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IMPROVING MOTIVATION OF KEY CUSTOMER DEVELOPMENT STAFF IN ON-SITE CONSUMPTION CHANNEL AT SUNTORY PEPSICO VIETNAM BEVERAGE COMPANY LIMITED

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ABSTRACT
In the context of increasing competition in the fast-moving consumer goods (FMCG) industry in Vietnam, employee motivation plays a critical role in driving organizational performance. This study investigates the key factors influencing the motivation of Key Customer Development (KCD) staff in the On-Premise sales channel at Suntory Pepsico Vietnam Beverage Company Limited (SPVB). Using a mixed-methods approach, the research identifies seven main factors significantly affecting employee motivation, including Training & Development, Compensation & Benefits, Recognition, Leadership Trust, Peer Relationships, Job Nature & Working Conditions, and Work Spirit. The study proposes strategic management implications aimed at enhancing employee motivation and retention in the On-Premise KCD team, thereby contributing to business sustainability and market competitiveness.

Keywords:
Employee Motivation; On-Premise Sales; Key Account Management; Human Resource Strategy; Suntory Pepsico Vietnam; FMCG Sector.

1. INTRODUCTION

In today's fast-changing and competitive business environment, particularly within the fast-moving consumer goods (FMCG) sector, human resources have emerged as a decisive factor in determining organizational success. While technology and capital remain critical inputs, it is the engagement, motivation, and competence of employees that drive sustainable performance, innovation, and customer satisfaction. Therefore, understanding what motivates employees and how to effectively manage and enhance their motivation has become a top priority for business leaders and human resource professionals alike.

Suntory Pepsico Vietnam Beverage Company Limited (SPVB), a joint venture between two global beverage giants – PepsiCo Inc. (USA) and Suntory Holdings Limited (Japan), is one of the leading non-alcoholic beverage companies in Vietnam. With over 3,000 employees and a nationwide distribution network, SPVB has continuously topped industry rankings, supported by a portfolio of 13 popular beverage brands including Pepsi, 7UP, Mirinda, Sting, Aquafina, Revive, Tea+, and others. The company has consistently achieved over $1 billion USD in annual revenue and aims to reach $2 billion USD by 2027. Among SPVB's diverse sales channels, the On-Premise consumption channel plays a strategically important role. This channel covers high-value clients such as restaurants, hotels, cafes, cinemas, stadiums, and other venues where beverages are consumed directly on-site. Although this channel accounts for only 9% of total revenue, it significantly contributes to brand exposure, consumer experience, and the implementation of marketing strategies. Within this channel, the Key Customer Development (KCD) staff serve as the primary link between the company and its major customers. Their role involves building strong customer relationships, ensuring service excellence, identifying new opportunities, and sustaining long-term client engagement.

Despite the strategic importance of the On-Premise KCD team, SPVB has been facing increasing challenges in recent years. A major concern is the rising employee turnover rate among this group – from 15% in 2020 to 25% in 2022 – which has led to escalating recruitment and training costs and disrupted continuity in client relationships. High employee turnover not only affects customer satisfaction and loyalty but also undermines team stability, operational efficiency, and knowledge retention. The underlying causes of this issue are multifaceted. The On-Premise KCD role is demanding and dynamic, requiring continuous learning, adaptability, and emotional intelligence. Employees are under pressure to meet sales targets, tailor strategies to each client, and stay ahead of competitors in a rapidly evolving market. Given the scarcity of experienced talent in this niche area, the loss of trained employees often results in a long replacement cycle and reduced service quality. To

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address these challenges, it is crucial for SPVB's management to gain a deep understanding of the factors that influence the work motivation of KCD staff in the On-Premise channel. Motivation is not merely about monetary incentives; it involves a complex interplay of intrinsic and extrinsic factors including career development, recognition, leadership, work conditions, peer relationships, and personal fulfillment. This study aims to identify the key factors affecting employee motivation within the On-Premise KCD team and propose practical, evidence-based recommendations for improving motivational practices and workforce retention. By doing so, SPVB can build a more stable, engaged, and high-performing sales team capable of supporting the company's long-term growth and market leadership. The research findings are expected to contribute not only to SPVB's internal HRM practices but also to the broader body of knowledge on salesforce motivation in the FMCG sector. In the context of Vietnam's rapid economic growth and evolving labor market, these insights may also serve as a reference for other companies seeking to optimize talent management in critical customer-facing roles.

2. LITERATURE REVIEW
2.1. Concept of Work Motivation
Work motivation refers to the internal and external forces that initiate, direct, and sustain behavior toward the achievement of a goal. In the organizational context, it determines the willingness of employees to exert high levels of effort and persistence to accomplish work-related tasks. According to Robbins (1988), motivation is "the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need." Herzberg (1959) emphasizes the psychological desire and voluntary effort of employees to improve job performance.

2.2. Theories of Work Motivation
To understand the mechanisms behind employee motivation, this study draws upon various psychological and organizational behavior theories:

2.2.1. Maslow's Hierarchy of Needs
Abraham Maslow (1943) proposed that human needs are arranged in a five-tier pyramid: physiological, safety, social, esteem, and self-actualization. Lower-level needs must be satisfied before higher-level needs become motivational drivers. For organizations, this means employees must first have job security and a safe work environment before being motivated by social recognition or opportunities for personal growth.

Figure 1. Maslow's Hierarchy of Needs

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2.2.2. Self-Determination Theory (SDT) – Deci and Ryan (2000)
SDT identifies three fundamental psychological needs that foster motivation:
- Autonomy: The need to feel in control of one's own behaviors and goals.
- Competence: The need to gain mastery and effectively navigate one's environment.
- Relatedness: The need to feel connected with others.

When these needs are fulfilled, employees are more likely to be intrinsically motivated, resulting in better performance and higher job satisfaction.

2.2.3. Ouchi's Theory Z
Developed by William Ouchi, Theory Z integrates Western and Japanese management practices, highlighting trust, loyalty, and long-term employment. It emphasizes holistic concern for employees and encourages participative decision-making and long-term career development. This theory aligns closely with the needs of On-Premise KCD staff, whose performance relies heavily on trust-based relationships with clients and colleagues.

2.2.4. Vroom's Expectancy Theory (1964)
Victor Vroom's theory suggests that motivation is a function of three variables:
- Expectancy (E): Belief that effort leads to performance.
- Instrumentality (I): Belief that performance leads to rewards.
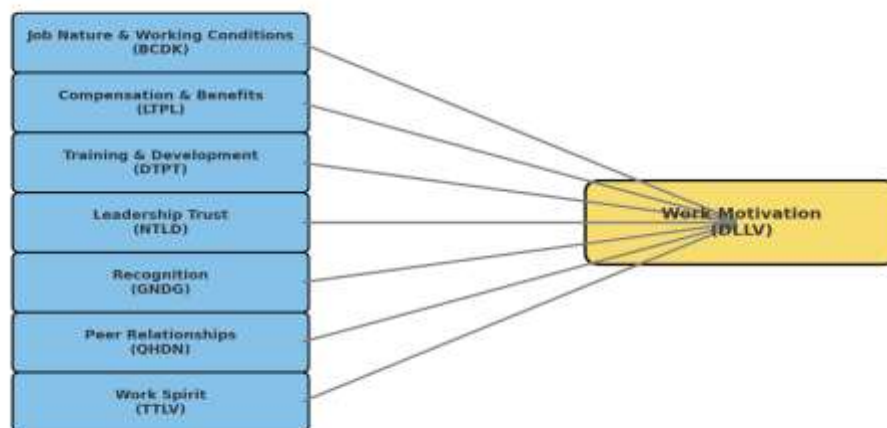- Valence (V): The value of the rewards to the individual.

The formula Motivation $= E \times I \times V$ implies that all three elements must be positive to generate motivation. This model is particularly relevant to sales positions, where goal setting, performance metrics, and rewards are highly transparent.

3. PROPOSED RESEARCH MODEL AND RESEARCH METHODOLOGY
3.1. Proposed Research Model
Based on the theoretical framework and literature review, this study proposes a model encompassing seven factors expected to positively influence work motivation of KCD staff in the On-Premise channel
- Training and Development (DTPT) – Opportunities to grow professionally and acquire new skills.
- Compensation and Benefits (LTPL) – Competitive salary, bonuses, and welfare policies.
- Recognition (GNDG) – Being acknowledged for individual contributions to organizational success.
- Leadership Trust (NTLD) – Confidence in leadership decisions and fairness.
- Peer Relationships (QHDN) – Quality of collaboration and support among colleagues.
- Job Nature and Working Conditions (BCDK) – Clarity of role, autonomy, and physical work environment.
- Work Spirit (TTLV) – Positive mindset, engagement, and emotional resilience at work.

Proposed Research Model – Visual Diagram with Abbreviations

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3.2. Research Methodology

This study adopted a mixed-methods approach, combining qualitative and quantitative techniques to ensure comprehensive insights into the motivation of Key Customer Development (KCD) staff in the On-Premise channel at Suntory Pepsico Vietnam. In the qualitative phase, in-depth interviews with 10 experienced employees and managers were conducted to refine the research model and questionnaire items. The subsequent quantitative phase involved distributing a structured questionnaire to 377 KCD staff using a 5-point Likert scale to measure the influence of seven key factors on work motivation. Data were analyzed using SPSS 20.0, with techniques including descriptive statistics, Cronbach's Alpha reliability testing, exploratory factor analysis (EFA), Pearson correlation, and multiple linear regression. The study used convenience sampling, ensured respondent confidentiality, and maintained ethical standards throughout the research process.

4. RESEARCH RESULTS AND DISCUSSION

4.1. Reliability and Validity

The reliability of each measurement scale was assessed using Cronbach's Alpha. All constructs exceeded the threshold of 0.7, confirming internal consistency. Exploratory Factor Analysis (EFA) also affirmed the validity of the model, with KMO = 0.842 and Bartlett's Test of Sphericity being statistically significant ($p < 0.001$). Seven distinct factors were extracted, aligning with the theoretical model and explaining 63.2% of the total variance, thereby validating the factor structure for subsequent regression analysis.

4.2. Descriptive Statistics

Descriptive statistics provided insights into how employees perceived each motivational factor. As shown in Table 1, the variables with the highest average scores were Work Spirit (TTLV) with a mean of 4.12, followed by Leadership Trust (NTLD) at 4.02 and Peer Relationships (QHDN) at 3.89. These findings suggest that emotional and interpersonal factors are strongly appreciated by KCD staff. Conversely, Compensation & Benefits (LTPL) and Recognition (GNDG) received relatively lower mean scores, at 3.58 and 3.61 respectively, indicating room for improvement in extrinsic motivators.

Table 1. Descriptive Statistics of Independent Variables

Variable	Mean Score
Work Spirit (TTLV)	4.12
Leadership Trust (NTLD)	4.02
Peer Relationships (QHDN)	3.89
Training & Development (DTPT)	3.84
Job Nature & Working Conditions (BCDK)	3.68
Recognition (GNDG)	3.61
Compensation & Benefits (LTPL)	3.58

(Source: Calculated results from SPSS 22.0 statistical software)

4.3. Correlation and Regression Analysis

Pearson correlation analysis revealed significant and positive correlations between all independent variables and the dependent variable Work Motivation (DLLV). The strongest correlations were observed between TTLV ($r = 0.671$), NTLD ($r = 0.632$), and DTPT ($r = 0.598$).

To test the influence of each factor on employee motivation, a multiple linear regression analysis was conducted. The model was statistically significant ($F = 49.671$, $p < 0.001$) and explained 63.7% of the variance in motivation ($R^2 = 0.637$). The regression results are presented in Table 2.

Table 2. Multiple Regression Analysis Results

Variable	Standardized Beta (β)	p-value
Work Spirit (TTLV)	0.269	0.000
Leadership Trust (NTLD)	0.241	0.000
Training & Development (DTPT)	0.187	0.000
Recognition (GNDG)	0.176	0.000
Compensation & Benefits (LTPL)	0.154	0.001
Peer Relationships (QHDN)	0.091	0.071
Job Nature & Working Conditions	0.072	0.096

(Source: Calculated results from SPSS 22.0 statistical software)

These results indicate that five out of the seven independent variables had a statistically significant influence on work motivation at the 95% confidence level. Among them, Work Spirit (TTLV) had the strongest impact, followed by Leadership Trust (NTLD) and Training & Development (DTPT). Although Peer Relationships (QHDN) and Job Nature & Working Conditions (BCDK) showed positive coefficients, their influence was not statistically significant ($p > 0.05$).

4.4. Regression Model and Related Diagnostic Tests

After confirming that the independent variables BCDK, LTPL, DTPT, NTLD, GNDG, QHDN, and TTLV are positively correlated with Work Motivation (DLLV), a multiple regression analysis was conducted to examine the extent of their influence. This involved evaluating the regression model results and conducting relevant statistical diagnostics, including tests of regression coefficients, model fit, multicollinearity, autocorrelation, heteroskedasticity, and research hypothesis validation.

The proposed multiple regression model measuring the factors influencing employee motivation was specified as follows:

$DLLV = \beta_0 + \beta_1 \times BCDK + \beta_2 \times LTPL + \beta_3 \times DTPT + \beta_4 \times NTLD + \beta_5 \times GNDG + \beta_6 \times QHDN + \beta_7 \times TTLV + \varepsilon_i$

The summary of regression results is presented in Table 3.

Table 3. Summary of Regression Model Results

Variable	Unstandardized Coefficient (B)	Std. Error	Standardized Coefficient (β)	t	Sig.	Tolerance	VIF
Constant	-1.027	0.196		-5.239	0.000		
Job Nature & Working Conditions (BCDK)	0.145	0.039	0.134	3.740	0.000	0.794	1.260
Compensation & Benefits (LTPL)	0.182	0.029	0.236	6.382	0.000	0.750	1.334
Training & Development (DTPT)	0.204	0.025	0.284	8.210	0.000	0.854	1.171
Leadership Trust (NTLD)	0.238	0.043	0.203	5.550	0.000	0.762	1.313
Recognition (GNDG)	0.233	0.037	0.223	6.279	0.000	0.808	1.238
Peer Relationships (QHDN)	0.160	0.037	0.145	4.295	0.000	0.892	1.121
Work Spirit (TTLV)	0.091	0.030	0.118	3.053	0.002	0.690	1.450

(Source: Calculated results from SPSS 22.0 statistical software)

Based on the standardized coefficients (β) and omitting the error term for simplification, the regression model can be rewritten as:

DLLV = 0.134xBCDK + 0.236xLTPL + 0.284xDTPT + 0.203xNTLD + 0.223xGNDG + 0.145xQHDN + 0.118xTTLV

All independent variables have positive coefficients, indicating that they positively influence Work Motivation. Additionally, the significance levels (Sig.) for each variable are below the 5% threshold, confirming that the effects of BCDK, LTPL, DTPT, NTLD, GNDG, QHDN, and TTLV on DLLV are statistically significant and positive.

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5. CONCLUSION AND MANAGERIAL IMPLICATIONS

5.1. Conclusion

This study investigated the factors influencing the work motivation of Key Customer Development (KCD) staff in the On-Premise channel at Suntory Pepsico Vietnam Beverage Company Limited (SPVB). Using a mixed-methods approach, the research identified seven key factors: Job Nature & Working Conditions (BCDK), Compensation & Benefits (LTPL), Training & Development (DTPT), Leadership Trust (NTLD), Recognition (GNDG), Peer Relationships (QHDN), and Work Spirit (TTLV). The results of the multiple regression analysis confirmed that all these variables had a positive effect on employee motivation, with five of them—DTPT, LTPL, NTLD, GNDG, and TTLV—having statistically significant impacts.

Among these, Training & Development and Work Spirit emerged as the strongest predictors of motivation, underscoring the importance of investing in human capital and nurturing emotional engagement in the workplace. These findings align with modern motivational theories that emphasize both intrinsic and extrinsic motivators. The final regression model demonstrated strong explanatory power ($R^2 = 0.637$), offering a reliable foundation for strategic HR interventions at SPVB and potentially other firms in the FMCG sector.

5.2. Managerial Implications

The findings of this study provide important managerial implications for Suntory Pepsico Vietnam Beverage Company Limited (SPVB) in its efforts to improve employee motivation, particularly within the On-Premise Key Customer Development (KCD) team—a segment that directly influences brand presence and revenue sustainability through client-facing engagements in restaurants, cafés, hotels, and entertainment venues.

First and foremost, the significant impact of Training and Development (DTPT) suggests that employees highly value opportunities for growth, learning, and advancement. Therefore, SPVB should design personalized training roadmaps aligned with individual career aspirations. This includes not only product knowledge and sales skills but also soft skills such as negotiation, communication, and relationship management. The company should also institutionalize mentorship programs, leadership pipelines, and clear promotion criteria to cultivate a sense of upward mobility and long-term career planning.

Second, the study reaffirms that while Compensation and Benefits (LTPL) may not be the strongest motivator on their own, they remain essential to employee retention and satisfaction. SPVB should ensure its remuneration policies are market-competitive, transparent, and tied to performance. In addition to basic salary and sales incentives, it is important to expand benefit offerings such as wellness support, insurance, leave policies, and recognition-based bonuses. A periodic review of compensation structures, with input from employees and benchmarking data, can strengthen the perception of fairness and appreciation.

Third, the role of Leadership Trust (NTLD) as a critical motivational factor emphasizes the importance of leadership style and integrity. Leaders at all levels must demonstrate consistency between words and actions, involve staff in decision-making, and provide regular feedback and encouragement. SPVB should train its managers in transformational leadership practices, focusing on empathy, active listening, and employee empowerment. Leadership transparency in communication, particularly in times of change or pressure, will help reinforce trust and employee morale.

Fourth, Recognition (GNDG) emerged as a strong positive influence on motivation. Beyond monetary rewards, SPVB should cultivate a culture of appreciation through both formal and informal recognition mechanisms. This may include "Employee of the Month" programs, peer-nominated awards, public acknowledgements during team meetings, personalized thank-you notes from leaders, or symbolic rewards tied to individual or team contributions. Recognition should be timely, specific, and aligned with company values to be truly effective.

Fifth, Work Spirit (TTLV)—defined by emotional readiness, engagement, and enthusiasm—proved to be the strongest factor influencing motivation. In high-pressure environments like sales, fostering a healthy work spirit is essential. SPVB can do so by promoting work-life balance, offering psychological support services, reducing unnecessary administrative burdens, and organizing social activities and team retreats to maintain morale. Managers should be encouraged to monitor emotional well-being within their teams and proactively address signs of burnout or disengagement.

Although Peer Relationships (QHDN) and Job Nature & Working Conditions (BCDK) were not statistically significant in the regression model, they remain important in creating a cohesive and satisfying work environment. SPVB should continue to facilitate collaboration, mutual support, and open communication among team members. Clear job descriptions, autonomy in execution, and fair workload distribution can further enhance the employee experience.

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In sum, motivation is multifaceted and requires an integrated management approach. SPVB's HR strategies should balance both extrinsic incentives (salary, benefits, recognition) and intrinsic motivators (development, trust, emotional engagement) to sustain high performance. Moreover, since the On-Premise KCD role is both demanding and strategically valuable, it is imperative that employee motivation be treated as a long-term investment rather than a short-term HR function. By addressing the needs and aspirations of its employees holistically, SPVB can build a resilient, motivated, and loyal workforce that drives continued growth and customer satisfaction.

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