EFFECT OF ADAPTIVE SELLING AND SALES AREA DESIGN ON RETAIL BONDS SALES PERFORMANCE WITH SELLING EXPERIENCE AS AN INTERVENING VARIABLE

[1]Sutrisno Nugroho, [2]Shofala Bevano Efenito, [3]Harry Soesanto

[1,2,3]*Department of Management, Faculty of Economics and Business, Diponegoro University, Semarang, Indonesia*

Author's email:
[1]*sutrisnonugroho24@gmail.com*; [2]*sbevanoefenito@gmail.com*; [3]*harryjogja99@gmail.com*

Corresponding author: sutrisnonugroho24@gmail.com

Abstract: *This study examines the influence of adaptive selling and the quality of sales territory design on retail bond sales performance, with selling experience as an intervening variable. The research focuses on sales professionals at Bank Jateng in the Central Java and Yogyakarta regions. Using a purposive sampling technique, 120 respondents were selected to participate in the survey. Data were collected through questionnaires and analyzed using Structural Equation Modeling (SEM) to determine the relationships between variables. The findings reveal that adaptive selling significantly enhances selling experience, which in turn mediates its effect on sales performance. Furthermore, a well-designed sales territory positively impacts both selling experience and overall sales outcomes. This research underscores the importance of adaptive selling practices and strategic sales territory design as critical factors in optimizing retail bond sales performance. The results provide valuable insights for improving sales strategies in banking and financial services.*

Keywords: *Adaptive Selling, Retail Bonds, Sales Performance, Sales Territory Design, Selling Experience.*

1. INTRODUCTION

Investing in financial instruments is a strategic approach to wealth management that helps achieve long-term financial goals. Among the various investment options, bonds are widely considered a profitable investment option as they offer relatively stable fixed income and a lower risk profile than equities. In 2023, the Indonesian bond market remains an attractive investment opportunity for investors. This continued interest stems mainly from investors' confidence that rising interest rates and global inflation forecasts will be relatively controlled. Indonesia's strong domestic macroeconomic conditions continue to attract foreign investors and drive capital inflows into the Indonesian bond market. In other words, the Indonesian economy is strong and able to withstand the impact of rising global interest rates so that investors continue to maintain their investments in the Indonesian bond market.

The increasing volume of Retail Bond sales in Indonesia is reflected in the realization of Retail Bond sales in 2023 which reached IDR 147.4 trillion and was bought up by around 239,000 individual investors. This figure is above the Ministry of Finance's target of IDR 130 trillion and has shot up 37% compared to the realization of sales in 2022 of IDR 107.38 trillion. In Central Java Province, investor growth also continues to increase, including Retail SBN. Based on the Monthly Capital Market Statistics data published by the Financial Services Authority (OJK), until May 2024 the number of investors in Central Java reached 1.52 million investors and was in the fourth largest position in Indonesia. Solo Raya is the area in Central Java with the highest increase in the number of investors.

This indicates that investment in the capital market including SBN will still grow positively in line with increasing public awareness of the importance of investing. Central

Java as one of the major provinces in Indonesia contributes to growth in the capital market sector. This can be seen from the increasing interest of individual investors in investment products such as Indonesian Retail Bonds. Increasing public participation in capital market investment is also driven by educational programs and easier access through digital platforms from financial institutions.

2. LITERATURE REVIEW

According to Grant et al. (2001) in Retno Mulatsih's (2011) research, satisfaction with sales area design affects attitudes and behavior. Sales teams that are satisfied with the design of the sales area have the potential to work effectively and this encourages salespeople to display their best performance. In addition, sales area design also plays an important role in supporting sales performance. Barker (2001) emphasized that effective area design can increase the focus and motivation of salespeople, while Fatima (2018) showed that quality area design can simplify area management, thus having a positive impact on sales performance.

In addition to sales area design, sales force experience is also interrelated with sales force adaptive behavior. The experience and expertise of interacting with customers gained by salespeople improve sales skills and have a positive impact on overall sales performance. Ho-Taek Yi, et al. (2021) in their research explained that behavior driven by customer orientation has a positive impact on cosmetic sales performance. The results of this study indicate that effective sales skills have a substantial impact on sales behavior that is oriented towards customer needs, which is one of the characteristics of adaptive selling. Barker's (2001) research states the importance of sales space design in improving sales results. Effective design facilitates efficient work, increases focus, and increases motivation among salespeople, thereby contributing to superior sales results.

3. RESEARCH METHODS

In this study, the population consists of all sales personnel employed by Bank Jateng in the Central Java and DI Yogyakarta regions, especially those involved in retail bond sales. This study applies a non-probability sampling method, specifically purposive sampling. Purposeful sampling involves selecting samples based on predetermined criteria, in this case sales personnel with at least one year of experience. According to Sugiyono (2018), "Non-probability sampling does not ensure that each member of the population has an equal opportunity to be selected, while purposive sampling selects samples based on certain qualities that meet the needs of the study". Based on the calculation results, this study applies a sample size of 112 participants. In addition, researchers have set a number of specific criteria that must be met by the sample. The sample criteria that have been determined by the researcher include male or female and members of the Bank Jateng marketing team.

4. RESULT AND DISCUSSION

4.1 Result

4.1.1 Validity Test

Validity testing in this study uses CFA (Confirmatory Factor Analysis) which is part of AMOS. The indicator of a valid variable if the estimate value is >0.50, if the result is <0.50 then it is declared invalid. Based on the results of the validity test with 120 respondents and 15 questions, it shows that all questions have a loading factor value of >0.50. Therefore, it can be concluded that all questions in the questionnaire can be said to be suitable for use in this study.

4.1.2 Reliability Test

Reliability testing in this study uses CR (Construct Reliability) which has criteria if the CR value is > 0.7 then the variable can be said to be reliable. Ghozali (2017) explains that the test results are said to be reliable if they have a construct reliability value > 0.7.

Table 4.1 Reliability Test Results

Variables	CR	Limit	Information
Adaptive selling	0.802		Reliable
Sales Territory Design	0.896	> 0.7	Reliable
Selling experience	0.908		Reliable
Sales Performance	0.879		Reliable

(Source: SEM output with AMOS 24, 2024)

The results of this test indicate that the CR value of the 4 research variables produces a value greater than 0.7 for each variable. Based on these results, it can be concluded that the entire research instrument is reliable and has a relatively high reliability so that it can be used in this study.

4.1.3 Data Normality Test

Normality Test is done by using z value (critical ratio or CR on AMOS output) from the skewness and kurtosis values of data distribution. The critical value is ± 2.58 at a significance level of 0.01 according to Ghozali (2017). The results of the data Normality Test can be done in the following table:

Table 4.2 Normality Test Results

Variables	min	max	skew	cr	kurtosis	cr
KP3	2,000	5,000	,452	2,021	-,720	-1,611
KP2	2,000	5,000	,382	1,707	-,707	-1,581
KP1	2,000	5,000	,382	1,711	-,696	-1,557
SE1	2,000	5,000	,123	,548	-,314	-,702
SE2	2,000	5,000	,771	3,447	,073	,164
SE3	2,000	5,000	,514	2,298	-,415	-,929
SE4	2,000	5,000	,739	3,306	,140	,313
DW1	2,000	5,000	,434	1,942	-,775	-1,733
DW2	2,000	5,000	,195	,871	-,547	-1,223
DW3	2,000	5,000	-,025	-,110	-,563	-1,260
DW4	2,000	5,000	-,090	-,404	-,677	-1,513
AS1	2,000	5,000	,325	1,454	-,430	-,962
AS2	2,000	5,000	,278	1,245	-,552	-1,234
AS3	2,000	5,000	,460	2,056	-,464	-1,037
AS4	2,000	5,000	,479	2,143	-,100	-,223
Multivariate					-7,731	-1,875

(Source: SEM output with AMOS 24, 2024)

Based on the table above, the results of the multivariate normality test show that the data meets the normality assumption, because the value of -1.875 is in the range of ±2.58.

4.1.4 Hypothesis Testing

Hypothesis testing conducted in this study aims to answer questions or analyze structural model relationships. Hypothesis data analysis can be seen from the standardized regression weight value which shows the coefficient of influence between variables in the following table:

Table 4.3 Hypothesis Testing Results Table

No.	Hypothesis	Estimate	SE	CR	P	Results
H1	*Adaptive selling* → Sales Performance	0.332	0.152	2.182	0.029	Significant
H2	Sales Territory Design→ Sales Performance	0.219	0.089	2.466	0.014	Significant
H3	*Adaptive selling → Selling experience*	0.563	0.139	4,060	0.000	Significant
H4	Sales Territory Design→Selling experience	0.329	0.083	3.963	0.000	Significant
H5	*Selling experience →* Sales Performance	0.641	0.124	5.182	0.000	Significant

(Source: SEM output with AMOS 24, 2024)

According to the table data processing, it states that the CR value has an influence by showing a value above 1.96. Then, for p values below 0.05 there is an influence (Ghozali, 2017).

4.2 Discussion
4.2.1 Adaptive selling has a positive and significant effect on Sales Performance
The estimated parameters obtained were 0.332 and the CR value was 2.182, which means that this shows that the influence of *Adaptive selling* to Sales Performance positive. It means getting better. *Adaptive selling* then it will increase Sales Performance. Testing the relationship between the two variables shows a probability value of 0.029 ($p<0.05$) which means there is a significant influence. So (H1) which states "Adaptive selling has a positive and significant influence on Sales Performance" is accepted.

Sales force is the spearhead of an organization's sales. This is because the sales and marketing team carries out their duties in marketing and sales, where the ultimate goal is to gain profits from sales results so that they can help finance the company's operations and increase the profits that can be obtained (Mandansari, Rostiana & Idulfilastri, 2022). Thus, sales force has an important and determining role in the success of the company in running its business. Good sales performance quality can be a factor of excellence and differentiation from one company to its competitors.

Adaptive selling has a positive and significant effect on sales performance. This indicates that adaptive selling behavior has a very important involvement in the context of sales and also has an important role in building good relationships with customers, where the underlying logic is that adaptive selling is the key to improving sales performance (Zulkifli & Christiana, 2024). The better adaptive selling is mastered by a salesperson, the more sales performance will increase, and vice versa. In line with Zulkifli & Christiana (2024) who in their research concluded that adaptive selling behavior generally has a positive effect on sales force performance.

4.2.2 Sales Territory Design has a positive and significant effect on Sales Performance
The estimated parameters obtained were 0.219 and the CR value was 2.466, this shows that the influence Sales Territory Design to Sales Performance positive. It means getting better. Sales Territory Design then it will increase Sales Performance. Testing the relationship between the two variables shows a probability value of 0.014 ($p<0.05$) which means there is a significant influence. So (H2) which states "Sales Area Design has a positive and significant influence on Sales Performance" is accepted.

One of the requirements for sales performance to improve well is the quality of the marketing team. Marketing staff must have good skills in selling and controlling interactions with others, in addition to having in-depth knowledge of the products offered and how they work (Nufuz & Graciafernandy, 2024). The expertise of sales staff in presenting products effectively to potential customers also plays a very important role. In

order to prepare the things needed to understand the market and potential customers, a good sales area design is needed from the company or marketing team.

Sales Area Design has a positive and significant effect on Sales Performance. Sales area design provides clear direction to the marketing team so that they can have the good preparation needed to optimize sales in an area. Sales area mapping is very useful for getting a geographical overview, estimating sales potential, knowing product potential, getting an overview of regional activities, and making optimal sales plans (Afianto, 2023). Thus, the better the sales area design, the more positive and significant impact it will have on sales performance. In line with Afianto (2023) who in his research concluded that sales area planning has a positive and determining effect on sales force performance.

4.2.2 Adaptive selling has a positive and significant effect on Selling experience

The estimated parameters obtained were 0.563 and the CR value was 4.060, this shows that the influence *Adaptive selling* to *Selling experience* positive. It means getting better. *Adaptive selling* then it will increase *Selling experience*. Testing the relationship between the two variables shows a probability value of 0.000 (p<0.05) which means there is a significant influence. So (H3) which states "Adaptive selling has a positive and significant influence on Selling experience" is accepted.

Experience for a salesperson plays a very important role in improving their performance. Selling a product, either goods or services, requires skills that not everyone can have. A person with good experience in sales can have an advantage over others. Adaptive selling is one factor that can add experience and ability to salespeople, because a person with adaptive selling will have confidence when having to change plans, and find a presentation method that is appropriate for one customer with another (Nufuz & Graciafernandy, 2024).

Adaptive selling has a positive and significant effect on Selling experience. A salesperson needs flexible, adaptive and effective communication skills (Mandansari, Rostiana & Idulfilastri, 2022). Good skills in implementing adaptive selling will increase the knowledge and experience of a salesperson. With good skills in adapting to various situations, conditions and characters of each consumer or prospective consumer will add to the experience of a salesperson. The better the implementation of adaptive selling, the more experience a salesperson has.

These results are in line with Hidayat & Helmy (2024) who in their research stated that good sales experience is caused by a salesman who can adjust his sales to the current environment and sales training is useful in influencing the ability of salespeople to carry out adaptive sales

4.2.3 Sales Territory Design has a positive and significant effect on Selling experience

The estimated parameters obtained were 0.329 and the CR value was 3.963, this shows that the influence Sales Territory Design to *Selling experience* positive. It means getting better. Sales Territory Design then it will increase *Selling experience*. Testing the relationship between the two variables shows a probability value of 0.000 (p<0.05) which means there is a significant influence. So (H4) which states "Sales Area Design has a positive and significant influence on Selling experience" is accepted.

Salespeople with high skills will make a significant contribution to achieving their work targets (Nufuz & Graciafernandy, 2024). In this case, the experience of a sales marketing will play an important role in their success in carrying out sales work. Meanwhile, the design of the sales area aims to ensure that sales marketing has effectiveness and efficiency in their work. With the design of the sales area, a sales marketer is expected to be better able to reach consumers and potential consumers more precisely and efficiently.

Good sales can be obtained from the experience of a sales marketing. Sales effectiveness cannot be separated from the characteristics of the salesperson, one of which is sales experience (Afianto, 2023). Meanwhile, the design of the sales area requires a salesperson to study what are the obstacles and advantages of each sales

area, as well as the character of consumers and potential consumers in a sales area, so that this will improve the experience for sales in facing every challenge and obstacle in their efforts to increase sales. It can be interpreted that the design of the sales area has a positive and significant effect on selling experience.

In line with Afianto (2023) who stated that sales area mapping is very useful for getting a geographical overview, estimating sales potential, knowing product potential, getting an overview of regional activities, and making optimal sales plans, which will make a sales marketer more experienced.

4.2.4 Selling experience has a positive and significant effect on Sales Performance

The estimated parameters obtained were 0.641 and the CR value was 5.182, this shows that the influence *Selling experience* to Sales Performance positive. It means getting better. *Selling experience* then it will increase Sales Performance. Testing the relationship between the two variables shows a probability value of 0.000 (p<0.05) which means there is a significant influence. So (H2) which states "Selling experience has a positive and significant influence on Sales Performance" is accepted.

Good performance of sales force is obtained by how a salesperson can achieve the sales target set for him/her or how many salespersons can add customers to his/her company (Nufuz & Graciafernandy, 2024). In this case, the experience of a salesperson can play a very important role in efforts to improve sales performance. Furthermore, Nufuz & Graciafernandy (2024) explained that a salesperson with high experience will have good involvement in the sales process, delivery of sales presentations, and failure to close contracts.

Selling experience has a positive and significant effect on Sales Performance. Good experience from salespeople can make a salesperson able to do their job well and become very skilled and of course will be more professional when compared to salespeople who have less experience, the length of time working in a field will provide skills that will get better over time (Hidayat & Helmy, 2024). The more experienced a salesperson is, the more it will increase the sales performance that he/she is able to produce. In line with Hidayat & Helmy (2024) who concluded in their research that experience has a positive and significant effect on salesperson performance.

CONCLUSION

Based on the results of the research data analysis on the Influence of Adaptive Selling and Sales Area Design on Retail Bond Sales Performance with Selling Experience as an Intervening Variable, the following conclusions can be drawn:
1. Adaptive selling has a positive and significant effect on Sales Performance. This means that the better the Adaptive selling, the better the Sales Performance. So (H1) which states "Adaptive selling has a positive and significant effect on Sales Performance" is accepted.
2. Sales Territory Design has a positive and significant effect on positive Sales Performance. This means that the better the Sales Territory Design, the better the Sales Performance. So (H2) which states "Sales Territory Design has a positive and significant effect on Sales Performance" is accepted.
3. Adaptive selling has a positive and significant effect on positive Selling experience. This means that the better Adaptive selling, the better Selling experience will be. So (H3) which states "Adaptive selling has a positive and significant effect on Selling experience" is accepted.
4. Sales Area Design has a positive and significant effect on positive Selling experience. This means that the better the Sales Area Design, the better the Selling experience. So (H4) which states "Sales Area Design has a positive and significant effect on Selling experience" is accepted.

Selling experience has a positive and significant effect on positive Sales Performance. This means that the better the Selling experience, the better the Sales

Performance. So (H2) which states "Selling experience has a positive and significant effect on Sales Performance" is accepted.

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