

Professional Paper

UDK: 658.8

Paper received: 02/05/2016

Paper accepted: 12/12/2016

EXAMINATION OF THE RELEVANCE OF PERSONAL SELLING IN MARKETING ACTIVITIES: A DESCRIPTIVE METHOD

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ABSTRACT

The paper examined the relevance of personal selling in selected Bottling Companies in Lagos State, Nigeria. Survey research method was adopted. The study population was the staff in marketing positions of selected companies. Questionnaire was administered on selected samples while weighted mean was used to determine the relevance of personal selling. The study revealed that personal selling accentuated relationship building, foster creative selling, and represented the company well to the customers. The study concluded that personal selling was still relevant and a critical success factor in today's marketing activities despite the advent of digital marketing. Managers concerned about competitive edge in the market edge as well as top and bottom line will find personal selling helpful. Researchers are enjoined to further determine the effect of personal selling on the shareholders' value.

Keywords: *Personal selling; Marketing activities; Digital marketing; Weighted Mean; Relationship Building; Company Representation; Bottling Companies*

1 INTRODUCTION

Globalization and the economic policy changes which opened the country to the world market and global competition from different multinational companies has made most business houses in Nigeria to realize the need for being proactive in communicating their product offerings to the consumer. The importance of promotions has, since then, increased in Nigerian business environment. Promotion, one of the 4Ps of the marketing mix has assumed much importance to marketers of late. Marketing promotions plays a vital role in the achievement of organizational goals. At each step in any purchase decision, the probability that a purchase will result is enhanced through the use of efficient and effective marketing promotions, ending ultimately in the purchase of the goods and services being promoted. One of the traditional elements of promotional mix is personal selling. It involves direct interpersonal communication between a representative of the firm and the potential customer. It is face to face presentation and promotion of products and services.

In today's marketing practices, products and services are promoted through digital marketing and all other forms of electronic media different from the traditional marketing. Digital Marketing extends beyond internet marketing to include channels that do not require the use of internet which includes mobile phones (both SMS and MMS), social media marketing, search engine marketing and many other forms of digital media. In September 2015, Facebook the world's most popular social network site (SNS) catered for more than 1.4B active users and was the world's second most visited website after Google. (Alexa, 2015). Facebook has also become a premier destination for international marketers. (Beck, 2015). This development has raised serious concern as to whether personal selling is still relevant and probably achieving its marketing functions. However, for many consumer products that are complex or high value products, salesmanship is considered an indispensable promotional technique to promote product as well as to increase sales. Likewise salesmanship is also given more priority over other promotional elements due to increased expectations of customers. Sequel to the effectiveness of digital marketing in providing access to information anytime and anyplace the customers need it, alongside the fact that consumers are not only exposed to what came from the company or what the company wanted them to know, but also what others have to say about the brand, this development has raised serious concern as to whether personal selling is still very much relevant and achieving its marketing functions even with the complex products. In addition, marketing decision makers are greatly concern about maximizing shareholder's value consequently there is the need to determine the relevance of the promotional element like personal selling in marketing activities. The main

objective of the study therefore is to examine the relevance of personal selling in the marketing practice of some selected companies. Following the introduction, section two of the paper considered the review of literature, section three discussed the methodology adopted in the paper, and section four presented the analysis, results and discussion while the last section of the paper offered the conclusion and recommendations.

2. LITERATURE REVIEW

2.1 CONCEPTUAL REVIEW OF PERSONAL SELLING

Personal selling is one of the fundamental elements of the promotional mix and a non-digital design element or marketing process with which consumers are personally persuaded to buy goods and services. Digital Marketing in comparison to personal selling is the marketing of goods and services using digital channels to reach customers. According to Afrina, Sadia and Kaniz (2015), digital marketing also refers to different promotional techniques used to reach customers. Personal Selling is one of the oldest forms of promotion which describes the process whereby the seller or his representative ascertains and activates the needs or wants of the buyer and satisfies the same to the mutual advantage of both buyer and seller. It is equally described as retail and wholesale activities in which a salesperson activity presents products to customers in seeking to make a sale, (New Zealand Qualification Authority 2008). Personal selling according to Achumba (2000) is an oral presentation in a conversation with one or more buyers for the purpose of making sales. Kotler and Armstrong (2008) viewed personal selling as personal communication between a firm's sales force and customers for the purpose of making sales and building customer relationship.

Personal selling in comparison to other promotional mix elements (advertising, sales promotion and publicity) is fundamentally unique. While Advertising and sales promotion focuses on creating awareness about the existence of a product provide information as to the product features, its availability and price on a mass basis, personal selling is an individualistic approach dealing with the customers on their individual basis.

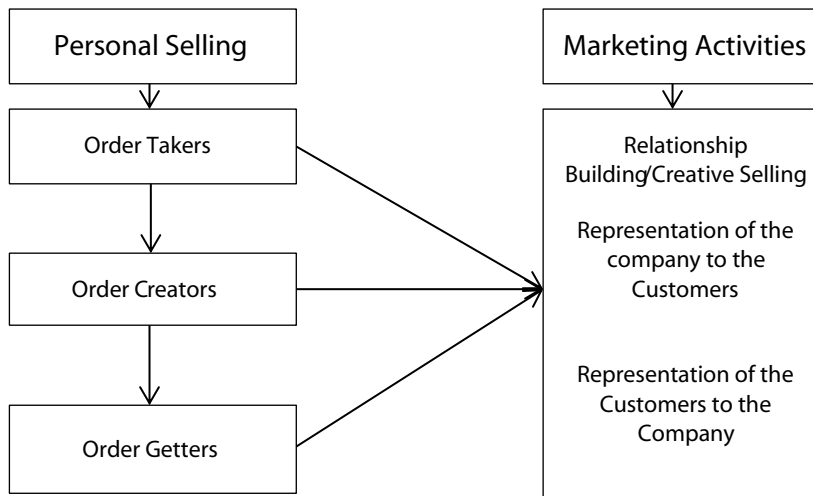
Personal selling involves two -way flow of communication between a buyer and a seller, often in a face to face encounter, designed to influence a person or group purchase decision. In general, if a product has a high unit value and requires a demonstration of its benefits, it is well suited for personal selling. The conditions favoring personal selling can be lumped into four broad categories: The market conditions, the product conditions, the consumer conditions and the company conditions.

There are many different types of personal sales jobs. According to Jobber (2007) there are three types of personal selling: order takers consisting of (inside-order takers, delivery salesperson and outside order takers), order creators (Missionary sales people) and order getters made up of (New business salespeople, organizational salespeople, consumer salespeople, technical salespeople). A driver-salesperson merely delivers the product and has few selling responsibilities. An inside order taker—such as a sales clerk in a retail store takes orders from within a selling environment and requires some selling skills. In contrast, an outside order taker goes to the customer's place of business to take orders. Some selling skills are required in this position, especially to establish new accounts. A missionary sales person, rather than selling an actual product or service, instead tries to make a customer feel good about the company and products he or she represents. A sales engineer might be found in technical industries. Sales engineers provide technical support, explain the product, and help adapt the product to the customer's needs.

One method that many small manufacturers and wholesalers use to reduce the costs of personal selling is to hire an experienced selling agent. Selling agents are independent salespeople who work under contract with one or more companies and are usually paid a straight commission on sales. Hiring a selling agent allows a small business to save the time and money it would have to invest in recruiting and training an in-house sales force. In addition, an agent with experience in selling similar products may provide readymade customers and quick entry into a sales territory. The main disadvantages of selling agents are that they usually work for several different firms, so they are unable to devote 100 percent of their attention to any one client, and that it may be difficult to retain the customers gained in this way once the relationship with the agent is severed. It is also difficult to control the selling methods used by agents, and they may not be able to provide the service that some customers require.

Personal selling process involves seven steps that a salesperson must go through with most sales. Kotler and Armstrong, 2008 described the selling process as several steps that a sales follows when selling. The aim of these steps is to get new customers and get order from them. The steps are: Prospecting, Pre-approach, Approach, Presentation, Overcoming objections, closing the sale and Follow – Up

Conceptual Research Model



Source: *Researcher's Model*

2.1.1. Marketing Activities

Marketing in the context of this study will refer to any technique used by the organization to make the public aware of a company and what it has to offer over its competitors. It also refers to any activities that organization undertakes to build brand awareness. Marketing activities are vast and encompass almost every kind of media and company –initiated outreach. This may include: Personal selling, sales promotion, advertising, cold-calling, Newsletters and articles, search engine marketing (website), trade shows, product placement in entertainment and market research. Marketing activities varies depending on the organization and what their goals are.

2.2. THEORETICAL REVIEW

2.2.1 The Hierarchy of Effects Theory

Lavidge &Steiner (1961) introduced a theory termed the hierarchy of effects. The theory posits that consumers move from being unaware to being aware, to having knowledge, to liking & preference, conviction and purchase. The theory describes the effectiveness of promotion to jump start the sequence of event needed before a consumer will buy a product and ultimately achieve the marketing objectives.

Awareness: the individual is aware of the product's existence.

Knowledge: the individual knows what the product offers.

Liking: the individual has favorable attitudes toward the product
preference: the individual favorable attitudes have developed to the point of preference.

Conviction: preference is coupled with a desire to buy and confidence that the purchase would be used.

Purchase: attitude is translated into actual buying behaviors.

Some authors described the above as AIDAS theory representing the initials of the five words used to express the stages through which the prospects' mind passes during buying(A- attention, I-interest, D-desire, A-action, S-satisfaction)

2.2.2 Right set of circumstance theory

The theory posits that particular circumstances prevailing in a given selling situation cause the prospect to respond in a predicted way. It is a seller oriented theory as it stresses upon the importance of salesperson controlling the situation. When sales men handle the set of circumstances well, the more predictable is the response. The set of circumstances includes factors external and internal to the prospect. The theory is otherwise called situation –response theory.

2.3. EMPIRICAL REVIEW

In the study conducted among women in Kenya by Arvinlucy (2012) it was found that most women groups use personal selling in promoting their products. This was due to the fact that other promotional elements require a lot of money and the groups do not have sufficient fund to carry out those other promotional elements. Advertising was only used once by the groups providing services just to create awareness of their existence so that they may get donors to fund their activities. Banerjee (2013) in his study concluded that personal selling has a lot of advantages that could bring about a long term business relationship and that most Indian insurance firms generate sales through salespersons efforts. Olumoko, Abass, and Dansu (2012) posited that personal selling through the use of salespersons are able to communicate the value inherent in the services to clients thereby increasing their level of satisfaction as well as ensures that clients gets the exact quality of services required while also information could be modified to suit needs.

3. METHODOLOGY

Survey research method was adopted to obtain the views of the various stakeholders or research samples. The design was used since we are going to describe the variables of the research work.

The study population was 220 comprised of the total workforce in the marketing department of the selected companies as the sampling unit.

Nigerian Bottling Company Plc	{120}
Seven-up Bottling Company	{100}
Total	{220}

The justification for the selection of the two dominant players in the industry was that their services were intensive in the industry. Their operational tasks involve major use of personal selling. The sampling frame was the total number of Commercial staff listed on the payroll as at the last month preceding the study. The study adopted the Slovin Formula cited in Guilford and Frucher, 1973 recently applied by Adetayo (2008) as Yamane formula to determine the Sample size for this study. The formula was given as follows:

$$n = \frac{N}{1 + Ne^2}$$

Where: N = Population Size

e = Desired margin of error (percentage allowance for non-precision because of the use of the sample instead of the population)

n = the sample size desired

The sample size for the study therefore was calculated at 0.05% as desired error margin. The calculated sample size for the selected companies was NBC (90) and 7UP (82) = 172. The Formula fulfilled the condition for its usage because it was actually meant to be used for a finite population. The technique of sampling employed in this study was the stratified random sampling technique. The stratified random technique was used to accommodate the different levels of position occupied by the staff in the Commercial structure of the organization. The commercial departments of the two companies were selected because they possessed the required information on the promotional strategies of the selected companies.

The data collection instrument was essentially the questionnaire. The questionnaire was highly structured and undisguised in nature. The questionnaire was divided into two broad sections. (A—B) Section A contains research questions while section B contains demographic data of the respondents. The responses were based on five point Likert scale (1--Not at all, 2---To a very slight extent, 3---To a moderate extent, 4---To a great extent and 5---To an ex-

treme extent) to capture the strength of feelings of the respondents. Participants were asked to show their opinion by choosing from 1 to 5.

Content Validity was used to validate the research instrument. It measures how well the content of the instrument measures what it was designed to measure. The instrument was given to experts in the area of study and experienced academics to ascertain whether the questionnaire items adequately covered the domain of the construct. The construct validity of the instrument was justified on the basis that the measures were developed from conceptual review. The construct validity was tested by factor analysis while the weighted mean was approximately 4.00

The reliability of the instrument was carried out through test-re test reliability. The degree of similarity between the two measurements was determined by the coefficient of correlation of the two outcomes. The higher value of the correlation coefficient attested to the reliability of the instrument. Fifty questionnaires were administered among the selected companies on equal numbers of twenty five per organization. The descriptive statistics showed a weighted mean of approximately 4.00 indicating unanimity in responses to the same question showing the reliability of the instrument. The Cronbach's alpha of the questionnaire is calculated by software as 0.836. When the Cronbach's alpha yields value above 0.70 recommended by Nunnally and Berstein (1994), the reliability of the instrument is ensured. The sources of data for this study were the primary and secondary sources. The primary data was the collection of facts and figures directly relating to the study by the researcher. This was achieved through the use of questionnaires. The statistical tool engaged for decision was the weighted mean using the SPSS package.

4. DATA ANALYSIS, RESULTS AND DISCUSSION OF FINDINGS

Table 4.1: Respondents' Perception of Personal Selling Relevance

Company	Scale	Sub scale	Not at all f(%)	V.slight ext f(%)	m. ext. f(%)	Gre. Ext f(%)	Ext f(%)	Mean	Cronbach alpha
NBC (90)	Extent to which personal selling command the following	Creative selling	-	18(20)	72(80)	-	-	2.80	.833
		Relationship building.	-	9(10)	72(80)	9(10)	-	3.00	.832
		Rep. coy to customer	-	72(80)	18(20)	-	-	2.20	.831
		Rep. cust. to Coy.	-	72(80)	9(10)	9(10)	-	2.30	.825
7up (82)	Sales scale	Creative selling	-	24(29.3)	58(70.7)	-	-	2.71	.833
		Relationship building.	-	8(9.8)	74(90.2)	-	-	2.90	.832
		Rep. coy to customer	8(9.8)	16(19.5)	58(70.7)	-	-	2.61	.831
		Rep. cust. to Coy.	8(9.8)	57(69.5)	17(20.7)	-	-	2.11	.825
NBC (90)	Selling process build & maintain profitable customer relationship		-	18(20)	72(80)	-	-	2.80	.837
7up (82)	ü		-	66(80.)	16(19.5)	-	-	2.20	.837

Source: Field survey result

Table 4.1 above showed the respondents' perception of how personal selling' commanded creative selling, relationship building, representation of the company to the customer and representation of the customers to the company. Frequency, percentages and the mean were calculated. The analysis revealed that in NBC, the highest rated item was relationship building (mean = 3.00). This was closely followed by creative selling (mean = 2.80). With mean scores above average, it indicated that the result was statistically significant and concluded that personal selling was relevant in relationship building and influenced creative selling. The least rated was in the area of representation of the company to the customers (mean = 2.20). The mean scores above average(2.5) indicated that to a moderate extent, personal selling affected relationship building and creative selling while to a slight extent, personal selling affected representation of the company to the customer and vice versa. In the case of 7up, the analysis revealed that the highest rated item was relationship building (mean = 2.90). This was closely followed by creative selling (mean = 2.71). With mean scores above average(2.5) in 7UP, it indicated the statistical significant of personal selling in influencing building customers relationship and creative selling as reported in Coca-Cola. The least rated sub scale was

'representation of the customer to the company (mean = 2.11). The indication of the above mean scores was that relationship building and creative selling were to a moderate extent affected by personal selling while representation of the customer to the company was to a very slight extent influenced by personal selling.

The influence of the selling process differs from NBC to 7UP. In NBC, the analysis indicated that to a moderate extent selling process build and maintained profitable customer relationship (the NBC mean is 2.80). With the mean score above average (2.5), it indicated that the result was statistically significant and concluded that personal selling was relevant in building and maintaining profitable customer relationship in NBC. In 7UP, selling process build and maintained profitable customer relationship to only a very slight extent (mean = 2.20). The mean score below average indicated that the result was not statistically significant and concluded that personal selling in 7UP did not influence building and maintaining profitable customer relationship

Discussion of Finding

The study established the relevance of personal selling in marketing activities by revealing the potent power of personal selling in NBC and 7UP bottling companies to accentuate effective relationship building, creative selling as well as maintaining profitable customer relationship. Therefore the findings from the study indicated that personal Selling played critical success role in building customer relationship, creative selling and maintaining profitable customers. The outcome of this study was supported by the study of Banerjee (2013) arguing that personal selling had a lot of advantages in building customer relationship. This view was also further reinforced by Olumoko, Abass, and Dansu (2012) who posited that personal selling through the use of salespersons are able to communicate the value inherent in the services to clients thereby increasing their level of satisfaction. On the influence of personal selling in building and maintaining profitable customer relationship, the result indicated statistically significant outcome in NBC where the average score was above average (2.5) while it was not statistically significant in 7UP where the mean was below average. It was concluded that personal selling influence was greater in NBC than 7UP with respect to building and maintaining profitable customer relationship. It is therefore no exaggeration to say that personal selling till today performs its basic functions in marketing thereby contributing to the marketing activities of the selected companies. The significant role of personal selling as critical promotional tool was emphasized by Mohd and Wannur (2012) in their study of Batik SMEs in Malaysia. The finding of the study corroborated the above finding. It was found out that personal network promotional tool was used by the majority of the respondents. The theory of hi-

erarchy of effects (AIDAS) explained the significant effect of personal selling in jump starting sales through awareness cumulating into action of purchase or sales. The research of Banejee(2013) equally supported the theory of personal selling in assisting organization to generates sales. Arvinlucy (2012) concluded that personal selling was largely adopted because of its affordable costs compared to other promotional tools.

5. CONCLUSION AND RECOMMENDATIONS

The study concluded that personal selling was still very relevant and played critical success factor in the marketing activities of the selected companies in the area building customer relationship, creative selling and company representation to the customers. To this extent, the study concluded that personal selling remained an indispensable promotional tool by high value product and complex consumer products to promote and increase sales. In addition, the study concluded that personal selling build and maintained profitable customer relationship through increasing level of satisfaction as well as ensuring that clients gets the exact quality of services required while also information could be modified to suit needs. It is apposite to conclude that the methodology adopted in the study was not subjected to inferential statistic as well as conducted on a limited geographical space which may limit generalization of research outcomes to other industry outside Bottling Company.

Recommendations: Based on the study findings, the study recommended that for effective customer relationship management, other companies in the bottling companies should include personal selling in their promotional plan if they are yet to adopt personal selling. The sales force of the selected bottling companies should be adequately rewarded and remunerated to bring out the best in them to further push the products beyond target. Therefore, the compensation and incentive plan for the sales force should be well articulated, clearly stated and communicated to all sales force in the organization. The welfare package for the sales force should be codified to guarantee commitment and satisfaction of the sales force to be able to represent the company well. The training of the sales force on regular basis should not be in doubt as they need the knowledge capacity to handle the customer well thereby assisting the sales personnel in delivering effective customer relationship building and profitable customers. The training will further provide the salesman the right knowledge to respond to their customers, ultimately providing lead from the customer to the product or the organization.

Implications of the study: The findings' implication for the industry and management practice cannot be overemphasized considering the criti-

cal success factor (CSF) of personal selling in product- market response and the ultimate determination of the shareholder's value. For the industry, the findings revealed that personal selling remain one of the avenues to create product awareness, give information, remind and persuade the customers. For the management practice, the findings indicated that, for managers to achieve their marketing objectives, effective integration of personal selling as relevant promotional mix is desirable. In effect, the drive for best practices in promotional efforts must be pursued by managers to achieve marketing objectives.

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ISTRAŽIVANJE RELEVANTNOSTI OSOBNE PRODAJE U MARKETINŠKIM AKTIVNOSTIMA – DESKRIPTIVNA METODA

SAŽETAK RADA:

Rad istražuje relevantnost osobne prodaje u odabranim punionicama u području Lagosa Nigerija. Istraživanje je provedeno metodom ankete na uzorku koji se sastojao od zaposlenika u odjelima marketinga odabranih tvrtki. Upitnik je upućen odabranom uzorku dok je za određivanje relevantnosti osobne prodaje korišten ponderirani prosjek. Studija je otkrila da osobna prodaja pridonosi izgradnji međusobnih odnosa između kompanije i kupaca, kultivira kreativnu prodaju te pozitivno utječe na odnos kupaca prema kompaniji i sam rejting. Zaključuje se da je osobna prodaja usprkos važnosti digitalnog marketinga i dalje važan čimbenik uspjeha pri provođenju marketinških aktivnosti. Preporuča se korištenje osobne prodaje za podizanje kompetitivnosti tvrtke, a potiče se i na daljnje istraživanje utjecaja osobne prodaje na vrijednost dionica.

Ključne riječi: *osobna prodaja; marketinške aktivnosti; digitalni marketing; ponderirani prosjek; izgradnja odnosa; rejting kompanije; punionice*

