
**ABSTRACT**

What is sales strategy? How and when does it affect performance? This study attempts to provide answers to these overlooked questions by developing a comprehensive conceptualization of sales strategy and examining its impact on sales force and firm performance. Sales strategy was operationalized as a multidimensional construct consisting of four dimensions, namely customer segmentation, customer prioritization/targeting, developing relationship objectives/selling models, and use of multiple sales channels. Moreover, by drawing on the resource-based view (RBV) of the firm, as well as on industrial organization theory (IOT), the authors test the moderating effects of transformational leadership, customer solution orientation, and demand uncertainty on the sales strategy-performance relationship. Analyses of survey and secondary data from a sample of 170 firms provide evidence that sales strategy is consistently and positively associated with performance while transformational leadership, customer solution orientation, and demand uncertainty were found to exert significant moderating effects on this relationship. The study’s findings have important implications. For marketing researchers, they put forward an empirical operationalization of sales strategy and provide evidence regarding the usefulness of the RBV and IOT perspectives for explaining its performance implications. For managers, the findings show that a well-crafted sales strategy pays off and to get the most out of their sales strategy managers should (a) adopt a transformational leadership approach, (b) assess changes in demand, and (c) assess the degree to which their customers are demanding the provision of solutions.
Keywords: sales strategy; performance; leadership; environment; resource-based view; industrial organization theory