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Improving Sales Performance of Cruise Product in the Travel Agency

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INTRODUCTION

The travel agencies have turned to sell cruise product as airlines in North America have announced a commission cap since 1995 (Morrison, 2006). It was reported that the commission from the sales of cruise product has reached up to 35% strong of total profit of the sales of travel agencies (Dickinson and Vladimir, 2006). According to Cruise Line International Association (CLIA), the cruise industry has grown and continues to grow enormously and rapidly, with a growing rate of 7.4% since 1994 and an increase of 400% over 10 years. It can be certain that the cruise product is the potential and segmented market for travel agents, either currently or in the future (Gibson, 2006). The issue has received interest from researchers in the field of selling, but few studies have focused it on the context of travel industry, neither to propose strategies to improve sales performance for travel agency.

Since the cruise product is a defined package, the inclusive nature of the package much depends on the pricing strategies of the cruise operator which traditionally uses travel agents as a primary distribution channel (Gibson, 2006). Travel agencies can retail the product through in-depth product knowledge, also by providing a highly personalized service and developing relationships with clients directly, in an attempt to complete each sale through efficiency and ideally reach the estimated sales performance (Hatton, 2004). Therefore, the selling skill is required to handle each sale successfully, which is critical to sales performance (Wachner et al, 2007). The selling skills and sales performances are reported positively correlated (Wu, 2006; Churchill et al., 1985). Also, a number of studies point out that there is positive correlation between specific self-efficacy and sales performance (Liu, 2010; Lin, 2010; Chen 2000). According to Bandura (1982, 1986 and 1997), in specific, specific self-efficacy is a more powerful determinant in predicting task-specific performance than self-efficacy (Stajkovic & Luthans, 1998; Mortiz et al., 2000; Scholz et al., 2002; Ryerson, 2008; Smith et al., 2006). Moreover, the researches commonly agree that selling skills and specific self efficacy are influential and powerful to predict sales performance (Liu et al, 2010; Lin, 2010). Based upon the above, the research thus assumed that that there is influential relationship between selling skills, specific self efficacy and sales performance.

LITERATURE REVIEW

Travel agency and cruise product

The travel agent selling cruise products has become a growing trend in travel industry. Travel agent is the role who is between buyers of travel products and a principal, engaged in travel products sales, and receives a commission for the travel service. When the airline commission caps were announced in February 1995 by Delta, Carnival cruise announced it would increase the commission it would pay to more than 12,000 travel agencies that had not

sold a Carnival cruise from 10% to 12% for a six-month trial period. The idea was to jump-start agencies that were financially affected by the cap situation to begin to sell cruises (Dickson and Vladimir, 2006). The cruise product is defined package that include travel to the port of embarkation, a length of itinerary, an element of inclusive services and facilities (such as meals, entertainment, and leisure areas etc.), accommodation and various other service (Gibson, 2006). Purchasing a cruise is a far more complicated matter than, say, buying an airline ticket. Deciding which cruise is the right one for a particular person is a complex and sensitive task, one that requires the analysis, advice, and experience of a professional travel agent (Mancini, 2003).

Specific Self-efficacy, Selling skills and Sales performance

Selling skills have been described as the individuals learned proficiency at performing the necessary tasks for the sales job (Walker et al., 1977; Rentz et al., 2002). Regarding selling cruise product, it is correspondingly with the skills of selling in the real world. The selling skills involved is not only through in-depth product knowledge, but by providing a highly personalized service and developing relationships with clients directly, in an attempt to complete each sale through efficiency and ideally reach the estimated sales performance. An overall measure of sales skills should be useful to both practitioners and researchers (Rentz et al., 2002), and the one developed by Rentz et al. (2002) is thought comprehensive in containing four parts: (Lin, 2010).

The term specific self-efficacy (SSE) can be defined as an inner ability to pursue goals toward the completion of a specific task (Su, 2005; Smith et al., 2006). The similar concept is general self-efficacy (GSE), which is a general belief in one's ability to perform a given task (Sherer et al., 1982; Bandura, 1986, 1977). Unlike GSE, specific self-efficacy is a situation-specific cognition and a concept of behavior motivation that is highly focused on a particular task (Eden, 1988) to achieve its faith in the process of implementation of the action (Gist & Mitchell, 1992; Bandura, 2001). Since self-efficacy itself is inherently task specific, the specificity of self-efficacy is adopted to examine an individual task performance by a number of researches (ex Eden & Kinnar, 1991; Gist & Mitchell, 1992; Ryerson, 2008; Schwoerer et al., 2005). Notably, Ryerson (2008) proved that specific self efficacy is a superior indicator of sales performance as opposed to general self-efficacy. Thus, specific self-efficacy can be a cognitive assessment for specific performance (Eden & Zuk, 1995). The measure developed by Plank & Reid (1994) is newly adopted by Tabbiner (2000), Reid et al. (2002) and Ryerson (2008) and found useful in predicting one's specific self-efficacy via

Sales performance is the salesman's activities and customer's interaction performance, in order to help organizations complete goals or objectives effective, when the implementation of sales tasks (Churchill et al., 1985; Babakus et al., 1996). It is associated with the responsibilities of individuals and organizations (Johnston & Marshall, 2003), is a part of human performance. Salesperson's performance was typically measured by the scale

developed by Behrman and Perreaultt (1982), which were used in various researches (ex Jackson et al., 1983; Babakus et al. 1996; Barker, 1999; Baldauf et al., 2002). When Park et al. (2003) explored the relationship between behavior and sales performance, the sales performance has been divided into objective performance and subjective performance measured as the market share, profits contribution, sales volume, dollars sales, customer retention and new customer development, which are proved useful in predicting sales performance in the context of selling.

The connection between firms' selling skills and sales performance has been well-established in literature. One of the most striking and important factors that contribute to sales success and sales performance is selling skill (Churchill et al., 1985; Rentz, 2002). Previous studies indicated the specific selling skills can impact sales performance directly (ex Churchill et al., 1985; Rentz, 2002). Wachner et al. (2007) found that selling skills can indeed directly affect the sales performance and are the most important determinant of sales performance as they explored the relationship between selling skills and sales performance from the perspective of business-oriented and customer-oriented. Also, Wu (2007) found the relationship between selling skill and job performance has significantly positive correlation as he carried the research on salesmen in the department store.

Besides, Schunk (1991) and Chen (2003) deemed that specific self-efficacy can't carry out a high performance without skills. Compeau and Higgins (1995) and Gist et al. (1989) noted that training in computer skills, a number of studies have found computer performance and computer self-efficacy has a positive relationship. The salesman's professional and selling skills at life insurance business in Taiwan and the mainland China that have a significant positive relationship with self-efficacy (Lai, 2007). Moreover, a number of studies conclude that there is influential relationship between selling skills, specific self-efficacy, and sales performance (Liu, 2010a; Liu, 2010b; Chen et al., 2000).

METHODOLOGY

The main tools of analysis used in this research were the DEMATEL technique. Overall DEMATEL is used to determine how influential the relationships among criteria are and to probe the influence of variables (). The method can be summarized as follows:

1. Clarifying interrelations between criteria

Using the opinions of experts, the relationships between these criteria can be identified, as given in **Table 1**.

A survey was conducted via questionnaires distributed to the expert group comprised of 15 expert-sales managers, who have at least 15 years experience in selling travel products. Their ratings for each criterion's relationship to sales performance using a 5-point scale ranging from 0 (no effect) to 4 (extremely influential) were collected. Subsequently, the DEMATEL technique was used to analyze the data and determine the relationships among the

dimensions and criteria.

2. *Using DEMATEL technique for building a network relation map (NRM)*

The DEMATEL technique is employed to construct network relation map, which instruct the network relationship between the variables via the network relation of criteria/dimensions.

The method employed can be summarized as follows:

Step 1: *Using scores Calculating the direct-influence matrix*

Step 2: *Normalizing the direct-influence matrix*

Step 3: *Attaining the total-influence matrix T .*

Step 4: *Analyzing the results*

RESULTS AND DISCUSSION

For sales performance improvement criteria, we use a 0- 4 scale to measure the interrelationships at play. Once the relationships between these criteria had been measured by the expert panel, the initial direct-relation matrix can be obtained. Based on the initial direct-relation matrix, the normalized direct-relation matrix can be obtained using DEMATEL. The relation matrix T based on vector d (affecting) and vector c (affected) is calculated. Then the result for the criteria based on values of r_i c_i and r_i c_i allows us to map network relations (as shown in Fig.1).

By the NRM, we can see that the most [dynamic](#) and striking network relation in the dimensions. The sales performance () has direct effect on specific self-efficacy () and selling skills (), and selling skills() has direct effect on self-efficacy(). This instructs that the sales performance has general effect over the two dimensions, reflecting the sales managers believe only reach the [estimated sales performance, can it produce effects on selling skills and specific efficacy. It can be interpreted that an estimated successful sales performance demonstrates a learning model which correspondingly can enhance specific self-efficacy via specific task success. This seems contradict to the previous findings that selling skills or specific self-efficacy influencing sales performance. However, in the second thought it cooperates Bandura's social leaning theory that.....](#) In sum, from the perspective of sales managers, the priority to improve sales performance of cruise products is to put the sales performance as the first priority, and then it can be possible to produce effects on selling skills and specific self-efficacy.

Moreover, we can see the network relationship among the criteria. In the dimension of sales performance, the priority can be identified as sales volume, customer retention, new customer development, profits contribution, and sales amount. In the dimension of selling skills, the priority sequence is as follows: interpersonal skills, technical skills and salesman ship skills. In the dimension of specific self-efficacy, the improvement priority is sequenced as planning, using, giving, and getting. All these confirms there are interrelationships between

the criteria (variables) and the improvement can produce inter-effects to each other, once we can manage the influential order.

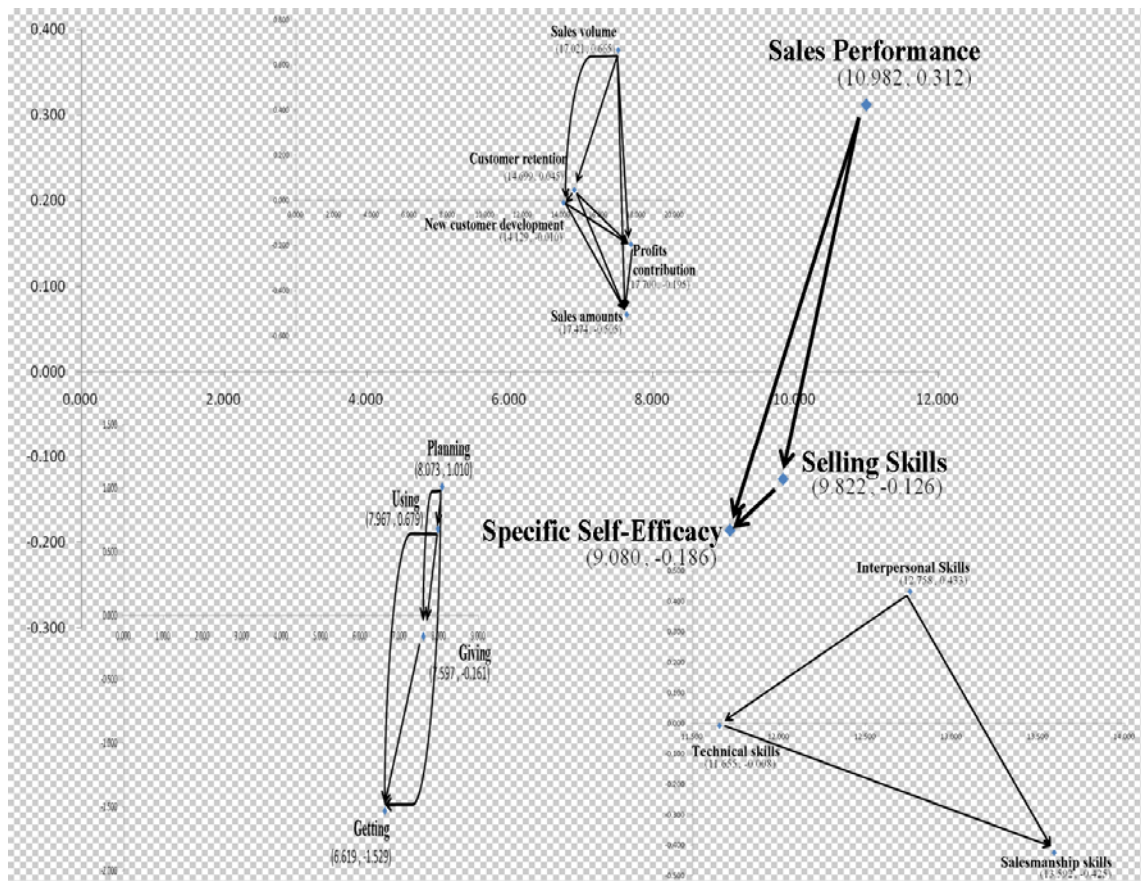


Fig. 1: the network relation map between sales performance, selling skills and specific self-efficacy

CONCLUSION

Using the DEMATEL (as used to construct the NRM), this research modeled the improvement strategy for selling cruise products in the travel agency. The sequence of improvement priorities was as follows: sales performance, selling skills and specific self-efficacy, implying the sales performance is the first target to manage. Also, the overall improvement priority is sequenced for criteria in each dimension, suggesting useful and simple strategies to follow. This empirical test of our approach, conducted using a travel agency case study, has illustrated the usefulness of the approach in dealing with complex selling issue and the meaningful implications of our study for sales decision makers. Because our data were collected in one travel agency in North America and Asia and from their sales managers, to provide further insight into the sales performance improvement, future research could examine the different travel agencies or sales consultants in frontline.

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