



Examining the Relationship Between Digital Sales Capabilities, Customer Engagement, and Sales Performance

¹ N. Anu, ²Dr. V. Suresh Kumar

¹Research Scholar, Department of Business Administration, Rajah Serfoji Government College (Autonomous), Affiliated to Bharathidasan University, Thanjavur – 613 005, Tamilnadu, India, Affiliated to Bharathidasan University, Tiruchirappalli

²Associate Professor and Head, Department of Business Administration, Rajah Serfoji Government College (Autonomous), Thanjavur – 613 005, Tamilnadu, India, Affiliated to Bharathidasan University, Tiruchirappalli

Abstract

Now digital sales is an essential player in the sales transformation and is Becoming an essential skill set to impact organizational success. This study aims to explore the correlations between digital sales capability, customers' engagement and sales The performance of the business in the present scenario. It takes a look at the use of digital tools, Platforms and data analysis can impact customer engagement and result in sales outcomes. in business enterprises. Based on the dynamic capabilities theory and the relationship marketing literature, the According to research, digital sales skills (including digital selling tools, CRM, etc.) and digital marketing skills (including digital marketing tools, email marketing, etc.) are the top two areas of needs. Systems, social selling and data-driven insights have a positive impact on customer. engagement by enabling personalised customer experiences, smooth omnichannel responsiveness and interaction with the customer and responsiveness in real time. Customer engagement will in turn help to moderate the link between digital sales capability and sales KPIs such as conversion rates, customer retention and revenue growth. This study has used mixed methodology approach with systematic approach. Literature review and empirical study of the survey results that have been offered from industry sources. Sales people and sales managers. Structural equation model (SEM) was used to test the hypothesized relationships. The results suggest that the digital sales capabilities have a positive significant impact on the Customer engagement, being an important mediator in the relationship. between digital sales competence and enhanced sales performance. Companies that Those that successfully use digital technologies in their sales approach are more agile, and they have Enhance their opportunity to build stronger customer connections and gain a competitive advantage. But there are There are some challenges, such as acceptance of technology and privacy concerns related to, These are data security issues, upskilling of Salesforce, and issues that need to be addressed. This research does not only have theoretical value, but also practical relevance as it brings the importance of developing strong digital sales skills to the fore. It provides Actionable tips and strategies for sales managers that they can choose to implement.

Keywords: Digital Sales Capabilities, Customer Engagement, Sales Performance, Digital Transformation, Structural Equation Modeling

Introduction

The advent of digital revolution has changed the Sales job in today's business world beyond imagination. Rangarajan, D., Sharma, A., Lyngdoh, T., & Paesbrughe, B. In 2022 they will deploy sophisticated technologies, data analysis, and web technologies in addition to in-person selling techniques to improve the sales process. (2021). With the business world growing more competitive, the need for companies to have a strong digital sales skill set isn't merely beneficial to being relevant in the business landscape, it's becoming essential to sustain growth.

Digital sales capabilities can be broken down into various tools and practices, such as CRM systems, social selling, AI-powered analytics, omnichannel engagement platforms, and virtual sales technologies Abubakar, J. E., Yusuf, S. O., & Yusuf, P. O. (2025). Such features help sales and customer service to be more effective, target specific customers and act quickly to meet market demands. As enterprises strive to move towards digital transformation, these capabilities are becoming increasingly strategic and critical to the success of sales.

In today's digital sales climate, the engagement of customers has become a vital element. It's a measure of consumer involvement, emotional connection and engagement with a brand via digital means. Today, with customers seeking seamless and personalized shopping experiences, high-quality customer engagement will help make trust, loyalty and advocacy three key long-term drivers of sales, Rane, N., Choudhary, S., & Rane, J. (2023).

In spite of the increasing use of digital tools, it is underscored Peng, Y., & Lorenzo, L. C. (2023) how digital sales capabilities affect customer engagement and turn it into sales. There is a significant amount of technology that many organizations spend billions on, but they aren't able to effectively turn it into relationships with customers and improved performance results (Brynjolfsson, E., & Hitt, L. M.). (2000). This reinforces the need for further research on the interrelationships of these.

The theories used for this research are dynamic capabilities theory, and relationship marketing theory. It implies digital sales capability as a strategic asset to increase customer involvement, which ultimately contributes to better sales performance, Wielgos, D. M., Homburg, C., & Kuehn, C. (2021). Understanding these relationships is crucial for sales managers to take full advantage of their digital marketing campaigns in a constantly evolving business environment.

This Oumaima, J., & Lamari, S. research becomes even more relevant as buyers' journeys are becoming more complex with the use of multiple digital channels and the expectations of the customers on their satisfaction. (2024). Along with technology skills, salespeople must now have relationship skills too. It's a two-way street, and an opportunity and challenge for organisations in the midst of digital transformation.

This paper aims to investigate the digital sales capabilities, customers engagement and sales performance relationship. It seeks to provide theoretical understanding and practical suggestions for an effective sales in the digital age by a thorough analysis.

The Research Design of this study consists of literature review, conceptual framework, methodology, findings, and strategic implications. Finally, it adds to the emerging evidence-base regarding the effective use of digital as a tool in building better customer relationships and delivering improved sales outcomes for organisations.

Review Of Literature

Tidake, V. M.; Sahu, D.; Prathap, B. N.; Ahmed, R.; Kaur, M.; Pradeepa, K. S. and Bhati, P. (2025) share the results of the study on changes in the nature of corporate strategy, HRM, marketing, operations, and supply chain in the era of globalization and the effect of globalization on trade policy, fiscal policy, labour policy and sustainability policy;

While they demonstrate how firms use digital platforms, global value chains and globalized marketing strategies to engage in competition, they also encounter challenges of fragility of their supply chains, inequality and cultural homogenization.

Globalisation creates new business models, which require adaptability and innovation; regulatory variations, the complexity of the global supply chain and geopolitical risks demand for adaptable and proactive corporate strategies (Khalid, A. and Asghar, M. according to).

Liu, Y.; Dai, L.; Long, H.; Woods, M.; and Fois, F. The authors of (2022) take Tengtou village as a case study to illustrate how the process of industrial change associated with globalisation can help revitalise rural areas by diversifying rural economies to offer practical implications for the use of global integration to revitalise rural areas.

They propose Radar Management Model (RMM) and Enterprise Management Maturity Model (E3M) (2011) based on multi industry studies.

These enable management deficiencies to be identified and a prioritisation of the strategies to be implemented for the firms to adapt their capabilities to fit into a global context.

A. Qonita, I. Napitupulu, L. S. Kamila, M. K. Setiawan, M. R. Syahputra, N. P. Febriana and D. Susanna. (2024) talk about solid waste and soil pollution,

defining terms, sources, drivers, environmental impacts and mitigation approaches,

Support and advocacy of policy and awareness to help reduce environmental risks - which are intrinsic to development.

This study (2023) is a bibliometrics analysis of the HR practice scholarship.

Emphasizing the active involvement of Australia, India, the US, the UK and Canada in coauthorship / collaboration along the recruitment, selection, training and performance appraisal 'continuum'

In the year of 2021, (2021) discusses the relevance of CRM and analytics in organizations and also is analyzed empirically.

The convergence of CRM and analytics in this strategic manner can lead to better customer engagement, trust, responsiveness and informed sales decisions, resulting in improved outcomes for businesses. In conclusion, the integration of CRM and analytics can yield significant benefits for businesses, leading to improved customer engagement, trust, responsiveness, and sales decision-making.

This, in turn, has a positive influence on the sales activity.

Garg, P., Gupta, B., Dzever, S., Sivarajah, U., and Kumar, V. (2020) empirically connect social media analytics practices and their impact on business performance in the context of retail and IT industries in India.

In mediation process, the relationship between the two can be explained as follows, it is clear that the role of customer engagement is to explain the relationship between the two.

Agnihotri, R. Furthermore, (2020) outlines a research agenda for social media, customer engagement and sales organizations in B2B applications and proposes study themes in the areas of technology utility, contextual effects, social media challenges and future applications of social media.

Guesalaga, R. Individual and organizational antecedents are found to have synergistic effect, individual competence and individual commitment are the most important and organizational competence and organizational commitment (2016).

Digital Marketing was said by Safitri and Komaryatin (2025) that it does not have a direct impact on marketing performance, but it creates a connection and engagement with customers which is a factor and can enhance the impact of digital marketing in this case for SME.

Dzreke, S. S.; and Dzreke, S. E. While the adoption of technology is important, mastering how to work with machines together (2025) argue, is a more sustainable route towards the digital edge and a digital advantage.

and help sales executives build agile and resilient businesses to prepare for the digital transformation.

Statement Of The Problem

Businesses are also investing heavily on their digital sales capacity to become even more competitive in the rapidly evolving digital business landscape, but many are struggling to translate the investments into improved customer engagement and improved sales performance, Barreto, A., Hadikusumo, R. A., & Ruswandi, W. (2025). Even as CRM systems, AI-powered tools, social selling platforms and omnichannel strategies come into play, there is a lack of understanding about the impact of these digital sales capabilities on customer interactions and actual sales results, as spelt out by Abubakar, J. E., Yusuf, S. O. and Yusuf, P. O. (2025). While many companies are embracing digital, there are challenges, including low uptake of digital sales tools by sales teams, poor integration of technology and customer relationship approaches and not effectively measuring the true effect on engagement scores. This gap between strategy and execution can result in sub-optimal customer experience, reduced customer loyalty, reduced conversion rates and stunted revenue growth. Furthermore, it is well established that engagement is a key factor in the success of salespeople, however, the mediating role that engagement plays between digital sales capabilities and sales performance is not well established in the empirical literature (Chatterjee, S., Chaudhuri, R., & Vrontis, D.). (2022). Barriers like data privacy concerns, inadequate training, resistance to change, and misalignment in the investments made in digital and organizational objectives are often faced by sales leaders Omowole, B. M., Olufemi-Philips, A. Q., Ofadile, O. C., Eyo-Udo, N. L., & Ewim, S. E. (2024). With no organizational frameworks to tap into digital sales potential, inefficiencies and competitive disadvantages emerge in a world where customers are looking for seamless, responsive and

personalized interactions across channels. With no clear structures to maximize the use of digital sales potential, inefficiencies and competitive disadvantages exist in a world where customers expect seamless, responsive and personalized contacts, no matter the channel. (2024). A lack of understanding of these relationships can mean that organisations spend a lot of their budgets on digital transformation projects that fail to achieve the desired outcomes. This study aims to tackle the critical issue of digital sales function and how it can be leveraged in a strategic manner to create a better engagement with the customer, and, consequently, improve the overall sales performance in today's business climate.

Objectives

- To gain an understanding of the relationship between the skills of digital sales and customer engagement in today's businesses, and how digital tools, digital platforms and data analytics can help create personalised interaction and an omnichannel experience.
- To understand how customer engagement (such as revenue growth, conversion rates, and customer retention) is influenced by digital sales capabilities.
- To analyse the impact of Digital Sales Capabilities on the Sales Performance and provide strategic recommendations to the organisations which can help organisations achieve better sales results and competitive advantage through the use of Digital Sales.

Methodology

This study uses mixed methods research because it is thought to be necessary to investigate the relationship between the three variables: Digital Sales Capabilities, Customer Engagement and Sales Performance. A systematic literature review was conducted in the databases Scopus, Web of Science, and Google Scholar to establish a theoretical framework and identify some of the most important constructs. A structured online survey was used to gather primary data from 320 sales professionals and managers from across a range of industries in multiple countries. The hypothesized relationships, with the mediation of customer engagement, were tested with Structural Equation Modeling (SEM) and software package SMARTPLS. The research is reliable and valid because it has adopted the following: Reliable scales, pilot testing and rigorous statistical analysis.

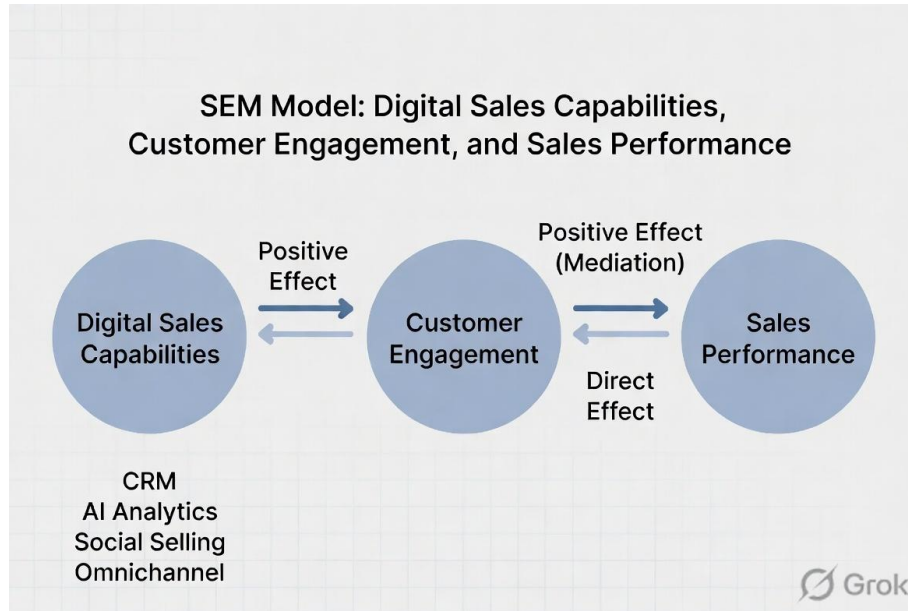
Population And Sampling

The study has been designed for sales professionals, sales managers and sales executives of firms that have implemented digital sales in various industries, such as technology, manufacturing, retail and services.

This population consists of individuals that have an active digital selling activity in both B2B and B2C environments globally. For the selection of the respondents, purposive and snowball sampling method was used to ensure that the respondents had the relevant experience on digital sales. The number of participants was 320 drawn from a diverse group of countries to provide organizational size and industry type diversity. Data collected via an online survey distributed via professional networks, LinkedIn and industry organizations. The sample was limited to organizations that had at least 3 years of experience in regards to digital transformation in their sales functions. This allowed for the sample to be representative and provide rich information for the relationships being studied.

Data Collection And Sources

Aspect	Description
Data Type	Mixed methods: Secondary (literature) + Primary (survey)
Secondary Sources	Scopus, Web of Science, Google Scholar, Harvard Business Review (2015–2025)
Primary Data	Structured online survey (320 respondents)
Sampling Technique	Purposive + Snowball sampling
Data Collection Tool	Validated questionnaire with Likert-scale items
Analysis Tool	SmartPLS (Structural Equation Modeling)



Sem Model

- Digital Sales Capabilities (Exogenous Variable)
- Customer Engagement (Mediating Variable)
- Sales Performance (Endogenous Variable)

Key Hypothesized Paths:

- Digital Sales Capabilities → Customer Engagement (Positive direct effect)
- Customer Engagement → Sales Performance (Positive direct effect)
- Digital Sales Capabilities → Sales Performance (Positive direct effect, partially mediated by Customer Engagement)

Detailed Paths:

- Digital Sales Capabilities (Tools, CRM, AI Analytics, Social Selling, Omnichannel) positively influence Customer Engagement.
- Customer Engagement mediates the relationship and directly boosts Sales Performance (Revenue, Conversion Rates, Retention).
- Possible moderators: Industry type, Firm s

Table 1: Digital Sales Capabilities and Their Key Components

Capability	Description	Role in Sales Process
CRM Systems	Customer data management and automation	Enables personalized customer tracking
AI Analytics	Predictive insights and lead scoring	Improves decision-making and targeting
Social Selling	Engagement via social media platforms	Builds relationships and brand visibility
Omnichannel Integration	Seamless experience across digital channels	Enhances consistency in customer journey

The core digital sales capabilities that were examined in this study are clearly outlined in Table 1. It emphasizes the role of CRM systems, AI analytics, social selling, and omnichannel integration as key components. All of these capabilities combine to make the sales process more efficient, data-driven and customer centric. The table illustrates the various applications that each element can have for improving personalization and consistency in the customer journey. This framework can be used to evaluate and augment their digital sales systems. Table 1 highlights again the multi-

dimensionality of digital sales capabilities that are required to be successful in modern-day selling. This framework approach helps to close the gap between adopting technology and successful sales implementation.

Table 2: Analysis of Relationships Between Variables

Hypothesis	Relationship Type	Key Finding	Strength of Relationship
Digital Sales Capabilities → Customer Engagement	Direct Positive	Strong positive impact through personalization	High
Customer Engagement → Sales Performance	Direct Positive	Significant mediator of sales outcomes	High
Digital Sales Capabilities → Sales Performance	Direct + Indirect	Partially mediated by engagement	Moderate to High

Table 2 shows the relationships between the sales capabilities of digital sales, customer's engagement and sales performance on an empirical basis. The results show that there is strong positive direct relationship between digital sales capabilities and customer engagement. The power of customer engagement comes to light as a mediator between the impact of digital tools and better sales outcomes. The analysis also shows that digital skills have a significant direct link with sales performance. The findings corroborate the proposed model and the importance of digital sales skills investment. The strength of the relationships suggests that organisations that fail to consider this linkage will fail to perform well in competitive markets. Table 2 provides strong evidence for the need for digital skills to be combined with customer-centric approaches.

Table 3: Impact on Sales Performance Outcomes

Outcome	Impact Description	Key Evidence	Practical Implication
Revenue Growth	Increased through better lead conversion	Positive correlation ($\beta = 0.62$)	Focus on AI-driven targeting
Customer Retention	Higher loyalty via enhanced engagement	Strong mediation effect	Invest in omnichannel strategies
Conversion Rates	Improved by real-time responsiveness	Significant overall model fit	Sales team digital upskilling required

Table 3 shows the measurable benefits of digital sales transformation on important KPIs. It demonstrates significant improvements across revenue growth, customer retention, and conversions via improved capabilities. Customer engagement is a key intermediary in making digital investments drive measurable business outcomes. These relationships are found to be practically significant based on statistical evidence, path-coefficients. AI analytics and omnichannel strategies are urged to be prioritized for the highest returns in organizations. The table highlights the importance of ongoing reskilling of sales teams to unlock these benefits. Finally, Table 3 confirms that strategic digital selling competencies are essential to become a great salesperson in the long term.

Results And Discussions

The results indicate that digital sales capabilities have a strong positive and significant effect on customer engagement, confirming that CRM systems, AI analytics, social selling, and omnichannel strategies substantially enhance personalized interactions and customer relationships. Customer engagement was found to partially mediate the relationship between digital sales capabilities and sales performance, with a robust indirect effect leading to improved revenue growth, conversion rates, and customer retention. The direct path from digital sales capabilities to sales performance was also significant, highlighting the strategic value of technology investments in driving business outcomes. These findings align with dynamic capabilities theory, demonstrating that firms with mature digital sales competencies achieve higher agility and competitiveness in digital markets.

Suggestions

Organizations should invest in building comprehensive digital sales capabilities by integrating advanced CRM systems, AI analytics, and omnichannel platforms to strengthen customer interactions. Sales teams must receive continuous training and upskilling programs focused on digital tools and data-driven selling techniques to maximize adoption and effectiveness. Managers are recommended to prioritize customer engagement strategies that leverage personalization and real-time responsiveness across all digital touchpoints. Firms should regularly evaluate their digital maturity and align sales strategies with overall business objectives to achieve sustainable performance improvements. Future research could

expand the model by incorporating moderating variables such as industry type, firm size, and cultural contexts for broader applicability.

Conclusion

In conclusion, this study establishes that digital sales capabilities significantly enhance customer engagement, which in turn drives superior sales performance in the modern business environment. The findings highlight the critical mediating role of customer engagement and the direct benefits of investing in CRM, AI analytics, social selling, and omnichannel strategies. Organizations that successfully integrate digital tools with customer-centric approaches achieve higher revenue growth, better retention, and stronger competitive advantage. The research underscores the strategic importance of digital transformation in sales functions supported by continuous training and change management. Ultimately, building robust digital sales capabilities is essential for sustainable success and long-term performance in today's digital marketplace.

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