



Підприємництво, торгівля та біржова діяльність

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**Field leadership, salesperson motivation, and inter-firm relationships in
FMCG distribution: an integrated management perspective**

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Abstract: Purpose. This paper examines the management of sales personnel within FMCG distribution channels across three interconnected dimensions: field-level leadership style, salesperson motivation, and the quality of inter-firm relationships between channel partners. The study identifies how these factors interact and collectively determine the effectiveness of the manufacturer–distributor–retailer–buyer chain.

Methods. The research applies theoretical analysis of academic literature, synthesis of findings from longitudinal studies and meta-analyses, and review of



FMCG industry case studies. The conceptual framework draws on self-determination theory, transformational and transactional leadership theory, and Morgan and Hunt's commitment–trust theory of relationship marketing.

Results. In conditions of high uncertainty — including wartime operations in Ukraine — transactional leadership stabilises sales performance more effectively than transformational leadership. However, transformational approaches remain critical for elevating long-term performance. Salesperson motivation is multidimensional: extrinsic motivation (commissions, bonuses) drives short-term effort, while intrinsic motivation (autonomy, competence development) supports adaptive behaviour under unpredictable field conditions. Manufacturers who invest in distributor capability through training, data sharing, and co-investment in trade promotions achieve greater partner loyalty and stronger brand representation at the outlet level.

Conclusions. Effective management of sales personnel in FMCG distribution requires simultaneous attention to three dimensions: context-adapted field leadership, conditions enabling intrinsic motivation alongside extrinsic incentives, and distributor relationships built on trust and commitment. For Ukrainian FMCG companies, the current period represents a strategic opportunity: organisations that strengthen their sales management capabilities under pressure will be better positioned when the external environment stabilises.

Keywords: sales personnel management, FMCG distribution, sales leadership, salesperson motivation, channel management, manufacturer–distributor relationships, route-to-market strategy.

**Полюве лідерство, мотивація та міжфірмові відносини в управлінні
продажами: досвід FMCG-дистрибуції**

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Анотація: Мета. Стаття досліджує управління торговим персоналом у каналах дистрибуції товарів FMCG крізь три взаємопов'язані виміри: стиль лідерства на польовому рівні, мотивацію торгових представників та якість міжфірмових відносин між партнерами по каналу. Метою дослідження є виявлення того, яким чином ці фактори взаємодіють між собою та визначають ефективність усього ланцюга виробник–дистриб'ютор–роздрібний торговець–покупець.

Методи. У роботі застосовано теоретичний аналіз наукової літератури, узагальнення результатів лонгітюдних досліджень та метааналізів, а також розгляд практичних кейсів із сектору FMCG. Концептуальну основу складають теорія самодетермінації, теорія трансформаційного та транзакційного лідерства, а також теорія відносин маркетингу Моргана та Ханта (зобов'язання–довіра).

Результати. Встановлено, що в умовах нестабільності (зокрема воєнного часу в Україні) транзакційне лідерство забезпечує стабільність продажів краще, ніж трансформаційне. Водночас трансформаційний підхід залишається ключовим для підвищення результативності у довгостроковій перспективі. Мотивація торгових представників є комплексною: зовнішня мотивація (комісійні, бонуси) стимулює короткострокові зусилля, тоді як внутрішня (автономія, розвиток компетентності) сприяє адаптивній поведінці у непередбачуваних польових умовах. Виробники, що інвестують у розвиток потенціалу дистриб'юторів через навчання, обмін даними та спільне фінансування трейд-маркетингу, отримують вищу лояльність партнерів та кращу представленість бренду.



Висновки. Ефективне управління торговим персоналом у дистрибуції FMCG вимагає одночасної роботи за трьома напрямками: адаптованого лідерства на польовому рівні, формування умов для внутрішньої мотивації та побудови відносин з дистриб'юторами на засадах довіри. Для українських компаній сектору FMCG поточний період є стратегічною можливістю: організації, що зміцнюють управлінський потенціал в умовах кризи, будуть краще підготовлені до конкурентної боротьби після її завершення.

Ключові слова: управління торговим персоналом, дистрибуція FMCG, лідерство у продажах, мотивація торгових представників, управління каналом збуту, відносини виробник–дистриб'ютор, стратегія ринок-до-ринку.

Introduction. Effective distribution in fast-moving consumer goods ultimately rests on people, not processes. Products move because sales representatives negotiate shelf space, supervisors coordinate routes, and distributors decide which brands to prioritise. The manufacturer–distributor–retailer–buyer chain performs precisely as well – or as poorly – as the leadership quality, motivational conditions, and inter-firm relationships that sustain it. This paper treats these not as separate topics but as three interdependent dimensions of a single management challenge.

This paper explores the management of sales personnel within FMCG distribution channels, focusing on three interconnected dimensions: leadership style at the field level, salesperson motivation, and the quality of inter-firm relationships between channel partners. These are not three separate topics – they are three sides of the same problem. A sales representative who is led poorly will not be motivated. A distributor who feels unsupported by the manufacturer will not invest in the brand. And a retailer who is served inconsistently by a distributor's team will quietly switch to a competitor's product. Understanding how these elements interact is the practical goal of this research.

The relevance of this topic for Ukraine is hard to overstate. The country's FMCG distribution sector has been operating under wartime conditions since February 2022 –



managing territory reconfiguration, partner loss, and workforce disruption simultaneously. These pressures have made the quality of sales personnel management not a nice-to-have but an operational necessity. Companies that have managed to retain and motivate their field teams through these conditions have demonstrated something important: that the fundamentals of good sales management hold even when the environment is anything but normal.

Route-to-market (RTM) strategy is essentially a plan for how a product gets from the factory to the consumer's hands. In theory, it covers territory design, channel selection, pricing architecture, and promotional planning. In practice, its success depends heavily on one thing: whether the sales team can execute consistently at the outlet level.

This is not to dismiss the structural elements of RTM – they matter enormously. But a well-designed territory means little if the sales representative covering it has no clear targets, no useful tools, and a supervisor who communicates only through pressure. Enabling the sales team means giving them the right information, the right training, and the right conditions to actually do their job. It means that distributor relationship management – the way manufacturers engage and support their distribution partners – has to extend all the way down to the individual sales rep [1].

In FMCG, the key performance indicators at the rep level typically include numeric distribution (the number of outlets carrying the product), weighted distribution (adjusting for outlet turnover), active outlet ratio, lines sold, and order fill rate [2]. These metrics do not improve by accident. They improve when salespeople understand what they mean, why they matter, and how their own daily work connects to them. That connection – between individual effort and measurable outcome – is one of the core responsibilities of field sales leadership.

A case documented by Renoir Consulting (2024) illustrates this clearly. An FMCG distributor struggling with stagnant sales introduced a structured KPI dashboard, standardised visit reporting, and regular supervisor-rep meetings. The result was a 4.5% sales growth, not from a new product or a promotional campaign, but from



improved management of the existing sales force [3]. The lesson is simple but often overlooked: most distribution companies already have the people they need – the gap is in how those people are managed.

The academic literature on sales leadership has for decades been dominated by the debate between two styles: transformational and transactional. Transformational leadership is about inspiration – building a sense of mission, encouraging people to exceed their usual performance levels, developing long-term commitment. Transactional leadership is more straightforward – set targets, monitor performance, reward success, address failure. Most managers use a combination of both, though they might not think of it in those terms.

Research suggests the balance between these two styles matters a great deal, and that it shifts depending on context. A longitudinal study tracking 16,275 customer–salesperson pairs through the first months of COVID-19 found that transactional leadership was more effective than transformational in stabilising sales performance during the crisis [4]. The reason, the authors argue, is that in conditions of high uncertainty, salespeople need clear, consistent feedback more than they need vision. When the environment is volatile and the rules are changing, knowing exactly what is expected and receiving reliable feedback on whether you are delivering it becomes the anchor.

Our finding is directly relevant for Ukrainian distribution companies. Years of operating under martial law, with frequent disruptions to territories, partner networks, and workforce, have created exactly the kind of uncertainty that makes transactional clarity valuable. Sales managers who maintain clear targets, regular check-ins, and structured performance reviews are providing their teams with something the environment cannot – predictability.

That said, transactional leadership alone creates a ceiling. It can stabilise performance, but it rarely elevates it. Transformational leadership – through coaching, recognition, and connecting day-to-day work to a larger purpose – is what tends to move salespeople from adequate to excellent [5]. The practical implication is that



effective field managers need to do both: hold the line on targets and processes (transactional), while also investing in people's development and sense of meaning (transformational). The two are not in conflict; they are complementary.

Sales is one of the few professions where compensation is explicitly designed to drive behaviour. Commission structures, bonuses, and incentive schemes are ubiquitous in FMCG distribution, and for good reason – they work, at least for driving transactional volume. But motivation is more complex than the commission rate, and relying exclusively on extrinsic incentives tends to produce a particular type of salesperson: one who is good at hitting the numbers in front of them and less interested in anything beyond that.

Both intrinsic and extrinsic motivation have meaningfully different effects on salesperson performance [6]. Extrinsic motivation – driven by rewards, recognition, and compensation – is strongly associated with effort and short-term output. Intrinsic motivation – enjoying the work itself, feeling competent and autonomous – is more strongly associated with adaptive behaviour, creativity, and long-term performance. For distribution sales roles, where reps face unpredictable situations in the field every day, the ability to adapt matters as much as the ability to push volume. That means that a sales manager's job is not just to design the right bonus structure. It is to create conditions where intrinsic motivation can develop – where reps feel that they have meaningful autonomy over how they do their work, that they are developing real competence, and that their contribution matters. These conditions are created through good coaching, honest feedback, appropriate challenge, and the kind of day-to-day respect that is easy to dismiss as soft but has measurable consequences for performance.

Mullins et al. (2023) add a further complication: in companies managing large brand portfolios through a shared sales force, motivation becomes a question of prioritisation [7]. A distributor's sales rep carrying fifteen brands cannot give equal attention to all of them. How manufacturers and distributors structure incentives – and how field managers communicate priorities – determines which brands actually get



pushed at the outlet level. This is a practical, operational challenge that sits at the intersection of motivation management and channel relationship management.

The relationship between a manufacturer and its distributors is structurally unequal in most cases. The manufacturer controls the product, the brand, and typically the pricing framework. The distributor controls market access, local relationships, and last-mile execution. This asymmetry creates both dependency and tension, and managing it well is one of the more underappreciated challenges in FMCG management.

In FMCG distribution, trust is built through consistent communication, transparent planning, fair treatment of disputes, and following through on commitments. It is damaged by the things manufacturers often do under commercial pressure: changing pricing structures without notice, setting unrealistic targets, pulling promotional support at the last moment, or favouring certain distributors in ways that feel arbitrary to others. Distributors notice all of this – and they respond to it, not necessarily immediately, but over time.

Practically, manufacturers who invest in distributor capability tend to get more back. This means providing training for the distributor's sales team, giving access to data that helps the distributor plan better, co-investing in trade promotions, and designing incentive programmes that reward sustained partnership rather than just volume [9]. The logic is straightforward: a distributor who feels supported is more likely to prioritise your brand, invest their own resources in its growth, and stay engaged during difficult periods. A distributor who feels squeezed will look for ways to protect their margin at the brand's expense.

Everything upstream of the retailer is preparation. The actual test of a distribution strategy happens at the point of sale – whether the product is on the shelf, correctly priced, properly positioned, and available in sufficient quantity. This is where the distributor's sales team operates, and it is where the quality of sales personnel management becomes most immediately visible.



Retailers assess their distributor partners on a relatively consistent set of criteria: product availability, delivery reliability, promotional support, and the quality of the sales representative who visits them. That last point is easy to underestimate. A skilled sales rep – one who understands the retailer’s business, communicates clearly, resolves problems quickly, and brings useful information about consumer trends and upcoming promotions – is a genuine asset to the retailer. A poor one is an inconvenience that erodes the relationship [10].

Johnston and Marshall describe this dimension of sales work as relational competence – the capacity to negotiate, manage conflict, and co-create value with the customer, rather than simply completing a transaction [10]. In the retail context, this means that the best sales representatives are not just order-takers. They actively help retailers manage their category: recommending assortment adjustments, flagging competitive activity, and supporting merchandising execution. This adds real value to the retailer, which strengthens the relationship and, over time, translates into better shelf placement and more reliable ordering patterns.

Managing this interface well requires investment in training – not just product knowledge, but genuine selling and communication skills. It also requires territory design that gives reps enough time at each outlet to have meaningful interactions rather than just transactional ones. And it requires a management system that measures not only sales output but visit quality, outlet satisfaction, and relationship health. These indicators are harder to track than volume, but they are better predictors of where the relationship is heading.

Conclusions. The manufacturer–distributor–retailer–buyer chain is only as strong as its weakest management link. Operational excellence in logistics cannot offset deficient field leadership; a well-structured incentive scheme cannot repair a manufacturer–distributor relationship eroded by mistrust; and even a high-performing sales force cannot recover ground lost when retailers have been chronically



underserved. Sustainable distribution performance requires all three dimensions to be addressed in concert.

Effective management of sales personnel in FMCG distribution requires attending to all three of the dimensions explored in this paper. At the field level, it means applying the right leadership style for the context – structured and feedback-rich when the environment is volatile, developmental and inspirational when conditions allow. In motivation, it means going beyond commission structures to create conditions where intrinsic motivation can develop alongside extrinsic. And in channel relationships, it means investing in trust and commitment with distributor partners, not just managing them to contracted targets.

For Ukrainian FMCG companies, the current wartime environment – characterised by territorial reconfiguration, partner attrition, and workforce disruption – is, paradoxically, a period of strategic differentiation. Organisations that invest in field management capability, deepen distributor partnerships, and build intrinsic motivation within their sales teams under these conditions are accumulating structural advantages that will prove decisive once the external environment stabilises. The evidence from crisis contexts is consistent: the companies that emerge strongest are those with the best-managed people, not simply the widest networks or the strongest products.

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