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Personal Selling As A Means of Increasing Performance of Service Providers in Akure Metropolis, Nigeria

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Abstract

The study investigated personal selling as a mean of increasing performance of service providers in Akure Metropolis. A descriptive survey research design was adopted for the study. Seventy (70) respondents were sampled using random sampling. Primary data used for the study were gathered through the administration of structured questionnaire. Data gathered were analyzed using Pearson product moment correlation and linear regression analysis. The correlation result showed that personal selling significantly affects sales efficiency. Furthermore, the regression result showed that personal selling significantly affects customer relationship. Thus, in conclusion, it was found that personal selling significantly and positively related to performance of service providers in Akure Metropolis.

Keyword: Personal Selling, Performance, Sales Efficiency, Customer Relationship

1. Introduction

The feature of every business is to identify and satisfy customers need, maximize profit, possess competitive advantage and remain relevant in the marketplace (Anyadighibe, Awara & Esu, 2014). This can only be accomplished through the adoption of personal selling in a firm's operations. However, customers are seen and treated like king in recent time due to their influence on the performance of marketing organisations. Gone are the days when marketing firm operate from the marketing mix context but modern time performance are dictated through customers. Personal selling plays a crucial role in creating direct contacts or interactions between customers and sellers or producers as well as enhancing firm's productivity. Productivity depicts the act of enhancing customer relationship, customer retention and increase in sales volume of a

firm. Therefore, personal selling is a process of assisting and persuading a prospective buyer to buy a product in face-to-face situation. It also involves direct and personal contact between the seller and the prospective customers. Personal selling enhances quick customer response, but it is quite time consuming and most expensive of all the promotional mix elements (Gupta & Khanta, 2003).

It is not enough for a business to have good products attached with affordable prices without communicating the product to customers. To generate sales and profits, the benefits of products have to be communicated to customer which is commonly known as “promotion” in marketing. However promotion is not only conducted for these factors but for other factors such as building brand loyalty, to remind and reassure costumers, to launch a new product and to defend market share by responding to competitors’ campaigns with their own means of promoting their product (Kotler, 2013). The organization has to convey the message about the product to its consumers. This helps in sustaining a perennial demand for the product and in suitable positioning among the target audience (Adebesei, 2006). It becomes very important for organisations to carry out personal selling on every product in order to attract customer’s attention in the market. The main reason for organization’s personal selling strategy is to bring existing and potential customers to a state of relative awareness of the organization’s product and to a state of adoption (Murithi, 2015). A well produced product through modern technology cannot sell itself but it is necessary to make such product known to the target market and customers. Therefore, a good or service should respond favourably to the marketing mix which tends to result to the full performance of such product in the market. However, one of the most important elements of marketing mix is promotion, otherwise known as marketing communication.

Promotion brings the existence of product to the awareness of consumers which further educates potential and actual buyer on product usage, benefits, availability, price and other product features (Olumoko, Abass & Dansu, 2012). The efforts of the organization’s in the study of marketing are based on drawing the strategic marketing elements mixture comprising product, pricing, promotion and distribution. Organisation can never succeed unless they succeed in reaching consumers through the provision of products in good time and place and in choosing the sales force capable of dealing with consumers and responding to their needs and desires in the light of the increasing number of shops, diversity of products, dramatically increasing demand, and the increasing volume of displayed commodities. All these contribute to the complexity in the work of employees in personal sales and exert a lot of pressure on them (Anyadighibe, Awara & Esu, 2014). One of the problems of personal selling is the cost implication of the process. However, the cost of recruiting more hands or putting personal selling in place is high or expensive. The complexity of the adopted promotional means is also stressful, demanding and bears serious implications on organisational profitability if not well planned. Based on this, ho would personal selling affect performance in terms of sales volume, profitability and market share to gain competitive advantage. Therefore, this study investigated the nexus between personal selling and performance of service providers in Akure Metropolis in the Nigerian Context.

Research Objectives

The specific objectives are to:

- i. determine the relationship between personal selling and sales efficiency
- ii. ascertain the effect of personal selling on customer relationship

Research Hypotheses

The following null hypotheses were considered

- i. there is no significant relationship between personal selling and sales efficiency
- ii. personal selling has no significant effect on customer relationship

2. Literature Review

Promotional strategies are employed by product manufacturers as a means of getting consumers to take a specific action such as product purchasing. Promotional strategies are typically short-term in nature which is put in place to get consumers to act quickly before the promotion expires. Promotion has been defined as the coordination of all seller initiated efforts to set up channels of information and persuasion in order to sell goods and promote an idea. Implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the market. The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix (Raj, 2015).

Personal selling involves person-to-person, face-to-face, oral, and interpersonal or telephone dialogue with the prospective buyer with the aim of improving sales. According to Kotler (2000), personal selling is an oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. Spiro, Stanton and Rich (2003) describe personal selling as a person-to-person dialogue between a buyer and a seller where the purpose of the interaction is to persuade the buyer to accept a point of view or to take a specific course of action. Personal selling is seen as an interpersonal, oral interaction or direct personal communication between the seller and a prospective buyer of goods, services or ideas. It involves direct human contact between a person and another person or between a person and an audience (Nebo, 2016). Kotler (2013) asserted that personal selling is a useful vehicle for communicating with present and potential buyers. Personal selling involves the double way flow of communication between a buyer and seller often in face to face encounter designed to influence a person's or group's purchase decision. However, with advances in technology, personal selling also takes place over the telephone, through video conferencing and interactive computer links between buyer and seller though personal selling remains a highly human intensive activity despite the use of technology.

Service providers refer to the telecommunication firms in Nigeria which are MTN, Glo, Airtel and others to mention but few. These firms provide similar services on information and communication. The sector is one of the most competitive sectors in Nigeria which needs to increase market share, sales volume, increase profitability and retain customers to compete favourably and improve performance of their services. Personal selling has been the major techniques adopted by telecommunication firms or service providers in Nigeria. Most of these companies embark on personal selling through massive recruitment of contract staff to sell their product like Sim packs, recharge card, phones, sim registration and others. Most of these products are done through the help of DJs or sound system and dancers to capture the attention of people in that location and persuade them to buy. People are mostly attracted by the jingles adopted and people passing by tend to watch for few minutes and may be convinced to buy such product if well programmed in a strategic location or positions. Though, most personal selling goes with discount and enables sales force to gather raw and genuine information from customers.

2.1 Performance

Kotler (1997) defined product performance as the added value attributed to products and services. This added value may be shown in the way customers consider, feel and act with respect

to a particular product as well as in the prices, market share and profitability that it commands for the company. Brand performance is a concept of particular relevance to companies (Aaker, 1991). Product performance refers to the added value of a product to a company (Kotler, 1997). Brand performance now plays a significant role and is accepted as generating and sustaining business growth (Prasad & Dev, 2000). Having a strong brand not only helps a company to differentiate itself from its competitors but also creates positive communication suitable to satisfy and convince customers (Aaker, 1991). The function of a product is not only to enhance the value of a product beyond its functional purpose but it is also related to trust, loyalty, perceived quality and brand awareness (Caroline. 2016). In view of this, performance in the study context is sales volume, profitability and market share.

2.2 Conceptual Framework

The model depicted the relationship between personal selling and performance. However, from the context of this study, performance was seen from the dimension of sales volume or efficiency and customer relationship. Therefore, the study unveils the nexus between personal selling and the performance of service providers through their relationship and sales efficiency and has these variables have positively affected performance in terms of revenue generation, market share and retaining customers in the face of intense competition.

Source: Author's Conceptualisation, 2021

Figure 2.1: Relationship between Personal Selling and Performance

3. Methodology

This study was carried out in Akure Metropolis. Both Akure North and Akure South were covered. The research design adopted in this study was descriptive survey research design. The data to be used for this study was gathered through the primary source of data collection mainly structured questionnaire. However, Staff working in Airtel office in Akure metropolis constituted the study sample size. However, only the full time staff was considered. Therefore, seventy (70) respondents was randomly sampled in total considering both Akure South and Akure North. For the purpose of this study, inferential statistic and descriptive was employed. The data generated through questionnaire was analyzed using both correlation and multiple regression analysis for the stated objectives.

Therefore, the regression line is stated below:

$$Y = b_0 + b_1X_1 + U_i$$

Performance = (Sales Efficiency, Customer Relationship) Dependent variable

$$\text{Perf} = F'(\text{PSL})$$

$$\text{SE} = 2\sigma + \text{PSL}$$

$$\text{CR} = 2\sigma + \text{PSL}$$

PSL = Personal Selling

B0= Intercept/ Constant

Ui= Error Term

4. Data Analysis and Presentation

Questionnaires were administered seventy (70) respondents in Akure metropolis which is the state capital where the head office resides. The questionnaires were filled and returned for data analysis. The respondent's demographic information considers the year of experience, gender and level of management. Thus the data retrieves was analysed based on objectives through Pearson product moment correlation and linear regression from which F statistic was used to test the study hypothesis.

4.1 Relationship between Personal Selling and Sales Efficiency

The study employed correlation in analysing this part. Therefore, Personal selling was subjected to Pearson Product Moment Correlation (PPMC) to test the relationship between the two variables (Personal selling and sales efficiency).

Table 1: Correlation between Personal Selling and Sales Efficiency

Variables		P-value
Personal Selling	1.607	.000

Source: Author's Field Survey, (2021)

Table 1 showed the relationship existing between personal selling and sales efficiency. The correlation coefficient value of personal selling is 0.607 which showed a positive and strong relationship between personal selling variables and sales efficiency. This relationship has been found to be significant at $p < 0.05$. The p-value is shown in the sig (2-tailed) row. Thus the study reject null hypothesis and therefore accept the alternate hypothesis. The result implied that there is significant relationship between personal selling and sales efficiency using Pearson Product Moment Correlation.

4.2 Effect of Personal Selling on Customer Relationship

The effect of personal selling on performance was subjected to linear regression and tested the hypothesis using F-Statistic.

Table 2: Effect of Personal Selling on Customer Relationship

Variables	Beta	T-Statics	P-value
Constant	1.864	3.080	.000
Personal Selling	.748	7.078	.000
R	.649*		
R ²	.421*		
R ²	.412*		
F*	50.092		

Source: Author's Field Survey, (2021)

Table 2 revealed that the regression co-efficient of personal selling and on customer relationship showed a positive figure of 0.649, this indicated that personal selling has a strong positive effect on customer relationship. The co-efficient of multiple determinant (R^2) with a co-efficient of 0.421 showed that the personal selling can explain 42.1% of the behaviour of customer relationship while the remaining 57.9% can be explained by the stochastic variable. The adjusted R^2 further confirms the result of the R^2 with a co-efficient of 0.412, which showed 41.2% of personal selling on the behaviour of customer relationship after adjustment while the remaining 58.8% is explained by the error term. From the table it can be deduced that the T-value, The co-efficient of personal selling is given as 0.748, this showed that the personal selling has a positive significant effect on customer relationship and therefore implies that an increase in personal selling will result to 74.8% increases in customer relationship. F statistic was adopted to test the study hypothesis thus showed a significance value of 50.092, this implied that alternate hypothesis should be accepted and rejected otherwise. Hence personal selling has a positive and significant effect on performance.

4.3 Discussion of the Findings

The data retrieved from the respondents was analysed via Pearson product moment correlation and linear regression analysis. The study hypothesis was tested through F-statistic and the correlation value depicted that there is significant relationship between personal selling and sales efficiency. Furthermore, the regression found that personal selling significantly affect customer relationship of service providers in Akure metropolis. However, both analytical tools revealed strong significant values of explanatory variable on performance thus implied that performance can be enhanced and improved through personal selling in the telecommunication sector.

5. Conclusion

The study found that there is significant relationship between personal selling and sales efficiency as revealed through the correlation and that personal selling significantly affect customer relationship as revealed by the linear regression and all were found positive at 0.05 level of significance. Sales efficiency and customer relationship were used to proxy performance in this study. Alternate hypothesis was accepted and rejected otherwise. Hence, concluded that personal selling is positively related to performance of service providers in Akure metropolis.

5.1 Recommendations

Personal selling was found positive and significant on sales efficiency thus it is recommended that service provider's management should prioritize and encourage personal selling in order to increase sales volume and increase market share among competitors. Also, relationship with customers is very significant and also remains a success key factor that improves organisational performance. Therefore, it is recommended that service provider management should ensure to build large customer base to improve performance of the business. The adoption of personal selling brings a product or services closer to customer and enables customers to express their mind on such product thus help to attract more customers and retain the existing ones and more importantly boost organisational profitability.

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