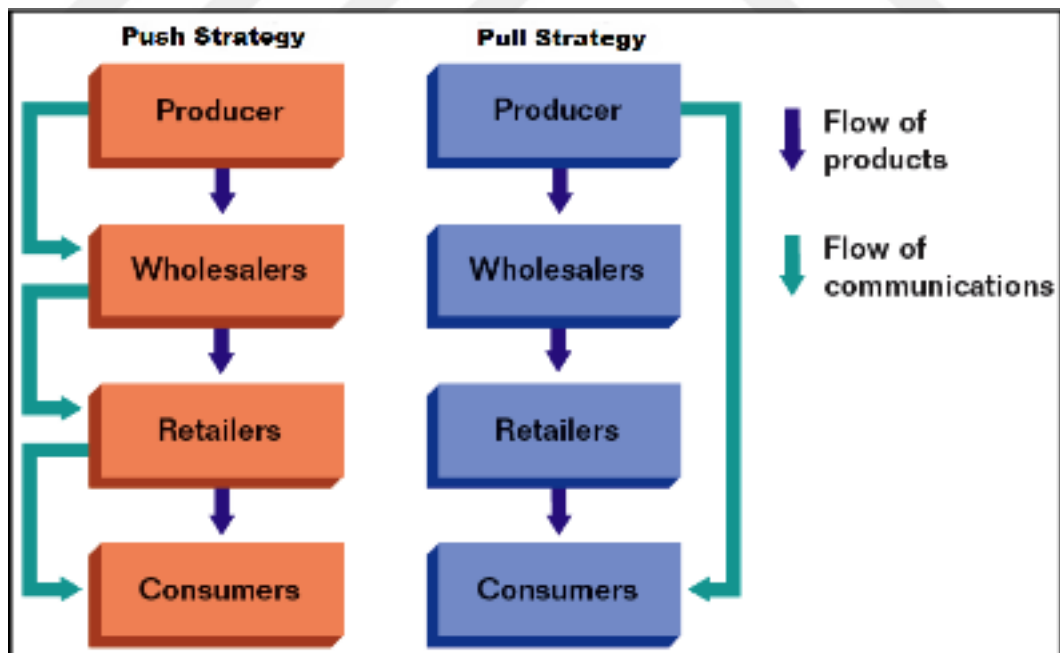


Figure 1.2.5.1: Push and Pull Strategy

Source: Husejnagic, D. (2015). *The Impact of Sales Promotion on Consumer Buying Decision*. Social Sciences Institute . Istanbul: Bahcesehir University.

In Turkey, especially in retailer smartphone business, push and pull strategy are applied together. Producers are doing pull strategy with communicating with the consumer directly through marketing activities and at the same time brands are doing push strategy with allocating sales person in retailers to communicate consumer to buy their products.

### **1.3. RELATIONSHIP MARKETING**

Several authors have declared relationship marketing a paradigm change for marketing theory, Grönroos (1996) mention for relationship marketing as “We have to realize that it is a new paradigm, not just a new model” (Thorsten & Ursula, 2013).

Relationship marketing is created after the development of traditional marketing and market needs. Relationship marketing is not old as old traditional marketing and has some development and evolution process in the literature.

#### **1.3.1. Traditional Marketing & Relationship Marketing**

Traditional marketing is based on the 4P theory founded by E. Jerome McCarthy on 1960, namely the sales-mix of production, price, place and promotion. While relationship is based on the 4C theory, it advocates the study of consumers’ needs, desires and the cost they are willing to pay, it considers to give convenience to consumers and enhance the communication with customers.

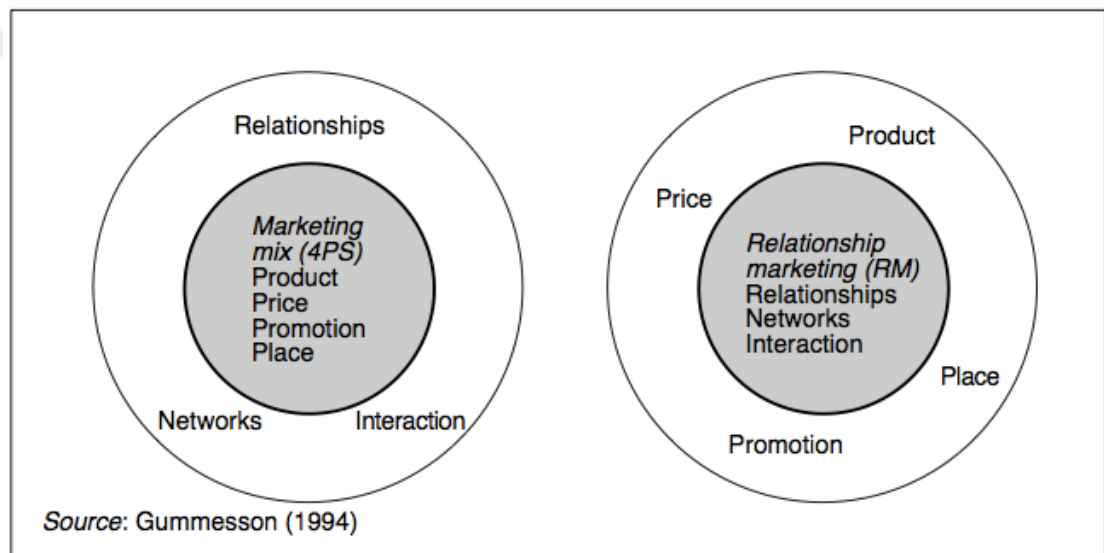
We may say that traditional marketing is targeting product, sales and margin to the mass consumer. Relationship marketing is adding new target as customer and customer satisfaction values. Traditional marketing focus mainly features of selling product, but relationship marketing focuses on consumer needs. According to this, we believe that technology product’s marketing needs to shift more towards relationship marketing to catch consumer needs and create value for consumer.

Additionally may be say that, traditional marketing targeting one time sell, but relationship marketing targeting long-term continuing sell with developing relationship with customer.



The 4Ps are straightforward and operational. The operationability has been less obvious with relationship marketing. However, relationships have been in the center of business activity. Both the marketing mix theory and relationship marketing are – in theory at least – based on *themarketing concept* which puts customers and their needs as the focus. (Gummesson, 1994).

We may see relationship marketing parameters and traditional marketing parameters (4P) relation with two different approaches in below figure. This figure shows that; relationship marketing, relationship networks and interaction positioned to the center of the market instead of 4P.



**Figure 1.3.1.1: Relationship Marketing Vs Traditional Marketing**

Source: Gummesson, E. (1994). Making Relationship Marketing Operational. *International Journal of Service Industry Management*, 5, 5-20.

### 1.3.1.1. Key Differences Between Transactional and Relationship Marketing

The main elements of the concept have been illustrated by several authors through a comparison of relationship marketing with the competitive concept of transactional marketing. Table below presents a compilation of key differences between the two concepts

**Table 1.3.1.1.1: Key Differences between the Concept of Relationship Marketing and Transactional Marketing**

<b>Key differences between the concept of relationship marketing and transactional marketing</b>		
<b>Criterion</b>	<b>Relationship Marketing</b>	<b>Transactional Marketing</b>
Primary object	Relationship	Single Transaction
General approach	Interaction-related	Action-related
Perspective	Evolutionary-dynamic	Static
Basic orientation	Implementation-oriented	Decision-oriented
Long-term vs. Short-term	Generally takes a long-term perspective	Generally takes a short-term perspective
Fundamental strategy	Maintenance of existing relationship	Acquisition of new customers
Focus in decision process	All phases focus on post-sales decisions and action	Pre-sales activities
Intensity of contact	High	Low

Degree of mutual dependence	Generally high	Generally low
Measurement of customer satisfaction	Managing the customer base ( direct approach)	Monitor market share (indirect approach)
Dominant quality dimension	Quality of interaction	Quality of output
Product of quality	The concern of all	Primary concern of production
Role of internal marketing	Substantial strategic importance	No or limited importance
Importance of employees for business success	High	Low
Production focus	Mass customization	Mass production

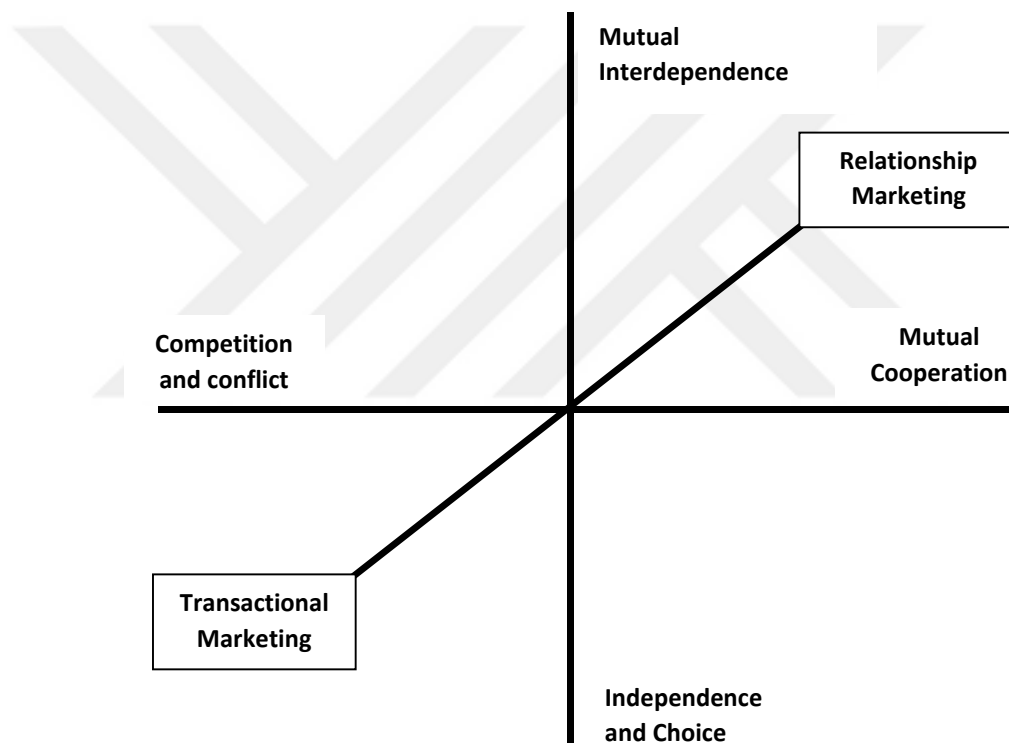
Source: Thorsten, H. -T., & Ursula, H. (2013). Some Reflections on the State-of-the-Art of the Relational Concept. In T. Hennig-Thurau, & U. Hansen, *Relationship Marketing: Gaining Competitive Advantage Through Customer Satisfaction and Customer Retention* (pp. 1-13). Hanover: Springer Science & Business Media.

Relationship marketing is a relatively new marketing theory against the traditional marketing mix theory. Evert Gummesson gave it the definition as: Relationship marketing is marketing based on interaction within networks of relationships. He also pointed out that the core values of relationship marketing are its emphasis on

collaboration and creation of mutual value, which includes viewing suppliers, customers and others as partners rather than opposite parties. The most important partner is customer, so Customer Relationship Management (CRM) comes as a sub-theory of relationship marketing (Yi, 2008).

### 1.3.1.2. Development of Relationship Marketing

Development of relationship marketing points to a significant shift in the axioms of marketing: competition and conflict to mutual cooperation, and choice independence to mutual interdependence, as illustrated in figure below.



**Figure 1.3.1.2.1: Transactional Marketing Vs Relationship Marketing**

Source: Parvatiyar, A., & Sheth, J. N. (1999). *The Domain and Conceptual Foundations of Relationship Marketing*. CA: Sage Publications.

As shown in figure 1.3.1.2.1, we may say that, relationship marketing is creating mutual benefit for buyer and seller.

Kotler said, “Relationship marketing is the art that the buyers and sellers create closer working relationship and mutual relation”

In the transaction marketing, assumption is that customers choose from many brands independently. While in the relationship marketing, interaction and cooperation exist in all levels; suppliers and customers cannot be entirely separated. Whether the customers will purchase depends on the mutual influence extent in the interaction, the two sides are interdependent instead of separated (Yanfei & Yafeng, 2012).

According to Kotler, today’s most successful firms are deemphasizing transaction-oriented marketing in favor of relationship marketing, which focuses on developing long-term, mutually beneficial relationships between two parties (Huang & Wan, 2005).

Competitive market conditions push companies to be differentiating of their service and product quality. Hence, we may say that companies needed to be more consumer-centric in sales and marketing area.

In the light of the literature, we may mention that; Relationship marketing can create customer satisfaction more easily; reach the most valuable customers, create word of mouth and provide competitive advantage.

### **1.3.2. Definitions and Principles of Relationship Marketing**

#### **1.3.2.1. Definitions of Relationship Marketing**

Relationship marketing concept was first mentioned in the literature, by Berry (1983) (Thorsten & Ursula, 2013).

Sheth (1994) defines Relationship Marketing as “Understanding, explanation and management of the ongoing collaborative business relationship between suppliers and customers” (Gummesson, 1994).

Relationship Marketing is defined in a number of ways, usually dependent on the particular focus of the author (See table below).

**Table 1.3.2.1.1: Definitions of Relationship Marketing**

Source	Definition
Gummesson (2004)	'Relationship marketing is interaction in networks of relationships'.
Berry (1983)	'Relationship marketing is attracting, maintaining and – in multi-service organizations – enhancing customer relationships'.
Jackson (1985)	'Relationship marketing is marketing to win, build and maintain strong lasting relationships with industrial customers'.
Morgan and Hunt (1994)	'Relationship marketing refers to all marketing activities directed to establishing, developing and maintaining successful relational exchanges'.
Grönroos (2007)	(The purpose of) ... marketing is to identify and establish, maintain and enhance, and when necessary terminate relationships with customers (and other parties) so that the objectives regarding economic and other variables of all parties are met. This is achieved through a mutual exchange and fulfillment of promises'.
Ballantyne (1994)	'An emergent disciplinary framework for creating, developing and sustaining exchanges of value, between the parties involved, whereby exchange relationships evolve to provide continuous and stable links in the supply chain'.
Porter (1993)	'Relationship marketing is the process whereby both parties – the buyer and provider – establish an effective, efficient, enjoyable, enthusiastic and ethical relationship: one that is personally, professionally and profitably rewarding to both parties'.
Lusch and Vargo (2006)	'Marketing is the process in society and organizations that facilitates voluntary exchange through collaborative relationships that create reciprocal value through the application of complementary resources'.

Source: Gummesson, E. (2008) in Soner, Y. K. in (2009). *Sales Person - Customer Relationship Analysis For Sales Force Development In Turkish Commercial Vehicle Retailing*". Institute of Social Sciences Department of Business Administration. Istanbul: Yeditepe University.

Combination of definitions in literature, we may say that; target of relationship marketing is to improve information flow between consumer and company. With that way, relationship marketing gives the company a chance to explain their products and service more detailed and personalized way.

Unlike the Total Quality Management (TQM) movement, relationship marketing is likely to remain more selective and targeted (Sheth, 2002).

Dwyer and Schurr believe that relationship marketing means the ties between a business and a trading partner (1987). It is a long-term relationship formed through all relationship management. Both parties presume that after the actual trading, interaction is expected to happen, and other trading would be the foundation of further trading. The overall definition of marketing identifies the process of managing relationships as one of its key charter. According to Taleghani, Gilaninia & Mousavian, relationship marketing is a kind of marketing that its goal is developing and managing long-term and trustworthy relationships with customers, suppliers and all others acting in the market. Perrien & Richard address relationship marketing as an asymmetrical and personalized marketing process. This process utilizes the understanding customer needs to maintain the relationship. The end result is mutually beneficial and forms a mutual believe (Wu, Lai, & Chou, 2014).

Relationship marketing implies a consideration of not just better relationship with customer markets and internal markets but the development and enhancement of relationship with supplier, employee, referral and 'influencer' markets (Christopher, Payne, & Ballantyne, 1991).

For the ensuring mutual believes with customer, we may say that face to face relations have importance especially for technology products. Because, technology products are sold better by the detailed explanations with supporting features and benefits for customers. Technology product has many features and every consumer may have a different priority among the features. If company can explain and put forward specific features of the technology product based on consumer needs, we believe that consumer will be happy to buy product and service.

Berry (1983) is the first man who use the term "relationship marketing" in a services marketing context. When Harker (1999) defines relationship marketing and he stress "interactive, profitable exchanges, and over time". Recently Sin, Leo Y. M (2005) summing up that: "all relationship marketing definition focuses on individual buyer-seller relationships, that the relationships are longitudinal in nature, and that both parties in each individual buyer-seller relationship benefit" (Huang & Wan, 2005).

Shani and Chalasani (1992) define relationship marketing as “an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time” (Parvatiyar & Sheth, 1999).

In the light of definitions of relationship marketing in the literature, we may divide relationship marketing activity to three parts; affecting consumer perception, keep the existing customer with creating loyalty and setup long-term relationship with customer.

### 1.3.2.2. Key Principles of Relationship Marketing

Some authors has identified seven key principles of relationship marketing; individualization, information, investment, interactivity, integration, intention, and selectivity (Thorsten & Ursula, 2013).

In our research we apply “selectivity” in SMS communication bundle gift, “information” and “interaction” in sales person bonus incentive empirical studies.

Early research on relationship marketing shows that relationships are dynamic, rather than static, nature, and that this dynamism needs to be considered by relationship marketing researchers as well as practitioners. Several different process models of relationship development have been proposed. In a widely cited article, Dwyer, Schurr, and Oh (1987) distinguish between five general phases in a dynamic model of relationship marketing: *awareness*, *exploration*, *expansion*, *commitment*, and *dissolution* (Thorsten & Ursula, 2013).

According to this information, we may say that; dynamism of relationship marketing shows that how relationship marketing is needed for dynamic markets such as smartphone market.

Among that relationship development process, one of the important theories is commitment trust theory especially for consumer business. Because, in consumer business; interaction and sales happen to consumer directly. Hence, we may say, commitment and trust may be one of the key factors for the mutual believe during direct sales to consumer.

### **1.3.3. Commitment - Trust Theory**

#### **1.3.3.1. Definition of Commitment - Trust Theory**

Relationship marketing has become one of the keys to success in acquiring strong competitiveness in the present market. The main ideas of relationship marketing are customer trust and loyalty (Xin, 2009).

The literature on relationship marketing has examined extensively the determinants of customer loyalty; especially the relationships between customer trust, commitment and loyalty have become consensus among different studies (Luo, 2012).

According to Oliver (1999), loyalty is described as a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Luo, 2012).

Sheth (1996) explain that, loyalty is a primary goal of relationship marketing and sometimes even equated with the relationship marketing concept itself (Thorsten, Gwinner, & Gremler, 2002).

The key to building customer relationships is to create superior customer value and satisfaction. Satisfied customers are more likely to be loyal customers, and loyal customers are more likely to give the company a larger share of their business (Bilgili, 2010).

We may say that customer loyalty and customer satisfaction have direct relationship. With giving personalized direct sales support, we may create customer loyalty for the product and service.

The commitment-trust theory, proposed by Morgan & Hunt, focuses on the effect of relationship marketing on repurchase behavior with relationship marketing and trust used as intermediate variables, even takes trust as part of relationship marketing, not studying how to achieve consumer trust through relationship marketing (Zhao, Ma, & Yang, 2010).

Moorman, Deshpandé, and Zaltman (1993) define trust as “a willingness to rely on an exchange partner in whom one has confidence” (Luo, 2012).

Trust is an important factor in the development of marketing relationships and exists "when one party has confidence in an exchange partner's reliability and integrity" (Tax, Brown, & Chandrashekar, 1998).



Some empirical models of relationship marketing have centered on trust as their central dimension. Therefore, trust is a key variable when decisions are related to enhancement in scope of the relationship (Chen & Jiang, 2006).

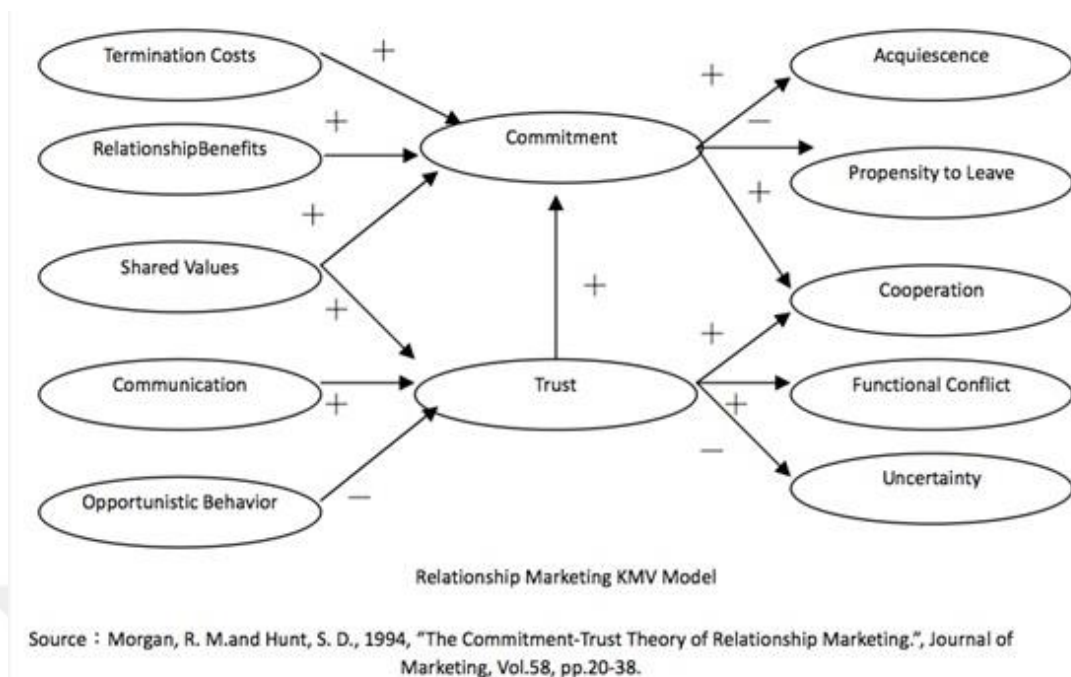
Commitment has been defined as “an enduring desire to maintain a valued relationship” (Luo, 2012).

Definitions of commitment focus on the enduring desire of parties to maintain a relationship (Morgan and Hunt 1994). One variable frequently associated with affecting both customer and employee commitment is satisfaction (Tax, Brown, & Chandrashekar, 1998).

#### 1.3.3.2. Key Mediating Variable (KMV)

Morgan and Hunt brought forth the Key Mediating Variables Model (KMV Model) in 1994. They use the theory of trust and commitment to discuss the study of relationship marketing. The method divides the factors of relationship marketing into antecedent variable (termination cost, relationship benefits, shared values, communication, and opportunistic behavior), mediator variable (commitment and trust) and dependent variable (acquiescence, propensity to leave, cooperation, functional conflict and uncertainty). These variables are used to discuss how the antecedent and mediator variables influence the dependent variable (Wu, Lai, & Chou, 2014).

Morgan and Hunt's (1994) present 'Key Mediating Variable' (KMV) model of relationship marketing and they propose that commitment and trust are the two main variables in the relationship marketing process (Gruen, 1995).



**Figure 1.3.3.2.1: Relationship Marketing KMV (Key Mediating Variable) Model**

Source: Wu, Y.-L., Lai, W.-H., & Chou, Y.-C. (2014). The Study of the Key Factors of Successfully Importing Foreign Workers by Utilizing Two-Stage Relationship Marketing Model. *Management of Engineering & Technology (PICMET), 2014 Portland International Conference on* (pp. 2397-2404). Kanazawa, Japan: IEEE.

KMV (Key Mediating Variable) theory which focuses on one party in the relational exchange and the party's relationship commitment and trust. Commitment and trust are key constructs and positioned as mediating variables between five important case; relationship termination costs, relationship benefits, shared values, communication, and opportunistic behaviour. Five outcomes; acquiescence, propensity to leave, cooperation, functional conflict and decision making uncertainty (Morgan & Hunt, 1994).

KMV theory explains inputs and outputs of trust – commitments which are creating the customer loyalty. As we may see in figure 1.3.3.2.1, termination cost, relationship benefits, shared values, communication and non-opportunistic behavior (it's minus in figure 1.3.3.2.1) are the inputs creating commitment and trust concepts. And those concepts' output is acquiescence, non-propensity to leave (it's minus), cooperation, functional conflict and certainty (minus uncertainty), which is, totally give mutual benefit to buyer and seller.

In the literature, relationship marketing is defined under the different levels and classified with different programs according to target group and activities of relationship marketing.

### **1.3.4. Levels of Relationship Marketing**

In order to analyze the connotation of relationship marketing, Berry (1995) divided relationship marketing into three levels, namely the tactical level, the strategic level and the philosophy level

#### **1.3.4.1. Tactical Level**

Relationship marketing mainly acts as a sales promotion tool at the tactical level. The development of IT allows enterprises to develop effectively and implement some short-term loyalty program to stimulate customers to buy.

With the sales promotion tools, we may say that, it's being easier to reach consumer and get attention of them in a short period.

In our research, we mainly focus on tactical level relationship marketing with using sales promotion tools in our empirical studies; Bundle promotion (with two different communication types to get customer attention), price promotion and sales person interaction with sales tools.

#### **1.3.4.2. Strategic Level**

Relationship marketing is considered as a process at the strategic level. At this level, "Suppliers include customers into their business process through the combination of legal, economy, technology, geography and time, etc."

#### **1.3.4.3. Philosophy Level**

Relationship marketing reflects the core idea of the marketing philosophy at the philosophy level. The strategic emphasis of relationship marketing turns from product and product life cycle to customer relationship life cycle (Yanfei & Yafeng, 2012).

### **1.3.5. Relationship Marketing Programs**

Literature and observation of corporate practices suggest that there are three types of relationship marketing programs: continuity marketing, one-to-one marketing and partnering programs.

#### **1.3.5.1. Continuity Marketing Programs**

The growing concern to retain customers as well as emerging of the knowledge about customer retention economics have led many companies to develop continuity marketing programs that are aimed at both retaining customers and increasing their loyalty. For consumers in mass markets, these programs usually take the shape of membership and loyalty card programs where consumers are often rewarded for their member and loyalty relationships with the marketers (Parvatiyar & Sheth, 1995).

#### **1.3.5.2. One-to-one Marketing**

One-to-one or individual marketing approach is based on the concept of account-based marketing. Such a program is aimed at meeting and satisfying each customer's need uniquely and individually (Parvatiyar & Sheth, 1995).

Our research may put the under the one-to-one marketing program due to mainly focusing on direct consumers one by one in the sales field. Sales person uses many sales tactics to affect customer purchase decision with technology products feature.

#### **1.3.5.3. Partnering Programs**

The third type of relationship marketing programs is partnering relationships between customers and marketers to serve end user needs. In the mass markets, two types of partnering programs are most common: co-branding and affinity partnering (Parvatiyar & Sheth, 1995).

Relationship marketing performance and efficiency may be linked to outputs of the activity and actions. The actions may be defined as relationship inputs and can affect relationship marketing result and performance.

## **1.3.6. Relationship Marketing Inputs, Outputs and Effectiveness**

### **1.3.6.1. Relationship Marketing Inputs & Outputs**

The four major relationship marketing inputs are understanding customer expectations, building service partnerships, empowering employees, and total quality management.

The ultimate outcome of relationship marketing is to build marketing network. A marketing network's basis is that marketer has built mutually profitable business relationships among its customers, employees, suppliers, distributors, and others. Increasingly, competition is between marketing networks with the profits going to the company that has the better network (Huang & Wan, 2005).

Most research has conceptualized the effects of Relationship marketing on outcomes as fully mediated by one or more of the relational constructs of trust, commitment, relationship satisfaction, and/or relationship quality.

Three key components of relationship quality to have a significant influence on relationship marketing outcomes. In particular, satisfaction and commitment have a significant and strong direct impact on both customer loyalty and word-of-mouth communication. Trust also has a strong relationship with the outcome variables and will be discussed subsequently in the context of confidence benefits (Thorsten, Gwinner, & Gremler, 2002).

Communication in relationship marketing means keeping in touch with valued customers, providing timely and trustworthy information on service and service changes, and communicating proactively if a delivery problem occurs. It is the communicator's task in the early stages to build awareness, develop consumer preference (by promoting value, performance and other features), convince interested buyers, and encourage them to make the purchase decision (Ndubisi, 2007). This definition explains Sales Person (promoters) way of working in our research.

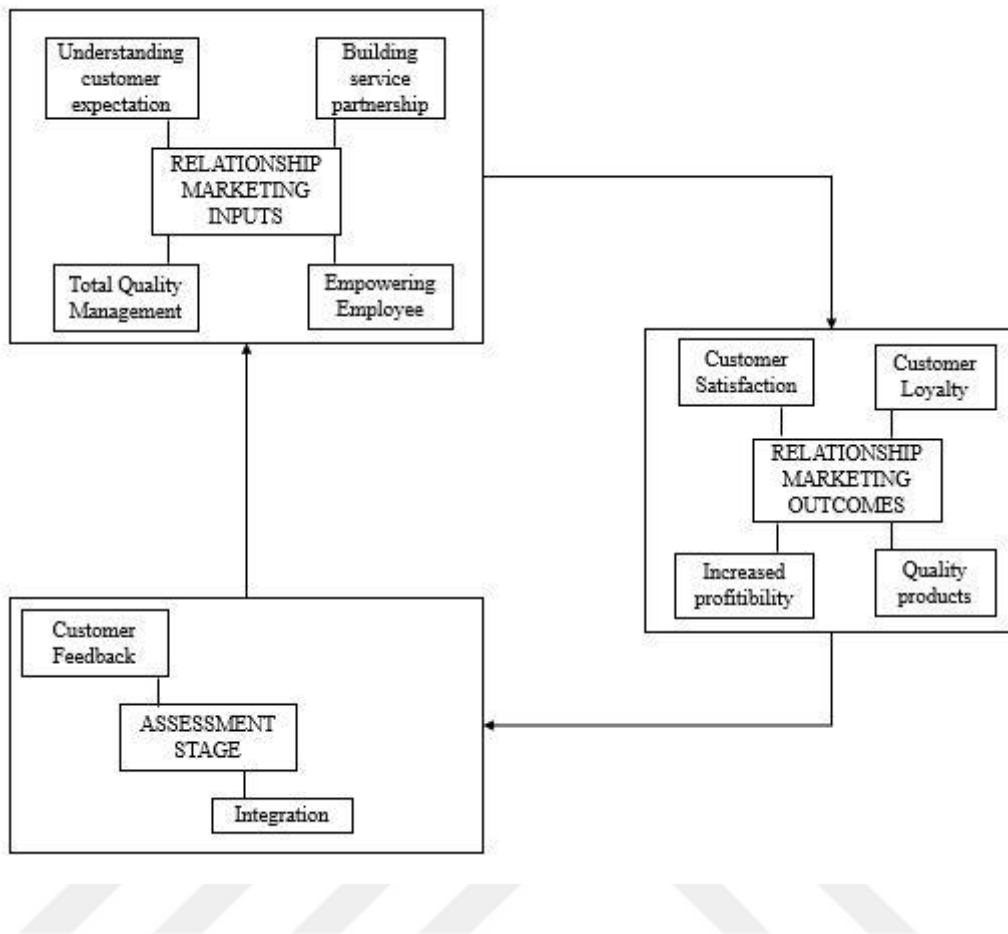
Communications also tell dissatisfied customers what the organization is doing to rectify the causes of dissatisfaction. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal (Ndubisi, 2007).

### 1.3.6.2. Effectiveness of Relationship Marketing

Relationship marketing is the ongoing process of engaging in cooperative and collaborative activities and programs with immediate and end-user customers to create or enhance mutual economic value, at reduced cost (Parvatiyar & Sheth, 1999).

The overall purpose of relationship marketing is to improve marketing productivity and enhance mutual value for the parties involved in the relationship. Relationship marketing has the potential to improve marketing productivity and create mutual values by increasing marketing effectiveness and/or improving marketing efficiencies (Parvatiyar & Sheth, 1995).

Evans & Laskin (1994) have developed effective relationship marketing model (See figure 1.3.6.2.1). In this model, customer assessment (feedback & response) feeds relationship marketing inputs and relationship marketing input creates relationship marketing output which include customer satisfaction, loyalty, company profit and quality products. And relatively, relationship marketing outputs feed customer assessment in the circle.



**Figure 1.3.6.2.1: Effective Relationship Marketing**

Source: Evans, J. R., & Laskin, R. L. (1994). The Relationship Marketing Process: A Conceptualization and Application . *Industrial Marketing Management* 23, 439-452.

In our research, we made an empirical study as sales person bonus incentive which is can be considered as “Empowering Employee” for sales person who has direct relationship with consumer. Empowering employees contains motivation factors for Sales person and provide sales tools to support their sales performance.

The effectiveness of relationship rarketing efforts may vary depending on the specific relationship rarketing strategy and exchange contextr (Palmatier, Dant, Grewal, & Evans, 2005).

Effective resolution of customer problems and relationship marketing are linked closely in terms of their mutual interest in customer satisfaction, trust, and commitment (Tax, Brown, & Chandrashekar, 1998).

Several relationship marketing practices can help achieve efficiency, such as customer retention, efficient consumer response (ECR), and the sharing of resources between marketing partners. Each of these activities have the potential to reduce operating costs of the marketer (Parvatiyar & Sheth, 1995).

There's a balance between giving and getting in a good relationship. But when companies ask their customers for friendship, loyalty, and respect, too often they don't give those customers friendship, loyalty, and respect in return (Fournier, Dobscha, & Mick, 1998).

Relationship marketing benefits the customer as well as the firm. For continuously or periodically delivered services that are personally important, variable in quality, and/or complex, many customers will desire to be "relationship customers." High-involvement services also hold relationship appeal to customers (Berry, 1995).

When examining the customer-perceived value in a relationship, we should note that it probably cannot be derived just from the core product plus supporting services, rather it must also include the effects of maintaining a relationship. In a customer-supplier relationship "total episode value" term may be used, which could be described as a function of both episode value and relationship value;

Total episode value = (Episode benefits + relationship benefits) / (Episode sacrifice + relationship sacrifice)

(Ravald & Grönroos, 1996).

Trust and confidence benefits play a key role in the relationship quality and the relational benefits approaches, respectively (Thorsten, Gwinner, & Gremler, 2002).

In this study, we focus on direct sales performance, which is linked to relationship marketing. We believe that face-to-face sales performance is important for technology products sales. In our research we would like to measure sales people performance, which has a direct relationship with the consumer, and perform face-to-face sales in the stores without anyone in between.



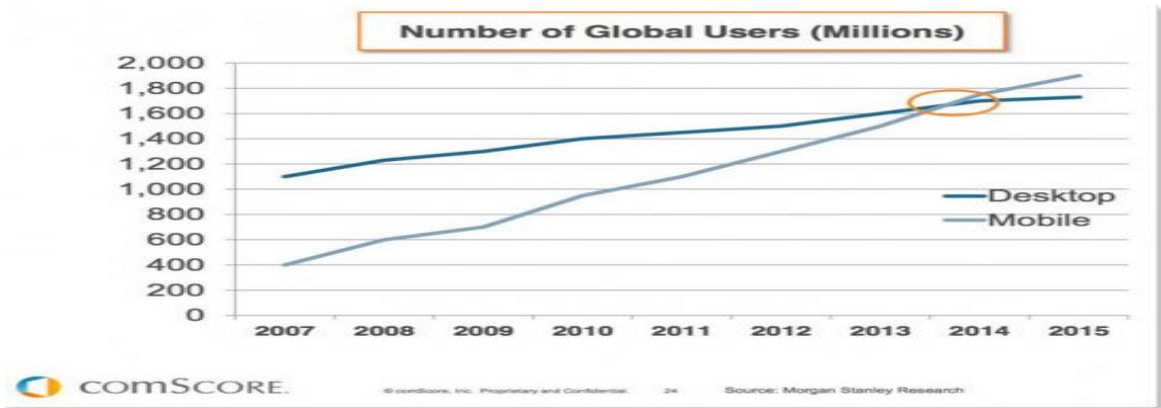
# **CHAPTER 2 SMARTPHONE MARKET STATUS IN GLOBAL & TURKEY**

Mobile phones have become excellent devices with many functions much like a computer; phone and other tools and apps with the smartphones entered the market. It became possible to use smartphone as computer in everywhere, and this situation increased the usage rate of mobile phone rapidly and instantly for the end consumer. This is also an opportunity for the users to reach the Internet and most of the abilities of computers in hand all around the world.

## **2.1. MOBILE INTERNET USAGE IN GLOBAL**

Smartphones, mobile phones with more advanced computing capabilities and connectivity than regular mobile phones, came onto the consumer market in the late 90s, but only gained mainstream popularity with the introduction of Apple's iPhone in 2007. The iPhone revolutionized the industry by offering customer friendly features such as a touch screen interface and a virtual keyboard. The first smartphone running on Android was introduced to the consumer market in late 2008 (Statista, 2017).

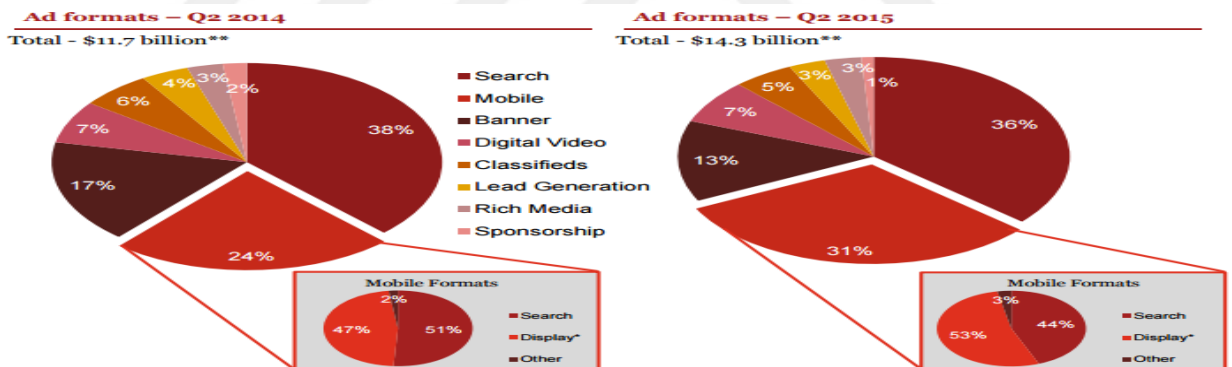
Parallel to smartphone market development, mobile Internet usage increased dramatically. Mobile Internet usage surpassed desktop Internet usage as of 2014 and currently reached almost 2 billion users (See Figure 2.1.1) (Bosomworth, 2015). Figure 2.1.1 shows us how smartphones changed internet accessibility and digital dynamics in the world. According to this development, digital advertisement moved rapidly to mobile.



**Figure 2.1.1: Mobile Internet Usage Status**

Source: Bosomworth, D. (2015, 07 22). <http://www.smartinsights.com/>. Retrieved 11 09, 2015, from <http://www.smartinsights.com/>: <http://www.smartinsights.com/mobile-marketing/mobile-marketing-analytics/mobile-marketing-statistics/>

Mobile advertising market increased to 11.7 Billion USD in Q2 2014 and still continues to increase, parallel to mobile internet usage. 2015 data show us it has increased to 14.3 Billion USD (See Figure 2.1.2).



Source: IAB/PwC Internet Ad Revenue Report, HY 2015  
 \* Mobile Display includes: banner ads, digital video, digital audio, sponsorships, and rich media advertising served to mobile devices.  
 \*\* Amounts may not equal 100% due to rounding and omission of minor categories.

**Figure 2.1.2: Mobile Advertising Market**

Source: Judge, S. (2015, 10 23). <http://www.smartphonemarketresearch.com>. Retrieved 11 16, 2015, from <http://www.smartphonemarketresearch.com>: <http://www.smartphonemarketresearch.com/iab-internet-advertising-revenue-report/>

Smartphone’s share of mobile transactions grew by more than 15% year over year, now accounting for 60% of all mobile transactions in the U.S. The combination of better transaction channels, ubiquity, more phone models with big bright screens and fast

wireless broadband is giving retailers better options for displaying their goods on mobile devices – ultimately leading to more transactions (Criteo, 2015).

Mobile marketing is a promotional activity designed for delivery to mobile phones, smartphones and other handheld devices, usually as a component of a multi-channel campaign. Some articles say mobile marketing approach is similar to advertising delivered over other electronic channels such as text, graphic and voice messages. SMS messaging is currently the most common delivery channel for mobile marketing. Search engine marketing (SEM) is the second-most common channel, followed by display-based campaigns. The expanding capabilities of mobile devices also enable new types of interactive marketing (searchmobilecomputing.techtarget, 2009)

Parallel to mobile internet usage improvement; Telli Yamamoto examined and explained mobile marketing fundamentals and practices; she also conducted a large amount of research into the importance of mobile marketing for companies and the relationship between consumer behavior and mobile marketing. According to her, mobile marketing is a concept that spread in our lives very quickly (Telli Yamamoto, 2009).

Technically, mobile marketing can help organizations reach mass audiences. Such campaigns may be expensive if they are organized with unclear audiences and may fail to provide a sufficient benefit. Contacting the entire mass without determining a target or dividing the market means neglecting personal communication channels. Instead, mobile campaigns require the presentation of personally convincing messages rather than those addressing to a wide mass of audience (Telli Yamamoto, 2009).

## **2.2. SMARTPHONE MARKET STATUS**

Smartphone market has been growing very quickly since the mobile internet usage is available from these phones. From the beginning of the 2010's with the development of iOS and Android systems there are several vendors has been taking part in the market. Until the first quarter of 2011, Nokia was the leading smartphone vendor worldwide with a 24 percent market share. Today, however, Samsung is clearly leading the pack, with about a fifth of global shipments. Apple is the second largest vendor of smartphones worldwide. In 2016 alone, Apple sold more than 210 million iPhones worldwide. Other prominent smartphone vendors include Huawei, Lenovo and Xiaomi. When it comes to smartphone operating systems, Android took over as a clear market leader as of the fourth

quarter of 2010, and has only further increased its lead since. As of the fourth quarter of 2016, more than 80 percent of smartphones sold were running the Android operating system. Apple’s operating system iOS is its main competitor, accounting for about 15 percent of the share (Statista, 2017).

As mentioned, Nokia was the market leader until 2011, But with Android development and growth in the market, Nokia started the fall and down to the less than %0,3 market share as of Q4 2016 (See Table below) (Rossignol, 2017). We may say that, main reason of that drop is that Nokia decided to use Windows operating system instead of Android operating system. Hence, we may say that, even market leader who does not follow the trend in technology products may loose market share and lose its place dramatically.

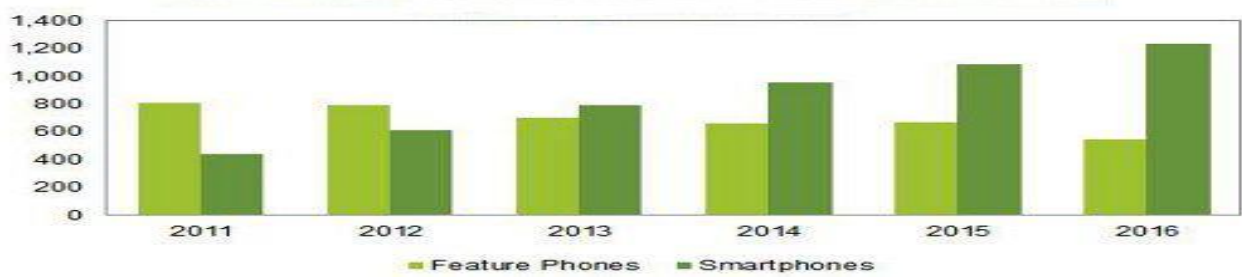
**Table 2.2.1: Smartphone Operating System Market Share Status**

Operating System	4Q16 Units	4Q16 Market Share (%)	4Q15 Units	4Q15 Market Share (%)
Android	352,669.9	81.7	325,394.4	80.7
iOS	77,038.9	17.9	71,525.9	17.7
Windows	1,092.2	0.3	4,395.0	1.1
BlackBerry	207.9	0.0	906.9	0.2
Other OS	530.4	0.1	887.3	0.2
<b>Total</b>	<b>431,539.3</b>	<b>100.0</b>	<b>403,109.4</b>	<b>100.0</b>

*Worldwide Smartphone Sales to End Users by Operating System in 4Q16 (Gartner)*

Source: Rossignol, J. (2017, 02 15). *macrumors*. Retrieved 12 02, 2017, from macrumors: <https://www.macrumors.com/2017/02/15/blackberry-hits-zero-market-share/>

The mobile phone market is increasingly seeing conversions from feature phone to smartphone, making the smartphone a most used mobile device (See Figure 2.2.1) (McGrath, 2012).



**Figure 2.2.1: Smartphone Purchasing Increase over 2011-2016**

Source: McGrath, D. (2012, 11 28). <http://www.eetasia.com/>. Retrieved 11 16, 2015, [http://www.eetasia.com/ART\\_8800678622\\_499486\\_NT\\_6ebc80fd.HTM](http://www.eetasia.com/ART_8800678622_499486_NT_6ebc80fd.HTM)

The smartphone user base is approaching an unprecedented peak. No other personal device has had the same commercial and societal impact as the smartphone, and no other current device seems likely to (Lee & Marsden, 2017).

According to an ITU (International Telecommunication Union) report, Globally, the total number of mobile-broadband subscriptions has been expected to reach 3.6 billion by end 2016, compared with 3.2 billion at end 2015. Penetration has reached over 100% in four of the six ITU world regions:

- Number of mobile-cellular subscriptions approaching 7 billion
- Mobile broadband is the most dynamic market, with 2.1 billion subscriptions globally

Parallel to an increase in mobile subscribers, smartphone sales revenue also increased almost 477% between 2009 and 2015 (ITU, 2017).

The number of mobile subscriptions is growing at almost 6 percent year-on-year, reaching 7.8 billion in Q3. China had the most net additions during the quarter (+30 million), followed by Indonesia (+7 million), the US (+4 million), Angola (+4 million) and Pakistan (+3 million).

The number of mobile broadband subscriptions is growing at around 20 percent year-on-year, increasing by 210 million in Q3 2017 alone. The total number is now 5 billion. (Ericsson, 2017)

The smartphone is a mere decade old, and with every year has become ever more integral to people's lives. With each year, it has become more versatile, absorbing a growing range of functions, from communication to navigation, from breaking global

news to memorising personal stories. And it is likely to be used even more intensively over the coming years, as its capability and utility continues to increase (Lee, 2017).

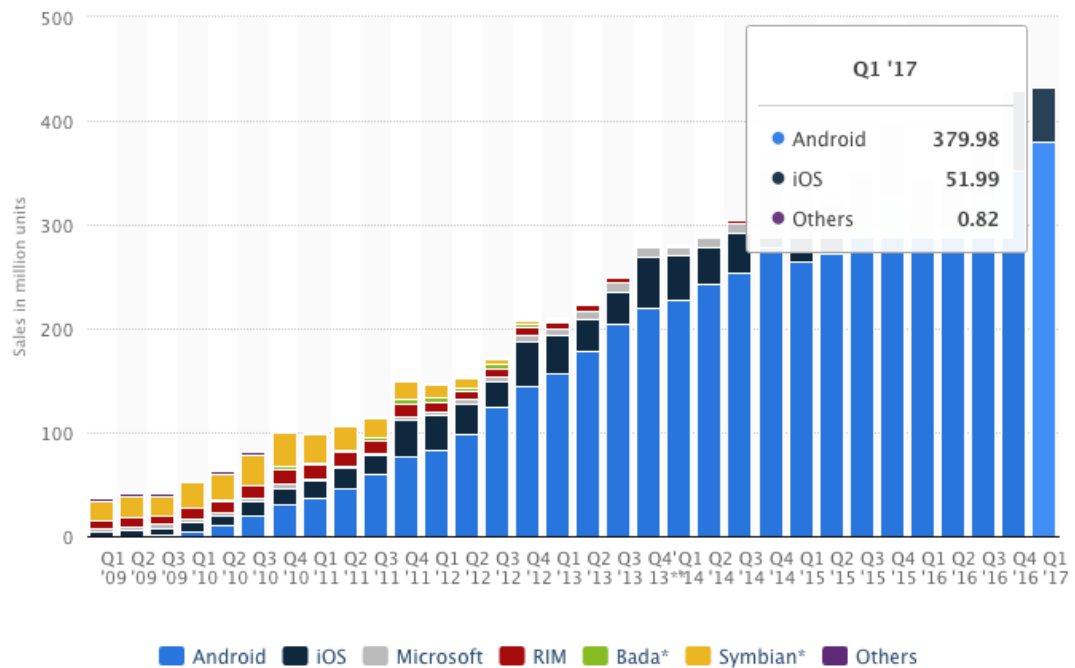
Smartphone penetration increased to 82 percent overall. Although the younger generation still has the highest ownership percentage with 93 percent, the strongest growth is among those ages 55 and older (Wigginton & Littmann, 2017).

According to this data, we may say over 55 years penetration increase on a technology device proves how popular this product is in the world.

The smartphone industry has been steadily developing and growing since then, both in market size, as well as in models and suppliers. Smartphone shipments worldwide have been projected to add up to 1.71 billion in 2020. By 2018, over a third of the world's population has been projected to own a smartphone, an estimated total of almost 2.53 billion smartphone users in the world.

About a quarter of all smartphone users in the world will be located in China by 2018, with more than 45 percent of the population in China projected to use a smartphone by then. In 2016 alone the smartphone market in China had a market size of more than 133.6 billion U.S. dollars. The main smartphone vendors in China - with a market share of more than 10 percent - are Huawei, Apple, Vivo and Oppo (Statista, 2017).

According to Statista the number of smartphones sold to end-users have increased worldwide from 2009 to 2017 (See figure 2.2.2).



**Figure 2.2.2: Number of Smartphones Sold to End Users Worldwide from 2007 to 2017 Q1 (in million units)**

Source : (Statista, 2017). <https://www.statista.com/statistics/266219/global-smartphone-sales-since-1st-quarter-2009-by-operating-system/>

In 2009 first quarter 35 million smartphones were sold worldwide. In the first quarter of 2017 432 Million smartphones sold to end users and 380 Million of them has Android operating system. Total yearly sales reached almost 1.5 Billion in 2016 (Statista, 2017).

According to IDC report; Coming off the smartphone market's lowest year-over-year growth of 2.5% in 2016, a new forecast from the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker shows worldwide smartphone shipments rebounding in 2017 and beyond. While growth is expected to remain in the low single digits, IDC predicts shipment volumes to grow 4.2% in 2017 and 4.4% in 2018 with a compound annual growth rate (CAGR) of 3.8% over the 2016-2021 forecast. Shipments has been forecasted to reach 1.53 billion units in 2017 and grow to 1.77 billion in 2021 (Shirer, 2017).

**Table 2.2.2: Global Smartphone Shipments in 2016**

Global Smartphone Vendor Shipments (Millions of Units)	Q4 '15	2015	Q4 '16	2016
Samsung	81.3	319.7	77.5	309.4
Apple	74.8	231.5	78.3	215.4
Huawei	32.6	107.1	44.9	138.8
OPPO	14.8	39.7	29.5	84.6
Vivo	13.3	39.0	25.6	71.9
Others	186.2	703.2	182.9	668.1
<b>Total</b>	<b>403.0</b>	<b>1440.2</b>	<b>438.7</b>	<b>1488.2</b>

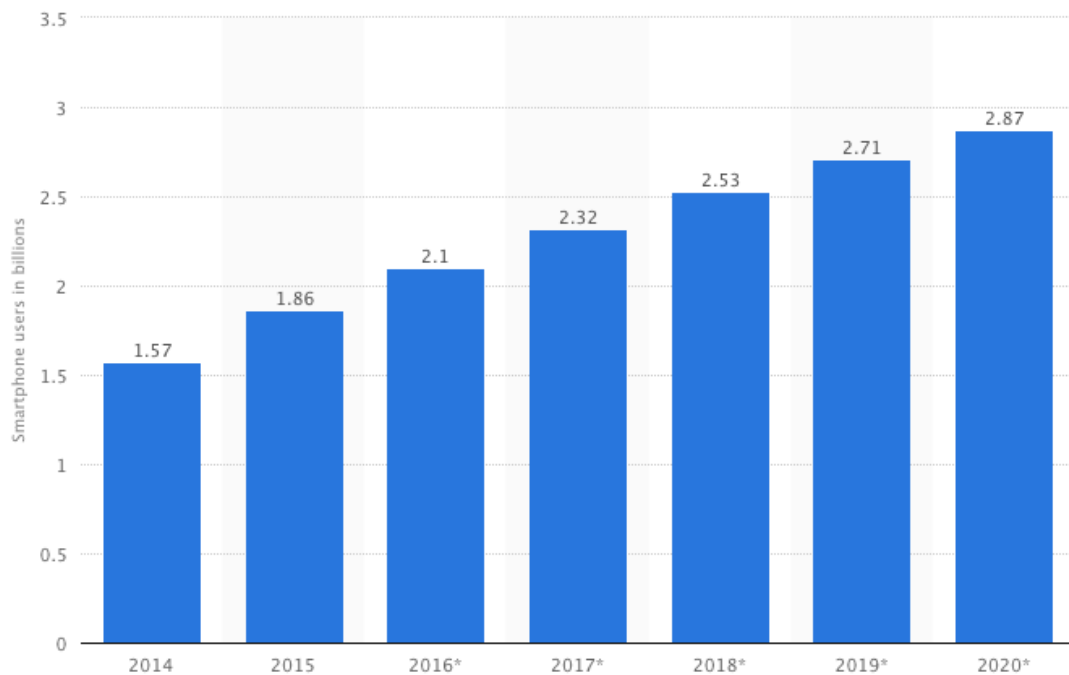
Source: (Vaidos, 2017). <http://news.softpedia.com/news/apple-beats-samsung-in-global-market-share-and-smartphone-shipments-in-q4-2016-512466.shtml>

In 2016 overall, smartphone sales to end users totaled nearly 1.5 billion units, an increase of 5 percent from 2015 (Goasduff & Forni, 2017).

According to preliminary results from the International Data Corporation (IDC) Worldwide Quarterly Mobile Phone Tracker, smartphone OEMs shipped a total of 373.1 million smartphones worldwide in the third quarter of 2017 (3Q17). Third quarter volumes were up 2.7% year over year, and up 7.4% from the second quarter. Despite the annual growth being low, the fact that it is positive leading into the holiday quarter is a sign the industry still has momentum (Shirer, 2017).

The number of smartphone users is forecast to grow from 2.1 billion in 2016 to around 2.5 billion in 2019, with smartphone penetration rates increasing as well. Just over 36 percent of the world's population has been projected to use a smartphone by 2018, up from about 10 percent in 2011 (Statista, 2017).





**Figure 2.2.3: Statistics Depicts the Total Number of Smartphone Users Worldwide from 2014 to 2020**

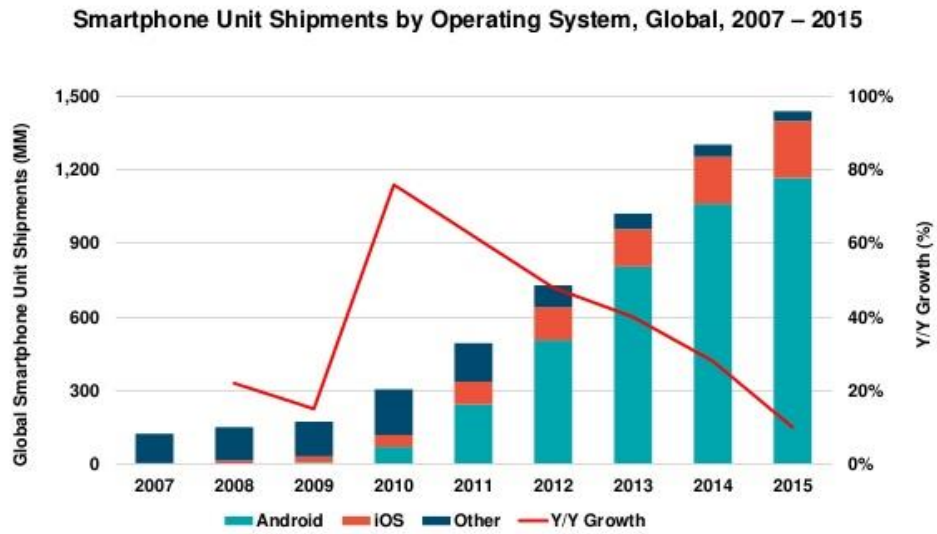
Source: (Statista, 2017). <https://www.statista.com/statistics/330695/number-of-smartphone-users-worldwide/>

China, the most populous country in the world, leads the smartphone industry. The number of smartphone users in China is forecast to grow from around 563 million in 2016 to almost 675 million in 2019. Around half of the Chinese population is projected to use a smartphone by 2020. The United States is also an important market for the smartphone industry, with around 223 million smartphone users in 2017. By 2019, the number of smartphone users in the U.S. has been expected to increase to 247.5 million (Statista, 2017).

Google's Android and Apple's iOS are the two most popular smartphone operating systems in the industry. In 2016 alone, nearly 1.5 billion smartphones with either Android or iOS operating systems were sold to end users worldwide. Android, with 80 percent of all smartphones sales, leads the market. In contrast, about 15 percent of all smartphones sold to end customers have iOS as their operating system. The leading smartphone vendors are Samsung and Apple, with about 20 to 25 percent and 15 percent of the share respectively, followed by Huawei, OPPO and vivo (Statista, 2017).

Despite smartphone market increase every year, market grow rate is decreasing comparing to previous years. As we may see in figure 2.2.4, Global smartphone units Growth rate decreased from %28 to %10 (Kleiner Perkins Caufield & Byers, 2016).

**Global Smartphone Units Slowing Dramatically...  
After 5 Years of High Growth @ +10% vs. +28% Y/Y**



@KPCB Source: Morgan Stanley Research 6.6.15 KPCB INTERNET TRENDS 2016 | PAGE 11

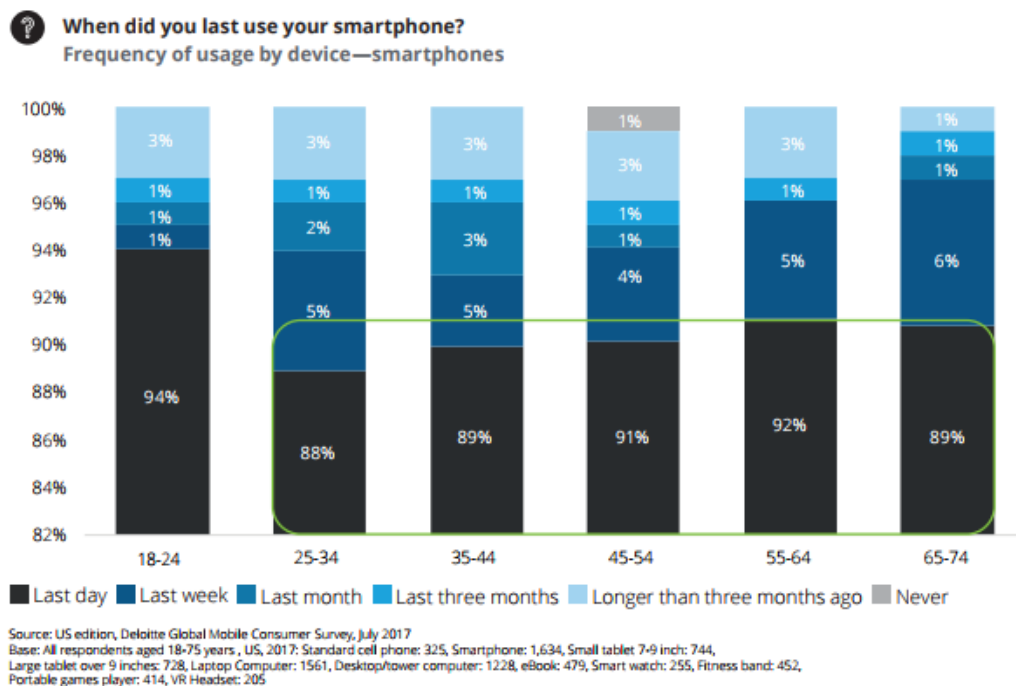
**Figure 2.2.4: Global Smartphone Market Growth Rate**

Source : (Kleiner Perkins Caufield & Byers, 2016). [http://www.slideshare.net/kleinerperkins/2016-internet-trends-report/11-KPCB\\_INTERNET\\_TRENDS\\_2016\\_PAGE](http://www.slideshare.net/kleinerperkins/2016-internet-trends-report/11-KPCB_INTERNET_TRENDS_2016_PAGE)

## 2.3. SMARTPHONE USER BEHAVIOUR & REPLACEMENT CYCLE

### 2.3.1. Smartphone User Behaviour

Smartphone usage is dramatically high in all age segments even over 65. %89 of over 65 years old people last used their smartphone last day (See figure 2.3.1.1). Hence, we may say that, smartphone became an irreplaceable product for even old people.



**Figure 2.3.1.1: Frequency of Usage by Device- Smartphone**

Source : (Wigginton & Littmann, 2017). <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/global-mobile-consumer-survey-us-edition.html>

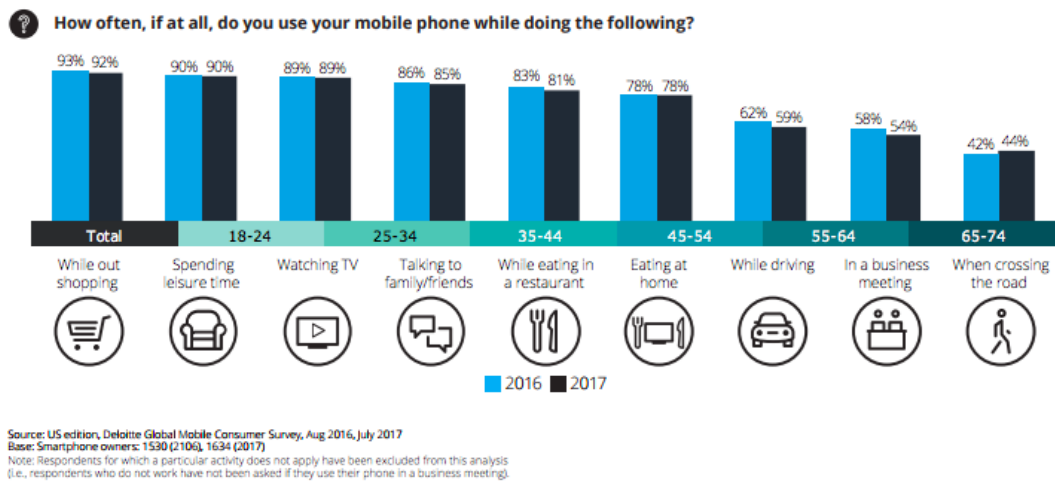
All communication services are on the rise. This is especially noteworthy for voice calls, which increased to 86 percent usage after a four-year decline. Younger generations, especially 25-34 year olds, prefer more cutting edge communication services such as group video calls and voice over IP (Wigginton & Littmann, 2017).

When it comes to additional uses, "reading the news" is the most regularly used daily activity and navigation is the most used overall. Although TV services are some of the least used activities, there was a dramatic shift in 2017 to long-form video with 31 percent

of the consumers streaming films on mobile phones compared to the 22 percent last year (Wigginton & Littmann, 2017).

This data shows that with 4G development and high broadband communication support, streaming video usage rate increase from 22 to 31.

Additional to the smartphone’s fast growth rate and high consumer interest, the number of times that consumer look their phones each day is stable from 2016 to 2017 as shown on figure 2.3.1.2.



**Figure 2.3.1.2: Smartphone Usage rate by Activity Slot**

Source : (Wigginton & Littmann, 2017). <https://www2.deloitte.com/us/en/pages/technology-media-and-telecommunications/articles/global-mobile-consumer-survey-us-edition.html>

The number of times we look at our phones each day has not increased over the past three years, and the urgency with which we reach for our phones has plateaued as well. Eighty-nine percent of consumers still indicated that they first looked at their phones within an hour of waking up. This is almost the same as 2016’s number which was 88 percent. Similarly, this year’s survey indicates that at the end of the day, 81 percent of respondents looked at their phones in the hour before going to sleep. This number is also 81 percent in 2016, and 79 percent in 2015, again a confirmation of a trend forming (Wigginton & Littmann, 2017).

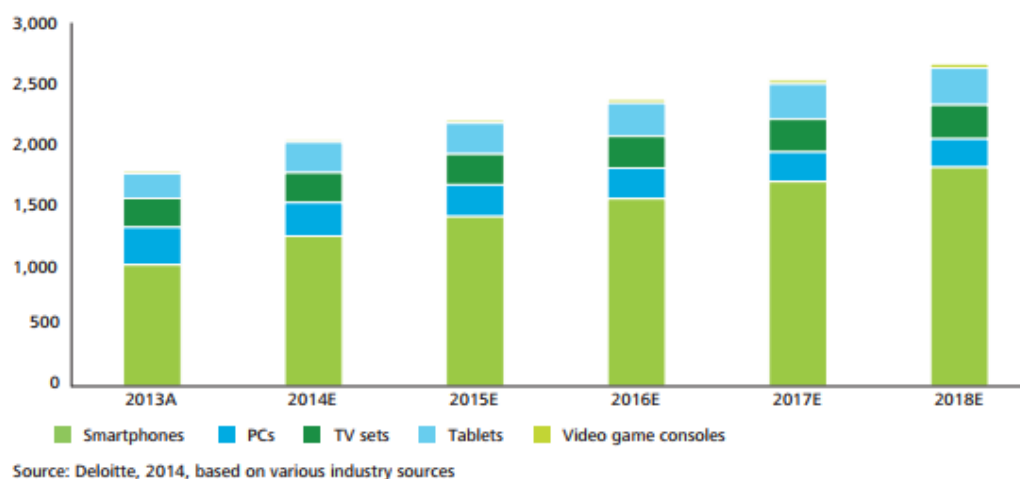
Hence, we may say that, Smartphone device addiction shifts to device branding which orients firms to the sales promotions.

## 2.3.2. Smartphone Replacement Cycle

Addition to the smartphone popularity and high penetration, replacement cycle also very short for smartphone compared to other technology products.

According to Deloitte report which contains a mobile consumer survey in 14 developed markets between May and July of 2014, the replacement cycle for smartphones was about 12 months, shorter than tablets, laptops, and TVs. Consumer purchase intention for next 12 months is 32% in smartphone as highest number among all other devices (Deloitte, 2014).

As shown in figure 2.3.2.1, PCs revenue is decreasing, tablet and TV revenue is staying in same level, but smartphone revenue is increasing. In the light of this information, we may say that smartphone is extending technology product consumption in global.



**Figure 2.3.2.1: Combined Global Sales Units of PCs, smartphones, tablets, TVs and Video Game Consoles, 2013-2018 Units (million)**

Source: (Deloitte, 2014).

<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Technology-Media-Telecommunications/gx-tmt-pred15-one-billion-smartphone.pdf>

## **2.4. TURKEY SMARTPHONE MARKET AND CHANNEL STATUS**

### **2.4.1. Turkey Smartphone Market Status**

Smartphone is a multifunctional and high-tech device. With the technological developments smartphone is in high demand in Turkey, same as global status. Penetration is increasing rapidly in Turkey and expected to continue to increase like its global status.

According to TUIK (Turkish Statistical Institution) 2015 August report 96.8% of households have had mobile phone (incl. smartphones) in April 2015 and 29.6% of households have had fixed line telephone. Mobile phone penetration almost 100 % (exclude 0-9 year's age) in Turkey (TUIK, 2015) (Duzgun & Telli Yamamoto, 2017).

Market development status is similar with Global in Turkey, despite economic and political uncertainty in 2015-2016, Monthly smartphone sales around 1 Million units in Turkey (Hurriyet, 2015).

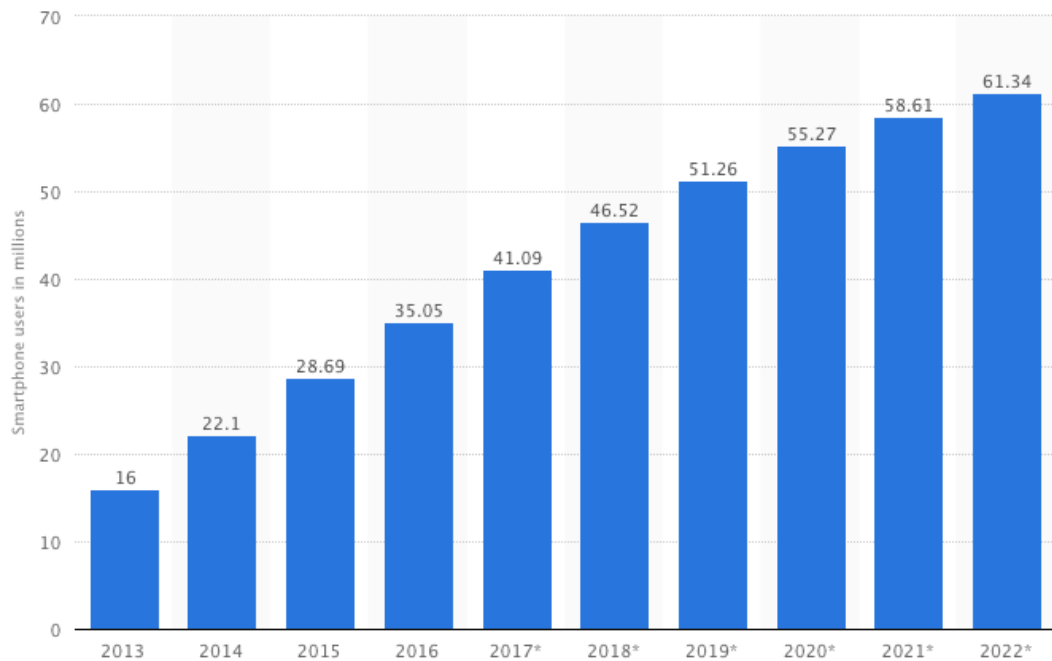
This number is just measured from official channels. It does not include second hand and parallel imported product sales.

Turkey is ranked as the 15th big market among global smartphone market (NewsEuropean, 2014). It also shows us the importance of Turkish market for mobile phone manufacturers and vendors.

For 2016, the number of smartphone users in Turkey is estimated to reach 35.2 million and its estimating to reach 48 Million by 2019, with the number of smartphone users worldwide forecast to exceed 2 billion users by that time (Statista, 2016).

Accroding to Statista (2017); number of the smartphone users will reach 61,34 million in 2022.

Figure 2.4.1.1 shows the number of smartphone users in Turkey from 2013 to 2022. For 2017, the number of smartphone users in Turkey is estimated to reach 41.09 million, with the number of smartphone users worldwide forecast to exceed 2.3 billion users by that time (Statista, 2017).



© Statista 2017

**Figure 2.4.1.1: Smartphone Users Forecast in Turkey by 2022**

Source: (Statista, 2017). <https://www.statista.com/statistics/467181/forecast-of-smartphone-users-in-turkey/>

Mobile internet usage also high, parallel to Smartphone high penetration and sales numbers.

The survey of over 1000 mobile consumers was carried out by On Device Research and found that data consumption is high, with 60% currently using monthly data package (1-5 GB). 71% of Turkish mobile users use chat apps and 54% of those who have extra data use it to watch video and 41% use music apps (MEF, 2017).

**Table 2.4.1.1: Internet User Penetration in Turkey by Gender, 2008-2016.**

<b>Internet User Penetration in Turkey, by Gender, 2008-2016</b>			
<i>% of population in each group</i>			
	<b>Male</b>	<b>Female</b>	<b>Total</b>
2008	41.3%	23.3%	32.2%
2009	44.0%	24.3%	34.0%
2010	47.3%	28.2%	37.6%
2011	49.8%	31.3%	40.5%
2012	53.0%	32.6%	42.7%
2013	53.1%	33.4%	43.2%
2014	58.2%	38.8%	48.5%
2015	61.2%	42.1%	51.6%
2016	67.6%	49.2%	58.3%

Note: ages 16-74; in the past 3 months  
Source: Turkish Statistical Institute, "Information And Communication Technology (ICT) Usage Survey on Households And Individuals, 2016," Aug 18, 2016

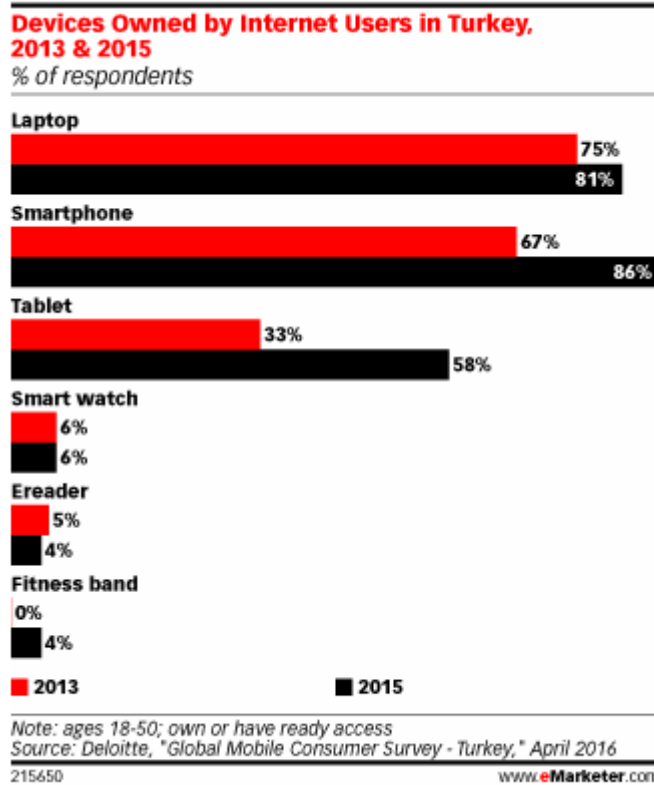
215109 [www.eMarketer.com](http://www.eMarketer.com)

Source: (Emarketer, 2016). <https://www.emarketer.com/Article/Internet-Usage-Up-Turkey-Thanks-Part-Smartphones/1014458>

We may see on table 2.4.1.1 mobile Internet usage increase almost double from %32 to %58 between 2008 and 2016.

However, according to Deloitte research (See figure 2.4.1.2), which is examined “Devices owned by Internet users in Turkey” shows that how smartphone getting top position in two years with passing laptop from 2013 to 2015. Addition to that, we may see high usage rate increase in tablet as well. Almost doubled with increasing from %33 to %54 in two years.



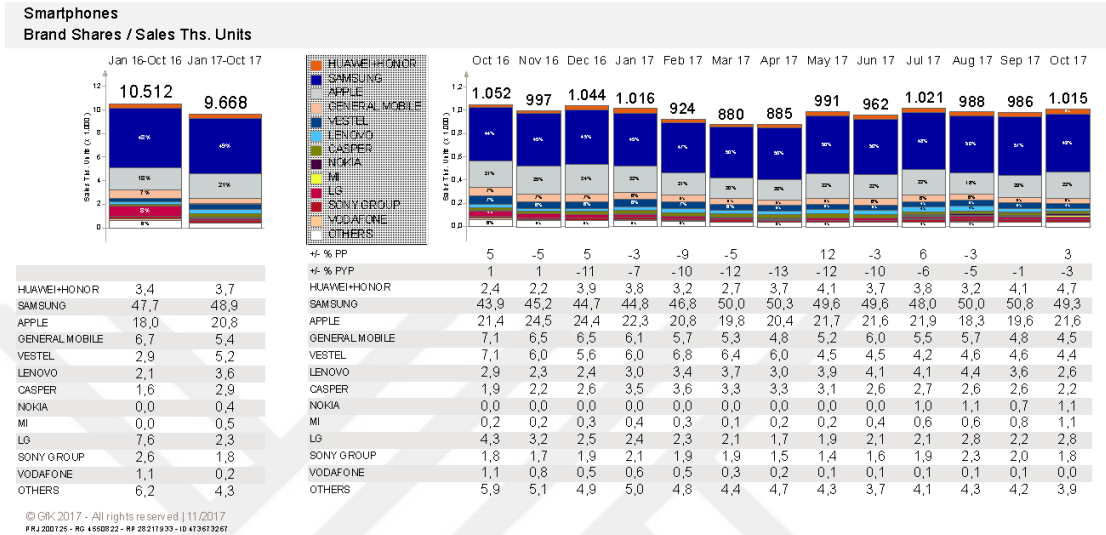


**Figure 2.4.1.2: Device Owned by Internet Users in Turkey**

Source: (Emarketer, 2016). <https://www.emarketer.com/Article/Internet-Usage-Up-Turkey-Thanks-Part-Smartphones/1014458>

In 2015, market growth is 25% and has reached to 12 million units. Smartphone sales quantity is around 1 million unit / monthly in Turkey (see figure 2.4.1.3). Turkey is a potential market for Smartphone companies, almost all players of global companies like Apple, Samsung, Huawei, Lenovo, LG, Sony and HTC; they are facing harsh competition in Turkish market. Apple and Samsung are dominating market with 44% and 38% market share respectively. Hence, competition getting tough between rest of the brands (LG, Sony, HTC, General mobile, Lenovo, Huawei etc.). However Turkish customers' behavior make Turkish market more difficult for small brands. As Akkucuk (2016) has mentioned Turkish customers say they will keep purchasing from their smartphone brand even if its price be higher than that of competitors which again illuminates that they are highly loyal to their smartphone brands (Akkucuk & Javad, 2016). It means you are not able to compete with only pricing strategy in Turkey. (Duzgun & Telli Yamamoto, 2016)

Because of the current market competition status, sales activities and field sales strategies may be getting very critical to increase sales and market share in potential Turkish market (Duzgun & Telli Yamamoto, 2016).



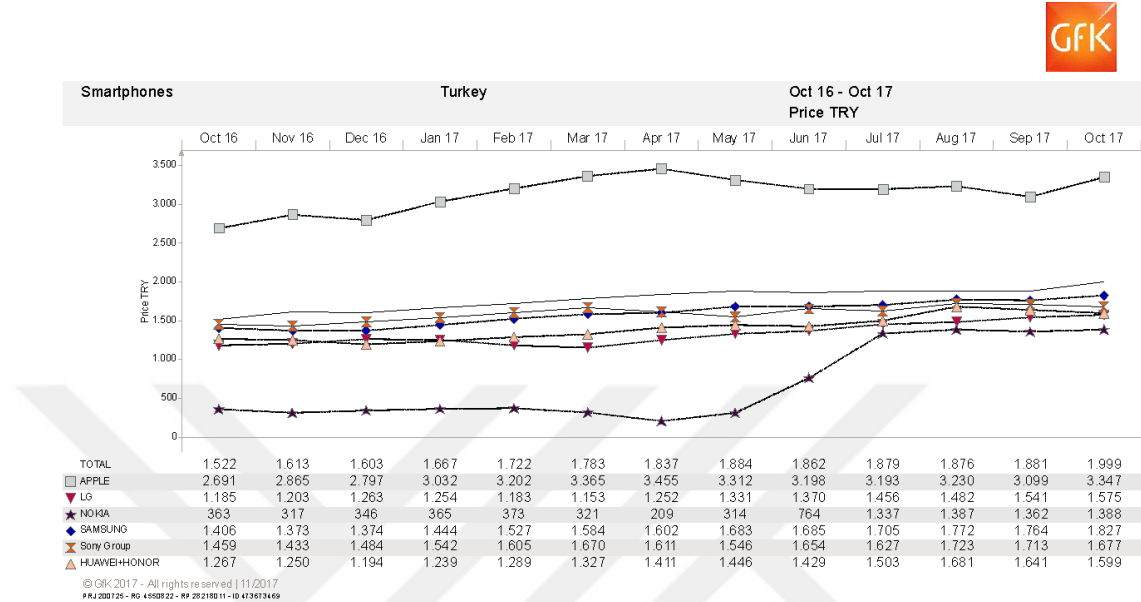
**Figure 2.4.1.3: Smartphones Brand Shares in Turkey**

(GfK 2017 Oct).

Despite smartphones' huge development and increase, as of 2017 smartphone sales and penetration reached a satisfactoral level and started to be more stable compared to 2016. Smartphone sales year to year data decrease from 10.5 M to 9,6 M (See figure 2.4.1.3)

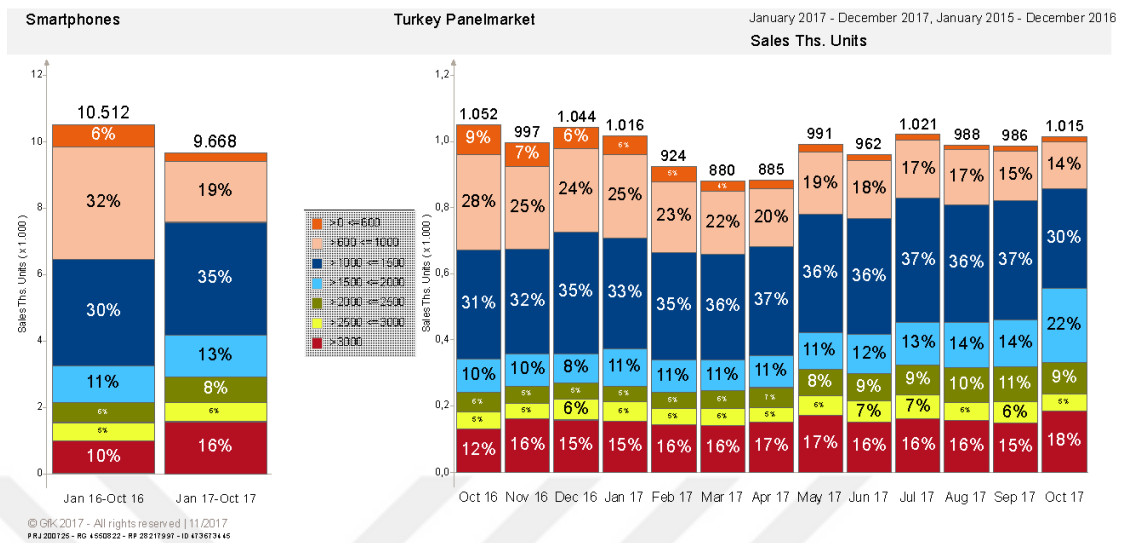
Mobile phones recorded negative volume growth in 2017, as the declining trend in feature phones continued, along with the stagnation in 740lume sales of smartphones. Volume sales of smartphones did not demonstrate a significant change in 2017 compared to 2016, given that a marked proportion of smartphone users opted to postpone their smartphone upgrade plans due to the deterioration in their purchasing power. In addition, the household penetration rate of smartphones in Turkey is 140%, thus showing smartphones has reached its mature phase, is another important factor behind the slow 740lume growth of smartphones, as the number of first-time buyers remain at a limited level. (Euromonitor, 2017)

Smartphone is an expensive product comparing to other countries due to high tax rate in Turkey. Average sales price of smartphone is increasing day by day and currently reached 1999 TL as of Oct 2017 (See figure 2.4.1.4).



**Figure 2.4.1.4: Smartphone Average Sales Price of Turkey**  
 (GfK, Oct 2017).

Despite average smartphone sales price is 1999 TL, Consumer preference for the price range is mostly between 1000-1500 TL segments with over %30 share in total (See figure 2.4.1.5). According to price trend, it looks like consumer preference is moving towards high price segment from 1000-1500 TL to 1500-2000 TL. This trend shows that consumer is allocating more budgets for the smartphone. Additionally, we may say that, this trend is proof that, how smartphone is getting important in people lives in Turkey.



**Figure 2.4.1.5: Smartphone Sales Status Based on Price Level in Turkey**

(GfK Oct 2017).

Despite high average price and high tax rate in Turkey, still consumption is almost same level as around 1 Million units / monthly sales in Turkey.

According to given statistics and data, smartphone market in Global and Turkey is getting more potential for the all technology providers. Many technology companies enter and try to increase sales and market share in Turkey potential market. Not Only global brands, also local brands (Vestel, General Mobile, Casper) started to produce smartphone for Turkish customers and market is getting more aggressive and competitive in all price levels.

Under this competitive environment, smartphone companies try to find most efficient ways to increase their sales and market share. This may be the main query in the smartphone market. There are many tools and many dynamics can be listed under this query like brand power, pricing, product quality, marketing investment etc. But in our research, we only focus bundle gift promotion, price discount and retail Sales person (promoter) bonus incentive affect to smartphone sales performance in retail stores. We have made empirical studies for each sales activity and finally made sales person survey to get their opinion to find out most efficient way for increasing sales performance from the point of Sales person view.

## 2.4.2. Turkey Smartphone Market Channel Status

Smartphone market is getting more potential and challenging in Global and Turkey.

Many technology companies especially Chinese and local brands enter the market and try to increase their sales and market share in Turkey potential market. This situation is establishing the competition and smartphone companies try to find most efficient ways to increase their sales and market share in this fierce competitive environment.

If we analyze the Turkey's smartphone sales channel status according to Figure 2.4.2.1, operator channel (Turkcell, Vodafone, Avea and mix shops) share is around 65% and Technology superstores' (Teknosa, Medimarkt, Vatan, Bimeks etc) share is around 20%. Rest of the share- 10 % which is mass merchandising channel (Carrefour, Metro, Online seller etc) and Electronic trade channel (Samsung shop, LG shop, Sony shop, Arcelik etc.).

TCR (Telecom Chain Retailer) Operator channel has around 3400 (Turkcell TIM, Vodafone shop, Avea shop) and 8900 Mix shops. Total around 12.300 shops. Due to its huge number of shops, it is very difficult to make sales activity and touch them in a short period. Operator channel is suitable for long-term investment. (Duzgun & Telli Yamamoto, 2016)

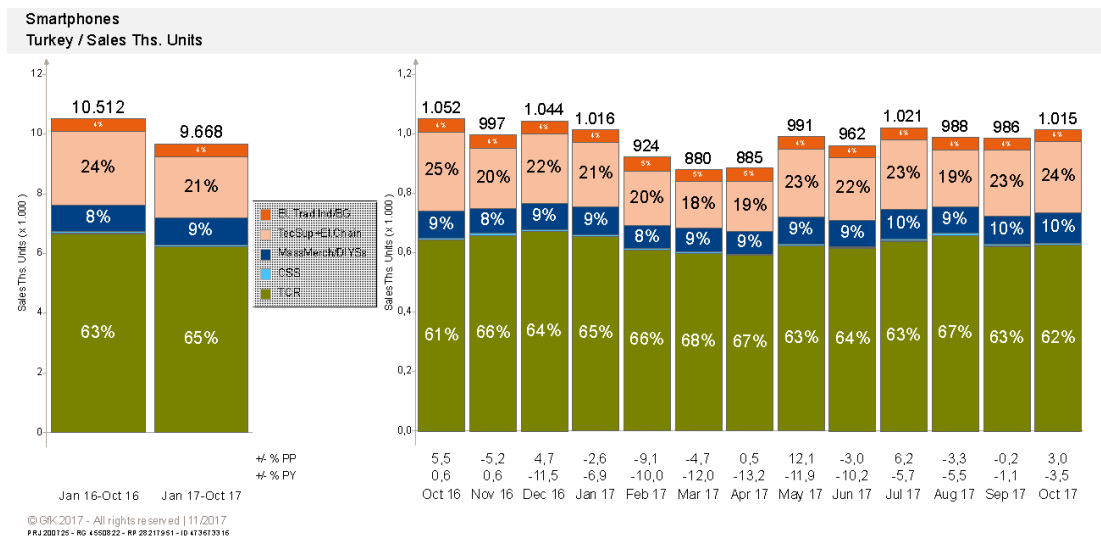


Figure 2.4.2.1: Smartphones Sales Channel Shares in Turkey

(GfK Oct 2017).

TSS (Technology Super Store) Channel has around 400 stores and Main players are Teknosa, Vatan and Medimarkt. TSS stores are managed by a head office and they can control all sales activity from head office directly with procurement, pricing, campaign management etc. For operator channel, so far dealers are independent, and they can focus which brand they want to sell. Hence, TSS channel is suitable for short-term investment due to being a fast responding and controllable channel.

As the literature supports that; the one of the key factor to influence consumer preference is sales person recommendation in the retail stores. Because of that reason most of the popular and big brands are locating their own sales staff (sales promoters) in TSS stores to catch and affect customer purchase preference for their products in shops. In our study, one of the Empirical studies is “Sales person bonus incentive” application which done in TSS retail stores.

The operator channel which's share is %65 in Turkey market mainly focus on contract sales which smartphone device cost adding to subscription fee with monthly base. This gives a chance to consumer to get product with installments. Because of the government regulation, credit card installment is not valid for smartphone products in Turkey since 2012. Hence contract sales is the only way to buy smartphone product with installment. This situation causes the domination of operator sales on smartphone market in Turkey (%65 share).

Operator channel is covered by Turkcell, Vodafone and Turk Telekom and each operator has different distributors such as KVK & Genpa for Turkcell; Brighstar for Vodafone; Mobitel, Mobimark and Datagate for Turk Telekom. Distributors have authority to sell products to dealers and sub dealers. Hence, Smartphone companies make negotiation and agreement with operator. According to agreement distributors make penetration to dealers and dealers sell products to customers. This is the operator channel working structure.

Three operators have two types of dealers, one of them is a full-authorized dealer and another is sub dealer that have limited authorization. As you may see figure 2.4.2.2 mainly operator smartphone sales volume comes from full authorized dealers as %60 volume share in total. Turkcell sub dealers naming as YTSN, Vodafone sub dealer is Vodafone silver and Turk Telekom sub dealer name is TTBN. Additionally, there is pure mix -

dealer that has no authority to make contract sales and only make cash sales for smartphone product. Figure 2.4.2.2 shows share of each channel below.

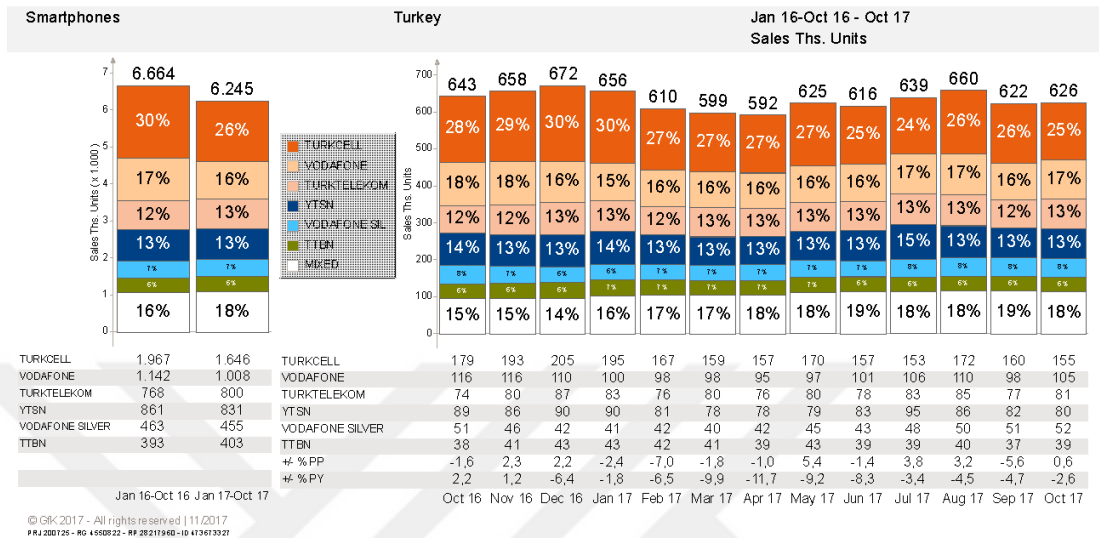


Figure 2.4.2.2: Operator Channel Share Status in Turkey

(GfK Oct 2017).

Technology Super Stores (TSS) channel is covered by three big customers; Teknosa, Medimarkt and Vatan. Teknosa is the biggest retailer in this channel with having around 200 stores and 70-80k units smartphone sales; Mediamarkt has around 60 stores and selling around 50-60k units; Vatan has 120 stores with 50-60k monthly smartphone sales in Turkey.

TSS channel is a fast-responding channel due to small number of stores with high capacity and high potential with high consumer traffic. Additionally, in TSS channel consumer can see all alternative products in one place and get in touch sales person directly more easily. The mentioned characteristics of TSS channel give chance to smartphone companies for making quick sales actions and campaigns. Hence, we may say that TSS channel is suitable for smartphone companies that want to grow in a quick and short way. But this quick responding characteristic also make business unstable after the quick grow, hence for the companies; it is important to keep stable business growth after making quick sales actions in TSS channel in Turkey.

# **CHAPTER 3 RESEARCH**

## **3.1. AIM OF RESEARCH**

There is a harsh competition in smartphone market. There is still importance of sales person in this competition. It is expected that the performance of salespeople will increase the sales performance. Therefore sales person performance can be directly linked to sales performance. Of course individual performance can be linked personality and other factors. But in our research we mainly focus on individual sales performance which can be measure directly with sales performance (number of sales).

As explained in previous section, smartphone product is technology products which needs to be explained. So, we may say that, sales persons are directly affecting sales performance in smartphone market. Hence, with measuring sales performance (number of sales quantity), we also measure sales person performance.

We want to find out the factors which affects the sales for smartphone products and how salespeople are impacting on sales performance on these products.

## **3.2. THE IMPORTANCE OF RESEARCH**

So far, sales and sales force performance measurement studies focus on perceptual studies in the literature. Most of study do not reliance on practice to measure sales performance. In our study we aim to measure sales person sales performance with different empirical studies which reliance to practice and actual base. With that way we try to reach more accurate result. We believe the findings of this multiple research will be usefull to measure sales person sales performance in smartphone and other sectors.

## **3.3. MAIN RESEARCH MODEL**

Our research model is adopted and developed from Nicosia model.

Nicosia model attempts to explain buying behavior by establishing a link between the organization and its prospective customer. It analyses the human being as a system with stimuli as the input to the system and the human behavior as an output of the system. The



model suggests that message from the first influences the predisposition of the consumer towards the product or services (Nani, 2013).

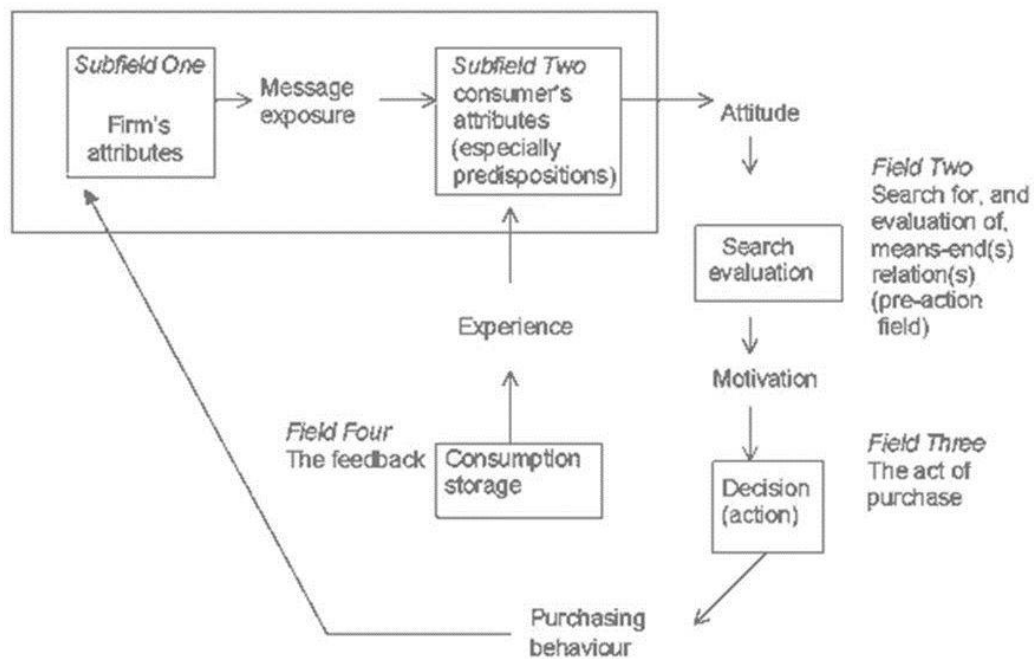
The Nicosia Model explains in 4 basic areas:

Field 1: The consumer attributes and the firm's attributes. The advertisement message sent from the company will reach the consumer attributes.

Field 2: It is related to the search and evaluation, undertaken by the consumer, of the advertised product and to verify if other alternatives are variable.

Field 3: It explains how the consumer actually buys the product.

Field 4: It is related to the uses of the purchased items. It can also be related to an output to receive feedback on sales results by organization. (Duzgun & Telli Yamamoto, 2017)



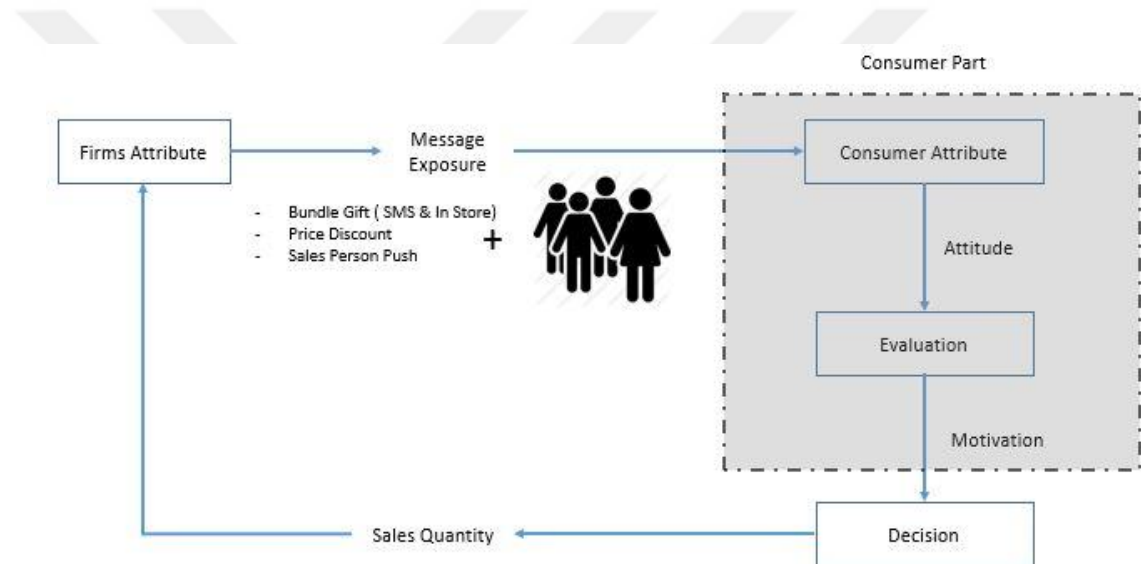
**Figure 3.3.1: Nicosia Model**

Source : Nani, V. (2013). <http://www.slideshare.net/>. Retrieved 10 02, 2015, from <http://www.slideshare.net/VikramNani/models-of-consumer-behaviour-27197582?related=2>

We excluded “experience” part in Nicosia model as we are not able to measure experience of consumer and ask questions about their experience, our assumption that consumer checked their experience about product that offered with promotion.

We make assumption that consumer evaluation and decision part only related with sales person interaction with customer. Others factors that affect customer attribute and evaluation are constant. Because in our research we only aim to measure, how sales person sales performance change with sales actions such as given promotion tools and bonus incentive.

We have developed a new research model as Sales Performance Model (SPM) as below;



**Figure 3.3.2: Sales Performance Model (SPM)**

Based on our research model;

- Firm is making the message exposure to consumer through SMS and in store communication (through sales person) for the bundle gift promotion.
- Firm is doing message exposure to consumer through sales person with price discount in the stores.
- Firm is doing message exposure with pushing consumer through sales person (promoter) in the stores.

- After consumer gets message exposure for different sales applications, we observed and measured sales numbers of each stores and evaluate sales person sales performance based on the sales quantity.
- Message exposure can be different sales tools for sales person for the further research.

Limitation of our Sales Performance Model (SPM);

- Model is not consider consumer behaviour (consumer part in the model- gray colored)
- Assumption is other factors which affect sales performance are constant.
- Promotion tool efficiency is not considered in the model.

### **3.4. LIMITATIONS OF RESEARCH**

In the literature, there are many factors affect sales person performance, such as personality, technical skill, ability, financial compensations, motivation, education, market conditions, brand power, store status etc. Among them we only focus to measure sales performance (number of sales). Our assumption is other factors are constant for sales person performance.

This thesis has been carried out with four different studies. We have different limitations for our each empirical study. In our study, firstly we aimed to analyse and measure the affect of SMS gift bundle promotion to the sales of smartphone product. In March 2015, we have sent gift promotion SMS to 92.500 people based on location-around the 4 main Turkcell operator flagship stores- Brand dedicated sales person are allocated in the stores and they checked customer feedback about SMS promotion. In our promotion, we have proposed free case accessory for one of the smartphone products (HTC Desire 820 model). This first study was limited with only 4 Turkcell flagship stores and the 92.500 people based on location.

Our second study has been checking the effect of different communication methods for the promotion, we had done same promotion campaign with in-store communication method just after the period, in April 2015. We have applied the same gift proposal in 4 flagship stores which have assigned sales person in the stores. We have targeted customers which visit the stores and have intention to buy a product or service. We have made announcement and communication through sales person in the stores. This study

showed us that communication methods make totally different results for the sales even you propose the same benefit to the consumer. This second study was limited with only 4 Turkcell flagship stores and only for only those are stopping by on these stores.

Our third study has been applied to go further details about factors affecting smartphone sales person's performance; we applied sales person bonus incentive in April 2016 in one the biggest technology retail stores, Teknosa. 30 top performance stores were selected and bonus applied to dedicated sales person in that stores. These sales person are dedicated for HTC brand product sales. We gave monthly sales bonus incentive to sales person for the one of the HTC brand smartphone product sales in April 2016. Then, we have compared the sales performance result with previous non-bonus applied month March 2016. With this analysis we have measured how sales person incentive affect sales performance for smartphone product. This study was limited with 30 top performance stores sales persons and only for March and April 2016 records of one HTC brand product.

After that we have made research about price discount to check, how price discount promotion affect the sales performance of sales person in our fourth study. In July 2017 week 29 weekend time, we have applied 100 TL discount to one of the Huawei brand smartphone product in Vatan stores which include Huawei dedicated sales person in the stores. Then we compared the sales performance with previous weekend, week 28 sales performance to find out sales performance affect of price discount on smartphone product. This study was limited with Vatan stores which include Huawei dedicated sales person in the staff and only one weekend application of a price discount.

Finally to verify and expand our findings, In November 2017, we have made sales person survey to get to know sales person's opinion and insights about the factors affecting sales person's performance for smartphone product. The survey is exploratory research and our assumption for survey is companies are not collect and measure the feedback of sales force. The aim of survey is improve the reliability of our research and survey results are only the personel idea of sales force. We have selected 84 sales persons among 500 smartphone seller sales persons in Turkey retail market to applied survey. In the survey we have asked 84 sales person that; if they were owner of the Smartphone Company and have 100 TL total investment budget, how they would allocate the budget with the sales and marketing activities. We have analysed survey result based on

responses and sales person demographic status. This last study was limited with 84 out of 500 sales persons with retail shops.

At the end, we have harmonized and combined all our findings and made the managerial implications for the factors affecting sales person's performance in Turkey smartphone market.

Limitations also mentioned separately under the each empirical study parts.

### **3.5. EMPIRICAL STUDIES**

We have made five different empirical studies as below;

- Bundle Gift Promotion
  - With SMS communication
  - With in store communication
- Price Discount Promotion
- Sales Person Bonus Incentive
- Sales Person Survey

#### **3.5.1. Bundle Gift Promotion with SMS Communication**

Aim of this research is to measure the affect of bundle gift promotion to the sales.

This research also will show SMS marketing efficiency for a new smartphone in a matured market and will help literature for estimating the future of SMS campaigns in mobile marketing literature.

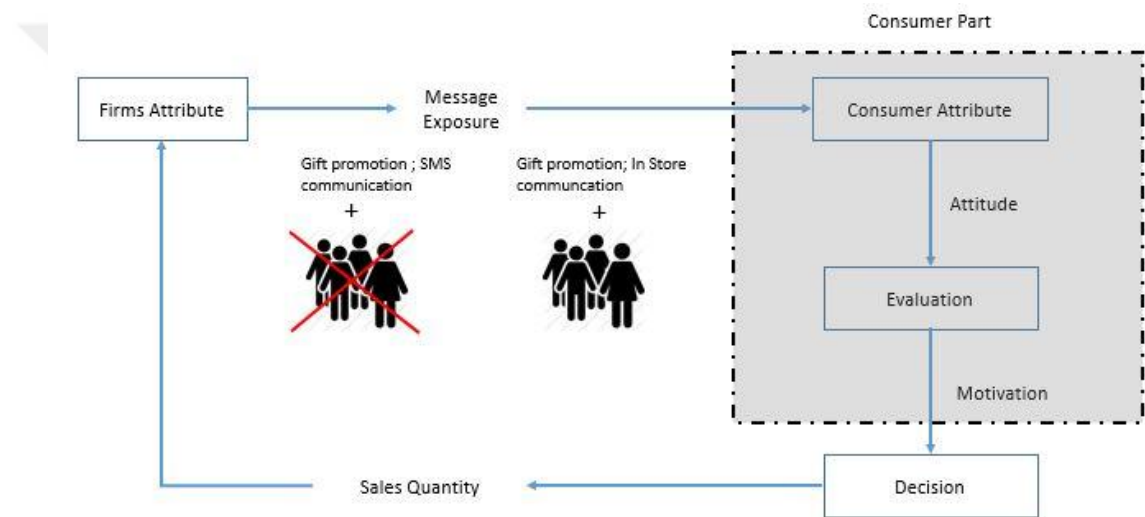
In parallel this research may help companies to evaluate efficiency of SMS marketing after smartphone development and the result of this research will guide companies in choosing a mobile marketing method, especially considering SMS marketing.

SMS advertising has the potential to cause all three types of intrusion. First, users often cannot ignore a message delivered to their mobile devices; second, since sole individuals often use mobile devices, network carriers can collect various types of personal information about their subscribers (i.e. demographics, invoice amounts, usage patterns, interests and dislikes, device capabilities, and real-time locations). Finally, mobile spamming, although is discouraged by industry self-regulations and is illegal in some countries, still exists and causes the most annoying type of media clutter (Varnali, 2012).

Practically SMS is the cheapest and easiest way to reach individual customers for the advertising and promoting a product. Recently most of the companies use SMS marketing in the Turkish consumer market. So far literature also supports that SMS is effective to reach customer. But the question is; with development of smartphone whether SMS is still effective or not? And which communication method is more effective for bundle promotion, SMS or in store communication?

### 3.5.1.1 Research model

According to Sales Performance Model our research model for this empirical study is below;



**Figure 3.5.1.1.1: Research Model for Bundle Gift Promotion Empirical Study**

With this research we have send message exposure (bundle gift promotion) to consumer with two different communication method and measured the sales result. One of the SMS which sales person has no role for the communication. Other is through in store communication, which communication is done by sales person in the stores.

### 3.5.1.2. Research Design & Limitations

We have made this research with large operator, which is the biggest operator in Turkey. Large operator has 4 Flagship stores in Turkey. We have sent location based

promotion SMS to those Flagship stores during the day with three time slots; morning (09.00-12:00), noon (12:00-14:00) and afternoon (14:00-17:00).

In our research, Location based mobile marketing tool has been used while reaching the consumers. Promotion content is; “If you buy HTC Desire 820 from selected shop in a week; you will get smart case free of charge.” HTC Desire 820 is one of the mid-range smartphone models with high specifications and a competitive price. Octa core, 13MP main & 8 MP front Camera, 5,5 Inch. Price is 1399 TL. Smart case is original Desire 820 model case with smart feature as you can make some applications with touching from the top of case without opening cover. This smart case’s competitors are Samsung and LG smart cases for mid and high-end models which has screen gap on case and you can control the device from this gap without opening the cover.

Our research type is causal research due to its matching causal research definition as try to explain the cause and effect relationship between variables.

For this research an independent variable is Bundle gift promotion and a dependant variable is sales result (Sales quantity).

Our limitations were; some of the consumers may block their SIM card for SMS advertisement and some of the sales person may fill out fraudulent surveys. Only one SMS promotion content that stated above was sent by the operator. Our assumption is there is no fraud in survey and all SMS sent was received properly. Selected stores are located in highly educated and high-income residential areas.

### 3.5.1.3. Hypothesis of Research

In this empirical study we made two types of communication with consumer for case bundle promotion activity, one of them SMS communication the other one in store communication through brand promoters (Sales Person)

Hence, our hypothesis for this empricial study is;

H0: There is no bundle promotion sales performance difference between SMS communication and in store communication.

H1: There is a bundle promotion sales performance difference between SMS communication and in store communication

### 3.5.1.4 Research Result

Promotion SMS was sent to 92,500 people during a week with location base to the six large operator shops. As a result, only 2 customers came to the shop and one of them bought the product. Hence, we can say SMS communication is not effective way for promotion campaigns (Duzgun & Telli Yamamoto, 2017).

To improve result reliability, we made ratio test as;

With SMS communication :  $2/92.500 = 0,0000216$

Without SMS communication :  $53/(8 \times 820) = 0,008079$  in 6560 total desired sales quantity

$$H_0: \pi = 0,008079$$

$$H_a: \pi \neq 0,008079$$

$$z = \frac{p - \pi}{\sqrt{\pi(1 - \pi)/n}} = \frac{0,0000216 - 0,008079}{\sqrt{0,008079(1 - 0,008079)/92500}} = -27,375; p - value \cong 0$$

The null hypothesis will be rejected; the ratio of SMS promoted communication is not equal to in store communication.

## 3.5.2. Bundle Gift Promotion with in Store Communication

We have made smartphone cover case promotion for same product in same stores and find out below result,

For this research an independent variable is bundle gift promotion and a dependent variable is sales result (Sales quantity).

### 3.5.2.1. Research Design & Limitations

This research is done between week 15 and following week (week 16). Our assumption is; other factors such as competition status & sales actions, store visitor numbers, market demand status are constant. However due to sales numbers are low in stores, it may cause high increase rate even small sales number increase. Hence, for further research we may recommend selecting high potential stores to get more accuracy rate numbers.

Communication is done only through in store staff without using any marketing communication tool. Gift promotion applied to all customers who visit the stores.



### 3.5.2.2. Research Results

**Table 3.5.2.2.1: Bundle Promotion Result (With in Store Communication)**

Store name	Without promotion	With cover case bundle gift promotion	Increase rate
	Desire 820 sales Quantity (Weekly 15)	Desire 820 sales Quantity (Week 16)	
Pera Taksim	7	10	42,86%
Bagdat Cad.	8	10	25,00%
Kanyon AVM	5	6	20,00%
Capitol AVM	3	4	33,33%
<b>Total</b>	<b>23</b>	<b>30</b>	<b>Average 30,30%</b>

We observe 30% average increase with cover case bundle promotion.

**Analysis 3.5.2.2.1: Paired T-Test Result for In Store Bundle Promotion**

Paired t-test	Without promotion	With cover case bundle gift promotion
Mean	5,75	7,5
Variance	4,916666667	9
Observation	4	4
Pearson correlation	0,977139836	
Hypothesized Mean Difference	0	
Df	3	
t Stat	-3,655630775	
P(T<=t) one-tail	0,017676424	

According to results,  $P(T \leq t)$  one tail  $0,01767 < 0,05$ ; The statistical hypothesis, that there was not a significant change between with and without bundle promoted sales, was rejected at 5 % level of significance.

Hence, we reject  $H_0$  and may say that there is significant difference between in store communication method and SMS communication method for the smartphone sales performance.

Hence, we may say that in store bundle gift promotion is effective to increase sales. Bundle gift promotion may not be efficient for selected target group because of the communication method with target group (SMS communication is not reliable as before).

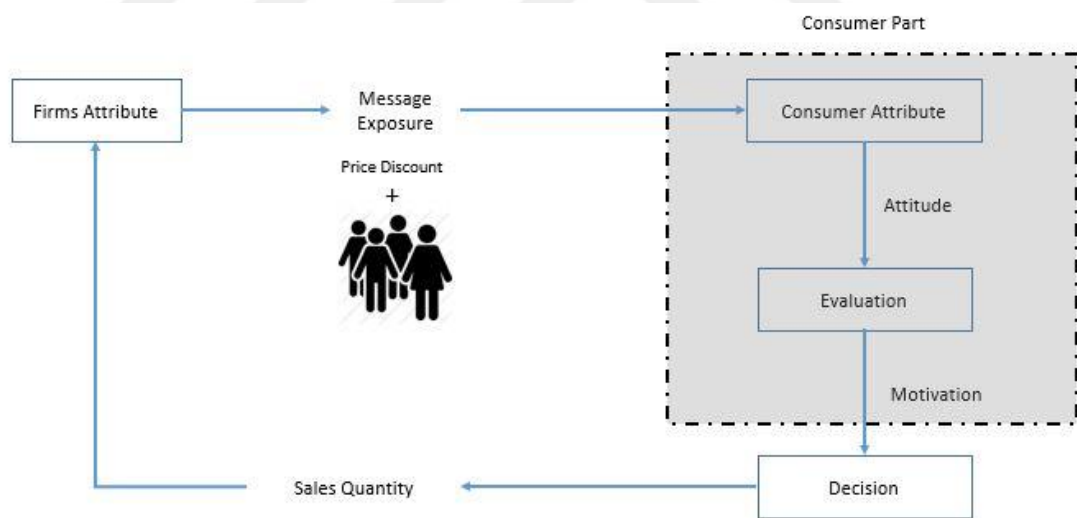
Further research may apply for different communication methods for gift promotion sales campaign such as BTL, digital marketing, in store marketing.

### 3.5.3. Price Discount Promotion

In this empirical study we will apply price discount for smartphone products in retail stores and try to find out difference with price promotion and normal price period sales performance difference.

#### 3.5.3.1. Research Model

Based on Sales Performance Model, Our research model for this empirical study is below;



**Figure 3.5.3.1.1: Research Model for Price Discount Promotion Empirical Study**

With this research we have made message exposure with price discount and made communication through sales person and measured sales performance.

### 3.5.3.2. Research Design & Limitations

In our research we have selected Vatan retailer which has 118 stores and %35 Market share in TSS channel. Vatan retail stores smartphone sales capability is around 45k / Monthly and almost %55 sales done by top 35 stores.

We have applied price discount for Huawei brand product P9 lite 2017 product which has good performance in all channels on mid price segment level. P9 lite 2017 price is 1399 TL and during the promotion we decreased the price to 1299 TL. Only in store communication is done by Sales Person (Promoters). Huawei has 35 promoters on top 35 stores of Vatan. For the non promoter stores, Vatan own sales staff made communication for the price discount.

We have compared the sales performance between week 28 which price is 1399 and week 29 which price promotion applied as 1299 for P9 lite 2017 in all Vatan stores. Overall sales performance is compared in our research despite most of sales coming to 35 stores (55%). Data source is secondary data which taken by Vatan head office.

Selected period is July 2017 which has no thematic day (Father's day, Mother's day, end of school, festival etc.) to be able to get more accurate result. Sales person quantity and stores conditions was same between two compared periods for the targeted brand.

For this research an independent variable is price discount and a dependant variable is sales result (Sales quantity).

Our limitation for this research; in the selected period of time, competitors may have lack of stock or do not make any other campaign. Our assumption that other factors (store visitors, competitor status, Vatan overall sales performance) are constant during our applied campaign periods.

### 3.5.3.3. Hypothesis of Research

Our hypothesis for this research;

H0: Sales person's sales performance does not change with giving price discount promotion tool to sales person.

H1: Sales person's sales performance changes with giving price discount promotion tool to sales person.

### 3.5.3.4. Research Results

After the price campaign period, result is found as below;

**Table 3.5.3.4.1: Price Discount Promotion Result**

Brand	Product	Week 28 Total Sales Quantity	Week 29 Total Sales Quantity	Increase rate
Huawei	P9 lite 2017	536*	852*	58,96%

\* Total Sales number of P9 lite 2017 model in 126 Vatan retail stores.

Appendix A, Vatan Retailer Store Base Performance Comparison Table shows Vatan retailer store base sales performance.

Paired T test applied the data and result is showing below;

**Analysis 3.5.3.4.1: Paired T-Test Result for Price Discount Promotion**

Paired t-test	W28	W29
Mean	8,507937	13,52381
Variance	2285,276	5751,915
Observation	126	126
Pearson Correlation	0,99904	
Hypothesized Mean Difference	0	
df	125	
t Stat	-1,99935	
P(T<=t) One-Tail	0,02387	

According to results,  $P(T \leq t)$  one tail  $0,02387 < 0,05$ ;

The statistical hypothesis, that there was not a significant change between with and without price discounted sales, was rejected at 5 % level of significance. Hence, we reject  $H_0$  and may say that there is significant difference between sales performance of normal price week and price discount campaign week.

With price promotion 58% increase happen in P9 lite 2017 smartphone product sales in Vatan retail stores. Based on 58% increase result with the price discount promotion

campaign, we reject H0 and may say that there is relationship between price discount and sales person's sales performance for smartphone product in Turkey retail stores.

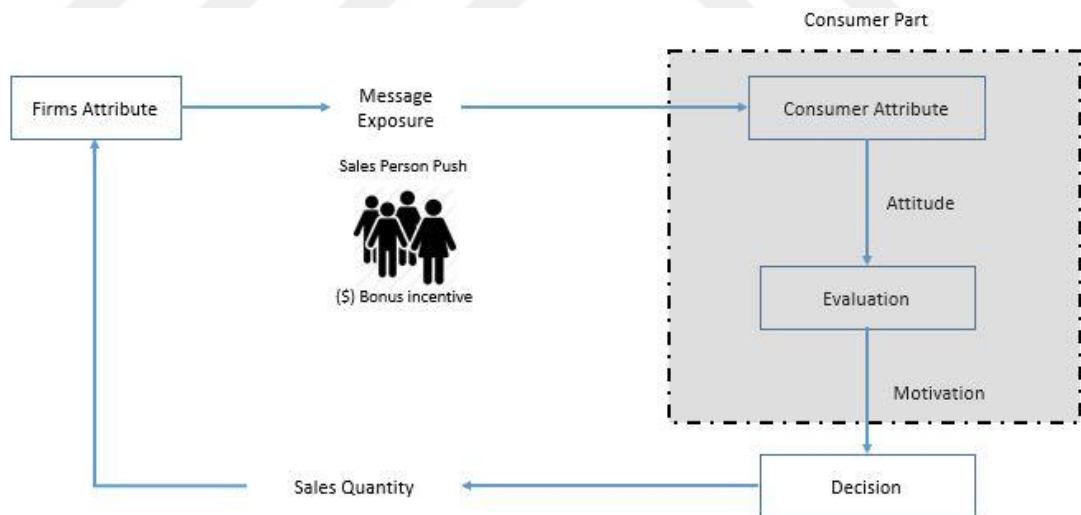
Further research may be applied for price discount for different product and with different communication method. With additional communication methods, campaign effect might be higher due to it may make more push affect for customer to increase purchase behaviour.

### 3.5.4. Sales Person Bonus Incentive

In this research we have compared the Sales person performance between two different periods. First period; we didn't apply bonus incentive and second period we applied bonus incentive.

#### 3.5.4.1. Research Model

Based on Sales Performance Model, Our research model for this empirical study is below;



**Figure 3.5.4.1.1: Research Model for Sales Person Bonus Incentive Empirical Study**

With this research we have made message exposure with sales person push with giving sales bonus incentive to them and measure the difference of sales performance.

### 3.5.4.2. Research Design & Limitations

We have made this research in selected 30 Teknosa stores in different cities in Turkey, which have one of the selected big brand's Promoters (Sales Person). Teknosa is the biggest technology chain store in Turkey and has 40 % market share in Tehnology stores channel. Other chain stores are Mediamarkt, Vatan and Bimeks. Teknosa's customer segment is mid-high and has biggest coverage with almost 220 shops. In Teknosa, first 30 shops are covering almost 40% of sales and they have the highest consumer traffic. Hence, it can be assumed that we will be able to make enough sampling with our selected 30 shops, which are the biggest technology shops and have the highest consumer traffic technology stores in Turkey.

The list is selected Teknosa shops are on Appendix B.

We compared the sales in 2 months between March 2016 and April 2016, first month there was no extra sales person bonus incentive and second month we started extra sales person bonus incentive program for the selected product.

With this research we also want to measure the impact of sales person recommendation affect to customer purchase decision.

Our research type is causal research. We set out our casual research from the following assumptions: "If there is a sales person bonus incentive in technology superstores it effects sales performance and if there is sales person recommendation this affects the consumer purchase decision and sales of a product". We want to measure the impact of sales person bonus incentive in sales results.

Data source is the secondary data which taken from Teknosa and Smartphone Company's sales records database during the research period (2 months between March 2016 and April 2016).

The limitation of this research is that only the financial incentive which comes from the dealer side has taken into consideration and no other effects such as competitor's in store marketing status, competitor's promotion status, seasonal purchasing status, Chain store's marketing activities have not been addressed (ATL & BTL, digital marketing).

Additionally, our research measured sales person's (promoter) performance only on a certain period and only in certain technology superstores.

For this research our independent variable is sales person bonus incentive and dependent variable is sales performance (sales quantity)

We have measured 30 Teknosa shop's sales quantity of selected brand, with comparing without incentive and with incentive period. Bonus incentive amount is applied as 24 TL per product. 24 TL almost equal to 6 USD and sales person (promoters) average monthly fix salary is around 300 USD.

To be able to measure bonus incentive effect correctly, selected brand's instore marketing and other promotional conditions were not changed and kept in same status during the measurement period.

#### 3.5.4.3. Hypothesis of Research

Hypotheses for this research is following

H0: There is no relationship between sales person bonus incentive and sales person performance

H1: There is relationship between sales person bonus incentive and sales person performance

#### 3.5.4.4. Research Results

In our research March sales data is a control group and April sales data is experimental group.

**Table 3.5.4.4.1: Sales Person Performance Comparison Table**

Shop name	Sales Quantity for Model A	
	March 2016 (Control group)	April 2016 (Experimental Group)
1	25	118
2	20	90
3	10	80
4	16	75
5	16	70
6	12	65
7	15	60
8	11	58
9	12	55
10	10	53
11	11	50
12	13	50
13	14	50
14	13	50
15	12	50
16	15	45
17	7	45
18	8	43
19	8	40
20	5	40
21	7	40
22	6	40
23	6	35
24	8	35
25	5	34
26	6	33
27	7	30
28	7	30
29	6	28
30	8	25
TOTAL	319	1517
<b>Difference</b>		<b>475,55%</b>



#### Analysis 3.5.4.4.1: Analysis of Sales Person Performance

##### T-Test, Paired Two Sample for Means

	March 2016	April 2016
Mean	10,63333	50,56667
Variance	22,37816	412,5989
Observations	30	30
Pearson Correlation	0,86745	
Hypothesized Mean Difference	0	
Df	29	
t Stat	-13,3539	
P(T<=t) one tail	3,23E-14	

The statistical hypothesis that there was not a significant difference between the sales performances with and without sales bonus incentives was rejected at 5 % level of significance. Hence, we reject H<sub>0</sub> and may say that there is a relationship between sales person sales performance and sales person incentive.

As a result, we observed that bonus incentive has a positive affect to sales increase in Teknosa retail shops. Average increase rate of 30 shops is 475%. Sales have boomed with these bonus incentives in these technology stores with the sales person bonus incentives. Hence, we can accept our hypothesis as sales bonus incentive has positive correlation with dealer recommendation and sales performance.

In this empirical study, bonus applied product is HTC desire 626 which is low segment and currently had low sales performance. Hence, small increase of sales shows high rate of increase portion such as %475. If we apply bonus for already good selling product, we expect to not reach that much high increase rate.

Further research may be applied for different segment products with different price levels. With that kind of research, sales person bonus incentive affect may be measured for more expensive products as well.

### 3.5.5. Sales Person Survey

As mentioned in the previous sections, Smartphone brands are allocating their own sales person in retail channels to catch consumers in stores which is competitive sales field. Around 500 sales persons are allocated by smartphone brands in technology superstores retail channel in Turkey. In our research we have made non-random sampling among 500 promoters (sales person) as population and applied survey to 84 selected sales persons who are located in in retails stores Vatan, Medimarkt and Teknosa retailers.

#### 3.5.5.1. Survey Questions

Survey is applied with below questions;

*If you have a 100 TL / Unit budget, how you will allocate to the below activities;*

*Q1.....TL for brand marketing (ATL, BTL, Digital)*

*Q2.....TL for channel marketing (In store visibility)*

*Q3..... TL for sales person bonus incentive*

*Q4 .....TL for price discount*

*Q5.....TL for Bundle promotion (smartphone case or accessorise)*

*Q6.....TL for Mobile marketing as SMS communication*

*Q7..... TL other please specify;*

*Q8 Participant age: .....*

*Q9 Experience: .....*

*Q10 Education: .....,,*

*Q11 Level of training.....*

*Q12 Name Surname.....*

#### 3.5.5.2. Research Results

Survey results are on Appendix C.

Our findings of survey results are below,

84 sales people joined the survey, so we may say our result validity is good enough.

**Analysis 3.5.5.2.1: Number of Sales Person in Survey**

Statistics

N	Valid	84
	Missing	0

As given in the below table, almost half of sales person education level is over undergraduate level. This may increase reliability of this research.

**Analysis 3.5.5.2.2: Education Level of Sales Person in Survey**

Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary School	1	1,2	1,2	1,2
College	42	50,0	50,0	51,2
Undergraduate	17	20,2	20,2	71,4
Graduate	24	28,6	28,6	100,0
Total	84	100,0	100,0	

Age, experience and level of technical training status of survey joined sales person status is below, average experience is 6 years, average age is 27 and they got 8 times training in average.

**Analysis 3.5.5.2.3: Age, Experience and Level of Technical Training Status in Survey**

Statistics

	Experience	Age	Level of Training
N	Valid	84	83
	Missing	0	1
Mean	6,36	27,46	8,45
Std. Deviation	3,747	4,052	8,402
Minimum	1	20	0
Maximum	18	41	40

We may say that 6 years average experience is a high number due to sales person (promoters) age scale is low and turnover rate is very high accordingly. However, 8 times average training level show us expertise level of sales person (promoters) is good enough.

The summary of answers for questions is below,

#### Analysis 3.5.5.2.4: Summary of Survey Responses

Statistics

		Budget for brand marketing	Budget for in store marketing	Budget for sales person bonus incentive	Budget for price discount	Budget for bundle promotion	Budget for SMS marketing	Others
N	Valid	84	84	84	83	83	84	81
	Missing	0	0	0	1	1	0	3
	Mean	28,25	11,68	22,63	13,05	8,94	6,12	7,43
	Median	30,00	10,00	20,00	10,00	10,00	5,00	5,00
	Std. Deviation	15,007	6,918	13,290	7,860	5,621	6,829	11,278
	Skewness	,104	,701	1,304	1,418	,435	3,411	3,268
	Std. Error of Skewness	,263	,263	,263	,264	,264	,263	,267
	Minimum	0	0	0	0	0	0	0
	Maximum	60	30	80	50	25	50	70
	Percentiles							
	10	10,00	5,00	10,00	5,00	,00	,00	,00
	90	50,00	20,00	40,00	20,00	18,00	10,00	19,00

#### Analysis 3.5.5.2.5: Friedman Test for Survey Answers

Friedman Test

Ranks

	Mean Rank
Budget for brand marketing	5,04
Budget for in store marketing	3,24
Budget for sales person bonus incentive	4,55
Budget for price discount	3,46
Budget for bundle promotion	2,69
Budget for SMS marketing	2,01

Test Statistics<sup>a</sup>

N	83
Chi-Square	179,010
Df	5
Asymp. Sig.	,000

a. Friedman Test

We have compared the two main investments based on sales person preference, brand marketing and sales person bonus incentive as below with T test. The reason of doing this test is to understand whether preference of brand marketing and bonus incentive has a significant difference or not.

**Analysis 3.5.5.2.6: T-Test for Brand Marketing and Sales Person Bonus Incentive Preference in Survey**

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Budget for brand marketing	28,25	84	15,007	1,637
	Budget for sales person bonus incentive	22,63	84	13,290	1,450

		N	Correlation	Sig.
Pair 1	Budget for brand marketing & Budget for sales person bonus incentive	84	-,394	,000

		Paired Differences				t	df	Sig. (2-tailed)	
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower				Upper
Pair 1	Budget for brand marketing - Budget for sales person bonus incentive	5,619	23,639	2,579	,489	10,749	2,179	83	,032

According to paired test results, we may say that there is a significant difference between brand marketing and sales person bonus incentive budget allocation.

We have analysed sales person education level for the brand marketing and sales person bonus incentive answers. With that way we would like to check whether answers of brand marketing and bonus incentive is related with education level or not. Results are below,

**Analysis 3.5.5.2.7: Relationship between Education Level and Brand Marketing & Sales Person Bonus Incentive Preferences in Survey**

Between-Subjects Factors

		Value Label	N
Education	Ilkokul	Primary School	1
	Lise	College	42
	önlisans	Undergraduate	17
	Universite	Graduate	24

Tests of Between-Subjects Effects

Dependent Variable: Budget for brand marketing

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	201,894 <sup>a</sup>	3	67,298	,291	,832
Intercept	13554,464	1	13554,464	58,646	,000
Q10	201,894	3	67,298	,291	,832
Error	18489,856	80	231,123		
Total	85729,000	84			
Corrected Total	18691,750	83			

a. R Squared = ,011 (Adjusted R Squared = -,026)

#### Between-Subjects Factors

		Value Label	N
Education	Ilkokul	Primary School	1
	Lise	College	42
	önlisans	Undergraduate	17
	Universite	Graduate	24

#### Tests of Between-Subjects Effects

Dependent Variable: Budget for sales person bonus incentive

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	518,999 <sup>a</sup>	3	173,000	,979	,407
Intercept	5592,816	1	5592,816	31,641	,000
Q10	518,999	3	173,000	,979	,407
Error	14140,560	80	176,757		
Total	57681,000	84			
Corrected Total	14659,560	83			

a. R Squared = ,035 (Adjusted R Squared = -,001)

Analysis results showed us that  $\text{sign} > 0,05$  so we may say that there is no significant relationship between education level and investment preference.

Additionally, we have checked whether preference for brand marketing and sales person bonus incentive is related with age, level of training and experience or not. Result is below,

**Analysis 3.5.5.2.8: Relationship Between Age, Education and Level of Training with Preference for Brand Marketing and Sales Person Bonus Incentive.**

Correlations

		Budget for brand marketing	Budget for sales person bonus incentive	Age	Experience	Level of Training
Budget for brand marketing	Pearson Correlation Sig. (2-tailed) N	1 84	-,394** ,000 84	,050 ,650 84	-,008 ,945 84	-,048 ,664 83
Budget for sales person bonus incentive	Pearson Correlation Sig. (2-tailed) N	-,394** ,000 84	1 ,000 84	,091 ,411 84	,083 ,453 84	-,039 ,724 83
Age	Pearson Correlation Sig. (2-tailed) N	,050 ,650 84	,091 ,411 84	1 84	,637** ,000 84	-,020 ,855 83
Experience	Pearson Correlation Sig. (2-tailed) N	-,008 ,945 84	,083 ,453 84	,637** ,000 84	1 84	-,046 ,677 83
Level of Training	Pearson Correlation Sig. (2-tailed) N	-,048 ,664 83	-,039 ,724 83	-,020 ,855 83	-,046 ,677 83	1 83

\*\* . Correlation is significant at the 0.01 level (2-tailed).



The results showed us that, there is no significant relationship between age, education, level of training with preference for brand marketing and sales person bonus incentive.



## CHAPTER 4 CONCLUSION

Personal selling is an essential element of any organization's marketing mix. The main functions of personal selling are to generate revenue and provide service to help make customers satisfied with their purchases. This builds relationships and is the key to success in today's competitive marketplace. Relationship marketing aim is the creation of customer loyalty. Organizations use combinations of products, prices, distributions, promotions, and services to achieve this goal (Futrell C. M., 2014). Organizations also use sales persons to reach these goals. Sales persons are directly affecting sales performance in smartphone market. Therefore with measuring sales performance (number of sales quantity), we would also be measuring sales person performance.

In technology market especially in smartphone stores, sales person recommendation is one of the key factors that affects customer purchase decision like the other businesses as Lindgreen, Hingley, Grant, & Morgan, (2012) stated. Based on this information, we may comment that, sales person performance is critical for smartphone product sales performance due to high tech and need explanation to customer during sales by the end of the day.

This study aims to find out the factors which affects the sales and how salespeople are impacting on sales performance of smartphone products in Turkey market. We mainly focus on sales person performance who sells the smartphone products in retail stores.

With this research, we purpose to analyse efficiency of the main sales activities and guide smartphone companies to make more effective budget planning for sales actions and investment.

We believe the results of the empricial studies will help smartphone companies in planning sales activities and strategies in future.

The conclusions for empricial studies are below;

## **4.1. PROMOTION GIFT BUNDLE AFFECT TO SALES PERFORMANCE**

Sales promotions, service quality are important factors for the sales. Sales promotions have one of the strongest impacts on short-term consumption behavior within the retail marketing mix. Sales promotions are beneficial to retailers in several aspects: First, promotional variables such as in-store display and “two-for-one” are often used to trigger unplanned purchases. Second, sales promotions encourage consumers to purchase no promoted merchandise. Finally, sales promotions accelerate the number of shopping trips to the store (Michel, et al., 2003)

Our aim of this empirical study is finding out effect of gift promotion such as accessory gift with smartphone sales.

In this research we have used two different communication method to reach consumer for the promotion activity.

- With SMS communication
- Without SMS communication, only in store staff communication

Early research in the literature has been supporting that SMS marketing is effective for purchase behavior. Actually, it should be considered and should be measured again after smartphone development, as smartphones allow new communication ways for reaching the customer. Hence, SMS marketing may lose efficiency after smartphone development. (Duzgun & Telli Yamamoto, 2017).

It is very important to understand the SMS Marketing system and to manage the system after sending messages to the customers even their target is advertising or relationship. Companies have to find out the most valuable customers by detecting the performance with so many analysis and then to decide and apply what are the following actions whether the companies want to succeed their functionality continuously for their success in marketing (Telli Yamamoto, 2009).

Short message service (SMS) advertising is the most primitive and widely used version of mobile marketing, yet the relevant literature still lacks consensus on how SMS ads influence consumer attitudes, and how this influence is generated (Varnali, 2012).

In our empirical study, we have applied SMS marketing for a certain product to 92,500 people but only two people have responded. This result shows that SMS marketing has

no effect for buying and/or changing consumer behavior (go to the nearest shop) that was sent by the biggest operator for a known brand reached masses. Which means most of the consumers ignore SMS marketing and advertisement messages despite their promotional advantages. According to this result we assume that most of consumers do not believe SMS that sent by company for advertisement or campaign.

The result of our research shows that, despite SMS marketing is the cheapest mobile marketing approach, it has no visible effect on the consumers in this context. We count the reasons of this result as;

- People access and focus on different digital media channels with their smartphones.
- SMS advertisement and communication way is not attractive from the point of view of the consumer.

Further research could be done for other mobile marketing methods efficiency done through smartphones. Further research may also find the answer for which mobile marketing application for smartphones is more efficient with reasonable budget. (Duzgun & Telli Yamamoto, 2017)

As second application for bundle gift promotion, we made in store communication method to the consumers who visited the stores. We observed %30 sales increase in our bundle gift promotion with in store communication empirical study.

The result of our research shows that, despite SMS marketing is the cheapest mobile marketing approach, it has no visible effect on the consumers. Comparing to SMS communication, in store communication for bundle gift promotion is more effective way to increase sales. Hence, we may say that, for the bundle promotion companies should use in store communication method instead of SMS communication method.

## **4.2. PRICE DISCOUNT AFFECT TO SALES PERFORMANCE**

Price discount is one of the popular sales promotions and it's applied temporarily for defined period of time. Price promotion provides quick sales response in short time. Most of research support that price promotion has positive effect on sales performance. Zhen Li (2015) supports that price promotion can help small and medium-sized retailers to increase their sales and profits. The retailing literature has indicated that price promotion effectively attracts the likelihood of customers' visiting, increases sales volume, and promotes overall profits of retailers (Zhen & Katsutoshi, 2015).

Discounts can stimulate sales encourage consumers to repurchase or to purchase greater volumes another important benefit for the price discount that it is very effective to make consumers switch their old brands to the one that make the price off especially when the price is important factor in it (Husejnagic, 2015).

Price discount is one of the common promotion way which is easy applied in store and easy to get attention from mass customer. As mentioned in previous chapters, TSS (Technology Super Stores) channel characteristic has quick response ability, especially for high tech products like smartphone. The reason is that, their campaign and sales actions are done by Head office and all stores follow the given target by head office. So it is easy to adopt and get response for the sales actions.

In our research we would like to measure effectiveness level of price discount to smartphone product in retail store which has sales person for the brands.

Smartphone product can be found in different channel with different price, such as online, wholeseller and other unofficial sales channels in Turkey.

Our aim of this empricial study to find out price discount effect for smartphone sales in official retail stores which has sales person. With measuring that effect, we will be able to compare effectiveness of other promotional activities with price discount.

In our empricial study, we found out; with price promotion 58% increase happen in P9 lite 2017 model smartphone product sales in Vatan retail stores.

According to this result; we may say that, price discount is effective way to increase smartphone sales in retail stores. Additionally this result shows that consumers are following price of smartphone products closely. Because, in our research price announcement was only done in store and retailer web page. Despite we made limited

communication to consumer for price discount, response rate for purchase is %58, such a high rate.

However this result show us that consumer chooses the official retail channel despite same product can be found cheaper on online from unofficial sellers. Because the certain time of our empricial study period, there was cheaper price on internet but still consumer visited retail stores to buy product from official seller with getting information from sales person.

### **4.3. SALES PERSON BONUS INCENTIVE AFFECT TO SALES PERFORMANCE**

Personal selling is an essential element of any organization's marketing mix. The main functions of personal selling are to generate revenue and provide service to help make customers satisfied with their purchases. This builds relationships and is the key to success in today's competitive marketplace.

Smartphones are multifunctional devices and include many features in one device. People are not sensitive about price and are ready to buy all in one device with high price. Smartphone is also a high tech and expensive product and has many technological features that most of the people need assistance to be able to use it properly. Most of the people consider recommendations while purchasing technology products due to the lack of personal experience about this new technology (Duzgun & Telli Yamamoto, 2016).

There is tough competition in smartphone product in retail stores which consumer has many alternative with different brands with same price level and same product features. However Smartphone is technology product which most of consumer needs explanation about the features.

All companies are using many competition tools in marketing and sales area. Allocating the brand sales person (Promoters) in stores is one of the popular ways for sales action. Improving the motivation and sales performance of sales person (promoter) is always an important question for companies.

The question is how sales person performance may be increased in a short time of period for the smartphone product. Most of literature supports that; additional income will motivate the staff and increase performance.

Retail sales person performance -in shop- is an important tool to create value for consumer and match the provided service or product with consumer needs (Duzgun & Telli Yamamoto, 2016).

Our aim of this empirical study is to find out how sales bonus incentive will increase sales person (promoters) performance for smartphone product sales and how much? With measuring this effect we will be able to compare other promotion activity with sales person bonus incentive.

In our study, we have compared non-bonus incentive-applied month and bonus incentive-applied month sales performance of top 30 stores. Result showed that bonus incentive increased the sales performance almost 5 times (% 475). Despite result is very high; we believe one of the reason of high result is bonus incentive has been applied to low sales performance of product. Even small rise on sales numbers shows high ratio of increase. In normal market condition and situation; sales capacity is limited for each price segment. So, if bonus applied for high sales performance product, we expect; result will not be that much high on increase rate.

Our study shows that sales person bonus incentive is a very effective way in technology superstores due to recommendation and taking care of consumer of sales person (promoters) in the technology superstores resulting positively. In addition, we can say that bonus incentive for sales person is a very effective way to increase sales person's motivation and sales performance. As mentioned in previous section, sales person (promoters) are 18-25 aged people and they have average level of income. If sales person (promoters) are increasing their income, their motivation will increase, and job turnover will decrease accordingly.

This study also supports that sales person- consumer relationship is important for sales performance, especially in face-to-face sales field. Sales person's recommendation is very important for technology products and most of the people are looking for advice from expert for buying new technology product like smartphone.

#### 4.4. CONCLUSION FOR SALES PERSON SURVEY

Sales person is the key person that facing with consumer, hence it's very important to get their feedback and opinion about sales promotion activity. Our aim of this research to find out sales person opinion for the smartphone sales and budget allocation for sales promotion activities.

We have analyzed sales person (promoter) response to find out correct budget and investment allocation for smartpone sales activities at the point of sales person view.

According to results %28 budget preference is for brand marketing and %22 is for sales person bonus incentive is selected by sales person. So we may say that sales person has believe two main sales types, one is pull affect which customer know brand and come to buy, another one sales person recommendation and sales force (push effect) is critical for sales. This result gives us additional approach to our empirical study, in our empirical study, result showed us that sales person bonus incentive was a very effective way to increase sales and survey result response showed us that, brand marketing communication is also critically important to sales person performace due to providing more easy sales for Sales person with making pull effect for customers.

After the sales person bonus incentive, respectively price discount and in store marketing activities are prefered by sales person for budget allocation. The lower budget has been allocated for SMS marketing which only %6 of total budget has been allocated. According to the result, we may say that sales person preference supports our finding in empirical studies showed parallely to sales person survey in our research for SMS promotion. Our result in empirical study is that SMS communciation is not effective as before and Sales person survey shows that sales person also allocating lower budget for SMS marketing.

For the price discount result, it's also almost parallel to our findings in our price discount empirical study. According to survey result, we may say that price discount has a mid effect to sales performance comparing to sales person bonus incentive and brand marketing investment.

In store marketing investment portion is also almost same level of importance with price discount, if we sum up with brand marketing with in store marketing due to both of them create pull effect for customer, total may consider 28+11 : %39 which pointed as very important. The light of that result (%39) and approach, we may comment that; Sales



persons mostly prefer pull effect to make easy sale comparing to sales person bonus incentive which needs additional effort. Hence, we may say that, despite they can increase the income, sales person mostly prefers easy sales instead of push sales which needs their additional effort. But if there marketing side is constant, they mostly prefer sales person bonus incentive to make push sales. Hence, we may comment that, sales person bonus incentive may use new growing brands that has limited budget to make expensive brand marketing investment.

To go more details in survey result, we made Friedman tests with keeping demographic status of sales person constant and check the answers. Results have showed us that there is no significant difference between results. Hence, we may say that preference of sales person is not related with demographic status. General behavior is similar for all types of sales person.

According to the results, we may say that all sales person approach to their performance and sales habit are almost the same. Their idea does not change based on their education level, age and level of training.

As a summary for sales person survey, we may comment that sales person needs and difficulties are almost same in the field despite they may be of different demographic status, age, education and level of training. Hence, to motivate sales person and improve their performance, general applications will work well instead of applying individual actions for them. According to the results, general applications to improve sales person performance can be mainly told as Brand marketing (pull effect and easy sale) and sales person bonus incentive (push sale, additional income for sales person).

## **4.5. MANAGERIAL IMPLICATIONS**

If we summarize overall result of our empirical studies,

In terms of sales actions;

- Sales person bonus incentive: 475%
- Price discount affect is 58%
- Bundle promotion with in store communication sales effect is 30%
- SMS communication has no effect to sales

In terms of sales person preference for budget allocation:

- o Budget for brand marketing: 28%

- Budget for sales person bonus incentive: 22%
- Budget fo price discount: 13%
- Budget for In store marketing: 11%
- Budget for bundle promotion: 9%
- Others: 7%
- Budget for SMS marketing: 6%

Also summary figure of results is below;



**Figure 4.5.1: Result Summary of Empirical Studies and Survey**

According to these results, we may say that sales person bonus incentive is a very effective way to increase smartphone sales for the brand known smartphone products. Despite our study show very high increase rate %475 increase.

If brand power is not enough for the newly entered Turkey market, company should consider investment to brand marketing and sales person bonus incentive at the same time (Based on the sales person survey result).

For channel selection, TSS channel will be the right channel for new brands which are entering Turkey market. Because, as explained in previous section, TSS channel is a fast-responding channel due to its centralized structure and has high potential & small number of stores. This means it is a more controllable channel. However, sales person is one of the critical powers of TSS channel which brands can make competition and push for more sales. However, for the smartphone brand’s sales person allocation, operator

channel is not suitable due to operator (TCR) channel has many stores with lower performance than TSS stores. Sales person cost will not be covered by sales person sales performance in Operator stores. Hence, brands can make sales person allocation investment to TSS channel more effectively.

After the allocation of the sales person, as verified in our empirical study, sales bonus incentive can be given to sales person to increase sales performance. Addition to sales bonus incentive, bundle promotion (with in store communication) and price discount may be applied to as sales campaign to give sales tool to sales person to increase their performance. Together with these actions, brand marketing communication is important and should be invested to, as sales person emphasized the importance of brand marketing in sales survey.

Over all mentioned activities should be considered while budget planning of new product cost and investment. We may say that, sales person bonus incentive, bundle promotion and price discount cost can be counted and added in product cost while defining product price before launching in the Turkey market. With that way, company will reserve the budget from the beginning in product price and will be able to make promotion campaigns and sales person bonus incentive to retail channel to increase sales in a short period of time.

Despite sales person bonus incentive has a huge affect (as found %475 increase in empirical study), we should not use all budget for it. Because, sales person will need sales tools to use it while doing sales. Our study for sales person bonus incentive was comparing the same condition with well known brands and all other conditions was constant. So, we may not say that sales performance will increase as much as you give bonus incentive to sales person. If product is not accepted by consumer and there is no sales tool as campaign on sales person hands, there will be no affect despite you give all budget to sales person bonus incentive.

Additionally, as found in sales person survey result, sales person also prefers budget allocation for brand marketing investment more than sales person bonus incentive. Also, sales person allocates budget for price discount and bundle promotion as well. The reason of this selection, sales person will be able to make sales more easily for well known brand smartphone product and they will have power on sales if they have sales promotion campaign for product.

Due to brand marketing investment need high budget and long time of period, companies may start small but continues & sustainable brand marketing investment. Remain budget may allocate to sales person bonus incentive and sales promotion campaigns such as bundle and price discount promotion with balanced status.

With mentioned budget allocation, push effect will come from sales person to consumer and pull effect will be come to consumer with price discount and bundle promotion. Together the push and pull effect will increase sales and sales person performance accordingly in Turkey smartphone market.

Further research can be applied for TCR (telecom retailer) operator channel sales performance in Turkey. Because, operator channel has completely different conditions with TSS (technology super stores) retail channel.

In addition to that, similar research can be applied with Sales Performance Model for FMCG products which products are low price and consumption is fast. Sales person bonus incentive and sales promotion affect may be different on FMCG (fast moving consumer goods) market.

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## 6. APPENDICES

### APPENDIX A. VATAN RETAILER STORE BASE PERFORMANCE COMPARISON TABLE

Mağaza	W28	W29
Vatan Adana	6	10
Vatan Adana (Şehiriçi)	23	21
Vatan Adana Bulvar	0	1
Vatan Adana Park AVM	0	3
Vatan Afyonkarahisar	1	1
Vatan Aksaray	0	1
Vatan Amasya	0	1
Vatan Ankara (Ankamall)	16	22
Vatan Ankara (Batıkent)	10	35
Vatan Ankara (Eryaman)	2	3
Vatan Ankara (Keçiören)	1	1
Vatan Ankara (Nata Vega)	1	3
Vatan Ankara (Sincan)	12	18
Vatan Ankara (Söğütözü)	37	48
Vatan Ankara (Ümitköy)	3	3
Vatan Antalya (Alanya)	1	5
Vatan Antalya (Kepez)	0	3
Vatan Antalya (Konyaaltı)	0	4
Vatan Antalya (Lara)	13	23
Vatan Antalya (Mall Of)	1	1
Vatan Antalya (Manavgat)	1	2
Vatan Avcılar	11	16

Vatan Aydın	2	4
Vatan Aydın Kuşadası	2	5
Vatan Bahçeşehir	0	3
Vatan Balıkesir	15	19
Vatan Balıkesir (Bandırma)	1	2
Vatan Balıkesir (Edremit)	0	2
Vatan Beylikdüzü	0	1
Vatan Bodrum	1	5
Vatan Bolu	2	2
Vatan Bostancı	9	17
Vatan Bursa	8	20
Vatan Bursa (Nilüfer)	20	34
Vatan Çanakkale	0	2
Vatan Çorlu	3	11
Vatan Çorum	1	3
Vatan Denizli	5	3
Vatan Diyarbakır	0	5
Vatan Dudullu	12	22
Vatan Düzce	0	2
Vatan Edirne	1	1
Vatan Elazığ	1	1
Vatan Elmadag	1	0
Vatan Erzurum	18	24
Vatan Esenyurt	1	1
Vatan Eskişehir	7	9
Vatan Fethiye (Muğla)	2	2
Vatan Gaziantep	16	23
Vatan Gaziantep (Prime Mall)	10	13
Vatan Gaziantep Sanko Park	0	1
Vatan Gaziosmanpaşa	3	5
Vatan Giresun	2	1

Vatan Hatay	1	0
Vatan Isparta	2	2
Vatan İnternet	0	2
Vatan İskenderun	0	1
Vatan İstanbul Acıbadem	1	2
Vatan İstanbul Alibeyköy	2	2
Vatan İstanbul Astoria	0	1
Vatan İstanbul Ataşehir	0	1
Vatan İstanbul Bahçelievler	2	3
Vatan İstanbul Başakşehir Arterium	0	1
Vatan İstanbul Forum	3	7
Vatan İstanbul Maltepe	0	0
Vatan İstanbul Maltepe E5	0	0
Vatan İstanbul Neomarin	2	2
Vatan İstanbul Rings Avm	1	2
Vatan İstanbul Silivri Kipa	5	5
Vatan İstanbul Üsküdar	1	2
Vatan İstanbul Vialand	3	4
Vatan İstanbul West	2	2
Vatan İzmir (Balçova)	3	3
Vatan İzmir (Bornova)	12	19
Vatan İzmir (Buca)	1	1
Vatan İzmir (Gaziemir)	10	13
Vatan İzmir (Karşıyaka)	13	17
Vatan İzmir (Mavişehir)	0	4
Vatan İzmir Çankaya	0	2
Vatan Kahramanmaraş	5	5
Vatan Kale Center	3	4
Vatan Karabük	1	4
Vatan Kayseri	6	12

Vatan Kayseri (Belsin)	3	6
Vatan Kırıkkale	0	1
Vatan Kocaeli (Gebze)	0	1
Vatan Kocaeli (İzmit)	9	13
Vatan Konya	14	21
Vatan Kütahya	3	5
Vatan Lüleburgaz	1	4
Vatan Malatya	2	3
Vatan Mall Of İstanbul	14	15
Vatan Manisa	6	7
Vatan Mardin	0	3
Vatan Marmaris	5	7
Vatan Merkez	0	2
Vatan Mersin	10	16
Vatan Mersin (Tarsus)	2	5
Vatan Muğla(Merkez)	1	2
Vatan NB Adana Seyhan	0	1
Vatan NB Forum Ankara	4	7
Vatan NB Kadıköy	1	2
Vatan Niğde	1	2
Vatan Ordu	2	2
Vatan Osmaniye	2	1
Vatan Pendik	2	1
Vatan Rize	2	6
Vatan Sakarya (Adapazarı)	3	3
Vatan Sakarya (Serdivan)	8	11
Vatan Samsun (Merkez)	12	16
Vatan Sancaktepe	1	0
Vatan Sivas	7	8
Vatan Sultanbeyli	3	2
Vatan Şanlıurfa	0	1

Vatan Tekirdađ	4	6
Vatan Tekirdađ erkezköy	1	3
Vatan Tokat	1	2
Vatan Topkapı	37	52
Vatan Trabzon	0	1
Vatan Uşak	2	3
Vatan Ümraniye	10	14
Vatan Van	0	0
Vatan Yalova	0	3
Vatan Zonguldak (Eređli)	0	1
Vatan Zonguldak (Merkez)	2	2
<b>Grand Total</b>	<b>536</b>	<b>852</b>

## APPENDIX B. TEKNOSA SELECTED SHOP LIST

No	Shop
1	ADANA SABANCI İŞ MERKEZİ EXXTRA
2	İZMİT GEBZE CENTER EXXTRA
3	İSTANBUL KADIKÖY TEPE NAUTILUS EXXTRA
4	İSTANBUL MALTEPE CARREFOURSA EXXTRA
5	GAZİANTEP SANKOPARK EXXTRA
6	MERSİN FORUM EXTRA
7	BURSA CARREFOURSA EXTRA
8	İSTANBUL EYÜP VIALAND EXXTRA
9	TEKİRDAĞ TEKİRA EXTRA
10	ANTALYA KEPEZ ÖZDİLEK EXXTRA
11	TRABZON FORUM EXTRA
12	İZMİR FORUM BORNOVA EXTRA
13	İSTANBUL MARMARA FORUM EXXTRA
14	İSTANBUL ŞİŞLİ CEVAHİR EXXTRA
15	ADANA OPTIMUM YENİ
16	BURSA KENT MEYDANI EXXTRA
17	İSTANBUL MARMARA PARK
18	ANKARA NATA VEGA EXTRA
19	İSTANBUL FORUM EXXTRA
20	TEKİRDAĞ ÇORLU ORION



21	İSTANBUL SEFAKÖY ARMONİPARK OUTLET EXTRA
22	ANTALYA MARKANTALYA EXXTRA
23	ANTALYA TERRACİTY EXXTRA
24	ANKARA ANKAMALL EXTRA
25	ANKARA ANKAMALL 2 EXTRA
26	ADANA M1 EXXTRA
27	İZMİT OUTLET CENTER EXTRA
28	İSTANBUL PENDİK NEO EXTRA
29	İZMİR GAZİEMİR OPTIMUM
30	İZMİR KARŞIYAKA KEMALPAŞA CADDESİ

## APPENDIX C. SALES PERSON SURVEY RESULT

No	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
1	10	15	25	55	55	50	00	8	21	Lise	3	Ekrem aksel
2	50	15	55	55	10	10	55	1	36	Lise	9	Sait köse
3	00	00	30	00	00	00	70	30	8	önlisans	5	Güray Çetin
4	30	10	20	20	10	55	55	42	5	Univ ersite	5	Hüseyin erol
5	20	55	50	55	10	55	55	13	10	Lise	0	Murat aykul
6	20	25	15	10	10	10	10	24	1	Univ ersite	3	Cemil canlan
7	10	10	40	10	10	10	10	39	7	Lise	5	A.vah ap durna
8	10	10	25	10	10	10	25	29	1	Lise	5	Umut Haydar Demirhan
9	00	00	8	00	20	55	55	33	1	Lise	0	Fatih ozen
10	15	55	40	10	10	10	00	72	8	Univ ersite	0	Ceren Ürünli AKBUL UT
11	10	10	30	20	15	10	55	4	6	Univ ersite	8	Uğur Sönmez
12	15	30	30	15	00	00	00	6	9	Lise	5	Eren Can Araz
13	10	65	10	55	10	55	55	73	10	Lise	5	Levent Hollaoglu

14	30	10	30	20	10	00	00	25	3	Univ ersite	2	oğuzc an ipek
15	15	15	25	10	15	55	55	126	5	önlis ans	15	Baran SERTDE MIR
16	15	15	25	10	15	55	55	126	5	önlis ans	15	Baran SERTDE MIR
17	30	20	10	15	15	55	55	255	4	önlis ans	20	Aykut Şimşek
18	40	10	10	30	10	00	00	29	2	Lise	2	Barış inal
19	20	10	50	10	10	00	00	25	3	Univ ersite	15	Uğur Ağdağ
20	20	10	30	10	10	10	10	24	5	önlis ans	1	Can Saykaloğl u
21	25	50	40	15	10	55	05	35	13	Lise	5	Rukiye cakir
22	40	10	10	10	10	10	10	24	1	Ilko kul	3	Hakan bildirici
23	10	10	30	30	10	10	00	23	5	Lise	1	Selcu k dogdu
24	50	10	55	15	10	55	55	24	3	Univ ersite	2	Onur ATAT
25	40	30	30	-	-	00	00	25	1	önlis ans	4	Ismail kurt
26	24	16	15	18	20	00	77	23	3	önlis ans	10	Aykut DAĞ
27	50	10	10	10	20	00	00	35	10	Lise	3	Yunus emre birsen
28	10	15	35	15	10	15	05	25	5	önlis ans	4	Oguzh an TURA
29	00	00	50	25	22	00	00	30	10	Lise	5	Selçu k Bulmuş

0	3	2	1	3	2	1			3	8	Univ ersite	5	Eyüp Berk METE
1	3	2	1	2	1		1	1	2	1	önlis ans	4	Ismail kurt
2	3	4	2	1	1			1	3	5	Univ ersite	9	Emre ERGÖR
3	3	2	1	4	1				2	2	Univ ersite	4	Burcu erci
4	3	6		1	2				3	1	Lise	0	Erdi Değirmen cioğlu
5	3	4	1	1	1				2	6	Lise	5	Omer Can Bayram
6	3	3	1	4	1				2	9	Univ ersite	2	Onur ilyas Demirbağ
7	3	4	1	4	1				2	6	Univ ersite	0	Orhan can Yılmaz
8	3	4	1	1	1		1		2	7	Univ ersite	2	Serha n Kanmaz
9	3	3	1	1	1			2	2	5	önlis ans	5	Cenk SOLGUN
0	4	6	1	1	1		1		3	9	Lise	1	Mehm et sercan akyılmaz
1	4	2		2	1		1	2	2	9	Lise	3	Muha mmet Irmak
2	4	0	0	0	0		0	0	5	3	Univ ersite	8	Umitc an kostu
3	4	3	1	2	1			1	2	5	Lise	5	Ahme t kayir
4	4	3	1	3	2		1		2	6	Lise	1	Nazım Can Ekinci

45	40	20	20	20	20	10	00	10	32	1	Lise	1	Gamze Atasagun
46	45	00	45	50	00	00	00	04	25		Lise	5	Halim Kög
47	40	20	10	20	20	20	30	77	25		önlisans	30	Murat Büyüker
48	40	20	10	20	20	20	30	77	25		önlisans	30	Murat Büyüker
49	40	40	10	30	10	50	00	06	25		önlisans	4	Çağdaş COMAR T
50	50	50	10	20	10	00	10	02	30	10	önlisans	10	Salih seval
51	50	45	50	40	10	50	00	04	30	10	Univ ersite	10	Hakan Demirkan
52	50	40	50	20	10	10	50	05	35		Lise	3	Faruk Kızılsu
53	50	30	00	40	15	15	00	05	25		Lise	02	Mertcan erol
54	55	25	50	10	20	15	50	01	35		Univ ersite	1	Tahsin Özbilgiç
55	50	50	10	50	20	10	50	02	24		önlisans	10	Açelya Aydın
56	55	30	00	10	10	10	10	56	24		Univ ersite	20	Muharrem deveci
57	55	40	10	15	50	55	55	56	22		Lise	6	Gözde Gül
58	50	30	00	10	20	10	10	00	34	1	Lise	3	Ercan Tiryaki
59	50	30	00	10	20	10	10	00	34	1	Lise	3	Ercan Tiryaki
60	60	00	10	80	00	00	10	04	30	1	Univ ersite	10	Ferhat Bey

61	40	55	30	20	00	00	02	21	Lise	7	Tuğçe Nur Develi
62	35	59	10	10	55	22	55	27	Univ ersite	2	Batuhan Toksöz
63	10	10	10	30	20	20	41	81	Lise	1	Cem Coşar
64	30	25	20	10	55	55	50	25	Lise	7	Ramazan Baran
65	12	79	33	15	65	18	33	33	Lise	6	Harun Yaman
66	10	30	20	00	00	20	24	11	Lise	0	Burcu dedeoglu
67	50	20	10	55	55	55	98	88	Lise	5	Esra Özçelik
68	30	10	30	10	10	55	59	55	Univ ersite	5	Ahmet Seyhan
69	20	10	10	20	20	10	13	21	Lise	5	Rıdvan Çıldır
70	25	10	15	10	10	00	35	27	önlisans	8	Hasan Kanbur
71	35	10	25	10	15	55	06	88	önlisans	2	Abdul kadir Kaya
72	30	20	15	10	10	50	94	41	Lise	3	Eyüp Gürman
73	20	30	20	10	10	55	56	55	Univ ersite	2	Semih sener
74	30	10	15	15	05	55	55	55	Lise	0	Hasan Baykara
75	50	55	55	15	10	00	57	92	Lise	-	Çerkez İbrahim bilir
76	20	20	10	20	10	55	35	52	Lise	0	Eren YILDIZ
77	22	18	15	10	77	35	21	21	Univ ersite	8	Didem yıldız

87	45	10	10	20	10	2	3	1	30	1	Univ ersite	1	Ayla ataşçıoğlu
97	50	20	20	10	0	0	0	0	34	4	Univ ersite	3	Tugba alci
80	20	20	20	20	10	1	0	7	25	5	Lise	5	Sener yasıt
81	20	20	20	20	10	1	0	7	25	5	Lise	5	Sener yasıt
82	20	20	20	20	10	0	0	0	32	1	Lise	1	Ganz e Atasagun
83	50	15	15	5	5	5	5	1	55	20	Lise	0	Samet Aydın
84	25	25	25	5	5	0	5	3	33	3	Lise	7	Hicra n Şengül
Tot al	2373	981	1901	1083	742	514	602						

# CURRICULUM VITAE



## PERSONAL INFORMATION

**Mobile** : +90 533 667 29 84  
**E-mail** : fehimduzgun@gmail.com  
**Date of Birth** : 03.06.1983  
**Marital Status:** Married

## EDUCATION

2010 / 2018 Okan University / ISTANBUL  
Management Administration ( Ph. D. ) – Sales & Marketing

### **Published Research articles:**

- *The Effect of Promoter Incentive to the Smartphone Sales in Retail Chains: A Turkish Case* <http://www.omicsonline.com/open-access/the-effect-of-promoter-incentive-to-the-smartphone-sales-in-retail-chains-a-turkish-case-2162-6359-1000382.php?aid=82867>
- *SMS Promotion Effects on Consumer Behaviour: A Turkish Case* <https://www.omicsonline.com/open-access/sms-promotion-effects-on-consumer-behaviour-a-turkish-case-2162-6359-1000397.php?aid=84818>

2007/ 2009 Bilgi University / ISTANBUL  
Master of Business Administration ( MBA ) - Marketing

2001 / 2006 Uludag University / BURSA  
Electronics Engineering

1997 / 2000 Balıkesir Science High School / BALIKESIR



## **EXPERIENCE**

Nov 2016 / .....

**Huawei Telecommunication / Istanbul**

**Senior Channel Sales Manager**

*Smartphone Sales Management for Turkcell Channel*

Apr 2014 / Nov 2016

**HTC Turkey / Istanbul**

**Sales Manager**

*Smartphone Sales Management for Turkcell and Open Channel*

Mar 2012 / Apr 2014

**LG Electronics Ticaret A.S. / Istanbul**

**Account Manager**

*Account management of TSS retail customers (Teknosa, Medimarkt, Bimeks, etc)*

Aug 2011 / Feb 2014

**LG Electronics Ticaret A.S. / Istanbul**

**GTM / Trade Marketing Manager**

*Managing field retail operation in all channels for smartphone product group*

May 2007 / Aug 2011

**LG Electronics Ticaret A.S. / Istanbul**

**Service Assistant Manager**

- *Managing GSM authorized service centers, Set up service network, strategy & policy.*

June 2006 / May 2007

**LG Electronics Inc. / Istanbul**

**Field Test & Service Engineer**

- *Perform country adaptation process for new GSM models (Hardware, software & quality tests).*

## **LANGUAGE:**

English: Fluent