

**ENVIRONMENTAL FACTORS AND SALESFORCE PERFORMANCE**

**BY**

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DELTA STATE UNIVERSITY, ABRAKA.**

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## **CERTIFICATION**

I certify that this work carried out by Okoh, Daniel Uche in partial fulfillment of the requirement of the award of master degree (MSc) in Business Administration in the Department of Business Administration, Delta State University, Abraka.

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## **APPROVAL PAGE**

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## **DEDICATION**

This Dissertation is dedicated to the Almighty God who in his infinite mercy provided the resources and stood by me throughout the period of this program. It is also dedicated to my beloved wife Okoh Onoyesere for her prayers, support and encouragement.

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## **ABSTRACT**

The general objectives of the study is to determine the relationships between environmental factors and sales force performance; the case of financial sectors in Delta North, Central and South Senatorial District in Delta State. The focus of the study is to make the business environment more conducive for sales force to perform efficiently and improve sales/the organisations marketing efforts. The study cover six(6) Local Government areas (LGAs) of Oshimili North, Ika North East, Warri South, Bomadi LGA, Sapele LGA and Ughelli South where the Banks (sales territories) are located. Five null hypothesis were formulated and tested at 0.05 level of significance. The estimated population of the study is 1920. Primary data was collected using copies of structured questionnaires and was administered to estimated 192 Marketers that were drawn using a Multi-stage random Sampling technique. The respondents comprises of male and female marketers in six local government areas of Delta State. The reliability of the research instrument (Cronbach's Alpha 0.990), was determined using the Cronbach's Alpha scale analysis. Simple percentage was used to analyze the personal data, linear regression was used to analyse hypothesis 1-5 at 0.05 level of significance. Hypotheses 1-5 were rejected. Among the findings of the study, were that there is significance relationship between economic factors and sales force performance which impacted positively on sales performance and that there is significant relationship between socio-cultural factors and sales force performance among others. The study concluded that environmental factors has positive influence on sales force performance. The study recommended that problems facing the strategic environment scanning should be dealt with before it affects the performance of the organization. Finally it was suggested that research should be made on the effect of environmental factors on organizations' marketing strategies and scope of the study can be extended to include larger sample size like country case study.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

Performance of the sales function within any organization is both an input and output of the firm's marketing decision making ability. Bonoma and Clark (1988) considered input and output components when they sought to determine aspects of marketing performance assessment. Management ability to control and measure influences and outcomes within the different environments affecting performance is a constant challenge. Sales management decisions and actions regarding monitoring,

evaluating, directing and rewarding of the sales people, also play a part in influencing, the sales behaviour and results.

Market controls emerges as a central control mechanism. The sales engineers became a part of a quasi firm arrangement effort to ensure detailed documentation emerges as a second control mechanism. The necessity to document, creates a dilemma for sales engineers. They perceive documentation not only as a managerial tool but designed to enhance control and limit their autonomy, also as a professional norm (Darr, 2003). Industrial organizations largely implement direct management control and influence the activities of employees leading towards improving their efficiency (Anderson and Oliver, 1987; Elsenhaut, 1985). The extent to which monitoring of sales managers, directing, evaluating and rewarding activities in an organization intend to guide sales force behaviour through management control processes to achieve favourable results to the organization and the employees (Anderson and Oliver, 1987). Management control is thus recognized as an important performance indicator of the task performed by the sales people (Cravens et al. 1993, Oliver and Anderson, 1994).

Result oriented control and market volatility are positively related to new product selling performance. The effect of sales force adoption in selling is stronger where outcome based control is used and where the firm provides information on the background of the new product to sales people through internal marketing (Hultink and Atughe, 2000). The sales performance in an international context has emerged of significance managerial consideration in view of growing globalization and the need to sustain competitive advantage (Anderson, 1986, Samice and Rath, 1992). However, not much research attention has been given to sales management control beyond



developed countries (Money and Graham, 1999), notwithstanding, recognition of the critical role of the sales manager in international selling (Decarlo et al., 1999)

The rapid growth and advances in computerized technologies in the last decade have significantly changed the everyday life of the modern sales representative. Sales managers generally assume that supplying information technology such as sales force automation software to their salespeople will contribute to higher levels of productivity, better customer communication, and enhanced customer relationship (Campbell, 1998; Colomuo, 1994; Conlon, 1998; 1999; Goldenberg, 1996).

## **1.2 Statement of the Problem**

Many sales managers have catchy slogans on their desks, many have learned to believe in them (Giuliani, 2002). Organizations that promote learning are better equipped to handle the ever-changing business environments. When an organization's sales manager plans for the future, it must take into account principal environmental factors. A company's ability to compete will be affected by how well the sales managers have learned to identify those factors, to demonstrate their company's significance, and to estimate the extent or magnitude of each of the factors impact on the market strategy.

Against this background the study seeks to establish the relationship between personality, work environment preferences, and the outcome variables, performance and commitment.

The study establish the key factors in the employee's workplace environment that impact greatly on their level of motivation and performance. Management's new challenge is to create a work environment that attracts, keeps, and motivates its workforce. The responsibility lies with managers and supervisors at all levels of the organization. Businesses must step outside their traditional roles and comfort zones to

look at new ways of working. They have to create a work environment where people enjoy what they do, feel like they have a purpose, have pride in what they do, and can reach their potential. Today's workplace is different, diverse, and constantly changing. The typical employer/employee relationship of old has been turned upside down. Workers are living in a growing economy and have almost limitless job opportunities. This combination of factors has created an environment where the business needs its employees more than the employees need the business. Research has shown that environment has a direct impact on the organization's financial and non-financial performance. There are two components to this environment; one is the organization's culture <sup>1</sup>, the other is the climate within individual teams or work groups <sup>2</sup>. Organizational culture – loosely defined as “the way we do things around here” – is comprised of formal and informal factors that are constantly in tension. For example – the need to do things differently and the need for consistent processes and procedures; the need to pay attention to the external environment when making decisions and at the same time to attend to the organizations internal needs. Organizations that understand and can balance such “creative tension” effectively are more able to achieve performance goals in – Profitability – Quality – Innovation – Market share – Sales growth – Employee satisfaction

The second connection between environment and performance is at the team or work group level. This is where the majority of work occurs in information-driven or knowledge-driven organizations. Much more than individuals, groups are responsible for innovation and for processes and practices that have the ability to move the organization forward. Recent global research has shown that there are only three things that have a material impact on the ability of groups of qualified people to perform at high levels. All

are related to the environment or culture in which the team operates. With these components teams can perform at unexpected levels. Without them, even the brightest, most energetic people lose focus and energy.

Chalmers (1997) asks the following questions about consciousness

How can a human subject discriminate sensory stimuli and react to them appropriately? How does the brain integrate information from many different sources and use this information to control behavior? How it that subject is can verbalize their internal states? How do physical processes in the brain give rise to subjective experience? As we try to refine our approach to understanding the relationships between individuals and their performance outcomes in organizations, the context of such interactions will be highlighted. Although examination of direct linkages between employee personality dimensions and performance outcomes is receiving increasing support (Hurtz and Donovan, 2000; Motowidlo and Van Scotter, 1994; Van Scotter and Motowidlo, 1996), what remains less clear is the interaction and influence of the context or place on this relationship. Are dimensions of personality directly responsible for employee success in organizations, or do preferences employees have for factors in their work environment play a more significant role in the relationship? Although selecting employees on the basis of individual dispositions may have a positive impact on employee attitudes and performance, personality-based employee selection processes are notoriously inaccurate. Anosoff (1987) And considering the increasingly large spans of control and reduced contact between employees and managers in work situations (De Meuse et al., 2001) an over-reliance on employee selection processes as a means of improving performance and commitment may be a less effective approach than effectively managing work environments. In addition, many managers do not have

much flexibility in their staffing patterns in the short-term, and managers must "deal with the hand they are dealt." In such situations, controlling the work environment is often the most feasible short-term option, beyond skill training, for improving outcomes.

To keep employees satisfied today, it takes an entirely different approach than it did just a few years ago. Indeed, one-third of the executives surveyed by Robert Half International Inc. The focus of this research is how to make the environment more conducive for sales persons to perform efficiently. The study examined all factors as it affects employees performance in an organization.

### **1.3 Objective of the Study**

The main aim of to this study is to establish the relationship between environmental factors and sales force performance in the banking industry: The specific objectives are to;

1. Investigate the relationship between economic factors and salesforce performance.
2. Determine the effect of socio-cultural factors on salesforce performance.
3. Determine the extent to which technological factors influence salesforce performance?
4. Examine the effect of political factors on salesforce performance.
5. Investigate the extent to which competitive factors influences salesforce performance.

## **1.4 Research Questions**

The following research questions were addressed in the study.

1. To what extent does economic factors influence salesforce performance?
2. Does socio-cultural factors influence salesforce performance?
3. Are there any relationship between technological factors and salesforce performance?
4. Does political factors influences salesforce performance?
5. Are there any relationship between competitive factors and salesforce performance?

## **1.5 Research Hypotheses**

In view of the stated problem the following null hypothesis were formulated to test the research questions raised for the study;

### **Hypothesis 1**

Economic factors has no significant effect on sale force performance.

### **Hypothesis 2**

There is no significant relationship between socio-cultural factors and sales force performance.

### **Hypothesis 3**

A technological factor has no positive influence on sales force performance.

### **Hypothesis 4**

Political factors has no significant influence on sales force performance

## **Hypothesis 5**

Competitive factors has no significant relationship with sales force performance

### **1.6 Scope of the Study**

In pursuance of the objective of this study, attention was focused on environmental factors and sales force performance in selected banks operating in Delta State. Data to be collected from different audited annual financial report of the various banks will be used. Data for the period of 1990- 2009 will be used to asses the long term effect of selected variables on sales performance. The respondents are male and female marketers which will be randomly selected from six local government area of Delta Central, North and South Senatorial District of Delta State.

### **1.7 Significance of the Study**

The benefit that can flow from the findings of this study to society, provides the justification of it. In particular, the findings of this study will;

- (a) Help the academic community by strengthening existing knowledge and contributing to the systematization of the fragmented literature on marketing.
- (b) The results of this study may offer insights about the predictors of improved sales force performance to sales managers in sales organizations in the industry. Determining what leads to superior sales managers' job and may be critical to the survival and success of a firm. Examining values to improve sales force performance may benefit sales organization within industry.
- (c) Serves as a source of reference to other researcher.

### **1.8 Limitation of the Study**

Business environment is dynamic and complex in nature. The absence of respondents during working hours affected the study. The researcher experienced a lot of movement among the sales reps. Majority of the sales reps go out early in the morning to canvass for cash deposits through out the day. They usually return after closing hours daily. Their routine work style made it difficult for the researcher to retrieve the questionnaires administered to them promptly.

### **1.9 Definition of Terms**

1. **Sales force performance:-** This is the behaviour and outcome that are under the control of the sales force.
2. **Culture:-** This means a conglomeration of people's way of life within a geographical unit which is shared by a society and transferred from generation to generation within the society.
3. **Targeting skills:-** These are sales person's ability to identify, select and call on profitable customers.
4. **Call productivity:-** This is the number of sales call or visits a sales representative makes over the course of the year.
5. **Competition:-** This is a continuous struggle among firms producing similar products or products of close substitutes to capture, control and maintain certain percentage of the market.
6. **Technology:-** This is uncontrollable marketing variable which is capable of creating new industries and destroying the existing ones. It brings about changes in product development, prices, more market opportunities and creates higher standard of living.

7. **Uncontrollable variable:-** These are those elements which influence the organization's performance but cannot be controlled or directed by either the organization or its marketer.
8. **Extent of supervision:-** This is concerned with the degree to which sales people are monitored and directed.
9. **Sales Organization Effectiveness:-** This is defined as a summary evaluation of the overall success of a sales organization in meeting its goals and objectives in total and at different organizational levels.
10. **Business Strategy:-** This is concerned with how business achieve competitive advantage.
11. **Economic Factors:** Economic factors includes economic conditions and economic policies that together constitutes the economic environment. These include growth rate, inflation restrictive trade practices etc.
12. **Social Factors:** Social factors includes the society as a whole alongside its preferences and priorities like the buying and consumption pattern, beliefs of people, educational background etc.
13. **Political Factors:** This refers to the management of public affairs and their impact on business.
14. **Technological Factors:** Refers to latest technologies that helps in improving the marketability of the firms product plus make it more consumer friendly.
15. **Environmental Factors:** These are factors in the firms external environment that affects its ability to compete.
16. **Marketing:** Refers to human activities directed at satisfying needs and wants through exchange processes.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter is devoted to the review of related and relevant literatures. In writing this dissertation, the researcher will present concise details of what authors, scholars and researchers have documented as regards; concepts of environmental factors, internal business environment, concept of performance, extant literature, external environmental factors and sales force performance, global environment and sales force performance, sales skills, sales force performance, empirical studies, summary of related literatures, theoretical framework and justification for the adoption of model. In modern times researches have shown that the success of every business depends on adapting itself to the environment within which it functions. Organizations both in private and public sectors have learned that the marketing environment is constantly presenting new opportunities and threats, and they understand the importance of continuously monitoring and adapting to that environment. Marketing environment has been defined in a variety of ways. Churchman (1968), for instance, referred to it as factors which are outside the marketing systems control, but which determine, partly at least how the system performs.

According to Kotler (1988), a firm's marketing environment is made up of the sectors and forces outside a company's marketing function which affect the ability of marketing management to develop and maintain an effective and successful exchange relationship with its target market.

Also Wilson, Gilligan, and Pearson (1992), stated that the strategic marketing environment has two distinct elements. The micro environment and the macro

environment. The micro environment consists of those factors which are closest to the marketing firm and which is the greatest and most direct influence over the firms ability to deal with its markets. The micro environment includes the organization itself, its suppliers, its distribution networks, clients, employees, competitors and the public at large. The macro environment on the other hand, consist of the rather broader set of factors which have a bearing upon the company, including economic, demographic, technological, political, legal, social and cultural factors.

In the same vein, Baker (1985) posits that the marketing environment is a salient determinant of both strategy and sales performance.

According to him the marketing environment is the ultimate constraints upon a company's marketing strategy. The environment, therefore establishes the parameters within which organization must operate. Their success however is function of their interaction with each other as upon their interpretation of and adaptation to the general environment (Baker, 1992). If organizational management is fulfilling its primary responsibility to ensure the success and survival of a company in its business operations, it must carefully monitor the environment in which it carries out its business. Such monitoring and analysis are important if the organization is to be able to anticipate change and turn it to its advantage as a marketing opportunity rather than be surprised by it when the change occurs and perceive it as a threat (Osuagwu and Eniola, 2004). This ability has certainly characterized the growth and success of most organizations which have prospered in the turbulent business conditions of the past.

Moreover, the marketing environment is volatile and complex, because of the high level of change in the marketing of product and services. Organizations that will succeed in these difficult times should posses an adaptive and flexible managerial style, a

balance portfolio of product and services, a well-developed marketing intelligence and information system designed to monitor and anticipate environmental change (Osuagwu and Eniola, 2004).

Finally, with the complex nature of sales forces, it is of great importance to study along side environmental factors and sales force performance, alternative factors other than external environmental factors that influences sales force performance: with a bid to proffering possible solution to the perceived problem.

### **2.1. Concept of Environmental Factors**

According to Guiliani (2002) organizations that promote learning are better equipped to handle the ever changing business environment. When an organizations sales manager plan for the future, it must take into account principal environmental factors. A company's ability to compete will be affected by how well the sales managers have learned to identify those factors, to demonstrate their company's significance and estimate the extent or magnitude of each of the factors impact on the corporate strategy.

Also, Miliken (1987), posits that environmental uncertainty arises from the organisation's inability to predict its environment, or in other words, to predict the factors that characterize its environment. These factors are usually classified into two groups (Bourgeois, 1980) i.e. "general" and "task" external business environmental factors.

Similarly, for organizations marketing effort to be effective within the rapidly changing global picture, it must monitor six major forces. Kotler (2003) identify five possible environmental factors as follows:

1. Economic factors – Economic factors includes economic conditions and economic policies that together constitutes the economic environment.

2. Social –cultural factors – Socio-cultural factors includes the society as a whole alongside its preferences and priorities in their buying and consumption pattern.
3. Technological factor- Technological factors refers to latest technologies that helps in improving the marketability of the firms product plus make it more consumer friendly.
4. Political factors- Political factors refers to the management of public affairs and their impact on business.
5. Competitive factors- This is a continuous struggles among firms producing similar products or products of close substitutes to capture, control and maintain certain percentage of the market.

#### **2.1.1 Internal Environment.**

A variety of factors within the organization can have an impact on the performance (or failure) of sales personnel. Examples of such variables are company objectives; human, capital, and financial resources; company policies; and corporate philosophy and culture. Two related internal company variables are company reputation/image and company experience in the territory [Ryan et al 1979, Cravens et al 1993].

As a successful firm gains experience in a territory, it is likely to improve its image over time. After all, experienced vendors performing effectively become well received suppliers, thus building their “capital” with customers and ultimately convincing them to buy “habitually” (routinize the purchase behavior). Acquiring more experience in a territory can lead to the development of trust between the buyer and seller. Having a trusting relationship with the buyer can ease the selling efforts of sales personnel and

reduce the chances for salesperson failure [Hawes et al 1989]. As such, then, management is charged with creating and maintaining a favorable image of its company in the eyes of the industry, prospects, and customers. Such factors as corporate culture, company policies, product quality, and customer service contribute to an organization's reputation; clearly, management is responsible for addressing these issues. Recent work suggests that salespeople's selling endeavors can be negated by the nature of these company-controlled domains [Sharma 1997]. Company marketing support (e.g., advertising outlays) can also contribute to the success or failure in a sales territory [Ryan et al 1979, Leith et al Beswick et al 1977,). Promotional support, for example, can help pre-sell the salesperson's product or service offerings.

This is especially critical in industries where competitors routinely allocate marketing resources to support their sales force efforts. If a salesperson is unsuccessful in a territory where competition is keen and competitors expend dollars on marketing support to assist their sales personnel, then this salesperson is mired in a situation that is working against his/her effectiveness. The salesperson's firm has created a hindrance to selling success by failing to provide at least some kind and level of marketing assistance to its salespeople.

Contemporary salespeople need to possess an abundance of knowledge (e.g., product, market, competitive, company, customer) and skill (e.g., adaptiveness, sales presentation, interpersonal, closing) to execute their job successfully. Training can assist in providing this knowledge and skill. For instance, sales training has been suggested as a forum for improving salespeople's role accuracy and clarity and decreasing role conflict [Walker et al 1977], enhancing salespersons' procedural knowledge [Leigh et al 1989], indirectly augmenting their capacity to be adaptive [Weitz et al 1986], and

assisting in their becoming facile in making sales presentations [Johlke 2006]. Given the import of training, then, sales managers have an imperative to make concerted efforts to augment the knowledge base and skill level of their sales forces (thereby reducing the chances for salesperson failure).

## **2.2 Concept of Performance**

Organisational performance (OP) has been taught with many conflicting definitions and it is not a new phenomenon among the academics and the industrialists as well as public institutions. OP has been a source of influence to the actions taking by companies and the degree to which an organisation realises its goals as well as the stated objectives of the organisation through the strategies and policies of the organisation (Folan & Browne, 2005). The idea of OP is hanged on the position or premise that it is a combination of productive assets made up of human, physical, and capital resources, for the major reason of fulfilling a dream, vision or accomplishing a shared purpose (Barney, 2002; Carton & Hofer, 2006). OP is also viewed as the measure of how a manager utilises the resources of the organisation efficiently and effectively to accomplish the goals of the organisation as well as satisfying all the stakeholders (Jones & George, 2009). In their own contribution, Ryan et al. (1979) described OP as the real output measured against the intended or expected output. They viewed OP as a term that is made up of three major areas of firm outcomes and these three areas are:

- i Financial Performance that is made up of profits, return on assets (ROA), return on investment (ROI) etc.
- ii Product Market Performance such as sales, market share, etc.

iii Shareholders return such as total shareholder return (TSR), economic value added (EVA).

Selden & Sowa (2004) looked at OP as what is designed to assume that organisations are to accomplish certain goals that are both specified intrinsically and implicitly. Perrow (1961) distinguishes between two kinds of organisational goals, official goals which are the general purposes of the organisation's founders and leaders, while the operative goals designates the end sought through the actual operating policies, the modifications and subversions of these ends by personnel in decision making positions and by the forces of pressure from the external environment. Kast & Rosenzweig (1985) argued that performance is a function of ability, effort and opportunity. Ability is dependent upon knowledge and skills and technological capabilities that provide an indication of range of possible performance. Effort is a function of needs, goal- expectation and rewards and it depends on the degree to which individuals and/or groups are motivated to aspirant effort. Opportunity must be provided by the managers for individual's ability and effort to be used in ways that will result in the achievement of goals. OP can be summarised to be an approach used in assessing the progress made toward goals, identifying and adjusting factors that has limit the progress of the organisation in a competitive environment.

### **2.2.1 Extant Literature**

Previous literature suggests successful marketers must effectively anticipate and negotiate environmental, circumstances that present a variety of strategic opportunities

and threats (Kast and Rosenzweig 1985; Kotler 2002). The nature of the marketing environment is typically assessed in a situation analysis, and the result is used to develop or refine various organizational strategies (Hill and Jones, 2001; Pearce and Robinson, 2005). Using this strategic framework, marketers can better position themselves by continually evaluating and modifying current strategies to enhance fit with the changing environment (Molinsky, 1997). Stevenson, Grousbeck and Bhide (1999) indeed suggested successful marketers either respond rapidly to uncontrollable environmental changes or innovate in ways that actually change the environment. The uncontrollable nature of the marketing environment can be advantageous because it provides opportunities for businesses to generate solution offering a competition advantage.

Although the processes associated with environmental scanning and strategic change potentially provide the means for organizational success, companies often inadequately respond to the environment, even when shifting strategies would seem to enhance the company. Some theorists supporting an external perspective of business strategy, “argue that organizations are under such complete control by their external environment that they have little ability to transform themselves in any short term, purposeful fashion” (Molinsky, 1997, p. 314), and some past empirical work appears to lend support to these claims. For instance, Kelly and Amburgey (1991) using a modest sample of air carrier companies concluded environmental transitions were not associated with increased corporate modifications. Baun (1990) also found that changes in the environment resulted in minimal organizational change among companies specializing in day care. Several research streams which suggest minimal organizational change resulting from environmental changes are inertia theory (Hannan



and Fraeman, 1984), Institutional Theory, (Oliver, 1991), and resource dependency (Leblebici and Salancik, 1982).

Thus, technology adoption by the sales force is lagging, and firms lament the financial losses occurring as a result of huge technology investments that produce lack-luster returns on investment (Jones, Sundaram, and Chim, 2002; Keillor, Bashaw and Pettijohn, 1997, Rivers and Dart, 1999; Venkatesh and Davis, 2000; Widmier, Jackson and McCabe, 2002). Moreover, existing research on technology rise in the sale force indicates unintended negative consequences, such as unfavourable job attitudes and turnover intentions as a result of adopting technology (Speier and Venkatesh, 2002).

However, it is a known fact that organization and its sale force always respond to external factors but the degree of such respond are not clear. How does sales respond to the current globalization and economic downturn? or sales respond to global warming and so many other external factors. This study tries to bridge the gap in knowledge and understanding of impact of environmental factors on sales performance in organization.

### **2.3 Economic Factors and Salesforce performance**

Economic crises hit consumers psychologically as well as economically. During such time they say that they feel less secure in their employment and argue more about financial matters; they feel the need to work more just to maintain their lifestyle, and that they no longer find any enjoyment in being a consumer ( Shama, 1978). Consumers also adopt their shopping behaviour and habits, to be able to adjust to the changing economic condition. Studies reported in the literature show how consumers affected by crises in Asia and South America made adjustments accordingly ( Zurawicki and Braidot, 2005).

Lessons learned from the past 25 years show that companies are also affected in many different ways by economic crisis. Some are forced to close down and others to drop their production capacity because of insufficient consumer demand for their products and services combined with fierce competition in the market place. Along with the economic crisis, input prices go up and result in higher costs for companies, which inevitably increase their price to customers. All this negatively affect their competitiveness in the market place. Companies are also forced to lay off some of their personnel, and reduce wages, posing considerable managerial challenges (Zehir and Savi, 2004).

The economic environment includes factors and trends related to income levels and the production of goods and services. Whereas demographic and cultural trends generally affect the size and needs of various markets, economic trends affect the purchasing power of these markets. Thus, it is not enough for a population to be large or fast growing, as in many developing countries, to offer good market opportunities; the economy must provide sufficient purchasing power for consumers to satisfy their wants and needs. Economic trends in different parts of the world can affect marketing activities in other parts of the world. For example, changes in interest rates in Germany affect the value of the dollar on world currency markets, which affects the price, and subsequently sales, of American exports and imports. Market opportunities are a function of both economic size and growth. The gross domestic product (GDP) represents the total size of a country's economy measured in the amount of goods and services produced. Changes in GDP indicate trends in economic activity. The US has the largest economy in the world, followed by Japan, Germany, France, Italy, and Britain.

Ogundele (2005) says that is vital concern to an organisation. He further said that, the economic environment goes a long way to determine and define the opportunities for an organisation; this is because an expanding economy provides operational scope for the organisational existence as well as for the establishment of new ones. However, a period of recession can bring about failures and probably liquidation of the organisation. It is of paramount importance that the management should be able to distinguish between short-run phenomena and more fundamental changes in its assessment of the overall economy as well as the political structures. The political stability of the environment is also a necessity for effective and efficient operation of the business. The management of the organisation must take cognisance of these constraints, actual and potential, and seek out the implications for the business organisation from legal advisers (Ogundele, 2005).

An economic crisis requires some changes to be made in the general marketing strategies and particularly to four main elements of the marketing mix: product, price, place and promotion. In terms of general strategy, companies need to withdraw from those markets in which they are not the main players and concentrate their resources on those in which they are strong (Ang et al, 2000). Entering profitable foreign markets is an important strategic option, especially for firms adversely affected by recessions at home (Rao et al, 1988). During the Asia crisis that erupted in mid-1997, companies skilled at finding new foreign markets did relatively well, even if their products were non branded commodities (Goad, 1999). However, this is not a marketing strategy that can be accomplished immediately or rapidly. It is suggested that increasing marketing expenditures, or at least maintaining the same level as before the crisis, will increase company performance. According to a study based on the PIMS database (Roberts,

2003), those businesses that increased marketing spending were not significantly less profitable during recession. Furthermore, their profits increase dramatically faster once recovery had started, unlike those of firms that had cut their marketing budget, whose profitability actually fell despite the recovery. Furthermore, business that increased their marketing budget during a recession gained market share three times as quickly as those that had cut them. The consensus, therefore, is that companies should plan their marketing budgets for the long term and mainstream spending in the short term, in order to survive during the hard times and be profitable in the future.

It is said that the most basic company strategy related to product policy during period of crisis is to withdraw weak items from the market. Since, consumers place emphasis on the durability of products at such times, characteristics such as economy, durability, and functionality should be given high priority in the development of new lines (Shama, 1981). It will further be advisable to allocate-extra effort to research and development, in support of new products (Williamson, 2001). During recessions, companies that spent proportionately more on R&D were found to have performed significantly than others (Morbey and Dujal, 1992). However, this should again be seen as a long-term strategy. Debee and Vorhies (1998) found that an increase in product development capabilities, and careful control over types of RxD expenditure, were positively correlated to the changes in the return on common equity. If long-term sales growth is the goal of a company, managers must avoid the temptation to cut back R&D activities during a recession. Shama (1978) explained that an economic crisis forces a significant change in the price decisions of companies, mostly in the direction of reductions. The rationale is to increase sales volume in the short term, but this strategy can cause serious damage to a company in the long run by lowering profitability. It could

also harm the brand image, and customers might resist move to return to former price levels when the crisis is over. Benneth (2005) found that maintaining price stability did not have any effect on company performance during cyclical fluctuations in the construction industry in the UK. Ang. etal, (2000) suggest two quality strategies related to pricing in conditions of crisis: to apply the same prices for higher quality products or to offer the same product at lower prices.

Turning to the “place” element of the marketing mix, elimination of unprofitable intermediaries in the distribution channel members and reallocation of scare company resources to the better performing channel member is the most appropriate strategy in crisis conditions. However, since decisions of this kind often demand long-term commitments, they should be taken carefully (Kotler and Armstrong, 2006). Ang etal., (2000) suggest that the company should choose the best channel and direct their efforts to discount stores or wholesalers. The chosen alternative distribution channels, by lowering operating costs and improving co-operation within the channel, can clearly affect company performance positively.

### **2.3.1 Technological Factors and Sales Force Performance**

The rapid growth and advances in computerized technologies in the last decade have significantly changed the everyday life of the modern sales representative. Sales managers generally assume that supplying information technology such as sales force automation software to their sales people will contribute to higher levels of productivity, better customer communication, and enhanced customer relationships (Campbell, 1998; colon, 1998).

Huber’s (1990) theory about effects of advanced information technologies asserts that the gains in individual and organizational effectiveness is indirectly through the

positive impact of technology on information and communication process (Grover et al., 1998). In fact, information technology may have automational or efficiency effects (e.g., doing things more quickly and cheaply), and informational and transformational outcomes, which go beyond the automation of existing task (eg., doing things more effectively, executing tasks that previously were not possible at all, and developing new capabilities and skills) (Day, 1994; money et al 1996).

In applying these theoretical assertions to this study, the underlying notion becomes that if sales people use information technologies and improve their performance, this happen through sales process, behaviours and skills which are affected by the enhanced information processing capabilities of advanced information technologies. Therefore, we include variable as mediators which are potentially enhanced by the properties of information technologies. (In terms of automation or information processing) and which have been shown to be important determents of individual salesperson performance in previous sales research (Brown and Peterson, 1994, Sujjan et al 1994).

### **2.3.2 Political Factors and Sales Force Performance**

Government attitudes and reactions are becoming increasingly important to a marketer. Government enact laws and decrees that guide business operation in any economy. These laws and decrees may favourably or unfavourably affect marketing activities. Government for instance, may enact laws intended to protect smaller firms from anti-competitive actions by larger ones. These laws may tend to maintain

competition at certain level for all competitors by prohibiting firms from using marketing practices that may unfairly injure competitors. The laws may intend to protect consumers right and restrict certain marketing activities that are considered inimical to the welfare of consumers. Marketing activities are generally affected by the level of government spending, money supply and tax legislation. Political factors can be restrictive or beneficial. Restrictive factors are those factors that limit profits, such as constraints placed on enterprise through fair-trade laws, antitrust laws, tax laws, minimum wage legislation or pollution law (Pearce and Robinson, 1985). Governmental influences are of particular interest to those enterprises that operate in foreign countries where the political environment is volatile and information is scarce.

### **2.3.3 Socio-Cultural Factors and Salesforce Performance**

Culture means a conglomerations of people's way life within a geographical unit which is shared by a society and transferred from generation to generation within the society, it shapes the consumption habit, buying preferences, buying decision processes of the consumers, and what is acceptable or unacceptable to a group of consumers. However, culture is ever-changing and not static. The changing nature of culture could result in environmental threats or opportunities to sales force. It therefore becomes necessary that a firm's cultural environment be constantly monitored so as to identify in time the direction of change and possible take necessary actions to adapt to it.

### **2.3.4 Competitive Factors and Salesforce Performance**

Competition has increasingly become an important factor to reckon with in business operations in Nigeria. In sharp contrast to bygone hey clays, many companies

have now ceased to be the only producers or suppliers of certain items with the arrival of newer companies on the scene taking their own share of the market.

The presence of competition affects a firm's marketing efforts and its success in attracting a target market. As a result, the survival of any firm now depends on the effective application of the various marketing strategies which give it differential advantages.

An organization's competitors are other organizations that compete with it for resources, space and market. One of the most important forces that an organization confronts in its task environment is a competitor. Competitors are organizations that produce goods and services that are similar to a particular organization's goods and services. In other words, competitors are organizations that are vying for the same customers.

Rivalry between competitors is potentially the most threatening force that sales manager must deal with. A high level of rivalry often results in price competition, and falling prices reduces access to resources and lower profits. Although the rivalry between existing competitors is a major threat, so is the potential for new competitors to enter the task environment. Potential competitors are organizations that are not presently in a task environment but could enter an industry competition increase and prices decrease.

### **2.3.5 Global Environment and Sales Force Performance**

Globalization' has become a catchword when describing today's business world. Globalization comprises two major developments: first, production and services are produced for a global market and they compete worldwide; second, companies' workforces become increasingly global, i.e., 'culturally diverse'. With respect to the



delivery of global products and services, the consequences of globalizations are most obvious within direct employee–customer interactions. What is regarded as good individual performance in these interactions varies largely between different cultures. When companies ignore these differences and implement globally the identical selection, training, and performance evaluation procedures, they might miss those feature and behaviors which are perceived as the most appropriate in a specific culture, i.e., those which constitute high individual performance.

Also the fact that many companies employ a globally composed workforce is linked to issues of individual performance. For example, individuals in culturally diverse teams and expatriates are faced with very specific requirements. Individual performance in these settings is predicted by a complex set of specific variables (Ones & Viswesvaran, 1997). This specific set of variable, however, might be less predictive for individual performance in mono-cultural settings. Moreover, performance appraisal issues differ largely across cultures . Thus, globally operating companies are faced with great challenges when trying to implement an identical performance appraisal system world wide. Population size and growth rates provide one indication of potential market opportunities. The world population is now more than 5.3 billion, and almost 100 million people will be added each year during the 1990s. Thus, the world population is expected to grow by 1 billion during the decade of the 1990s. Approximately 95 percent of that growth will take place in developing countries in Asia, Africa, and Latin America.<sup>2</sup> Population in the developed countries will grow at a much slower rate. For example, the US population grew by approximately 1 percent per year during the 1980s, a low rate expected to persist throughout the 1990s.

There is a tremendous disparity in population size and growth rates across countries, as shown in Exhibit 3.3. China currently has the largest population, followed by India, with the US a distant third. The rapid growth of the Indian population is expected to make it the world's most populous nation by the year 2100. Other countries with large and growing populations are the developing nations of Indonesia, Brazil, Pakistan, Bangladesh, and Nigeria.

## **2.4 SALES SKILLS**

### **2.4.1 Market and Technical knowledge Assets**

Technical knowledge pertains to the development and use of technical expertise such as product applications, specifications, and customer use situations (Behrman and Parreault, 1982). Market knowledge reflects a sales representative's knowledge about the industry in general (e.g, competition, trends). Thus, both knowledge assets refer to the level of understanding a sales person has about his business. An extensive knowledge base is important for sales people, because it allows them to cope with the complex market environment. Several researchers indicated that the ability to apply knowledge is a prerequisite for effective selling (Behrman and Perreault, 1982; Heigh and Mc Graw, 1989; Sujana et al. 1988; Weitz et al, 1986). Indeed, information processing and enhanced knowledge may prevent the sales person from making blunders based upon false or incomplete information, and it may enhance his/her self confidence.

### **2.4.2 Sales Presentation Skills**

Sales presentation skills embrace factors that relate to the interactions between the customer and sales representative. Behrman and pereault (1982) identified "giving high quality sales presentations and working well with customers" as important behaviour dimension of sales person performance. The factor concerns the role of the

sales person as an external representative of the firm and includes dimensions such as giving clear, well thought out presentations and responding to questions.

### **2.4. 3 Targeting Skills**

Targeting skills are defined as a sales person's ability to identify, select, and call on profitable customers. Targeting skills have not been included in previous theoretical models of salesperson performance, but they are a basic part of marketing strategy (Kotler, 1994) and, thus instructively have a positive impact on sales performance. The importance of identifying and effectively screening potential customers is widely recognized as a prerequisite for sales success in directing marketing (Kotler, 1994) and personal selling (Stanton and Spiro, 1999).

### **2.4.4 Smart Selling Behaviour**

Salespeople's smart selling behaviour are characterized by altering sales approaches across and during customer contacts (Spiro and Waitz, 1990; Sujan et al, 1988; Waitz et al, 1986) and engaging in sales call planning (Sujan et al, 1994). Through the practice of adaptive selling, salespeople exploit the unique opportunities of personal selling. Sales people can research the customer and tailor a sales presentation for that customer, as opposed to using a canned presentation for all customers. In addition, they can sense customer reactions during the call and make instant adjustments (Spiro and Weitz, 1998). Similarly, sales people can judge the suitability of specific sales behaviours and alter their approach to fit the circumstance (Sujan et al. 1994). Although the theoretical underpinnings of the effect of smart selling on performance are strong, empirical support is still scarce and inconclusive for example, sales people's self-assessed performance and adaptiveness were found to be significantly related (Boorum

etal 1998; Spiro and Weitz, 1990), and “working Smart” (that is, adaptiveness and sales planning behaviour) positively affects self-reported sales performance (Sujan etal. 1994)

#### **2.4.5. Call Productivity**

Call productivity is defined as the number of sales calls or visits a sales representative makes over the course of the year (Brinkerhoff and Dressler, 1990). In the sales literatures, the number of calls made is considered as an aspect of a salesperson’s effort. Several empirical studies in sales provided clear evidence for the logical relationship that effort (eg, the number of sales calls made) is a significant determinant of salesperson performance (Brown and Peterson, 1994; Churchill etal. 1985).

### **2.5 SALES FORCE PERFORMANCE**

Sales force performance refers to the behaviour and outcomes that are under the control of the sales force (Babakus et al., 1994). It is defined as an evaluation of the sales force contribution to achieving the organizational goals (Baldauf etal., 2001, Behrman and Perreault, 1982, Cravens etal., 1993). Ingram etal., (2004) define sales force performance as “a function of individual sales force performance in individual situations”. Further, Cravens etal., (1993) conceptualized sales force performance in terms of three interrelated constructs that is sales force non-selling behavioural performance, sales force selling behavioural performance, and sales force outcome performance.

The drivers of sales force performance can be categorized into individual factors and organization factors. The individual factors are considered as the dimensions of

sales force performance, which consist of sales force motivation (Babakus et al., 1994) sales force characteristics (Gravens et al., 1993; piercy et al., 1999), proactive behaviour (pitt et al., 2000), and sales force behavioral performance (Babakus et al., 1994; Baldauf et al., 2001; Craven et al., 1993; Piercy et al., 1999). The organizational factors are considered as antecedent of sales force performance and include the sales management control system (Babakus et al., 1996; Baldauf et al., 2001, Cravens et al., 1993; Piercy et al, 1999), and business strategic orientation (Baldauf, et al., 2001). Thus, sales force behavioural performance, management control system and sales territory design are considered to be other determinants of sales force performance. Previous studies in this area provide support that these individual and organizational factors have significant impact on sales force performance (Babakus et al., 1996; Baldauf et al., 2001 Craven et al., 1993, Piercy et al., 1999). According to Craven et al., (1993) sales person performance consists of five components: Meeting targets, technical knowledge, communication skills, providing information, and controlling expenses. Meeting targets relates to generating profitability and exceeding sales targets and objectives for a company. Technical knowledge is a sales person performance component that capture the level of sales person knowledge in design, specifications, application, and function in a company's offering. Communication skills refer to the sales person ability in understanding and convincing customer concerns. Providing information relates to the sales person ability in providing accurate, complete, and timely routine reports. Controlling expenses capture the sales person ability in spending the budget effectively. The sales person and its performance are imperative to the success of almost every business (Behrman and Pierreault, 1982).

Until recently, relatively little attention has been paid in the sales force management literature to the factors that enhance the performance of salespeople in the past, most efforts to explain salesforce performance have concentrated on the relationship between the characteristics of the individual and sales force performance. In their meta analysis, Churchill, Ford, Hartley and Walker (1985) found weak relationships between these two variables. Subsequently, they concluded that the number of performance measures used might have been inappropriate.

In their seminal work on the effectiveness of sales organizations, Walker, Churchill, and Ford (1979) provided the basic framework that combines sales person characteristics, sales force performance, sales organization design, sales management controls activities, and sales organization effectiveness. Prompted by their conceptualization, many authors have emphasized the difference between the effectiveness of the sales organization versus the performance of the sales force (Anderson and Oliver, 1987; Babakus, et al., 1994; Cravens et al., 1993; Oliver and Anderson, 1994). Sales force performance and sales organization effectiveness are related but distinctly different concepts. Factors such as territory design, quality of supervision, sales support, and territory potential all influence the effectiveness of the sales organization but are not under the control of the sales person. Therefore, sales force performance should be separated from sales organization effectiveness, and sales force performance should be evaluated using only the factors that are controllable by the sales person. On the other hand, sales force performance is based on the behaviour and output of the individual sales person. Often, sales force performance is measured by looking at total sales volume (Dubinsky and Barry, 1982; Jackson, Keith and Schlacter, 1983; Morcisi Davis, Avila, and Chapman, 1991). Although Walker et al.,

(1979) conceptualized this difference nearly two decades ago, a recent article still laments the degree of confusion and slow adoption of the concept, Cravens et al., (1993). While the importance of sales effectiveness in sales control systems and sales force performance has been recognized (Weitz, Suja and Suja, 1986), most of the previous findings have emphasized the factors that determine the effectiveness of the individual sales person, without much success in explaining the difference in their performance (Churchill, Ford, Hartley, and Walker, 1985).

## **2.6 SALES ORGANIZATION EFFECTIVENESS**

Sales organization effectiveness is defined as “a summary evaluation of the overall success of a sales organization in meeting its goals and objectives in total and at different organizational level” (Ingram, et al., 2004). In short, it is defined as a summary of overall organizational outcomes. According to Baldauf et al., (2001) sales organization effectiveness indicates how well the sales organization has implemented business and marketing strategies. In this sales, sales organizations are closely related to the implementation of marketing strategies that lead to the effectiveness of the sales organization (Baldauf et al., 2001). Sales organizational effectiveness and sales force performance are related but conceptually different constructs (Piercy et al., 1999). Previous studies suggested that sales force performance leads to sales organization effectiveness (e.g Baldauf et al., 2001; Cravens et al., 1993, Piercy et al., 1999). However, Churchill et al (1993) argue that the effectiveness of organizational outcomes can be partly attributed to the sales force. In this sense, while sales force contributes to the effectiveness of the sales of organization, other organizational factors (e.g management control systems, marketing strategy, territory design), and environmental factors (e.g

competition, economic demographic, technological) also have significant impact on sales organization effectiveness (Baldauf et.al., 2001; Ingram et.al., 2004 Piercy et., 1999).

Organizational effectiveness can be measured by total sales volume, market share, profitability (Babakus et.al., 1994; Ingram et.al., 2004). return on assets, and residual income analysis (Cravens et.al., 1993), cost and productivity (Ingram et.al., 2004). Sales organizations are responsible for the implementation of business and marketing strategies, which impact on the effectiveness of the sales organization (Churchill et.al., 1993). High performance of sales force drive profits, sales growth, and customer satisfaction (Babakus et.al., 1994). Customer satisfaction as one aspect of sales force responsibility is to develop and maintain customer communication and customer support. Thus, having satisfied customers may subsequently drive sales growth and profits (Babakus et.al., 1994).

## **2.7 BUSINESS STRATEGY**

Business strategy is concerned with how business achieve competitive advantage. The miles and snow (1978) and Porter (1980) typologies are two dominant frameworks of business strategy in the strategic management and strategic marketing literatures. Miles and snow (1978) developed a comprehensive framework that addresses the alternative ways in which organization define and approach their product market domain (the entrepreneurial problem) and construct structures and process (the administrative and technical problems) to achieve success in those domains.

Prospectors continuously seek to locate and exploit new product and market opportunities while Defenders attempt to seal off a portion of the total market to create



a stable set of products and customers. Analyzers occupy an intermediate position between the two extremes by combining the strengths of the both prospector and Defender to cautiously follow prospectors into new product-market domains while protecting a stable set of products and customers. A fourth type, the Reactor, does not have a consistent response to the entrepreneurial problem.

Miles and Snow (1978) also proposed that prospectors, Analyzers, and Defenders would achieve, on average, equal performance. The implication of this proposition is that there is greater performance variation within strategy types than there is between strategy types which leads again to an emphasis on strategy implementation.

Porter (1980) proposed that the entrepreneurial problems should be viewed as a product of how the firm creates value (that is differentiation or low cost) and how it defines its scope of market coverage (that is focused or market wide). Walker and Ricketts (1987) synthesized these typologies of entrepreneurial behaviour by discriminating between low cost Defenders and Differentiated Defenders.

## **2.8 SALES FORCE MANAGEMENT AS MARKETING PRACTICE.**

Sales force management is subsumed in the marketing and sales administrative problem as it is concerned with the development of selling strategy and sales force structure, control, and compensation. In order to test whether or not linkages between competitive strategy and sales force management actually exist and if so, how strong they are we focus on five key sales management practices. These practices are representative of the three broad critical sales management issues identified by

Churchill, Ford and Walker (1993). The practices include: selling strategy (Dwyer, Schur and Oh 1987; Ganesan 1994; and Morgan & Hunt, 1994), in extent of managerial supervision (Anderson and Oliver, 1987; 1994, Morgan & Hunt, 1994) internalization of selling activities (Anderson and Weitz, 1986), Oliver and Anderson, 1994), focus of salesperson control (Anderson and Oliver, 1987; Cravens et al., 1993; Jaworski, 1988, and salesperson compensation plan (Anderson and Oliver, 1987; Cravens et al., 1993; Jaworski, 1988;) Oliver and Anderson, 1994).

### **2.8.1 Selling Strategy**

Over the past two decades the development of strong and enduring relationships with key customers has become accepted as a foundation for competitive advantage. Relationship selling is based on interdependence between sellers and buyers, sharing of critical information that is based on trust between the two parties, and longevity of the relationship that enables both parties to enjoy financial rewards from coordinated strategic investments (Ganesan, 1994; Morgan and Hunt, 1994; Shapiro, 1988). This relationship gives the seller greater insight into the buyer's latent needs, enabling the seller to develop new offerings before the competition or to augment commodity-like products with high value added services.

However, relationship selling is an intensive and expensive activity. At the opposite end of the continuum of selling strategies is transaction selling, a discrete activity with the transaction being the near term outcome of the selling effort. Transaction selling is most appropriate for fairly simple products that require little service or sales support (Shapiro, 1988). Thus, transaction selling tends to be more efficient for

standardized products while relationship selling is more effective for complex products or products that have a degree of risk associated with them.

### **2.8.2 Contracting Selling Activities**

Transaction cost theory tells us that markets (contracting) and hierarchies (firms) are alternative mechanisms for coordinating transactions, and that the choice of one or the other is based on the respective costs associated with the transaction (Williamson, 1975). A transaction occurs when a good or service is transferred across a separable interface, such as when a firm contracts with independent sales representatives to facilitate transactions. The alternative is for the firm to integrate forward and add the selling activity to its activities in product development and production (Anderson and Weitz, 1986).

The attributes of transactions that are of special interest are one in which potential for a contractor to act opportunistically is significant and include dependence on the owner of a specific asset, small numbers of potential contractors, and imperfect information. The theory predicts that firms will expand the scope of their activities when opportunistic potential is significant and will transact with contractors when threats due to asset specificity, small numbers, and imperfect information are not significant. (Teece 1997).

### **2.8.3 Extent of Supervision**

The extent of supervision required is concerned with the degree to which sales people are monitored and directed, now supervision requirements imply that sales people are knowledgeable and are best able to determine the appropriate activities to achieve the firm's goals and/or that the importance of retaining an individual account is

relatively low. High supervision implies that sales people require substantial guidance to select activities that will lead to the accomplishment of their goals and /or that retention of a specific account is of high importance (Anderson and Oliver, 1987; Oliver and Anderson, 1994; Anderson and Weitz, 1986).

#### **2.8.4 Salesperson Control**

Regardless of the extent of supervision imposed on individual salesperson or independent reps, managers must articulate the expectation of the salesperson or the sales force, and monitor performance compared to expectations. While different competitive strategies require different and varied selling behaviours, ultimately the sales force must achieve certain outcomes related to revenue or profit targets.

Drawing from organization theory (ELsenhardt, 1985), Anderson and Oliver, (1987) classifies sales force control system into two types: outcome based and behaviour based. Outcome based control focuses on the results that a salesperson achieves. Sales people are allowed to determine the most appropriate means to achieve their objectives. Sales people must be sufficiently knowledgeable to understand and respond to signal from a changing market place and be sufficiently entrepreneurial to take the risk associated with independent action.

Behaviour based control systems ensure consistency of action by prescribing and monitoring the activities of the sales force. Management presumes to understand which behaviour will achieve the desired results. In the environment, management assumes risk to gain control of sales force behaviour. In behaviour based control systems, managerial direction is substituted for salesperson autonomy (Anderson and Oliver, 1987).

#### **2.8.5 Compensation**

Compensation system span a spectrum from straight salary or “fixed” to straight commission or incentive based. Fixed compensation systems offer greater protection from risk to the salesperson. Salespeople are more likely to place the organization’s need above their own in this situation. Salespeople tend to be more loyal to the organization and are willing to follow management directives more closely. Incentive oriented compensation system shift risks from the firm to the salesperson. They require entrepreneurial sales people who tend to place their personal goals above those of the organization. These salespeople often have low loyalty to the organization and may be easily enticed to switch employers.

Between these extremes lie hybrid system that provide both a base salary and some form of commission or bonus as an incentive. These hybrid systems are used in over 80 percent of businesses (Churchill et al., 1993). Thus, the issue is the proportion of fixed compensation (salary) to incentive based commission (commission) in the overall compensation plan rather than the adoption of one extreme or the other.

## **2.9 EMPIRICAL STUDIES ON IMPACT OF ENVIRONMENTAL FACTORS ON SALESFORCE PERFORMANCE.**

Babatunde and Adebisi (2012), justified “the impacts of Strategic Environmental Scanning on Organization performance in a competitive business environment” by studying Nestle Nigeria Plc and Cadbury Nigeria Plc. The opinions of the selected respondents were sought by the use of structured questionnaire; the collected data were analyzed and interpreted with regression and coefficient of correlation method of analysis. Hypothesis one revealed that there is significant relationship between strategic

environmental scanning and organization performance, the coefficient of determination ( $R^2$ ) is 0.297. It shows that 30% of the variation or change in effective organization performance is caused by variation in strategic environmental scanning. Hypothesis two also shows that the coefficient of determination ( $R^2$ ) is 0.301. It means that 30% of the variation or change in organization productivity is caused by variation in external environmental factors, which connotes that the external environmental forces have positive impact on organization performance. And as such, the use of strategic environmental scanning in evaluating the external environmental forces (opportunities and threats) helps in seizing the opportunities and avoiding threats and it leads to organization profitability. Hence, since the findings shows positive signal, Babatunde and Adebisi (2012) recommends that, organization should strategically, periodically, and continuously involve in strategic environmental scanning and pay strong attention to the threats (so as to avoid) and opportunities (so as to seize) in the environment

Furthermore, Adeoye and Elegunde (2012, examines the impact of external business environment on organisational performance in the food and beverage industry in Nigeria. The minor objective of their study is to investigate the influence of economic and political environment on organisational performance. A questionnaire was developed to collect information from the respondents based on a sample of 3 companies with 150 sample size.

Data collected were analysed using multiple regression analysis. The findings of the analysis shows that the external business environment (political, economic, socio-cultural, technological, e.t.c.) have impact on organisational performance (effectiveness, efficiency, increase in sales, achievement of corporate goals e.t.c.). Thus, organisations should pay more attentions to their environment by doing periodic scanning.

Similarly, Tsalids (2010) in his thesis titled “Improving the sales force performance at king Toys” examine the potential improvements that King Toys should implement in order to achieve higher results in its sales force performance, as well as to explore how these improvements should be implemented. For that reason the author firstly conducted a research in the academic literature of sales force improvement and secondly carried out an analysis of the present state of the company, including internal and external environmental analysis.

In the academic literature of sales fore improvement, some very interesting points where highlighted such as: a) the importance of training and consultancy, b) the importance of collaboration between sales and marketing departments, c) the value of an effective reward system, d) companies should focus on long term relationships as well as e) on profitability and not in volume.

After the analysis of the external and internal environment of the company, it was found that King toys is a middle size company, which illustrated a sales growth rate of 37 % between 2001 and 2007 (in 2008 sales declined). A great advantage for the firm is the good working climate and the excellent working relations between the personnel. On the other hand, it was indicated that King toys strategy focuses mainly on volume and not on profits. In addition the staff of the company is characterized by weak educational background, as well as lack of training. Moreover, the firm has not an established marketing department. Finally, external analysis identified two interesting points: 1) GDP growth, consumption and birth rate in Greece are declining; b) customers have shifted away from traditional toys to electronic games and computers.

In relevance to what was found in the analysis of the environment of the firm, five points for improvement were suggested. In more details, suggestions for improvement

include: 1) Establishment of a marketing department, 2) Focus in new product categories such as electrical and high tech games, 3) Improvement in the recruitment system, 4) Launch of Seminars and training sessions, and 5) Focus on profit and long term relationships with customers. Those are key point that could drive KT to sales growth.

The literature is flooded with results on factors that improve sales performance, studies such as Kirca (2005), Baldauf and Cravens (2002), Vilela et al. (2007), Yap et al. (2009), Saccani et al. (2006), Hugh and Piercy (2007), Sweet et al. (2007), Booth and Hammer (2009), Johlke (2006), Schlosser (2007), Seneca! et al. (2007), Nagle and Hogan (2007) and Rajagopal and Rajagopal (2008) have studied methods and tactics of sales performance improvement. For example, Kirca (2005) investigated the role of managerial control on marketing activities as a factor that mediates the mode of operation-performance relationship, providing an enhanced understanding of the impact of mode of operation on sales performance. For that purpose the author developed a conceptual framework and a set of hypotheses in order to posit that managerial control on marketing activities act as a process variable between the level of vertical integration of the mode of operation and firm success in international markets. Moreover, the proposed hypotheses were tested using regression analysis with data from a sample of tour operators from Turkey.

Kirca (2005) found that the choice of mode of operation is a critical decision that impacts the performance of service firms in international markets, such that firms which use more vertically integrated modes of operation obtain higher sales performance as a result of their high levels of control on marketing activities. Hence, the writer highlights the importance of managerial control on marketing activities as a factor that should be



considered in reviewing and evaluating alternative modes of operation in foreign markets.

Baldauf and Cravens (2002) examined the moderator effects on the relationship between salesperson behavior performance and outcome performance and sales organization behavior performance. In order to address their research objectives, the investigators used a sample of 174 sales managers in Austrian sales organizations. The results indicate that the salesperson capabilities, type of product, and industry growth act as a relevant moderator variables. Each moderator appeared to be important, although importance varied according to specific independent and dependent variables which were used in the study.

Vilela et al. (2007) depicted the number of social and situational factors which influence supervisor's rating of salesperson's performance, primarily operating through affective processes. The data of their study were collected from 122 salespeople and their immediate managers from 35 firms pertaining to nine different industries. Vilela et al. (2007) found that supervisor-focused impression management was positively related to the supervisor's liking of the salesperson. Consistent as well with prior research is the positive influence of supervisor's affect towards salesperson on the supervisor's ratings of sales performance, both directly and indirectly, through the effect on salesperson's perceived interpersonal skills. Finally, a salesperson's physical attractiveness demonstrated significant positive effects on performance ratings, through the influence on supervisor's liking and salesperson's interpersonal skills. Hence, sales managers should be aware that salespeople might be using impression management tactics and that the use of these behaviors might influence the way that they evaluate their

employee's performance. Managers should also remain vigilant to the potential bias based on physical appearance in hiring and supervising salespeople.

Besides, Yap et al. (2009) explored the effects of different reward programs on in-role and extra-role performance of retail sales associates. For that purpose, the authors conducted 11 semi structured in depth interviews with employees from four different fashion retail outlets, Informants consisted of employees from different positions within these organizations (i.e. store manager, assistant store manager and sales associates) to provide researchers with possibly differing viewpoints. Moreover, interviews were content analyzed and classified, according to emerging themes.

Yap et al. (2009) found that certain reward programs, namely individual and group financial incentives motivated sales associates to engage in both in-role and extra-role behavior simultaneously. Further, compared to formal recognition programs, informal reward programs (individual financial incentives, individual social recognition and group social recognition) appeared to be more effective in motivating sales associates to enhance their in-role and extra-role performance.

In the same length, Saccani et al. (2006) analyzed the role of after-sales services in manufacturing contexts, and the related after-sales performance measurement systems. Their study was based in 48 firms which were take action in automotive, household appliance, IT and consumer electronic industries. The findings of Saccani et al. (2006) paper indicate that the role attributed to after-sales activities in the IT and consumer electronics and household appliance industries showed an orientation to improve company image, customer satisfaction and retention (marketing focus). A different situation characterizes the companies studied in the automotive industry. In

most firms, however, measurement systems are quite simple and short-term oriented, especially in the IT and consumer electronics and household appliance industries.

It needs to be mentioned that the measurement of non-financial performance emphasizes effectiveness rather than efficiency, and the automotive industry, on the whole, presents more advanced measurement systems, together with more integrated strategic management of after-sales. The household appliance industry, on the other hand, due to the significant presence of SMEs, is characterized by less sophisticated performance measurement systems.

Moreover, Hugh and Piercy (2007) explored the antecedents and implications of collaboration between sales and marketing and further to identify whether there are benefits in terms of business performance of improving collaboration between sales and marketing. The last found that are three types of factor influencing collaboration between sales and marketing: integrators, facilitators, and management attitudes towards coordination. Additionally, it was underlined that senior management plays a pivotal role in creating and improving collaboration between sales and marketing, and that there is a positive correlation between collaboration between sales and marketing, and improved business performance (see figure 2.3).

The practical implications of Hugh and Piercy's (2007) study indicate that there appears to be an established relationship between the level of collaboration between sales and marketing and business performance. Further, the attitude of senior managers to improving coordination is critical to influencing collaboration between sales and marketing. More specifically, these benefits may be in part due to the ability of the organization to respond to the complexity of the market place through collaboration, and

aligning sales and marketing activities without removing the necessary uniqueness of the sales and marketing functions.

Also, it seems that salespeople are not receiving or absorbing market intelligence and competitor analysis. Their blind faith in the quality of their offering to the customer is contradicted when they admit to worrying about whether the rest of the company will let them down on the after-sales delivery.

Finally, Rajagopal and Rajagopal (2008) studied the impact of sales team design in reference to the underlying rationale of management control and team coordination as indicators of performance and sales unit effectiveness. In order to address their research objectives the writers surveyed a sample of 258 respondents, categorizing them in equal proportion into three broad areas: type of sales team, type of product market, and type of sales operations. Four industrial streams in sales were covered while selecting the sample respondents: consumer goods, consumer durables, industrial products, and consumer services.

Rajagopal and Rajagopal (2008) detected the balance between team designing and team coordination in performing sales. More specifically it was found that work environment is largely governed by team coordination effects for the salespeople. Sales team-building process has a substantial effect on sales organization effectiveness both directly and indirectly through its relationship with salespeople's behavioral performance. Hence, the results of this study reveal that team performance largely depends on the effectiveness of team coordination, leadership and performance control through behavioral attributes. Sales managers

may implement such controls effectively by establishing coordination, training, and feedback process rather than imposing command and control policy.

**Table 2.1 Summary of the findings of the studies, which were mentioned above.**

Author	Research area	Findings
Kirca (2005)	Investigation of the role of managerial control on marketing activities and sales performance	The choice of mode of operation is a critical decision that impacts the performance of service firms in international markets, such that firms which use more vertically integrated modes of operation obtain higher sales performance as a result of their high levels of control on marketing activities
Baldauf and Cravens (2002)	Examination of the moderator effects on the relationship between salesperson behavior performance and outcome performance and sales organization behavior performance	Salesperson capabilities, type of product, and industry growth act as a relevant moderator variables which drive to an improvement in the sales performance
Vilela et al. (2007)	Presentation of the number of social and situational factors which influence supervisor's rating of salesperson's performance, primarily operating through affective processes	Sales managers should be aware that salespeople might be using impression management tactics and that the use of these behaviors might influence the way that they evaluate their employee's performance. Managers should also remain vigilant to the potential bias based on physical appearance in hiring and supervising salespeople.
Yap et al. (2009)	Exploration of the effects of different reward programs on in-role and extra-role performance of retail sales associates	Informal reward programs (individual financial incentives, individual social recognition and group social recognition) appeared to be more effective in motivating sales associates to enhance their in-role and extra-role performance.
Saccani et al. (2006)	Analysis of the role of after-sales services in	The role attributed to after-sales activities in showed an orientation to improve company image, customer

	manufacturing contexts and the related after-sales performance measurement systems.	satisfaction and retention (marketing focus). In most firms, however, measurement systems are quite simple and short-term oriented.
Hugh and Piercy (2007)	The implications of collaboration between sales and marketing in business performance	There are three types of factor influencing collaboration between sales and marketing: integrators, facilitators, and management attitudes towards coordination. Senior management plays a pivotal role in creating and improving collaboration between sales and marketing, and that there is a positive correlation between collaboration between sales and marketing, and improved business performance
Sweet et al. (2007)	Benchmark of sales performance	Managers are not investing the time needed to coach salespeople into better performance. Companies are failing to recognize and reward sales behaviors that generate the long-term relationships that many companies claim they want to encourage. Companies need to take a longer term view, developing sales staff's capacity to learn from experience, share best practice and understand the significance of good sales processes and systems.
Booth and Hammer (2009)	Test of the suggestion that a strong corporate culture positively influences sales performance in the retail industry	Whilst job satisfaction is a significant predictor, it is in a negative direction. The more employees are satisfied, the more SI decreases.
Johlke (2006)	Examination of the relations	Salesperson experience, and to a lesser degree training, underlie sales presentation skills.

	between important sales presentation skills and salesperson job performance	Salesperson skill at using adaptive selling techniques and closing are related with increased performance
Schlosser (2007)	Mobile technologies and sales performance	Mobile technology use, supervisory monitoring, and relationship development co-exist in the current workplace
Seneca! et al. (2007)	Sale force adaption of technology	Heavy users of spreadsheet software exhibit lower self reported performance levels than regular or occasional users of that software technology. The impact of technology use on performance could be moderated by type of technology or appropriateness of technology for the job application.
Nagle and Hogan (2007)		Company leaders must develop the appropriate polices, metrics and incentives that align the sales force to measures of profitability. Salespeople should focus more on profits and less on volume.
Rajagopal and Rajagopal (2008)	Impact of sales team design in reference to the underlying rationale of management control and team coordination as indicators of performance and sales unit effectiveness.	Team performance largely depends on the effectiveness of team coordination, leadership and performance control through behavioral attributes. Sales managers may implement such controls effectively by establishing coordination, training, and feedback process rather than imposing command and control policy.

### 2.9.1 Implication to Marketing in Nigeria



The effective management of salespeople is important to managers of marketing operations in Nigeria and simultaneously maintaining strong behavioral threshold of sale people for continuously improving effectiveness of the sales units. The degree of salesperson input and involvement does, however, appear to vary across firms. The companies in Nigeria generally assign weights to different performance objectives and incorporate territory data when establishing these objectives while most salesperson, performance evaluations are conducted by the field sales manager who supervises the salesperson. However, some firms involve the manager above the field sales manager in the performance appraisal of salespeople. The behaviour control is a consistent predictor of salespeople's performance and effectiveness of the sales units in Nigeria. This indicates the importance of proactive monitoring, directing and evaluating sales people by the manager. The systems for controlling and appraising the sales force may be designed for long term (Schulz and Good, 2000) and provide incentives for relational behaviours, if behaviour based control systems are used, and utilized relational performance indicators. The high performance sales people have greater commitment to their organizations and their sales managers are more satisfied with their unit's sales territory designs. The managers may need to re conceptualize the fact that the sales people should shift from a "hard selling" to a "smart selling" approach. The increasing adoption of a relational approach to customer is therefore, fostering deep-going change in the individual skills set and capabilities of the sales force, father upstream, a substantial rethinking of company strategies and policies of selection, training, motivation and control of the sales force.

### **2.9.2 Summary of Related Literatures**

The external environment of a business consists of the interrelated sets of variable that play a principal role in determining the opportunities, threats and constraints that a firm faces. Variable originating beyond and usually irrespective of any single firms operating situation (economic, political, socio-cultural, and technological forces) form the external environment. These sets of forces provide many of the challenges faced by a particular firm in attempting to attract or acquire needed resources, and when striving to profitably market its goods and services.

Also the concept of external environmental factors and concept of performance, how the activities in the external environment affect sales force performance, the nature of the external marketing environment, how important it is for organizations to adapt its strategy's to suit changes in the marketing environment.

Next was the issue of extant literature that was predicated upon arguments for and against environmental factors.

Similarly, was the influence of environmental factors and salesforce performance which is based on salesforce behaviour and evaluation toward achieving organizational goals, sales organization effectiveness, business strategy, sales force management and marketing practice, selling strategy, extent of supervision, sales person control compensation, sales skills. It should be noted that the success of any organization lies on evaluating and modifying current strategies to enhance fit wit changing environment. However, companies often inadequately respond to the environment, even when shifting strategy would seem to enhance the company.

Moreso, marketers should take advantage of the opportunities I the external marketing environment by constantly monitoring the activities in the environment.

Also, the literature of this study, identify other factors that influence sales force performance such as; Global environment, social responsibility global warming, the 7s mckinsey model and justification of the PEST model.

Also the literature of the study used the Kotler's PEST Analysis to identify business and personal opportunities and to spot advanced warning of significant threats. It reveals the direction of change within the business environment. The analysis also shows how the marketing organization can avoid starting projects that are likely to fail, for reasons beyond their control.

Not to be left out, the literature review of this study, looks at the external business environment as an appropriate strategic tool for understanding the "big picture" of the environment in which business operates, enabling the company to take advantage of the opportunities and minimize the threats faced by their business activities. It provides a solid plan for a company and its sales force to grow in the future.

Finally, marketers in Nigeria should adapt its selling strategies by constantly monitoring the changes in the marketing environment in order to increase its performance in the marketing of goods and services, since adapting to the changes in the external environment plays a large role in the success of its marketing efforts. This study hope to analyze environmental factors and the performance of sales reps of financial sectors in Delta Central Senatorial District, Delta State.

## **2.10 THEORETICAL FRAMEWORK**

Several models exist for analyzing environmental factors that affect organizations performance. For the purpose of this study, the theoretical framework adopted and applied is the (political, economic, social-cultural, technological, competitive, legal) PESTEL analysis framework by Kotler, Saunders, wong, (2002). This model is the best known for environmental analysis. The environmental analysis performed with this model results in a set of opportunities and threats of the market. These opportunities and threats influence, in combination with the internal strengths, weaknesses and constraints, the selection of the target markets to be formulated. The environmental analysis is build up out of two parts. First the macro environment is analyzed to get a global view of the world industry. For this first environmental analysis the author used PEST Analysis Framework.

Kotler et al. (2002) claim that PEST Analysis is a useful strategic tool for understanding market growth or market decline, business position, potential and direction for operations. The headings of PEST are a framework for reviewing a situation, and can in addition to SWOT and Porter's Five Forces model, be applied by companies to review strategic directions, including marketing propositions. PEST also ensures that the company's performance is aligned positively with the powerful forces of change that are affecting the business environment (Porter, 1985). A scan of the external macro-environment in which the firm operates can be expressed on terms of the following factors: Political, Economic, Social, Technological, Competitive factors.

The use of PEST analysis can be seen effective for business and strategic planning, marketing planning, business and project development and research reports. PEST also ensures that company's performance is aligned positively with powerful forces

of change that are affecting business environment (Porter, 1985). PEST is useful when a company decides to enter its business operations into new markets and new countries. The use of PEST, in this case, helps to break free of unconscious assumptions and help to effectively adapt to the realities of the new environment.

Also, the Industry Analysis Framework by Austin (1990). Identifies the organizational characteristics with particular emphasis on how they relate to the competitors rivalry. Although, it has originally developed in relation to developing countries, it can be applied also in Nigerian case. This is based on the Business Competitiveness Index (BCI) by M. Porter.

Figure 3.1 illustrates the five forces model, which was created by Porter. These forces help determine a company's position vis-à-vis competitors, suppliers and customers; thus, it helps firms to scan their microenvironment

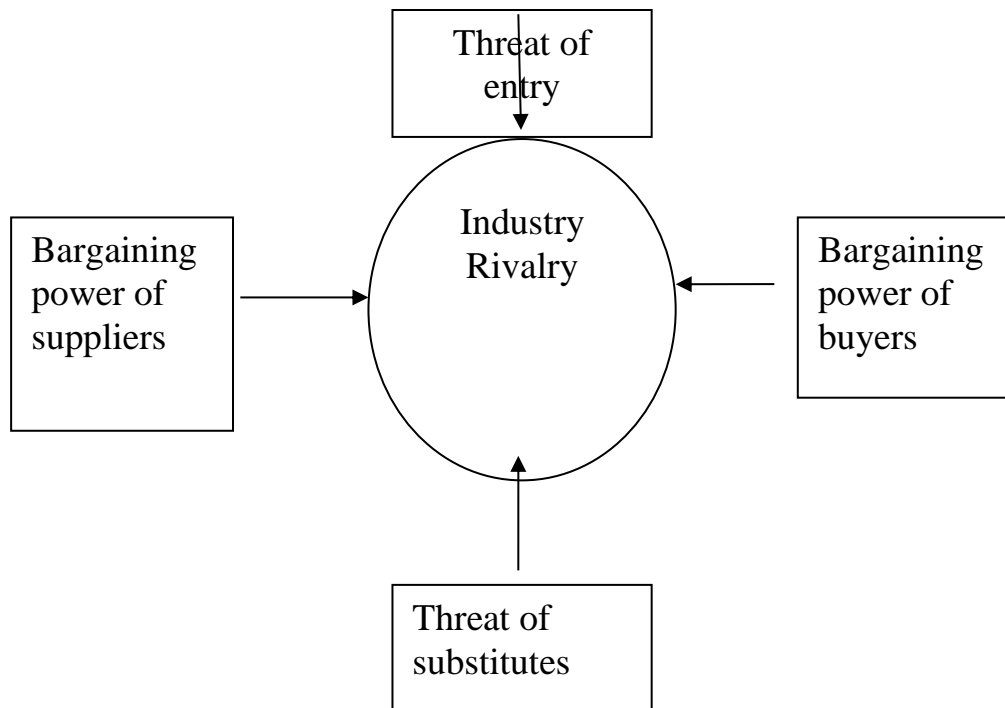


Figure 3.1: Porter's Five Forces Affecting Industry Competition, Adapted from Daft, 2006.

The framework of the five forces help firms to scan their microenvironment because it allows a firm to see through the complexity and pinpoint those factors that are critical to competition in its industry, as well as to identify those strategic innovations that would most

improve the industry's — and its own- profitability. The five forces framework does not eliminate the need of for creativity in finding new ways of competing in an industry. Instead, it directs managers' creative energies toward those aspects of industry structure that it's most important to long-run profitability. The framework aims, in the process, to raise the odds of discovering a desirable strategic innovation.

The Nigerian business environment can be characterized not as developed as those in the Western economies as well as the company operations and strategy ranking where in both variables Nigerian is positioning around 54<sup>th</sup>. Countries that have been identified as developing economies are above other country position like India, South Africa or Hungary etc. As a result, the model that has been developed from Austin can be used for the current research.

Potential new entrants: if barriers to new entry are weak then it will be impossible for companies to maintain monopoly profits. Doyle (2000) says that the major barriers to entry are: patents and legal regulations, economies of scales, high capital requirements to enter the market, strong brands, threat of retaliation, access to distribution channels

In some industries, such as soft drinks and pharmaceuticals, such barriers are crucial in explaining the high profit margins that have persisted. On the whole, however globalization, deregulation and the Internet are acting to reduce entry barriers in many markets. Entering the market is a difficult assignment due to the hard competition. Besides, joining the market, the industry requires large capital investments, access to funds, and strong brand identity. For present companies industry attractiveness is increased by raising entry barriers (Jobber, 2004). On other aspect of industry is that it should

periodically refresh its packages in order to improve its product portfolio and meet more effectively final consumer needs. Threat from other industries products and services are indirect competitors that can undermine sales performance. Rivalry among competitors: as illustrated in figure 3.1, rivalry among competitors is influenced by the preceding four forces, as well as by cost and product differentiation. Intense competition is most likely characterized of factors such as: the number of competitors, the standardized product or/and service, production capacity, market attractiveness and market growth (Doyle 2000; Jobber, 2004).

#### **2.10.1 The 7s McKinsey model**

Before a detailed description of the sales department is made, the author provides a detailed picture of the company and analyze its operation. Therefore, the 7s McKinsey model is used for this analysis. This part of the organization analysis resulted in an in-depth analysis of the current situation. This framework was adopted because it identifies the organizational characteristics and describes 7 factors to organize a company in a holistic and effective way. The current model makes a characterization of the organization, mainly as a diagnostic tool for understanding ineffective departments of organizations; it originates from the idea that different organizational parts have important separate roles and provides guidance for organizational change.

More specifically, the McKinsey 7S Framework is one of the most useful ways of auditing the effectiveness of the company's organizational value drivers, developed by the McKinsey consulting firm. The firm's analysis suggests that these drivers are essential for long-term performance. At the heart of the successful organizations is a



set of shared values or vision that unites challenges and gives direction to all the people working there (Pascale, 1990).

Concerning the 7-S framework Doyle (2000) writes that statements of shared values are meaningless unless they are supported by other drivers that operationalise them. The first of these is strategy. Strategy has to be a customer led: a deep recognition, throughout the company, that achieving the strategic vision depends on meeting the needs of customer more effectively than competitors. Structure refers to how people are organized to work together, while systems refer to how information moves around the organization and its network partners. In addition, staff concerns the background and culture of people who work for the firm. Skills are the distinctive capabilities that people possess outstanding skills in measurement and computing. Finally, style refers to the behavior of top management and, in particular, how effectively they communicate the values and priorities to the organization (Doyle, 2000).

Doyle (2000) accomplishes that the 7-S framework emphasizes the independence of the organizational value drivers. An inspiring vision is valueless unless the organization has the strategy, skills, systems, and motivated staff to back it up. Similarly, outstanding skills are not enough unless the structure empowers people to make decisions, the strategy is geared to applying the skills to what customers want, and the systems can deliver fast, cost effective solutions.

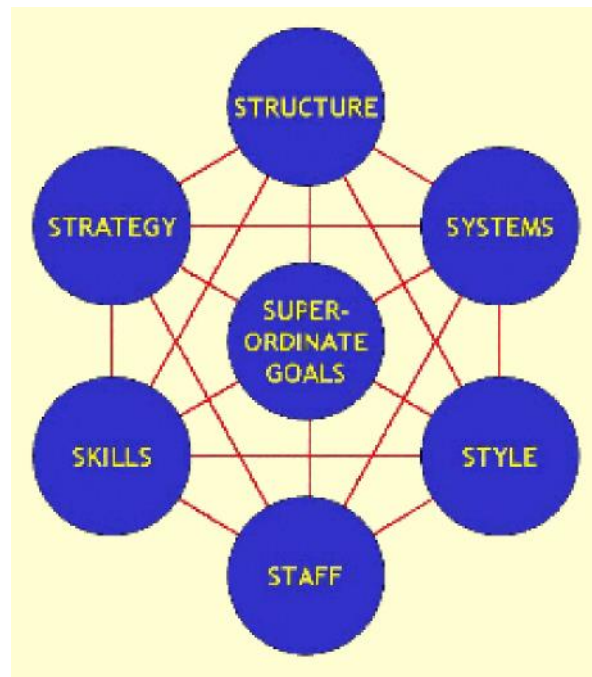


Figure 3.2. The McKinsey 7S Framework

### **2.10.2. Strategy**

Firms follow a strategy that focuses mainly in volume and less in profitability. In more details, the company attempts to import large quantities of its products in order to achieve economies of scale and increase its bargain power. In the same spirit, salesmen concentrate in selling large quantities of products and services to enhance the total turnover of the businesses. As it was mentioned above, the firm focuses less in the profitability of the selling products and in the high quality of the services.

Regarding customers, firms focus mainly in middle sized independent retailers, who are located all over the country. Finally, the firm has a concern about final's consumers needs since he /she is the key factor of the industry. Management of companies follow the trends of the market by conducting consumer surveys and analyzing secondary data relatively product and services to customers.

### **2.10.3. Systems**

The information inside the industry doesn't flow in satisfactory levels due to the fact that there is lack of computerization. More specifically, salespeople are not informed towards the total performance of the company or even the performance of other districts other than the one that they work for. In addition, only the top management administers most of the information that exists inside the company.

### **2.10.4. Staff**

The educational background of the staff is illustrated in figure 3.2. As it is shown in the diagram, 65 % of the staff is graduate of OND, 30 % holds a university degree and 5 % hold a master degree.

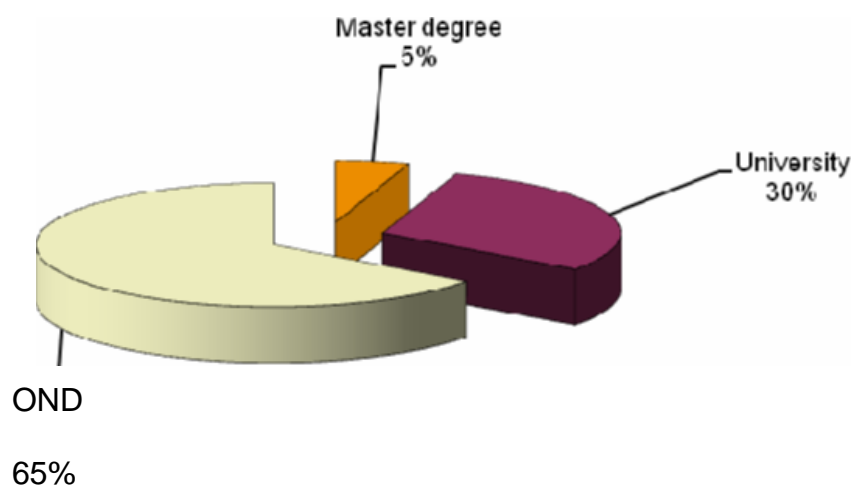


Figure 3.3, Educational Background of the staff

Moreover, the staff has no any special technical prowess, abilities or knowledge. In contrast, the most important aspect of the personnel is its experience in the banking industry. The same ratio stands for the sales department.

### **2.10.5 Structure**

The structure of the sales department in most firms is geographically based; hence each sales team is responsible for one specific territory. More specifically, they are further divided into district:

All the sales managers report goes to the top management —

one of the persons of the top management is responsible exclusively for the sales administration of the sales department.

### **2.10.6 Justification for the adoption of model**

To create and sustain competitive advantage, the firm's managers must understand the firm's internal strengths and weaknesses as well as its opportunities and threats that present themselves in the firm's external environment. To understand the external environment, marketing managers must analyze the structure of the industry in which they compete; because overall banks profitability is determined not by bank effects but also by industry effects (total banking sector effect). However, the second model, (McKinsey 7s framework) was not used in the analysis of external environmental factors and salesforce performance because it only gave a detailed picture of the firms internal operations which the manager has direct control of their outcomes and influences.

A bank managers' understanding of events in the external environment, such as changing demographics, socio cultural norms, deregulation, globalization, technological

changes, macroeconomic changes, as well as political and legal changes, can all create opportunities and threats for companies sales force.

One way to understand a firm's external environment is to apply the PEST Model. This entails assessing the firm's general environment along the following dimensions: Political/legal, Economic, Social, and Technological (PEST).

The PEST model is well appropriate for this study given its detailed explanation of firm's external environment in relation to sales force performance. The model shows how economic conditions are influenced by political and government policy, being a major influence affecting firms marketing decisions. While economic conditions and government policy are closely related, they both influence a number of other environment factors that can affect the firm's performance. It reveals how socio-cultural environment encapsulates demand tastes which vary with disposable income and general changes that can provide both analysis for opportunities and threats for the banking Sectors in Delta State. With the model, changes in the technological and competitive environment can be tracked, the goal of leveraging opportunities and mitigating threats.

The model analysis was used to examine the impact of each of these factors (and their inter-play with each other) on the Banking Industry. The analysis of data collated from these external factors can be used by marketing managers and sales representatives to take advantage of opportunities and make contingency plans for threats. The interactions of the various factors in the environment after careful analysis by marketing managers could be used to improve sales force performance and the firm's market share.

In addition, the model categorizes how these changes and factors affect sales force either directly or indirectly through customers, suppliers and competitors. It provides the framework for conducting a macro environmental scan that summarizes high level trends with a view to overcome the challenges, maximize opportunities and achieve firms/sales objective.

Summarily, in this study, a PEST analysis was undertaken to establish how each factor relates to the environment, its impact on sales force performance, and where the organization is currently at within the economic climate.

The analysis of these factors using PEST is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations.

The use of PEST can be seen as an effective tool for business and strategic planning. PEST analysis is one approach to understanding context influences by exploring political, economic, social, competitive and technological issues affecting the organization and its sales force.

The application of the model by bank manager's will enable the banks and its sales force anticipate challenges associated with the external environment and come up with proactive measures to reduce the risk of potential threat to banks and its sales force performance.

## **CHAPTER THREE**

### **RESEARCH METHODS**

#### **3.0 Introduction**

This chapter described the methods and procedures used for this study. This is organized under the following sub-topics: research design, population of the study; sampling of the study, sampling procedure, research instruments, operationalization of research instrument validity of the research. Instrument; reliability of the research instrument; method of data analysis.

#### **3.1 Research Design**

This study adopted the cross-sectional survey-design. According to Kothari (2004) in cross sectional survey, data are collected at one point in time from a sample selected to describe some large population. It is also one of the most suitable methods of collecting first hand data for the purpose of describing a population that is fairly large. Kothari (2004:101) stated that “survey research is free from the bias of the interviewer; answers are in respondents own words. The above method was enables the researcher to carry out a descriptive investigation in the process of gathering data for the study. Furthermore it was be used to investigate issues such as: environmental factors and sales force performance among sales reps and marketers in the financial sectors in Delta State.

#### **3.2 Population of the Study**

The estimated population of the study is 1, 920 in number. It comprises of marketers in the financial sector; Zenith Bank, ECO Bank, UBA, First Bank, Union Bank



and Access Bank in Delta State Nigeria. These banks were selected because they are widely spread.

The respondents were randomly selected from six banks in six local government areas of Delta Central, North and South Senatorial District of Delta State (Both male and female marketers).

### **3.3 Sample of the Study**

The sample size of this study is 10% out of the entire 1, 920 estimated population size of the study, consisting 192 figures of the respondents.

According to Kothari (2004:60) “if the compute sample size is a given percentage of the population then the research may allow for finite population correction which becomes relevant if the sampling fraction is large” hence, the sample figure for this study should be adequate for this type of investigation.

### **3.4 Sampling Technique**

The multi-stage technique and the systematic sampling technique was be used to select the sample of this study. The multi-stage technique is used to overcome problems associated with geographically dispersed population such as financial sectors in Delta State. Also, it ensure good representation of population sample; while the systematic sampling technique is an improvement over the simple random sampling technique that allow for a more even spread of an entire population. (Kothari 2004).

The technique used to select the sample randomly from the population of the financial sector in Delta State is as follows;

**Table 1: Sampled Senatorial District/Local Government Area in Delta State**

S/N	Senatorial District / L.G.A	Communities/Towns	Banks Randomly Picked	Number of Respondents		Total
				Male	Female	
1	Delta North Senatorial District					
	Oshimili North L.G.A	Okpanam Akuku-Igbo	9 6 <hr/> 15	14	21	35
	Ika North East L.G.A	Boji Biji-owa Owa-Eke	8 7 <hr/> 15	14	16	30
2	Delta South Senatorial District					
	Warri South L.G.A	Okere Ajamimoghan	9 6 <hr/> 15	16	20	36
	Bomadi & L.G.A	Ogaragbene Akugbene	6 4 <hr/> 10	12	17	29
3	Delta Central Senatorial District					
	Sapele L.G.A	Adeje Amukpe	6 5 <hr/> 11	16	18	34
	Ughelli South	Okwagbe Otu -Jeremi	3 4 <hr/> 7	12	16	28
	Grand Total		73	84	108	192

**Source: Field work (2014) Senatorial District/Local Government Area in Delta State.**

Six local Government Areas out of the 25 local government areas of Delta state, were randomly selected. Two local government each, from the three senatorial District of Delta State. Two communities/towns were randomly selected from each of the six local government area above, making it a total number of 12 communities/towns.

The systematic sample techniques was used to randomly select respondents which consist of sales reps assigned to these communities/towns(Sales territories ).

### **3.5 Research Instrument**

The data collection instrument used for this study is questionnaire. Questionnaire were used to ascertain environmental factors and salesforce performance: The case of financial sector in Delta State. It was used to generate information on the basis of the research question raised to guide the study and hypothesis formulated to be tested.

### **3.6 Operationlization of research instrument**

The application of the questionnaire as instrument in this study, was imperative because it is good in collection of primary data using the survey method design. The questionnaire consists of six sections, section A consists of demographic variables that guided the study. Section B , the responses of the terms in section B,C,D,E,F and G of the questionnaires were structured base on Likert-type five points rating scale, as shown below.

Strongly disagree (SD)	1 point
Disagree (D)	2 points
Undecided (U)	3 points
Agree (A)	4 points
Strongly agree (SA)	5 points

The table 2. below shows the questionnaire items that measured each variables as it relates to the five hypothesis in the study.

S/N	Variables	Items
1	Economic factors	1,2,3,4,5,6
2	Socio-cultural factors	7,8,9,10,11
3	Technological factors	12,13,14,15,16
4	Political factors	17,18,19,20,21
5	Competitive factors	22,23,24,25,26
	Market uncertainty	27,28,29,30,31
6	Sales growth	32,33,34,35,36

### **3.7 Validity of the Research Instrument.**

Content and face validity of the instrument were determined by the supervisor and a group of experts in the Department of business Administration, Delta State University, Abraka. Poorly structured questions and negatively worded questions, were corrected and rewritten, and relevant items were added base on their suggestions which were effected to the improvement of the content and face validity of the questionnaire.

Finally, the supervisor was shown the questionnaire to ascertain its conformity with set standards before it was certified appropriate for administration

### **3.8 Reliability of the Research Instrument.**

This study use the test-retest method to ascertain the reliability of the study.

The instrument was administered to 20 respondents outside the sample group study. It comprises of male and female marketers in Oko in Oshimili South Local Government Area of Delta State, which were served the instrument. The questionnaire was re-administered to the same group of respondent repeatedly to test the six constructs after two weeks. The linear regression statistics, “r<sup>2</sup> determinant of correlation” was employed to analyze the data that was generated from the test – retest of the study. The result were collated and tabulated in Table 3 below;

### **Reliability test statistics**

<b>Variables</b>	<b>Cronbach's Alpha</b>	<b>No of questionnaires</b>	<b>No of items</b>
Economic factors	0.986	20	6
Socio- cultural factors	0.991	20	5
Technology factors	0.980	20	5
Political factors	0.981	20	5
Competitive factors	0.981	20	5
Sales growth	0.990	20	5

### **3.9 Methods of data collection**

The questionnaire was administered personally by the researcher, and 12 trained assistant who are resident in the locality administered the questionnaire in each Local

Government Area. The questionnaire was administered within 3 weeks. The completed copies of questionnaire, was retrieved and collated on the spot (See Appendix B)

### **3.10 Method of Data Analysis**

This study adopted considerable use of tables for the presentation and analysis of data. The data collected was statistically analyzed using percentages and hypothesis were tested using  $r^2$  "determinant of correlation at 0.05 level of significance.

Decision rule: The hypothesis of the study was tested based on the value of probability (p-value) which is set at  $\alpha$  (alpha) =0.05 . The null hypothesis will be accepted if p-value <0.05 if otherwise accept the alternative.

The statistical tools used include the following;

- i      The descriptive analysis procedure: This will involve the use of percentages and mean for data classification and analysis.
- ii     A linear regression model was use to analysis the effect of environmental factors on sales performance.
- iii.   The tools of analysis are tables which are used for the presentation of information and data in a tabular form either those acquired form the field or from archives (documented). The charts (bar and pie charts) are equally used to present the information displaying their trend or movement over time and space. Linear regression was used to test the hypothesis.

### **3.11 Model Specification**

The model will be specified as follow

$$Y = f(a + bY + cD + M + u) \dots \dots \dots (1)$$

When this is transformed to the variables of interest in this study' the equation will thus

$$SFP = f( EF + SCF + TF + PF + CF + U_t) \dots \dots \dots (2)$$

Where SPF = sale force performance

TF = Technological factors

Sc = social cultural factors

PF = political factors

CF = competitive factors

EC = Economic Factors

$U_t$  = Error term/ stochastic variable

## CHAPTER FOUR

### PRESENTATION, ANALYSIS OF DATA AND DISCUSSION OF RESULTS

This chapter deals with the presentation of data which were collated for the study. The analysis of the data is based on the hypotheses that were formulated to guide the study. Next is the discussion of results. The first section focused on demographic variables, while the second section was devoted to testing the five hypothesis.

#### **4. 1 Section 1: Table 4.1 Descriptive statistics of source-economic profile of respondents.**

This section consists of the analysis of responses on demographic variables as shown in table 4.1. to 4.3 using mean, standard deviation, and percentages.

**Statistics**

	<b>SEX</b>	<b>AGE</b>	<b>MARITAL STATUS</b>	<b>EDU. LEVEL.</b>	<b>EXP. IN MARKET</b>
<b>Mean</b>	<b>1.3646</b>	<b>2.8542</b>	<b>1.4948</b>	<b>3.2292</b>	<b>2.3490</b>
<b>Std. Deviation</b>	<b>.48257</b>	<b>1.29824</b>	<b>.72356</b>	<b>1.08275</b>	<b>1.18370</b>
<b>Minimum</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Maximum</b>	<b>2.00</b>	<b>5.00</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>



**Table 4.2: Data Presentation**

<b>Demographic profile</b>	<b>Frequency</b>	<b>Percentage</b>
<b>SEX</b>		
Male	122	63.5
Female	70	36.5
Total	192	100.0
<b>AGE</b>		
18-25	32	16.7
26-35	52	27.1
36-45	49	25.5
46-55	30	15.6
56 and Above	29	15.1
Total	192	100.0
<b>MARITAL STATUS</b>		
Single	117	60.9
Married	61	31.8
Divorced	8	4.2
Widowed	6	3.1
Total	192	100.0
<b>EDU LEVEL</b>		
Secondary	45	23.5
NCE/OND	78	40.6
HND/BSC	39	20.3
Others	30	15.6
Total	192	100.0
<b>EXP Marketing</b>		
0-5	44	22.9
6-11	91	47.4
12-16	17	8.9
17-22	26	13.5
Above 23	14	7.3
Total	192	100.0

**Sex**

From the result of sex distribution of respondents, 122 respondents (63.5%) are male while 70 respondents (36.5%) are females.

**Age Distribution**

From the result of age distribution of respondents, 32 respondents (16.7%) are 18-25yrs , 52 respondents (27.1%) are 26-35yrs, 49 respondents (25.5%) are 36-45yrs, 30 respondents (15.6%) are 46-55yrs while 29 respondents (15.1%) are 56 and above.

### **Marital Status**

From the result of marital status distribution of respondents, 117 respondents (60.9%) are Single, 61 respondents (31.8%) are Married, 8 respondents (4.2%) are divorced while 6 respondents (3.1%) are widowed.

### **Educational level**

From the result of educational level distribution of respondents, 45 respondents (23.5%) are secondary school, 78 respondents (40.6%) are OND, 39 respondents (20.3%) are HND/BSC while 30 respondents (15.6%) are others.

### **Experience in marketing**

From the result of experience in marketing distribution of respondents, 44 respondents (22.9%) are 0-5yrs, 91 respondents (47.4%) are 6-11yrs , 17 respondents (8.9%) are 12-16yrs, 26 respondents (13.5%) are 17-22yrs while 14 respondents (7.3%) are above 23yrs.

**Table 4.3 Descriptive Statistics of respondent's responses to survey Questions on environmental factors.**

**Table 4.3**

<b>Variables</b>	<b>Mean X</b>	<b>SD</b>	<b>Minimum</b>	<b>Maximum</b>
Changes in business environment	3.2188	1.33580	1.00	5.00
Data on customer satisfaction	3.2135	1.41836	1.00	5.00
State customer preferences	3.2969	1.45810	1.00	5.00
Feedback necessary	2.8073	1.47558	1.00	5.00
Firm studies underlying trends	3.6354	1.27907	1.00	5.00
A major strength in customer analysis.	3.3281	1.46928	1.00	5.00
A high priority on implementing changes that fit customer culture	3.2448	1.43168	1.00	5.00
Consumption pattern of customers	3.2552	1.42251	1.00	5.00
Market targets and sales	3.2240	1.56428	1.00	5.00
Consumer in selection of products	3.0625	1.46379	1.00	5.00
Considering society and preferences	3.4896	1.56864	1.00	5.00
Product design production	3.1250	1.47758	1.00	5.00
Opportunities created technology	3.6302	1.30393	1.00	5.00
Manifestation of new product	2.5938	1.42952	1.00	5.00
Organization attempt to build	3.2500	1.51778	1.00	5.00
Emphasis on managing macro-environment risks.	3.1406	1.56400	1.00	5.00
Government policy & regulation	3.2969	1.39197	1.00	5.00
Government manage public issues	3.1458	1.51419	1.00	5.00
Instability of policies and government reforms	3.3125	1.46736	1.00	5.00
Public affairs of government	2.6302	1.35125	1.00	5.00
Responds to hanging customer requirements	3.1927	1.67186	1.00	5.00
Competition in our industry	2.9062	1.42217	1.00	5.00
Prevalent competition	3.1510	1.52916	1.00	5.00
Management team discuss competitor's strength	2.9115	1.37192	1.00	5.00

Take advantage of targeted opportunities	3.5365	1.38380	1.00	5.00
Target customer and customer groups	3.6042	1.38790	1.00	5.00
Uncertainty created by variability in consumer demand	3.5156	1.36131	1.00	5.00
Variability in product features	3.6406	1.64078	1.00	5.00
Variability in price demanded	3.4740	1.43602	1.00	5.00
Competitive moves in the industry	3.2031	1.47772	1.00	5.00
Variability in quality demanded	3.46635	1.41744	1.00	5.00

## 4.4 SECTION 2: PRESENTATION OF RESEARCH QUESTIONS

### Research Question One

To what extent does economic factors influence salesforce performance?

Table 4.4.1 Percentage analysis of Economic Factors and salesforce Performance

Economic factors and salesforece performance.

Survey Question	Options	Frequency	Percentage
We review the likely effect of changes in our business environment (e.g technology or regulation changes) on customers.	Strongly Agree	90	46.9
	Agree	25	13.0
	Undecided	10	5.2
	Disagree	31	16
	Strongly disagree	36	18.8
The firm analyses data on customer satisfaction.	Strongly Agree	91	47.4
	Agree	29	15.1
	Undecided	3	1.6
	Disagree	39	20.3
	Strongly disagree	30	15.6
The firm makes use of information that satisfies customer preferences.	Strongly Agree	75	39.1
	Agree	42	21.9
	Undecided	12	6.2
	Disagree	39	20.3
	Strongly disagree	24	12.5
The firm has a structured programme that obtains the feedback necessary to fully understand customers.	Strongly Agree	54	28.1
	Agree	38	19.8
	Undecided	21	10.9
	Disagree	49	25.5
	Strongly disagree	30	15.6
The firm studies underlying trends or patterns in its customers' dispositions.	Strongly Agree	88	45.8
	Agree	50	26
	Undecided	6	3.1
	Disagree	18	9.4
	Strongly disagree	30	15.6
A major strength of thus firm is effective and efficient customer analysis.	Strongly Agree	81	42.2
	Agree	42	21.9
	Undecided	8	4.2

	Disagree	41	21.4
	Strongly disagree	20	10.4

### **Review Changes in Business Environment**

Using a five point scale in the structured question the response of sampled bank marketers is as presented in table 4.2 above. The result for changes in Business Environment 25 respondents represent 13.0% agrees while 90 respondents representing 46.9 strongly agree. But 36 respondents which is 18.8% of respondent strongly disagree, 31 respondent representing 16% disagree and 10 respondent which is 5.2% of response undecided.

### **Data on Customer Satisfaction**

From table 4.2 the response to survey Question 2 show that 120 respondents representing 62.5% are positive as 29 strongly and 91 Agree. 69 respondents which is 35.9% are negative while 3 respondents declined.

### **Satisfies Customer Preferences**

The preference of customer to the difference bank marketed product as construct in question 8 of questionnaire. 117(61%) respondent strongly agree and 63 (32.8%) respondent disagree while 12(6.2%) was undecided.

### **Feedback necessary**

On whether feedback is necessary to influence sales force performance 54 respondent which is 28.1% strongly agree, and 38 respondents (19.8%) agree 21 respondent are undecided . 49 respondent (25.5%) disagree and 30 (15.6%) respondent strongly agree. That feed back is important and achieve higher performance for sales force marketing.

### **Firms Studies underlying trends.**

Firm understanding of underlying factor is very important in achieving higher performance. The result in table 4.2 show that 88 (45.8%) respondents strongly agree and 50 (26%) agree while 30(15.6) respondent strongly disagree, 18(9.4%) disagree and 6 (3.1%) was undecided.

### **Effective and Efficient Customer analysis**

A major strength of survey in an organization depend on its dependent on customer analysis, How does the firm see the customer?, what is the relationship between the firm and its customer? This will impact positively on sales force performance of the firm/bank. The result in table 4.2 reveals that 81 (42.2%) of respondent strongly agree and 42 (21.9%) agree while 41(21.4%) disagree, 20(10.4%) strongly disagree and 8(4.2%) was undecided.

## **Research Question Two**

Do socio-cultural factors influence salesforce performance?

**Table 4.5 Percentage Analysis of Socio-Cultural Factors and Salesforce performance**

**Socio-cultural factors and salesforce performance.**

<b>Scale Items</b>	<b>Options</b>	<b>Frequency</b>	<b>Percentage</b>
A high priority is placed on implementing changes that fit the customers culture.	Strongly Agree	61	31.8
	Agree	44	22.9
	Undecided	17	8.9
	Disagree	32	16.7
	Strongly disagree	38	19.8
The firm responds to buying and consumption pattern of customers.	Strongly Agree	68	35.4
	Agree	41	21.4
	Undecided	15	7.8
	Disagree	33	17.2
	Strongly disagree	35	18.2
In setting market targets and sales promotion top management consider the educational back ground of consumers.	Strongly Agree	61	31.8
	Agree	50	26.0
	Undecided	12	6.2
	Disagree	49	25.5
	Strongly disagree	20	10.4
We respect the belief and culture of our consumers in selection of products.	Strongly Agree	72	37.5
	Agree	30	15.6
	Undecided	19	9.9
	Disagree	49	25.5

	Strongly disagree	22	11.5
Considering society and its preference in setting sales target is our policy.	Strongly Agree	10	5.2
	Agree	89	46.8
	Undecided	27	14.1
	Disagree	28	14.6
	Strongly disagree	38	19.8

### **Implementing changes in the company**

Change is one element of business that is always, consistent. Implementing change showed to be a top priority of management if the firm must achieve higher performance. The respondents are positive that change implementation should be a higher priority to the Company. The result in table 4.3 reveals that 61 respondents while is (31.81%) of response strongly agree 44 respondent which is (22.9%) agree while 32 (16.7%) disagree, 38(19.8) strongly disagree and 17(8.9) was undecided.

### **Consumption pattern of Customers**

Every marketing firm including banks need to respond to the buying and consumption pattern of customers. This is a cultural identity of the customers it goes a long way in helping marketers in achieving increase sales force performance. From the survey result 68 (35.4%) of the respondent strongly agree 41 (21.4%) agree while 33(17.2%) disagree, 35(18.2%) strongly disagree and 15(7.8%) respondent was undecided.

### **Market Target and Sales promotion**

Market target and sales promotion is a key factor to be considered by any firm aiming to achieve sales growth. The survey result revealed that 61 respondents 31.8% strongly agree, 50 (26%) Agree while 20(10.4%) respondent strongly disagree, 49(25.5%) disagree. And 12 (6.2%) was undecided. It implies that the respondent agree that market target and sales promotion are important in achieving sales growth.

## **Consumer Culture and Belief**

There is need for firm to observe the culture and belief of its customers. The result show 72 (37.5) strongly agree, 30 (15.6) agree while 49 (25.5%) disagree, 22(11.5%) strongly disagree and 19 (9.9) are undecided.

### **Society and its preference**

The preference of the people determine the demand for market good/product, hence the firm in consideration of its socio cultural environment must pay attention to the preference of the society. The result in table 4.3 show that the respondents are positive toward the need for firms to observe the society preference 89 respondents(46.8%) agree, 10(5.2%)strongly agree while 28(14.6%) disagree,38 (19.8%)strongly disagree and 27(14.1%) and undecided.



### Research Question Three

Are there any relationship between technological factors and salesforce performance?

**Table 4.6: Percentage analysis of technological factors and salesforce performance.**

Survey Question	Options	Frequency	Percentage
Changes in technology i.e product design, production methods, process and product delivery	Strongly Agree	64	33.3
	Agree	38	19.8
	Undecided	18	9.4
	Disagree	44	22.9
	Strongly disagree	28	14.6
Opportunities created by technology i.e product design, production methods, process and product delivery	Strongly Agree	101	52.6
	Agree	44	22.9
	Undecided	7	3.6
	Disagree	28	14.6
	Strongly disagree	12	6.2
Manifestation of a new product as a result of technology.	Strongly Agree	39	20.3
	Agree	22	11.5
	Undecided	37	19.3
	Disagree	67	34.9
	Strongly disagree	27	14.1
Organizational attempt to build capabilities to respond to desperate situations.	Strongly Agree	40	20.8
	Agree	57	29.7
	Undecided	28	14.6
	Disagree	39	20.3
	Strongly disagree	28	14.6
Emphasis on managing macro-environmental risks (i.e political, economic and financial risks).	Strongly Agree	51	26.6
	Agree	49	25.5
	Undecided	21	10.9
	Disagree	51	26.6
	Strongly disagree	20	10.4

### Production designs

For marketing efforts to succeed the marketing firm/team must put into consideration change in technological design of its products change in production method. The survey show that 64(33.3%) respondents strongly agree, 38(19.8) respondents Agree while 44(22.9) strongly disagree, 38(19.8%) agree and 18(9.4%) were undecided about changes in technological design or service delivery method.

### Opportunity Created by Technology

The firm must position its self to take advantage of opportunity created by technology, hence in its marketing plan; attention must be paid to change in technology. From the result, 101(52.6%)

respondents strongly agree, 44(22.9%) Agree while 28(14.6%) disagree, 12(6.2%) strongly disagree and 7(3.6%) are undecided.

### **Manifestation of New product**

The firm much reacts to manifestation of new products as a result of changes in technology in order to increase sales for its products and services. From the survey, 39 (20.3) strongly agree 22(11.5) agree while 27(14.1) strongly disagree, 67(34.9) disagree and 27 (14.1) are undecided.

In all the general response is that Banks should pay attention to new product manifestation resulting from changes in technology.

### **Organizational attempt to build Capabilities.**

From table 4.4, 40(20.8) respondent strongly agree 57(29.7) agree while 39(21.3) disagree 28(14.6) strongly disagree and 28(14.6%) are neutral. There is need to replace worn out equipments and build new one to effective take advantages of change technology.

### **Emphasis on Managing Macro Environment Risks**

The research sought to know whether the firm/bank should emphasis managing of macro environmental risks. The respondent are not in total agreement on this, 52(26.6) strongly agree, 49(22.5) agree while 20(10.4) strongly disagree, 51(26.6) disagree and 21(10.9%) are undecided.

### Research Question four

Do political factors influence salesforce performance?

**Table 4.7: Percentage Analysis of political factors influence on salesforce performance.**

Survey Question	Options	Frequency	Percentage
We consider the government policy and regulation in doing our business.	Strongly Agree	60	31.2
	Agree	44	22.9
	Undecided	14	7.3
	Disagree	30	15.6
	Strongly disagree	44	22.9
We are influence by how government manage public issues relation to business.	Strongly Agree	54	28.1
	Agree	46	24.0
	Undecided	17	8.9
	Disagree	43	22.4
	Strongly disagree	32	16.2
Instability of policies and government reforms are part of key factors we look out for in setting our sales target.	Strongly Agree	78	40.6
	Agree	42	21.9
	Undecided	11	5.7
	Disagree	41	21.4
	Strongly disagree	20	10.4
Our business are not dependent on public affairs of government.	Strongly Agree	20	10.4
	Agree	30	15.6
	Undecided	33	17.2
	Disagree	42	21.9
	Strongly disagree	67	34.9
The firm responds to changing customer requirements.	Strongly Agree	73	38.0
	Agree	22	11.5
	Undecided	14	7.3
	Disagree	48	25
	Strongly disagree	35	18

### Government policy and regulations

Business cannot operate in absence of government and Government policy. As firm strives to succeed it must conform to the policy and regulations of its environment as being put in place by government. The response to the question whether the policy and regulation by government is important or not, in affecting sales growth show in table 4.5 as 60 (31.2%) respondent strongly agree 44 (22.9) agree while 44 (22.9%) strongly disagree, 30 (15.6%) disagree and 14 (7.3%) are Undecided.

### **How government Manage Public Issues**

The way government handles public issues that relate to business affect the effectiveness of marketing. Government role in this regard is over among many political factors that influence sales growth. From the survey, 54 (28.1%) respondents strongly Agree, 46 (24%) agree, 43 (22.4%) disagree, 32(16.2%) strongly disagree while 17 (8.9) respondent are neutral.

### **Instability of Policies**

The political stability of any country/state is a key political factor that can affect sales growth. 78 (40.6) of respondents strongly agree, 42 (21.9) agree while 41 (21.4) and 20 (10.4%) strongly disagree and disagree respectively and 11(5.7%) respondent remain neutral.

### **Public Affairs of Government**

The way government conducts its public affairs may affect business activities in the state. The survey result show that it is not too relevant to business how government go about its public affairs as 42 (21.9) of respondents disagree while only 30 (15.6%) respondents agree, 67 (34.9% )strongly disagree while 33 ( 17.2%) total response are neutral.

### **Changing Customer Requirements**

Any government policy that changes the existing requirement of business is capable of affecting sales growth. From table 4.5, 95(49.5) respondent was positive while 83(43.2%) are negative as

14(7.3) remain neutral on the role of government regulation of business requirement in deciding sales growth.

### Research Question Five

Are there any relationship between competitive factors and salesforce performance?

**Table 4.8: Percentage Analysis of competitive factors and salesforce performance.**

Survey Question	Options	Frequency	Percentage
Competition in our industry is cut throat	Strongly Agree	53	27.6
	Agree	30	15.6
	Undecided	20	10.4
	Disagree	42	21.9
	Strongly disagree	47	24.5
Prevalent price competition	Strongly Agree	60	31.2
	Agree	44	22.9
	Undecided	17	8.9
	Disagree	48	25
	Strongly disagree	23	12
The top management team discuss competitors' strength and weakness.	Strongly Agree	39	20.3
	Agree	24	12.5
	Undecided	41	21.4
	Disagree	31	16.1
	Strongly disagree	57	29.7
We take advantage of targeted opportunities to take advantage of competitor's weakness.	Strongly Agree	77	40.1
	Agree	51	26.6
	Undecided	20	10.4
	Disagree	32	16.7

	Strongly disagree	12	6.2
We target customer and customer groups where we have developed, or can develop, a competitive advantage.	Strongly Agree	60	31.2
	Agree	65	33.9
	Undecided	15	7.8
	Disagree	22	11.5
	Strongly disagree	30	15.6

### **Competition in our Industry**

Competition in any form is a treat to business survival and growth. Organizations` reaction to competitive force in its business environment is a key factor to its survival and growth. Sales growth is affected by the extent to which management plan toward competitive forces in its environment. The result in table 4.6 reveal that 83 (43.2%) of respondents agree that competitive forces do have influence on sales growth while 89 (46.4) disagree and 20 (10.4) are neutral.

### **Prevalent Price Competition**

Price competition is another form of competitive factor that every business has to case with the reaction of sales force to this factor will determine the firm`s success and failure. From the result in table 4.6 most market 104(54.1%) agree that prevailing price competitive is a relevant factor to be consider by sales force to achieve efficient sales growth, while 71(37%) feel otherwise and 17(8.9%) are neutral.

### **Management Team Discussion**

How management team discuss and plan toward competition affect efficiency of the sales force. From the survey, most majority of marketers felt it is not too important, as 88(45.8%) disagree while 63(32.8%) agree and 41(21.4) are undecided. This implies that the way management handle competition is not a factor to be considered.

For impact a factors to be consider.

### **Take Advantage of target opportunities**

Sales force need to update theirs sales target on targeted objective of the firm.

The ability of the firm to take advantages of target opportunity will enable the firm to achieved its objective. Form the result, 44(22.9%) disagree while 128 (66.7%) agreed and 20(10.4%) represent where undecided.

### **Target customer and customer Groups**

From the result in table 4.7, 125 (65.1%) respondents agreed that target customer is necessary for increased sales performance while 52 (27.1%) disagree. It implies that for the sales force to grow and achieve the firms targeted sales there must be target customers.

**Table 4.9 Percentage analysis of respondents responses to sales growth in the Industry.**

Survey Question	Options	Frequency	Percentage
Uncertainty created by variability in consumer demand	Strongly Agree	75	39.1
	Agree	51	26.6
	Undecided	12	6.2
	Disagree	24	12.5
	Strongly disagree	30	15.6
Variability in product/brand features	Strongly Agree	33	17.2
	Agree	95	49.5
	Undecided	4	2.1
	Disagree	40	20.8
	Strongly disagree	20	10.4
Variability in price demanded	Strongly Agree	77	40.1
	Agree	51	26.6
	Undecided	10	5.2
	Disagree	34	17.7
	Strongly disagree	20	10.4
Competitive moves in the industry	Strongly Agree	76	39.6
	Agree	37	19.3
	Undecided	13	6.8
	Disagree	45	23.4
	Strongly disagree	21	10.9
Variability in quality demanded	Strongly Agree	71	37.0
	Agree	51	26.6
	Undecided	19	9.9
	Disagree	33	17.2

	Strongly disagree	18	9.4
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### **Uncertainty created by variability**

Variability in product demand is key factors in sales performance and sales growth in Nigeria banks. Whenever there is uncertainty in business, there is risk and fear. From the result 126 (65.7%) respondent agreed while 54 (28.1%) disagree and 12 (6.2%) are neutral.

### **Variability in Product Features**

The growth of in sales in any organization depends on the variability in product feature. The result show 128 (66.7) respondents agree that uncertainty of product variability while 6 (31.2%) disagree, 4 (2.1%) was undecided.

### **Variability in Price Demanded**

Variability in price affect sales growth and hence for me performance. The result show that 128 (66.7%) of respondent agreed while 54 (28.1%) of respondent disagree and 10(5.2%) was undecided.

### **Competitive Moves in the Industry**

The firm watches every moves in the industry especially as such moves create competitiveness in the industry. Proper response to competitive moves in the industry will have effect on sale growth. From the result, 76 respondents representing (39.6%) strongly agree and 87 (19.3%) agree which 45 (23.4%) strongly disagree and 21 (10.9%)strongly disagree as 13(6.8%) respondents remain neutral.

### **Variability in Quality Demand**

The marketing sales force ensure variability in its product quality to remain relevant in the market 71 respondents (37%) strongly agree, 51 respondents (26.6%) agree while 33 respondents (17.2%) disagree, 18 respondents (9.4%) strongly disagree and 19 respondents (9.9%) are undecided.

## **4.10 Presentation of Research Hypotheses**

The data collected from the field is analyzed using Classic linear regression model. Using linear regression results in the model summaries and ANOVA tables as shown in tables 4.10 to 4.14 and Appendix C we validate the hypotheses based on the  $R^2$  and the P-value. As our decision rule, where  $R^2$  is higher than 0.40, it show significant relationship between the dependent and



independent variable, while the P-value is compared against  $\alpha$ , (alpha 0.05) when  $P < \alpha$ , reject  $H_0$  and accept  $H_1$ ) if  $P > \alpha$ , Accept  $H_0$  and reject  $H_1$ ).

### Hypothesis 1

Economic factors has no significant effect on salesforce performance.

Table 4.10: Summary of linear regression Analysis of economic factors and salesforce performance.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.909	.260		-3.497	.001
	CHANGES BUSINESS ENVIRONMENT	1.205	.235	.219	5.125	.000
	DATA CUSTOMER SATISFACTION	-.075	.274	-.015	-.275	.783
	STATES CUSTOMER PREFERENCES	.729	.338	.148	2.155	.033
	FEEDBACK NECESSARY	.282	.117	.058	2.421	.017
	FIRM STUDIES UNDERLYING	1.727	.152	.299	11.388	.000
	A MAJOR STRENGTH	1.540	.319	.316	4.832	.000

a. Dependent Variable: SALES PERFORMANCE

R<sup>2</sup> adjusted = 0.987, f-statistic = 1719.60, RSS (Residual sum of squares) = 7249.66.

From the result summary as presented above,  $R = 0.99$   $R^2 = 0.98$  Adj  $R = 0.98$

F-statistics = 1719  $P = 0.000$ . the result showed significant relationship between

Sales performance and economic factors.  $R^2$  of 0.98 means that 98% variation in sales performance is as a result of changes in economic factors. Most of the independent variables show strong positive correlation between the dependent variable. All variable except data customer satisfaction are significant at 95 % level of significant. Changes Business Environment, States Customer Preferences, Feedback Necessary, Firm Studies Underlying trends, A major strength has p-values of 0.000 (5.125) for CBE, 0.033 (2.155) for SCP 0.017 (2.421) for FN, 0.000(11.388) for FSU and 0.000 (4.832) for AMS. This showed that there is statistical significant relationship between economic factors and sales growth in the industry.

From our decision rule,  $R^2 = 0.987$  is greater than 0.40 hence there is a significant relationship between salesforce performance/sales growth and economic factors and P-value  $0.00 < 0.05$ , we reject  $H_0$  and accept the alternative,  $H_1$  which state that economic factors has a significant effect on salesforce performance.

The implications of this result is that a proper evaluation of economic factors confronting the firm will help improve sales performance and give advantage to the sales force over its competitors.

### **Hypothesis 2**

There is no significant relationship between socio-cultural factors and salesforce performance.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.342	.341		6.871	.000
	A HIGH PRIORITY	-1.084	.583	-.216	-1.859	.065
	CONSUMPTION PATTERN OF CUSTOMERS	2.207	.578	.435	3.821	.000
	MARKET TARGETS AND SALES	2.630	.399	.587	6.595	.000
	CONSUMERS IN SELECTION OF PRODUCTS	.193	.395	.040	.487	.627
	CONSIDERING SOCIETY AND PREFERENCE	.666	.261	.144	2.555	.012

a. Dependent Variable: SALES PERFORMANCE

R<sup>2</sup> adjusted = 0.953, f-statistic = 608.42, RSS (Residual sum of squares) = 7017.74.

From the result summary as presented above,  $R = 0.97$   $R^2 = 0.95$  Adj  $R = 0.95$   
F-statistics = 608  $P = 0.000$ . The result showed significant relationship between Sales performance and Socio-cultural factors.  $R^2$  of 0.97 means that 97% variation in sales performance is as a result of changes in Socio-cultural factors . Most of the independent variables show strong positive correlation the dependent variable. All variable except high priority placed on implementing changes that fits customer culture and selection of products are significant at 95 % level of significant. Consumption pattern of customers, Market targets and sales, and considering society and preferences, has p-values of 0.000 (6.871) for cpc, 0.00 (2.630) for MTS, 0.012 (2.555) for CSP, and

0.065(-1.859) HPPIC,0.627 (.487) for selection of products. This showed that there is statistical significant relationship between socio-cultural factors and sales performance. The independent variables was able to explain 95% variations in sales performance.

### Hypothesis 3

Technological factors has no positive influence on salesforce performance.

Table 4.12: Summary of Linear Regression Analysis of technological factors and salesforce performance.

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.625	.350		1.786	.076
	PRODUCT DESIGN PRODUCTION OPPORTUNITIES CREATED TECHNOLOGY	.404	.339	.084	1.191	.236
	MANIFESTATION OF NEW PRODUCT ORGANIZATIONAL ATTEMPT TO BUILD EMPHASIS ON MANAGING	1.461	.195	.255	7.481	.000
		-.874	.309	-.172	-2.829	.005
		1.671	.396	.355	4.222	.000
		2.196	.367	.490	5.988	.000

a. Dependent Variable: SALES PERFORMANCE

R<sup>2</sup> adjusted = 0.966, f-statistic = 842.18, RSS (Residual sum of squares) = 7107.10.

From the result summary as presented above, R = 0.983 R<sup>2</sup> =0.967 Adj R = 0.966

F-statistics = 842.18 P = 0.000. The result showed significant relationship between Sales performance and Technological factors.  $R^2$  of 0.983 means that 98.3% variation in sales performance is as a result of changes in technological factors. Most of the independent variables show strong positive correlation with the dependent variable. All variable expect product design production are significant at 95 % level of significant ie opportunities created technology, manifestation of new product, organizational attempt to build and emphasis on managing has p-values of 0.000 (7.481) for Opportunity created by technology, 0.005 (-2.829) for Manifestation of new products 0.000 (4.222) for Organization attempt to build, 0.000(5.988) for Emphasizes on macro environment. the numbers in bracket are the t-values. This showed that there is statistical significant relationship between technological factors and sales growth in the industry.

From our decision rule,  $R^2 = 0.967$  is greater than 0.40 hence there is a significant relationship between salesforce performance/sales growth and economic factors and P-value 0.00 <0.05, we reject  $H_0$  and accept the alternative,  $H_1$  which state that technological factors has a significant effect on salesforce performance.

Management of modern firm will not achieve much if its operation and polices are indifferent to technological evolution in the industries. This result implies that management must always watch out for changes in technology in its products and services.

#### Hypothesis 4

Political factors has no significant influence on salesforce performance.

Table 4.13: Summary of Linear Regression Analysis of political factors and salesforce performance.

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.354	.285		4.748	.000
GOVERNMENT POLICY AND REGULATION	1.159	.338	.222	3.425	.001
GOVERNMENT MANAGE PUBLIC INSTABILITY OF POLICIES AND GOVERNMENT	-.729	.357	-.156	-2.041	.043
PUBLIC AFFAIRS OF GOVERNMENT	3.528	.281	.723	12.534	.000
CHANGING CUSTOMER REQUIREMENTS	-.156	.166	-.029	-.938	.350
	1.021	.232	.237	4.402	.000

a. Dependent Variable: SALES PERFORMANCE

R<sup>2</sup> adjusted = 0.970, f-statistic = 964.61, RSS (Residual sum of squares) = 7137.05.

From the result summary as presented above, R = 0.985 R<sup>2</sup> = 0.971 Adj R = 0.970

F-statistics = 964 P = 0.000. The result showed significant relationship between Sales performance and political factors. The independent variable as a group explained variation in the dependent variable sales performance up to 97.1% while the remaining 22.9% is accounted for by other variable not in the model. The coefficient of determination ( $R^2$ ) 0.971 means that 97.1% variation in sales performance is as a result of changes in political factors. Most of the independent variables show strong correlation between the dependent variable. All variable in the construct expect public affairs of Government are significant at 95 % level of significant. Government policy and regulation, government manage public, instability of policies and government, and changing customer requirements has p-values and t-value of 0.001 (3.425) for GPR, 0.043 (-2.041) for GPM, 0.000 (12.534) for IPG and 0.000(4.402) for CCR. This showed that there is statistical significant relationship between political factors and sales growth in the industry. From our decision rule,  $R^2 = 0.971$  is greater than 0.40 hence there is a significant relationship between salesforce performance/sales growth and economic factors and P-value  $0.00 < 0.05$ , we reject  $H_0$  and accept the alternative,  $H_1$  which state that political factors has a significant effect on salesforce performance. The implications of this result is that management must always integrate the policy and programmes of government into its planning and goals as any conflict in this area could have adverse effects on performance.

### Hypothesis 5

Competitive factors has no significant relationship with salesforce performance.

Table 4.14: Summary of Linear Regression Analysis of competitive factors and salesforce performance.

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.512	.203		-2.525	.013
COMPETITION IN OUR INDUSTRY	.261	.159	.051	1.644	.102
PREVALENT COMPETITION	1.701	.149	.369	11.384	.000
MANAGEMENT TEAM DISCUSS	-.842	.142	-.156	-5.909	.000
ADVANTAGE OF TARGETED OPPORTUNITIES	2.335	.146	.444	15.954	.000
TARGET CUSTOMER AND CUSTOMER	1.623	.173	.302	9.398	.000

a. Dependent Variable: SALES PERFORMANCE

R<sup>2</sup> adjusted = 0.989, f-statistic = 2648.85, RSS (Residual sum of squares) = 7271.08.



From the result summary as presented above,  $R = 0.995$   $R^2 = 0.989$   $\text{Adj } R = 0.989$   $F\text{-statistics} = 2684$   $P = 0.000$ . The result showed significant relationship between Sales performance and competitive factors.  $R^2$  of 0.98 and p-value of 0.000 means that 98.9% variation in sales performance is as a result of changes in competitive environment of business. All variables in the construct as the independent variables show strong positive correlation the dependent variable. All variable expect COI(competition in our industry) are significant at 95 % level of significant as p-value < 0.05. prevalent competitors, management team discuss, advantage of targeted opportunities and target customer and customer group has p-values of 0.000 (1.644) for PC, 0.033 (-5.909) for MTD 0.000 (15.954) for ATO and 0.000(9.398) for TCC. This showed that there is statistical significant relationship between competitive factors and sales growth in the industry.

From our decision rule,  $R^2 = 0.989$  is greater than 0.40 hence there is a significant relationship between salesforce performance/sales growth and economic factors and P-value  $0.00 < 0.05$ , we reject  $H_0$  and accept the alternative,  $H_1$  which state that competitive factors has a significant effect on salesforce performance.

The result poses great implication for management as every business operate in constant competition. Management must design better ways to responds to competition in its operation and service delivery. Competition come in different form but the response of sales force to these challenges determine how far it will survive in the industry.

#### 4.15 Summary of Results of Hypotheses Tested

**Table 4.15**

Hypothesis	$R^2$	P=value	Decision
Hypothesis 1 $H_0$	0.987	$0.000 < 0.05$	Reject $H_0$ , Accept $H_1$
Hypothesis 2 $H_0$	0.955	$0.000 < 0.05$	Reject $H_0$ , Accept $H_1$

Hypothesis 3 H0	0.967	0.000< 0.05	Reject H0, Accept H1
Hypothesis 4 H0	0.971	0.000< 0.05	Reject H0, Accept H1
Hypothesis 5 H0	0.989	0.000< 0.05	Reject H0, Accept H1

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary of Work**

The topic of the study is environmental factors and sales force performance ; the case of financial sectors in Delta State. the study was delimited to ascertaining environmental factors and sales force performance in the banking sector of Delta Central, North, and south Senatorial District. The study include both male and female marketers in six banks which were randomly selected from six local government areas of Delta Central, North and South Senatorial District in Delta State. Several literatures and concepts on environmental factors and salesforce performance were reviewed. Previous literatures on similar work on the study were explored. The various sales skills, business strategies, salesforce management and other factors required for effective selling were addressed in the study. Next was the issue of Empirical studies and the Kotler's PESTEL (political, economic, socio-cultural, technological and competitive factors ) analysis framework was the model adopted for the study while the 7s Mckinsey model

was use to analyse the firms internal operation. Questionnaires were used to collect data for the study and the responses in the questionnaire were structured based on Likert-type modified five point rating scale.

A total number of five research questions and five hypothesis were stated inorder to ascertain environmental factors and sales force performance in the banking industry. The Descriptive research design was employed in the study and with a population of 1920 from six local government area of Delta central, North and South senatorial district of Delta State. A sample of 192 (one hundred and ninety two) respondents were used in the study. The five research questions were analysed using linear regression model at 0.05 level of significant( 95%). The study shows that the five null hypothesis were rejected as p-value  $0.000 < 0.05$  while the five alternative hypothesis were accepted. The research work also reveal how the study has contributed to knowledge.

## **5.2 FINDINGS**

The following are some of the findings from the study;

1. There is significant relationship between economic factors and sales force performance. From the linear regression result  $R^2$  is 0.987 and p-value  $0.000 < 0.05$  (95%), this implies that 98.7% variation in sales performance is as a result of changes in economic factors. Hence, there is strong positive correlation between economic factors in the construct and sales growth performance .The remaining, 1.3% variation is due to factors not included in the model but that are represented by the error term  $u$ . The research work carried out by Adeoye and Elegunde (2012) support the research findings. In their work the analysis shows that economic factors has a significant influence on

salesforce performance, hence organization should pay attention to the happenings in the economic environment. Management should be monitoring the economic activities regularly so that the adverse conditions are identified before hand and appropriate action taken to facilitate salesforce efforts during economic depression.

2. There is significant relationship between socio-cultural factors and sales force performance as social cultural variable included in the model show positive correlation with sales growth performance as  $R^2$  is 0.955 meaning that 95.7% variation in sales performance is accounted for by changes and responses to socio-cultural factors. The findings of these two authors, Hugh & Piercy (2007) in their work reveal that successful organizations are those that tailor their products and services to suit customers consumption pattern and buying habits. Their findings also reveal that socio-cultural factors has a significant influence on salesforce performance.

3. There is a significant relationship between technological factors and sale force performance. The regression result show  $R^2$  is 0.967 and p-Value of 0.000 which is less than 0.05 hence 96.7 % change in sales growth is accounted for by changes in technological environment. Baldaufs & Cravens (2002) in their findings reveal that the success of salesforce in marketing the firms product was a function of proper utilization of information technology. Hence for management to survive, it must adapt its plan to match changing technological trends in the business environment.

4. There is a significant relationship between political factors and sales force performance. The regression estimate show positive correlation between political factor and sales growth.  $R^2$  is 0.971 and P-value 0.000 <0.05, which implies that 97.1 % changes in sales force is accounted by changes in political factors. The research work

carried out by Adeoye and Elegunde (2012) support the research findings. In their work the analysis shows that political factors has a significant influence on salesforce performance, hence organization should pay attention to the happenings in the political environment. Management should be constantly monitoring change in government policies and regulations so that the changes are identified before hand and appropriate action taken to facilitate organization growth in sales and actualization of its objective.

5. There is a significant relationship between competitive factors and sales force performance. The result from regression result show that competitive factors accounted for 98.9 variation in sales performance as  $R^2$  is 0.989 and p-value is 0.000 which is less than 0.05. competition is the most threatening force, the firms must deal with. In the work of Booth & Hammer (2009) their findings shows that competitive factors has a very strong influence on the organization success or failure. Managers must keep themselves abreast of competitive factors in the industry so as to help minimize the risk of business failure and potential competitors taking over its market.

### **5.3 Conclusions**

Based on the findings of this study, the following conclusions were drawn;

Economic factors were able to positively influence the firms sales growth in terms of creating awareness for managers to proactively monitor their activities in the economy with a view to adapt its marketing strategies for efficient performance . The positive and statistically significant relationships between economic factors and sales growth for all firms (financial sectors ) in Nigeria suggest that the firms strive to adapt or react to the

prevailing variables in their economic environment when these variables alter to ensure adequate performance.

Generally, superior performances in the Nigerian banks are mostly achieved as the firms reduce the gaps between their capabilities and the effects of the varying environmental factors

The adaptation of different cultural patterns and values within the firms external environment has a positive influence on the firms marketing performance.

Changes in technological environment has positive influence in terms of constant monitoring of the activities in the technological environment by adapting its sales strategies to suit recent changes in the technological environment.

The political factors were able to impact positively on the firms sales performance by creating a better understanding of government regulations and policies as it affects the firms marketing activities.

Competitive factors identified by the firm were adequate in terms of making positive impact on the firms marketing efforts by understanding its competitive strengths and weakness.

#### **5.4 Implications of the Findings**

The findings that there is significant relationship between economic factors and sales force performance, implies that the firm studies underlying economic trends or patterns in the environment and its customers distribution to enhance increase in sales force performance.

The findings that there is significant relationship between socio-cultural factors and salesforce performance, implies that the firm place a high priority on implementing changes that fits the customers culture. This will ensure growth in sales returns.

The findings that there is significant relationship between technological factors and salesforce performance, implies that the firm utilizes opportunities created by technology to improve on his product/services. This will leads to better performance and increase in sales.

The findings that there is significant relationship between political factors and salesforce performance, implies that the firm respond to changing government/customer requirement. The firm can overcome the challenges prevalent in the political environment and take advantage of the changes for better performance in marketing its product and services.

The findings that there is significant relationship between competitive factors and salesforce performance implies that the firm target customers and customers groups with a view to take competitive advantage targeted towards increasing its market share.

## **5.5 Recommendations**

1. Since the environment is an indispensable tool in management, it should not be taken with kids' glove as it can influence the organization to achieve its stipulated objectives from time to time. Management should constantly scan the external business environment in order to minimize threats and take advantage of opportunities.
2. The organization should endeavour to train and retrain their employee in areas of environment so as to create a conducive working environment for the

organization. Today's customers expect salesreps to have deep product knowledge, to add ideas to improve the customer's operations, and to be efficient and reliable, hence the organization should make a much higher investment in sales training.

3. Manager should keep abreast of the development in the level of technology in business parlance. There should be technological planning and innovation towards the organization.

4. There should be regular review of strategies as the environment tends to change to other factors. Also there should be communication of the strategies to all key managers so as to have uniform objectives.

5. Problems facing the strategic environment scanning should be dealt with before it affects the performance of the organization. Organizations should maintain a viable fit between its objectives, skills and the resources and its changing market opportunities to shape the company's business, products, services and messages so that they achieve target profits and growth.

6. There should be more research on best strategies to be adopted in the organization so as to ensure the achievement of the organization goals and objectives. Marketing managers should commission formal marketing studies for specific problems and opportunities. They should carry out market surveys, product preference test, a sales forecast by region e.t.c to produce customer insight into organization problems.

7. The management of the organization should continue to take environmental forces (both internal and external) seriously as a way of controlling and minimizing the impact of environment instability.



## **5.6 Suggestions for Further Studies**

This study was restricted to salesforce performance. It is therefore suggested that research should be conducted as follows;-

1. There should be research on organizational performance and environmental factors.
2. There should be research on the effect of environmental factors on organizations' marketing strategies.
3. The study can also be carried out in the Southern and Eastern part of Nigeria respectively
4. The study can be extended to include larger sample size like country case study.

## **5.7 Contribution to Knowledge**

The study is not exhaustive, other factors outside the external business environment as well as the internal environmental analysis that may affect the performance of the salesforce were not adequately addressed. The study scope was limited to financial sectors in Delta State. Country case study for the research work would have given management diverse view and a broader understanding of environment factors and salesforce performance in the Banking industry. Also, changes in the international / global business environment were not adequately addressed in the study.

Babatunde & Adebisi (2012) carried out a similar study titled "Strategic environmental scanning on organization performance in a competitive business environment (a case of Nestle Nig. Plc & Cadbury Nig. Plc). In their work, the findings reveal that there is significant relationship between strategic environmental scanning and

organization performance. The findings also reveals that variation or change in organization productivity is caused by variation in the external environment.

Similarly, Tsalids (2010), in his thesis titled “Improving the salesforce performance at King Toys” examine the potential improvements that King Toys should implement inorder to achieve higher results in its salesforce performance. In his findings managerial control, improving salesforce recruitment system and long-term relationship with customers improved salesforce performance.

The research work is an improvement on earlier study by Babatunde & Adebisi (2012) where smaller sample size was used and three variables tested for external factors. However, for this study, the researcher explored five external environmental factors and five variables and their influence on salesforce performance. A large sample size of 192 respondents and the responses in the structured questionnaires were analyzed.

The study reveals that strategic environmental scanning in evaluating the external factors (opportunities & threats) that affect sales growth helps in seizing the opportunities in the external environment & avoiding threats and it leads to organization profitability and growth in sales. The study will give insight to management that the external business environment (political, economic, socio-cultural, technological, competitive factors) have significant impact on organizational performance (effectiveness, efficiency, increase in sales, achievement of co-operate goals etc). Thus organizations' should pay attentions to the environment by doing periodic scanning inorder to adapt its strategies and attain its objectives.

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**APPENDIX A**  
**RESEARCH INSTRUMENT**

Department of Business Administration,  
Delta State University,  
Abraka.

Dear Respondent,

I'm a post graduate student of Delta State University, Abraka. I am carrying out a study titled: “**Environmental Factors and Salesforce Performance**”. The case of financial sector in Delta State. This is in partial fulfillment of the requirements for the award of master degree (M.Sc), in Business Administration.

This questionnaire is meant for academic purpose. Please, honestly respond to the items contained in sections of this questionnaire. Your responses will be treated with utmost confidence.

Thank you.

Yours faithfully,

**Okoh, Daniel Uche**

## QUESTIONNAIRE SCHEDULE

### SECTION A

1. Sex: Male ( ), Female ( )
2. Age: 18-25 ( ), 26-35 ( ), 36-45 ( ), 46-55 ( ), 56 and above ( )
3. Marital Status: Single ( ), Married ( ), Separated ( ), Divorced ( ), Widowed ( ).
4. Educational level: WAEC/ GCE ( ), NCE/OND ( ) HND/BSC ( ), others ( ).
5. Experience in marketing: 0-5 ( ), 6-11 ( ), 12-16 ( ), 17-22 ( ), above 23 ( )

### SECTION B

**Environmental factors and salesforce performance: The case of banking industry, Delta State.**

**Please tick ( ) the appropriate number below:**

Note:

- |   |   |                   |
|---|---|-------------------|
| 1 | = | Strongly agree    |
| 2 | = | Agree             |
| 3 | = | Undecided         |
| 4 | = | Disagree          |
| 5 | = | Strongly disagree |

#### **Economic Factors and Salesforce Performance**

S/N	SCALE ITEMS	1	2	3	4	5
1	We review the likely effect of changes in our business environment (e.g technology or regulation changes) on customers.					
2	The firm analyses data on customer satisfaction.					
3	The firm makes use of information that serves customer preferences.					
4	The firm has a structured programme that obtains the feedback necessary to fully understand customers.					
5	The firm studies underlying trends or patterns in its customers' dispositions.					
6	A major strength of the firm is effective and efficient customer analysis.					



### Social-Cultural Factors and Salesforce Performance

S/N	SCALE ITEMS	1	2	3	4	5
7	A high priority is placed on implementing changes that fit the customers culture.					
8	The firm responds to buying and consumption pattern of customers.					
9	In setting market targets and sales promotion top management consider the educational back ground of consumers.					
10	We respect the belief and culture of our consumers in selection of products.					
11	Considering society and its preference in setting sales target is our policy.					

### SECTION C

Please tick ( ) the appropriate number below:

Note:

- 1 = Strongly agree
- 2 = Agree
- 3 = Undecided
- 4 = Disagree
- 5 = Strongly disagree

### Technological Factors and Salesforce Performance

S/N	SCALE ITEMS	1	2	3	4	5
12	Changes in technology i.e product design, production methods, process and product delivery.					
13	Opportunities created by technology i.e product design, production methods, process and product delivery.					
14	Manifestation of a new product as a result of technology.					
15	Organizational attempt to build capabilities to respond to desperate situations.					

S/N	SCALE ITEMS	1	2	3	4	5
17	We consider the government policy and regulation in doing our business.					
18	We are influence by how government manage public issues relation to business.					
19	Instability of policies and government reforms are part of key factors we look out for in setting our sales target.					
20	Our business are not dependent on public affairs of government.					
21	The firm responds to changing customer requirements.					
16	Emphasis on managing macro-environmental risks (i.e political, economic and financial risks).					

### Political Factors and Salesforce Performance

#### Section D: Environmental Variables Competitive Factors and Salesforce Performance

S/N	SCALE ITEMS	1	2	3	4	5
22	Competitive in our industry is cut throat					
23	Prevalent price competition					
24	The top management team discuss competitors' strength and weakness.					
25	We take advantage of targeted opportunities to take advantage of competitors' weakness.					

26	We target customer and customer groups where we have developed, or can develop, a competitive advantage.					
----	--	--	--	--	--	--

#### SECTION E

Please tick ( ) the appropriate number below;

Note:

- 1 = Strongly agree  
2 = Agree  
3 = Undecided  
4 = Disagree  
5 = Strongly disagree

#### Sales Growth Scale

S/N	SCALE ITEMS	1	2	3	4	5
27	Our sales surpass last year's sales significantly					
28	Our sales have witnessed unstable growth in the last five years.					
29	We have not made significant growth in sales relative to the market leader in our industry.					
30	Our sales growth is better than our competitors generally.					
31	Our sales growth has changed our market share of the industry in the last three years.					

## **APPENDIX B**

### **Number of Questionnaire Administered, Retrieved and Used for The Study**

S/N	Senatorial District / L.G.A	Communities/Towns	Total no of questionnaire Administered	Total no of questionnaire retrieved	Total no of questionnaire used.
1	Delta North Oshimili North L.G.A	Okpanam Akuku-Igbo	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
	Ika North East L.G.A	Boji Biji-owa Owa-Eke	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
2	Delta South Senatorial District	Okere Ajamimoghan	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
	Warri South L.G.A	Ogaragbene Akugbene	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
3	Bomadi & L.G.A				
	Delta Central Senatorial District				
	Sapele L.G.A	Adeje Amukpe	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
	Ughelli South	Okwagbe Otu -Jeremi	16 <u>16</u> 32	16 <u>16</u> 32	16 <u>16</u> 32
	Grand Total		192	192	192

Source: Field work (2014) Senatorial District/Local Government Area in Delta State

## APPENDIX C

### ANALYSIS RESULTS

#### Hypothesis one

Table 4.10: Summary of linear regression Analysis of economic factors and salesforce performance.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.993 <sup>a</sup>	.987	.986	.83824

b. Dependent Variable: SALES PERFORMANCE

#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7249.661	6	1208.277	1719.603	.000 <sup>a</sup>
	Residual	100.479	143	.703		
	Total	7350.140	149			

a. Predictors: (Constant), A MAJOR STRENGTH, FEEDBACK NECESSARY, FIRM STUDIES UNDERLYING, CHANGES BUSINESS ENVIRONMENT, DATA CUSTOMER SATISFACTION , STATES CUSTOMER PREFERENCES

b. Dependent Variable: SALES PERFORMANCE

#### Hypothesis two

Table 4.11: Summary of Linear Regression Analysis of socio-cultural factors and salesforce performance.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.977 <sup>a</sup>	.955	.953	1.51931

a. Predictors: (Constant), CONSIDERING SOCIETY AND PREFERENCE, MARKET TARGETS AND SALES, CONSUMPTION PATTERN OF CUSTOMERS, CONSUMERS IN SELECTION OF PRODUCTS, A HIGH PRIORITY

### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7017.744	5	1403.549	608.042	.000 <sup>a</sup>
	Residual	332.396	144	2.308		
	Total	7350.140	149			

a. Predictors: (Constant), CONSIDERING SOCIETY AND PREFERENCE, MARKET TARGETS AND SALES, CONSUMPTION PATTERN OF CUSTOMERS, CONSUMERS IN SELECTION OF PRODUCTS, A HIGH PRIORITY.

b. Dependent Variable: SALES PERFORMANCE

### Hypothesis three

**4.12: Summary of Linear Regression Analysis of technological factors and salesforce performance.**

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.983 <sup>a</sup>	.967	.966	1.29914

a. Predictors: (Constant), EMPHASIS ON MANAGING, OPPORTUNITIES CREATED TECHNOLOGY, MANIFESTATION OF NEW PRODUCT, PRODUCT DESIGN PRODUCTION, ORGANIZATIONAL ATTEMPT TO BUILD

### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7107.100	5	1421.420	842.186	.000 <sup>a</sup>
	Residual	243.040	144	1.688		
	Total	7350.140	149			

a. Predictors: (Constant), EMPHASIS ON MANAGING, OPPORTUNITIES CREATED TECHNOLOGY, MANIFESTATION OF NEW PRODUCT, PRODUCT DESIGN PRODUCTION, ORGANIZATIONAL ATTEMPT TO BUILD

### Hypothesis four

**Table 4.13: Summary of Linear Regression Analysis of political factors and salesforce performance.**



### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.985 <sup>a</sup>	.971	.970	1.21646

a. Predictors: (Constant), CHANGING CUSTOMER REQUIREMENTS, PUBLIC AFFAIRS OF GOVERNMENT, INSTABILITY OF POLICIES AND GOVERNMENT, GOVERNMENT POLICY AND REGULATION, GOVERNMENT MANAGE PUBLIC

### ANOVA<sup>b</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7137.052	5	1427.410	964.611	.000 <sup>a</sup>
	Residual	213.088	144	1.480		
	Total	7350.140	191			

a. Predictors: (Constant), CHANGING CUSTOMER REQUIREMENTS, PUBLIC AFFAIRS OF GOVERNMENT, INSTABILITY OF POLICIES AND GOVERNMENT, GOVERNMENT POLICY AND REGULATION, GOVERNMENT MANAGE PUBLIC

b. Dependent Variable: SALES PERFORMANCE

### Hypothesis five

**Table 4.14: Summary of Linear Regression Analysis of competitive factors and salesforce performance.**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.995 <sup>a</sup>	.989	.989	.74094

a. Predictors: (Constant), TARGET CUSTOMER AND CUSTOMER, MANAGEMENT TEAM DISCUSS, COMPETITIVE IN OUR INDUSTRY, ADVANTAGE OF TARGETED OPPORTUNITIES, PREVALENT COMPETITION

**ANOVA<sup>b</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7271.084	5	1454.217	2648.857	.000 <sup>a</sup>
	Residual	79.056	144	.549		
	Total	7350.140	149			

a. Predictors: (Constant), TARGET CUSTOMER AND CUSTOMER, MANAGEMENT TEAM DISCUSS, COMPETITIVE IN OUR INDUSTRY, ADVANTAGE OF TARGETED OPPORTUNITIES, PREVALENT COMPETITION

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.995 <sup>a</sup>	.989	.989	.74094

a. Dependent Variable: SALES PERFORMANCE