

**PERSONAL SELLING OF INDUSTRIAL PRODUCTS IN THE KUMASI
METROPLIS: A CASE STUDY OF MANTRAC GHANA LIMITED,**

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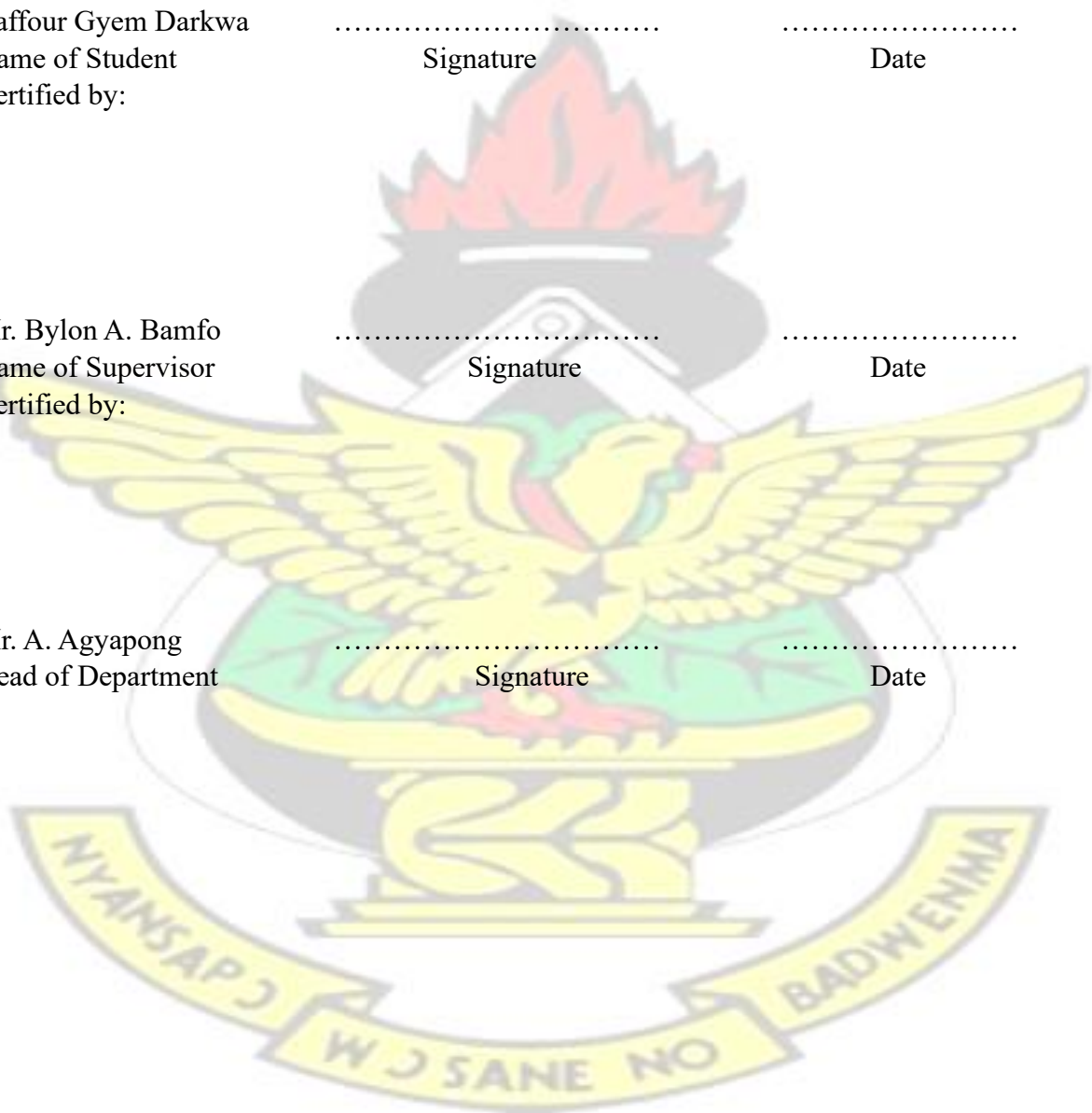
DECLARATION

I hereby declare that this submission is my own work towards the Master of Business Administration (Marketing Option) and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the University, except where due acknowledgement has been made in the text.

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ABSTRACT

Marketing of industrial products presents a unique challenge. The challenge is how to combine services with goods and provision of more tailored solutions to address customers' business needs. Personal selling seems to offer the much needed strategy and solution to sell industrial products, on this basis the researcher studied the extent of dependence of personal selling on the sale of the products of Mantrac Ghana Limited, other key elements of the integrated marketing communication mix adopted by Mantrac Ghana and the challenges Mantrac Ghana encounters in adopting personal selling to sell its products. The study employed interviews and questionnaires administered to collect data from the staff and customers of Mantrac Ghana Limited. The findings of the study revealed that the company depends greatly on the personal selling of the sales of their products. The study found that compared to other marketing communications tools, the company commits about 40% of its marketing effort to personal selling. The company reliance on personal selling was attributed to the technical nature of the company's products which depends on the technical advice to customers so that they would obtain an in-depth knowledge of the product's functions in their operations. Apart from the personal selling, the study found sales promotion & merchandising and trade shows and exhibitions as the other marketing communication tools used by the Mantrac Ghana for the sale of its products. However, the challenge of the use of personal selling at Mantrac Ghana Limited is its expensive nature as it requires large investment and demand technical know-how on the part of the sales team. Since the company commits about 40% of its marketing effort to personal selling, management should explore other marketing communication tools that may possibly be less expensive and at the same time help in building caterpillar brand. Advertisement may be a likely alternative.

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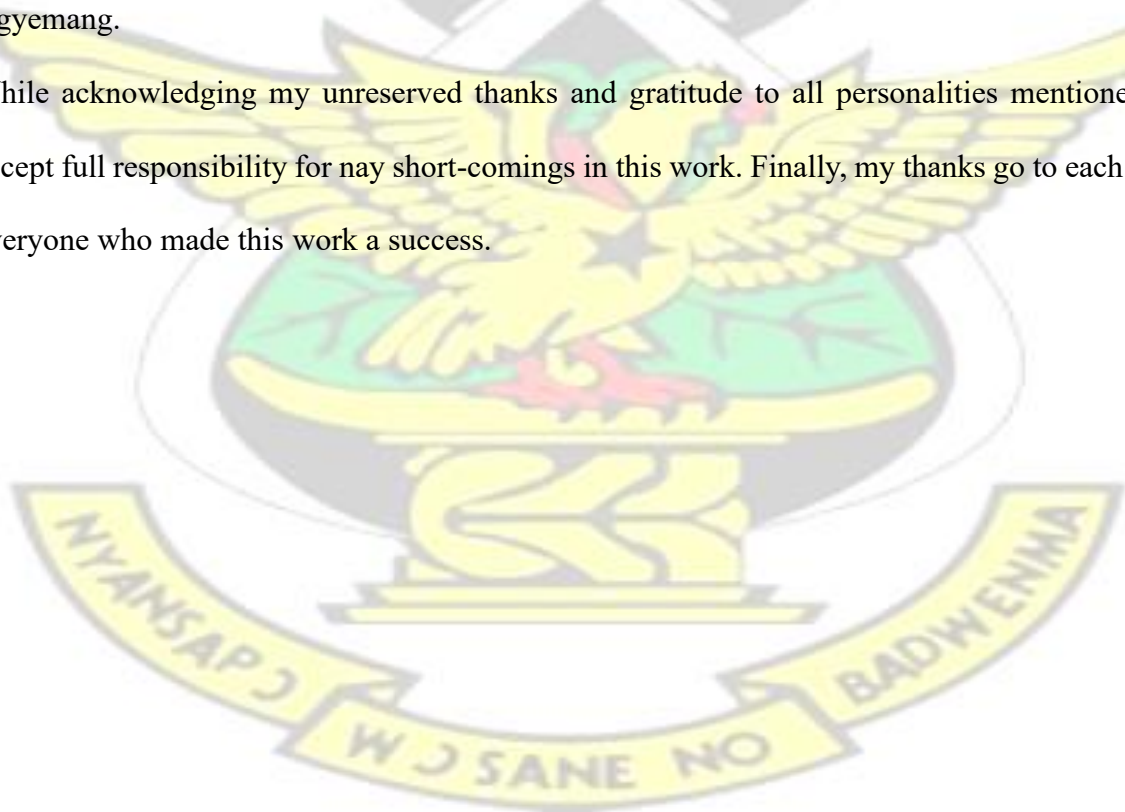


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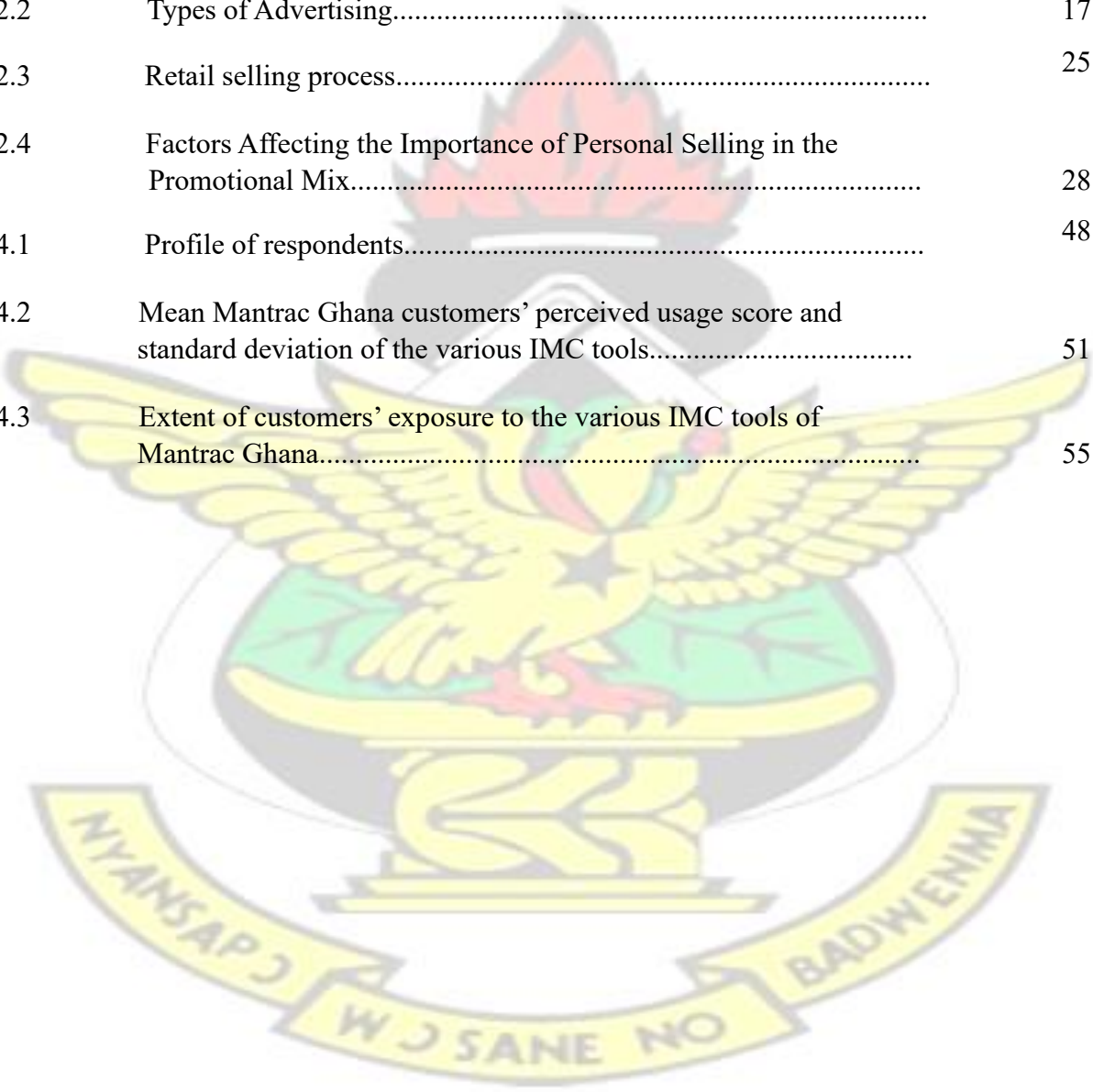
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CHAPTER ONE INTRODUCTION

1.1 Background of study

A sale is the pinnacle activity involved in the selling of products or services in return for money or other compensation. It is an act of completion of a commercial activity (Wind & Robertson, 1983).

Marketing researchers and practitioners are recognizing that, to succeed, firms must cater to customers within the context of their environment (Wind & Robertson, 1983). This environment is increasingly becoming international. Indeed, customers and competitors are now likely to reside half-way around the world and to possess an entirely different cultural heritage, impacting on personal selling accordingly (Walle, 1986). The complex and demanding global environment certainly affects personal selling - perhaps more so than any other area of the global enterprise. When faced with cross-cultural settings, the necessary attributes for potential success in sales positions can often be disguised, resulting in poor evaluations or exhibitions of cultural idiosyncrasies being assessed by an "outsider". This is reflected in Terpstra's (1987, p. 482) comment that "personal selling is more culture bound than impersonal advertising. As a result, even though international business has expanded tremendously in recent decades, personal selling activities are still conducted primarily on a national basis". Thus, a great concern for marketers and sales managers is the development of measures that will be useful in assessing salesperson behaviour and performance across national boundaries.

The seller - the provider of the goods or services - completes a sale in response to an acquisition or to an appropriation or to a request. There follows the passing of title (property or ownership) in the item, and the application and due settlement of a price, the obligation for which arises due to

the seller's requirement to pass ownership. Ideally, a seller agrees upon a price at which he willingly parts with ownership of or any claim upon the item. The purchaser, though a party to the sale does not execute the sale, only the seller does that. To be precise the sale completes prior to the payment and gives rise to the obligation of payment. If the seller completes the first two above stages (consent and passing ownership) of the sale prior to settlement of the price, the sale remains valid and gives rise to an obligation to pay.

Personal selling or Salesmanship is one of the most important methods to contact the prospective buyer personally and to persuade him or her to buy the products. The objective is not only to sell the product to a buyer but to make him or her permanent customer. This can be achieved by putting the things to the prospective buyer in such a way that he or she is convinced that the products being presented for sale can well satisfy his or her needs. This art and skill of presentation, of goods and convincingly and persuasion to buy the products is called personal selling or salesmanship.

1.2 Problem statement

The marketing of industrial products presents its own unique challenges. The 1970's promised to be a period of rapid economic growth and turbulent social change. Although this is hardly news, environmental conditions affect not only industrial markets and competition, but also the very conception and practice of industrial marketing.

Four developments appear of particular importance and provide the basis for expected trends in industrial marketing. They are the significant changes in the pattern of final demands, the rapid pace of technological change, the increasing size and complexity of the industrial firm and its customers and the growing impact of the computer and management sciences.

The industrial market in Ghana is characterized with lots of competition. Currently the industry has several operators including, Mantrac Ghana limited; dealers in Catapillar brands of tractors, Zoomlion; assemblers and dealers in Mahindra tractors, Technik Agriculture and Equipment limited dealers in John Deere tractors. Considering the agrarian nature of the Ghanaian economy and the move to modernize agriculture in the country coupled with the low income levels of mostly subsistence farmers how do all these operators close sales? It is in view of these that the research topic was chosen and Mantrac Ghana selected for the study so as to have an in-depth knowledge on the effect and relevance of personal selling in the industrial market.

1.3 Objectives of the Study

The study seeks to ascertain the use of personal selling of the sales of industrial products using Mantrac Ghana Limited as a case. The specific objectives of the study are therefore to:

1. ascertain the extent of dependence of personal selling on the sale of the products of Mantrac Ghana Limited
2. identify the other key element of integrate marketing communication mix adopted by Mantrac Ghana
3. identify the challenges Mantrac Ghana encounters in adopting personal selling to sell its products

1.4 Research Questions

Following the objectives, the research seeks to address the following questions:

1. What is the level of dependence of personal selling in the sale of the products of Mantrac Ghana Limited?
2. What key element of integrate marketing communication mix adopted by Mantrac Ghana?

3. What are the challenges Mantrac Ghana encounters in adopting personal selling to sell its products?

1.5 Significance of the Study

There has not been a lot of in-depth research conducted especially in Ghana on how effective companies' personal selling efforts help corporate bodies achieve their corporate objectives. There has not been a lot of study into understanding why the focus of industrial sale has always focused on personal selling but less of other elements of the communication mix. The outcome of the study will help practitioners on better ways of strategizing sales operations in terms of best marketing mix they should adopt. The work would also provide framework for policy makers to come out with policies on the study area. To the company under study, it will assist them to evaluate their activities and improve on their identifiable strength at the same time address any challenges so identified.

Apart from contributing to the existing literature on integrated marketing communication and to the body of academic knowledge for Marketing and general Business Administration and corporate management, the study will also identify other areas that need further research for researchers to pursue further studies in the area

1.6 Scope of the study

The study was limited to Mantrac Ghana Limited, a player in the distribution of industrial equipment in Ghanaian economy. Samples were selected from the Kumasi office. The location was chosen due to data availability and proximity. The study was conducted within the period of June and August, 2010.

1.7 Limitations of study

The limitations that were envisaged and experienced in the course of this research work included:

Time: Time is limitation due to the fact that academic calendar spans over only one year with duration for serious research activities being only 6 months.

Study area: Due to limited logistics, financial and other resources, the study surveyed customers in only Ashanti region and specifically only customers in Kumasi. This will however be used to generalize all the Mantrac Ghana customers and staffs in the country. This is a serious limitation even though the study approach covered a broader number of respondents that represent the general Ghanaian social make-up. With the above limitations in mind, the researcher took the necessary precautions to ensure that the results of the study are as applicable to the Mantrac Ghana as much as possible

1.8 Overview of the Research Methodology

In order to achieve the objectives of the study, the study employed interviews and questionnaires administration to collect data for the study. With respect to the primary data collection, the researcher identified a research population comprising customers and the marketing department of company. Purposive sampling technique was used to select the sample for the interviewing of key

staffs of the company. This allowed the use of cases that were highly informative on the main issues of the studies. Structured questionnaires were also used in collecting data from customers of the companies. The obtained data were analyzed through Statistical Package for Social Services (SPSS) version 16. This is because the SPSS offers a full range of contemporary statistical methods. It also has a good editing and labelling of facilities as well as ability to produce output in both report and table formats and handles missing data with ease. The statistical methods involved those of descriptive (mean and standard deviation) and inferential statistics. Frequency tables and graphs were also employed in the data analysis. The outcome of the interviews been qualitative in nature was subjected to detailed analysis and conclusions drawn.

1.9 organization of the study

The Research will be structured under five chapters. Chapter One will be the introduction and will outline the background to the study, general reviews of personal selling and its importance in the organization, objectives and significance of the study, limitations, statement of the problem as well as research approach and methodology. Chapter Two will comprise literature review where there would be a review on some relevant theories and what other marketing experts and academia have written about the research topic.

Chapter Three would examine the organization being studied. It would cover a profile of the Mantrac Group, its vision and mission statements, and the nature of business as well as the methodology used in this research.

Chapter Four would consist of the main research work where data collected would be analyzed in order to establish a relationship.

Chapter Five, which is the last chapter, would deal with a summary of the research findings, recommendations and conclusions.

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CHAPTER TWO LITERATURE REVIEW

2.1 Introduction

Firms are focusing considerable attention on building sustainable, competitive advantages by developing and maintaining close, cooperative relationships with a limited set of suppliers, customers and channel members. Through these relationships, firms create value by differentiating their offering and/or lowering their costs (Berling 1993). The attractiveness of this approach for building competitive advantage has led to many marketing scholars to suggest that relationship marketing – the focus of marketing activities on establishing, developing and maintaining cooperative, long-term relationships is the new marketing paradigm (Hunt & Morgan 1994).

The term relationship marketing is applied to a number of different marketing activities ranging from consumer frequency marketing programs to selling activities directed toward building partnerships with key business-to-business customers.

Salespeople play a key role in the formation of long-term buyer-seller relationships. As the primary link between the buying and selling firms, they have considerable influence on the buyer's perceptions of the seller's reliability and the value of the seller's services and consequently the buyer's interest in continuing the relationship (Biong & Selnes, 1996). Buyers often have greater loyalty to sales people than they have to the firms employing the salespeople.

Mass marketing has lost steam because of the amount of "noise" in the marketplace. Prospective consumers are bombarded with information from competitors and even from different divisions of

the same company. The competition for consumer attention is so intense it was hard to get one's message through all the clutter and grab the target's attention (Whipker, 1994).

2.2 Evolution of Integrated Marketing Communication

The concept of integrated marketing came out of the search for new ways to reach changing audiences. In fact, the more fragmented the audiences become, the more integration was required, and the less the task of reaching them resembles traditional advertising (Rust & Oliver, 1995). Every major company was gathering more information about their consumers, reorganizing their operations from product to consumer orientation, and figuring out how to manage a contact strategy (Montague, 1995). The theory of an integrated marketing program was that it has one basic communication strategy for each major target audience. That strategy was then carried through each communication channel (Duncan & Everett, 1993). Integrated marketing was evolving quickly and either causes, or results from changes in the marketing communication industry. The literature available on integrated marketing was thin and tends to be anecdotal in nature (Duncan & Everett, 1993).

According to Whipker and Downey (1994), the effort goes by many names, integrated marketing, IMC, database marketing, orchestration, one-stop shopping, or others. Most companies claim they were involved with the effort, but they have many different answers as to what it was and what they were doing. For some it was a fancy name for direct marketing. To others it was the cornerstone of a new corporate strategy. The common thread was that all seem to be looking for

new and different ways to reach consumers and they were relying less on the traditional mass marketing approaches. The catch word for integrated marketing was synergy. Synergy means that the various messages from an organization, if they were coordinated and consistent, add up to communication with more impact than all of the individual messages could create individually (Moriarty, 1994). Simply put, synergy means the whole was greater than the sum of the parts. Efficiency and effectiveness were what integrated marketing strives to achieve by uniting the communication functions into one single planning system (Gonring, 1994).

As companies recognized the importance of consumers, many companies have seen the value of identifying the 20 percent of consumers who provide 80 percent of their business (Hoke, 1994). A goal of marketing and advertising strategists has become locating these consumers and then building relationships with them as audiences, groups, segments or individually. Account planning, linkage advertising, database marketing, and relationship marketing were among the strategies used to locate and maintain consumers as customers. In the late 1960s, Boase Massimi Pollitt Advertising, London, used a concept called account planning. The system has been adopted by most advertising agencies in England, but did not find support in America until the 1980s (Lafayette, 1989). The main suspicion has been that it was just another name for research. A planner was someone trained to deal with data and interpreting it for the purpose of making it useful for advertising development (Maxwell, 1996). Account planning was a research function which strictly studies consumer attitudes toward products. The purpose was to help the creative and strategy departments develop and execute advertising campaigns which target consumers (Lafayette, 1989). Planning brought research and the consumer to the heart of the advertising development process. Thus, while account planning is a concept similar to IMC, there is a key

difference.

Account planning represents the introduction of the marketing principle into advertising agencies' way of working (Maxwell, 1996). Account planning is designed by advertising agencies to be used by advertising agencies to create better advertising. IMC is a broader concept which involves every aspect of marketing communication as applied to virtually all businesses. One of the methods advertisers and marketers use to locate and communicate with consumers is linkage advertising. About two-thirds of all advertising includes at least one way for viewers, listeners, or readers to respond directly to the maker or distributor for additional information. Linkage advertising is the follow-up literature and related communication which continues the contact and starts building the potentially profitable relationship between companies and consumers (Woodside, 1994). Database marketing is the key to linkage advertising, with its ability to collect and store the names, addresses, phone numbers, and purchases of hundreds of millions of consumers. The information marketers needed to know to position their products and target their audiences. Databasing is a long-term trend which will profoundly change the way marketers promote and sell their products (Woodside, 1994). Smart marketers are already using information technology today to drive down costs, as they generate more repeat business without extra expenditures, thus driving up sales and profits (Johnson, 1995). They use the power of information technology to manage the relationships between the financial investment a company makes in particular customer relationships and the return customers generate by the specific way they chose to respond to the company (Yovovich, 1995). Research helps companies understand their customer base, not as undifferentiated mass markets or targets, but as decision-makers with unique needs, media and message preferences and concerns which change over time (Roman, 1995). According to Schultz (1996), the development

of database marketing is crucial to implementing integrated marketing communication. Companies have to possess a considerable amount of information about their customers and prospects to develop and implement proper integration of the marketing and communication programs. Relationship marketing combines elements from account planning, linkage advertising, and database marketing as companies attempt to create an ongoing rapport with consumers. Maximizing customer share while customizing products, communication, and services for each customer is the goal of relationship marketing (Winkleman et al., 1993). The object of relationship marketing is to build a better relationship with individual customers, to learn more about their lifestyles and buying habits. This strategy has been used by direct marketers to successfully increase their market penetration and sales by offering merchandise in line with their consumers' tastes (Gordon, 1994).

According to Gordon (1994), there are four elements to relationship marketing. Making a focused offer that reaches high-potential consumers. To find these high-potential consumers, direct marketers use several techniques. They segment the market to better locate users and usage patterns. They do predictive model sampling to find consumer interests. They continually add information to their database to increase their understanding of consumers, which aids them in determining the cost of adding new customers versus the potential returns.

Through their information gathering, mail order marketers add the dimension of cross-selling and up-selling to each transaction as the phone representative can access consumer data such as previous purchase history. Mail order marketers use special coding to track responses to individual offers and link them to consumers allowing them to refine mailings and promotions in the future.

Mail order marketers continually experiment to learn what they can add and take away from their product mix. Since they were able to control every aspect of the experiment it was easy to track and manage.

Relationship marketing includes elements of account planning, linkage advertising, and database marketing. It has also been used as a synonymous term for integrated marketing communication (Whipker & Downey, 1994), but relationship marketing is a tool that can be used as an element of Integrated Marketing Communication.

2.3 The Communication Mix Variables

Marketing communications has been long understood to be the same as advertising. Only over the past two decades the term has developed into being more than advertising and promotion. Marketing communication is moreover a way how an organization presents itself and its brands to consumers (Egan, 2007). According to Egan (2007), the marketing communications mix can be understood simply as a toolbox as shown in table 2.1. The way these tools are used determines the success of communications to the target audience.

Table 2.1: Promotional tools

Advertising	Sales Promotion	Public Relation	Personal Selling	Direct Marketing
Public presentation (Standardized offering, authenticity)	Communication	Authentic	Personal Contact	Non public (to specific person)

Persistent (repeating ads, possibility to compare to other ads)	Incentive (give value to the customer)	“Ability to catch buyers off guard”	Permits all kind of relationships (from selling relationship to friendship)	Customized (Can be prepared to appeal a certain person)
Improved Expressiveness (artful use of print, color and sound)	Invitation (to do the transaction now)	Dramatizing (a company or product)	Response (Obligation towards buying after hearing sales talk)	“Up-to-date” (Message can be prepared promptly)
Impersonality (monologue)				Interactive (message can be altered according to response)

Source: (Kotler 2003, 580-581)

2.3.1 Advertising

Any sales presentation that is not personal and is paid, by an identified sponsor can be seen as advertisement. Target audience and the message intended to submit, determines the media to be used. It is important also to understand the relevance of evaluating the success of advertising. This can be done by analyzing whether it achieved its objectives (Scarborough, Wilson & Zimmerer 2009).

There are different ways to measure advertisements effectiveness; coupons that have to be returned to receive a discount, dated coupons that show responses over a certain time frame, and finally the

volume of the store traffic. The final test to show the success of the advertisement is logically the possible increase in sales (Scarborough et al. 2009)

Scarborough et al. (2009) created a 12 guidelines list using information from various sources on effective advertising. According to them it is important to plan more than one advertisement at a time, use themes, advertisements, and methods that appeal to diverse groups of people, view advertising expenditures as investments not as expenses, use a advertisement that is different from your competitor's, choose a media that is suitable for the company in question, even though it is not the leading one, consider using someone else as the spokesperson in television and radio advertisements, limit the content of each advertisement, invent ways of measuring your advertisement's effectiveness that do not depend on simply two or three customer response, not stopping the advertisement if results are not evident immediately, emphasize the benefits that the product or service provides to the customer and evaluate the cost of different advertising media (Scarborough et al. 2009).

Certain characteristics have been seen through experience to be effective in advertising and are called the Waterloo effect: uniqueness, frequency and relevance. These can be affecting together or alone. Unique advertising will be talked about through word-of-mouth or media chatter, frequency stores the ad in memory, but relevancy is the most effective. If the advertisement is relevant to a need and the consumer wants to satisfy this need, interest will be paid to the advertisement (Egan, 2007).

There are different types of advertising as shown in table 2.2. In advertising the ability to attract and hold attention is important. This can be done through the manner and composition of the advertisement. Advertising problems means the reason why a company is advertising. This is derived from advertising objectives. It is crucial to understand selling the product. Effective creativity combines the commercial aspects with the creative aspects. The success is in the right mix of practical properties and emotional character. Egan (2007) observed that target audience determines the media used.

Table 2.2: Types of Advertising

Sender	Message
Manufacturer	Informational
Collective	Transformational
Retailer	Institutional
Co-operative	Selective vs. generic
Idea	Theme vs. action
Receiver	Media
Consumer	Audiovisual
Business-to business	Print
- Industrial	Point-of-purchase
- trade	Direct

Source :(De Pelsmacker et al., 2007)

2.3.2 Public relations

Public relations can be defined in many ways, but the main aspect of it is to promote the goodwill of the company as a whole. It shows the nature of the company and its management of reputation.

It simply means the efforts made in order to establish and maintain good relationships, mutual understanding, sympathy and goodwill with publics, audiences and stakeholders.

Publicity is the term for free media coverage of news about the company and its products, which is established through public relations work. Publics are not the primary target group, the people to whom the company sells its products, rather than influencing opinions. Relations towards this type of public are essential to the success of the company (De Pelsmacker et al., 2007).

One central characteristic of public relations is that it is a two-way form of communication. The company learns from the public and directs information towards them. Public relations is a key element in integrated marketing communication, as it is linked to several other activities such as creation and maintenance of corporate image and identity, improving the company's status as a good corporate citizen, maintaining good relations with the media, attendance at trade exhibitions and preservation of the internal communications. Public relations are not the same as marketing communication as it concentrates on the long-term relations instead of short-term profits (De Pelsmacker et al., 2007).

Strengths of public relations are good citizenship, ability to give advice on important trends, ability to reach difficult-to-reach audiences, being more objective, cost effective, usability in crises management. Weaknesses are the difficulty to measure effectiveness, lack of control, and journalist acting as gatekeepers (De Pelsmacker et al., 2007)

2.3.3 Sales promotion

Sales promotions unlike other tools in the marketing communications mix are used to promote sales in a short-term manner. They are directed to increase sales among existing customers, but also by adding temporary customers with product offers. The main characteristics are that sales promotion is limited to a certain time or space and offers better return of money and influence to make an immediate response. At the same time short-term sales promotions can be used also strategically. Generally sales promotions are often seen as a threat to long term image, as they might reflect a cheap impression (De Pelsmacker et al., 2007).

As the number of brands and products offered has increased, it is difficult to differentiate products, thus more and more sales promotions are used to influence customers into buying products. Also consumers are less brand-loyal and more price conscious at least towards fast selling products. The retail environment hosts most of the buying decisions and more and more buying choices are made in an impulse manner, thus in-shop communication and incentives are a more attractive way of persuading customers. Also many products often compete for the same shelf space, thus making retailer's key group of actors in deciding on the amount of attention products receive. Distribution channel is increasing its share in the promotional activities that manufacturers execute (De Pelsmacker et al. 2007).

Several types of promotions can be distinguished based on the initiator. The initiator can be either the manufacturer or the retailer. Promotions can also be directed towards three different audiences:

distributors, sales force and the end consumer. Usually retailers target the end consumers as a manufacturer can target all three target groups (De Pelsmacker et al. 2007).

The inspiration of sales promotions is to influence customers to try new products and brands.

This can be achieved for example through trial promotions, which are particularly important when launching a new brand or a new item in an existing product line. Also when a retailer opens a new store, trial promotions can be essential in increasing the shop passage. Other objectives and target groups for consumer promotions are to reinforce another communication tool, to increase market size, to reward loyal customers or to formulate existing customers loyal.

(De Pelsmacker et al. 2007)

2.3.4 Direct marketing

Direct marketing has changed its focus through the years and its definitions with it. In general direct marketing means contacting customers and potential customers with the intention of receiving an immediate response. Direct means using media such as dealers, retailers and sales staff. Immediate response means contacting through coupons, by phone or by a visit to the shop or retailer. Databases play a key role in enabling to contact the customers and the potential customers. They also help in creating a long-lasting relationship with the customer, as their information is stored (De Pelsmacker et al. 2007).

The success of direct marketing is on the philosophy of creating a good relationship with the customer. This means having close and personal contact with the customer, knowing everyone's

needs and wants, providing them with the best solutions to their problems and giving excellent after-sales service. Direct marketing is less expensive than for example television advertisement campaigns and thus it is more accessible to different types of companies. It is also flexible and easy to target media. As the number of brands has increased, brand loyalty has become more relevant, thus emphasis is on creating long lasting relationships with the customer. Direct marketing has added value to this type of marketing activities, in contrast to traditional mass marketing. New technologies such as e-mail have further helped in making direct marketing campaigns more flexible and much cheaper. The differences between mass media and direct media can be seen through their characteristics.

As mass media segments, recalls, recognizes and measures image, is one-way communications and targets market share, direct media is individualizing, measurement is made by response (per client), is targeted two-way communications and centres in customer share (DePelsmacker et al., 2007).

Direct marketing can be used for different purposes such as to make direct sales, as sales or distribution support or to improve the relationship with the customer. There are also different media and tools available for direct marketing. These can be divided into addressable such as new interactive media, direct mail, catalogues and telemarketing and non-addressable such as direct-response print advertising, direct-response television and radio advertising and teletext (De Pelsmacker et al., 2007).

2.3 .5 Personal selling in marketing and marketing communication

Personal selling is a two-way face-to-face communications used to inform, give demonstrations to, maintain or establish a long-term relationship with, or persuade specific members of a particular audience. Unlike other marketing communication tools personal selling always involves interaction with the customer and face-to-face contact. Depending on target groups there can be different forms of personal selling such as trade selling, missionary selling, retail selling, business-to business selling, professional selling and direct selling (De Pelsmacker et al. 2007).

Selling is the instrument of growth and sustainability in a company and can be defined as a set of objectives in the business or marketing plan. Selling is part of the marketing mix and traditionally seen as the subsidiary functioning within the promotional mix. In present competitive environment this is misleading as many companies spend more resources and employ more people in selling than in any other marketing communications activity. In some cases the sales budget can exceed all marketing activities added (Donaldson 2007).

Personal selling and marketing in general has changed through years. The traditional negative way of thinking about personal selling as a way to manipulate a customer into buying something not needed, has now become more customer-oriented and focuses on building a long-term relationship with the customer. It is changing from transactions based methods into relationshipbased methods. Many marketers start as sales representatives and companies prefer recruiting new people through those sales representative positions because it is an ideal way to become acquainted with the

customers and the market, which is essential to marketing communicators and for all other marketing functions (De Pelsmacker et al., 2007).

The importance of personal selling differs among retailers based on the type of merchandise offered. A retailer offering low-risk, low-priced goods needs to only employ personnel to manage small enquiries and to complete the transaction. Typical information shared will be on current reductions, special offers and guarantees or possible methods of payment. In shops selling high-priced or more complex items, the consumer has to come across a salesperson to relate as well as to gain expert information. Gilbert (1999) identified situations where it is important to have trained staff. These situations are where the item has to be modified according to customer's requirements, where the product is technically complex, where the product is expensive in relation to the consumer's income, and where flexible pricing is practiced and negotiation over price takes place.

According to Gilbert (1999) the intention of personal selling is to obtain a sale even in situations where the customer has entered the shop in order to acquire information, stimulate sales and impulse buying, complete a transaction successfully with the customer, depart the customer well informed and satisfied even if the transaction has not occurred, and create good relations with the customer. Also service plays a key role as the one-to-one contact with the customer is the source of information for judging the company. Gilbert (1999) further stated that high-service retail should always ensure that customers feel that they are the centre of attention. The salesperson's commitment to excel in selling should be at the same time supported by compliments, incentives, rewards and training. Training should include merchandise manufacture, buying and control as

well as selling techniques. According to Gilbert a salesperson can only be convincing in selling, if he/she understands the product and its benefits fully.

2.3.5.1 The selling process

According to Varley and Rafiq (2004) there are basic phases in selling process such as greeting and approaching the customers, determining customer needs, presenting and demonstrating merchandise, answering objections, closing the sale and giving suggestions.

Gilbert (1999) presents 7 phases in selling process which are preparing, anticipating, approaching, presenting, managing concerns, building obligation and commitment and further establishing affinity and relationship. This process emphasizes the need to listen to the customer in order to provide the right offer and arguments. The advantage of personal selling is in the adaptability of communication to the customer's specific needs.

Preparation means that before the actual contact with the customer the salesperson should be made fully aware of the issues such as product features, benefits, options, prices, stock levels, delivery schedules, guarantees and return policies. Before any selling activity and appropriate reward method should be in place and appropriate training given (McGoldrick, 2002). Opening the sales conversation plays a vital role in selling and according to McGoldrick (2002) more potential sales are lost at the initial state than in any other. Shoppers prefer avoiding discussion while window shopping and thus the opening approach of salespeople play a key role in continuing the conversation. Researchers have also explored the use of touch in the initial contact phase. Also it should be taken into account that at busy times customers might find it difficult to make a contact with salespeople.

Table 2.3: Retail selling process

1. Preparing through skills and Knowledge
2. Anticipating and identifying a prospective sale
3. Method of approaching the potential customer and task
4. Presenting features and Benefits
5. Dealing with customer Concerns
6. Building obligation and Commitment
7. Establishing affinity and Relationship

Source: Gilbert (1999, 134)

After opening the conversation the next phase is to give a presentation of the product and its benefits. While selling the product it is important to be aware of the benefits that the customer requires. McGoldrick (2002) refers to a study made by Ramsey & Sohi (1997) which emphasizes the importance of listening to the customer. The listening skill can also be trained and measured. While listening, the salesperson is also expected to react as well as to the words, also to the emotions of the shopper. A wide variety of interpersonal skills are needed in order to obtain satisfaction-inducing response from the selling staff.

It is important for the salesperson to understand the customer's needs. Typically salespeople divide customers based on their purchase intention and the amount of assistance needed. In many cases dividing might be made on the basis of first impressions, which may actually weaken the

salesperson's efforts. Having listened to the customer a intelligent salesperson should also be able to identify the customer's decision style and criteria besides their needs (McGoldrick 2002,).

When presenting solutions the salesperson's challenge is in meeting the requirements of the customer as quickly and precisely as possible even in situations, where customers have highly specific and set ideas on what they want. In other situations the customer's criteria might be illdefined and require maximum skill in understanding and solving the problem. Customers should be encouraged to touch or try the products in order to enhance involvement and assist the decision. A common error is to present too many options and confuse the customers instead of withdrawing items of less appeal (McGoldrick 2002).

At some stage it is likely that the customer present objections and arguments on why not to buy the product. The intentions may be in delaying the decision, In order to seek reassurance and/ or express doubts. According to McGoldrick (2002) these usually relate to the product, the shop, the after-sales service or the price. Proficiency is required in order to identify the motive and the nature of the objection and respond appropriately. It is important not to engage in direct argument, but to give reassurance and correct information without offending. Here the credibility of the salesperson plays a vital role.

A positive effort is required in order to close the sale. There are many techniques to do this. As an example McGoldrick (2002) suggests summarizing the product benefits of two or more solutions or presenting an additional inducement such as gift wrapping or free delivery.

Timing play key role and closing the sales should not be hurried, or excessively delayed. At the conclusion of the sale it is not unusual to present complementary items. This may be seen either positively or negatively by the customer. The purchase suggestion should be well in accordance to the shopper's needs instead of giving a feel of forcing into further sales (Mc Goldrick, 2002).

As the salesperson acts as the contact between the company and the customer, it is rational that the salesperson ensures effective follow-up activities. The delivery staff etc. should not be accused of broken promises. Long-term follow-up activities can also be helpful and increase customer satisfaction (McGoldrick 2002).

2.3.5.2 The importance of personal selling

According to Brown & Lam (2008) in retail setting interactions between customers and sales personnel plays likely an essential role in customer perceptions of the shopping and consumption experience. They refer to Magi (2003) and Schneider & Bowen (1995). Service providers are often seen as the organization they represent from the customer's point of view and the attitude they express may leave a lasting impression in the customer's mind. This impression affects their satisfaction, repeat buying and financial performance. Retail salespeople often act as a critical link between the retailers and their customers. Through buyer-seller interactions salespeople have an effect on how the customers experience shopping and have an impact on their emotions. (Lee & Dubinsky 2003, 21). According to Sun, Tai & Tsai (2009) in present multimedia age, personal selling has an increasingly important communication tool in relationship marketing. In spite of the

importance of personal selling some factors also affects its importance and rather favour advertising.

Table 2.4: Factors Affecting the Importance of Personal Selling in the Promotional Mix

VARIABLE	CONDITIONS THAT FAVOUR PERSONAL SELLING	CONDITIONS THAT FAVOUR ADVERTISING
Consumer	Geographically concentrated Relatively low numbers	Geographically dispersed Relatively high number
Product	Expensive Technically complex Custom Made Special handling requirements Transactions frequently involve trade-ins.	Inexpensive Simple to understand Standardized No special handling requirements Transactions seldom involve trade-ins
Price	Relatively high	Relatively low
Channels	Relatively short	Relatively long

Source: Boone & Kurtz (2004).

2.3.5.3 Sales people and their influence on customers

In a personal sales conversation the salesperson's recommendation usually affects the customer's purchase decision for one of several product alternatives (Bauer-Sachse & Gierl 2009). According

to Lee and Dubinsky (2003) retail managers should pay close attention to examine customer emotions that emerge during the customer's interactions with the salespeople. In order to foster positive emotions they should focus on recruiting and selecting trustworthy, empathetic, friendly, enthusiastic and professional-looking sales personnel.

Past studies have shown that empathy can have beneficial influence on the perception of service quality, sales performance and successful selling. Emphatic helping, in other words a service skill may have an influential impact on customer emotions (Beatty, Mayer & Coleman 1996) and further lead to customer loyalty. If customers perceive a salesperson acts trustworthy they are likely to think the behaviour is praiseworthy, thus creating positive emotions. Customers' perceptions of a salesperson's competencies with the products, information or service delivery (Beatty et al. 1996) will affect the way they feel about the salesperson. When interacting with a salesperson possessing good expertise, customers are likely to feel fulfilled, pleased and comfortable. Friendliness is also important as it is crucial in increasing satisfaction. Also the amount of salespeople's enthusiasm is positively related to buyer satisfaction. By this is meant the way a salesperson is animated, motivated and excited (Lee & Dubinsky 2003). According to Lee & Dubinsky (2003) retail managers should focus on adequate product or service knowledge, information about the company policies related to customers, and details about overall work behaviour. Sales personnel should be managing customer's concerns as they were their own. In order to do this sales personnel should be given training in order to develop listening skills.

Retailers should be well aware of their customer base's demographics, interests, values and opinions in order to hire retail salespeople who are similar to the customer base. Fostering positive customer emotions in buyer seller interactions can lead to satisfied customers and further build a

long-term or ongoing relationship with customers. Managers should be aware of the relationships their customers have with the shop and its sales people (Lee & Dubinsky 2003).

2.4 Sales force management

The overall direction and control of the personal selling effort are in the hands of sales managers, who are organized on a hierarchical basis. For example, in a typical geographical sales structure, a district or divisional sales manager might report to a regional or zonal manager and these people in turn may report to a national or vice president of sales.

Sales managers perform a boundary-spanning role in that they link the sales force to other elements of the internal and external environments. The internal organization consists of top management, other functional areas of the firm and other internal information sources. The external environment includes trade groups, competitors, customers, suppliers and regulatory agencies (Boone & Kurtz, 2004).

As with other promotional activities, personal selling requires effective planning and strategic objectives including such strategies as selling existing products to new customers, selling new products, servicing customer accounts to enhance retention and satisfaction and expanding customer relationships by selling more products to existing customers (Boone & Kurtz, 2004).

Boone & Kurtz 2004, further states that, sales-force management is the administrative channel for sales personnel; it links individual salespeople to general management.

2.4.1 Sales Force Recruitment and Selection

Recruiting and selecting successful salespeople are one of the sales manager's greatest challenges. Careful selection of salespeople is important for two reasons. First, the selection process involves substantial amounts of money and management time. Secondly, selection mistakes are detrimental to customer relations and salesforce performance and are costly to correct as well. A seven step process typically is used in selecting sales personnel; application, screening interview, in-depth interview, testing, reference checks, physical examination and analysis and hiring decision (Boone & Kurtz 2004).

2.4.2 Sales Force Training

To shape new sales recruits into an efficient sales organization, managers must conduct an effective training program. The principal methods used in sales training are on-the-job training, individual instructions in-house classes, mentoring and external seminars.

2.4.3 Sales Force Organization

Sales managers are responsible for the organization of the field sales force. General organizational alignments which are usually made by top marketing management may be based on geography, products, and types of customers or a combination of factors.

A product sales organization should have specialized sales forces for each major category of the firm's products. This approach is common among industrial product companies that market large numbers of similar but separate products of a very technical or complex nature that are sold through different marketing channels.

Firms that market similar products throughout large territories often use geographical specializations. Besides, customer-oriented organizations use different sales-force strategies for each major type of customer served. These firms assign different sales force for their consumer and organizational customers.

2.4.4 Sales Force Supervision

A source of constant debate among sales managers concerns the supervision of the sales force. It is impossible to pinpoint the exact amount of supervision that is correct in each situation since the individuals involved and the environments in which they operate vary. However a concept known as span of control; the number of sales representatives who report to first level managers, helps provide some general guidelines. The optimal span of control is affected by such factors as complexities of work activities being performed, ability of the individual sales manager, degree of interdependence among individual salespeople and the extent of training each salesperson receives. A 6-1 ratio has been suggested as the optimal span of control for the first level managers supervising technical salespeople. In contrast, a 10-1 ratio is recommended if sales representatives are calling on wholesale and retail accounts (Boone & Kurtz 2004).

2.4.5 Sales Force Motivation

The role of sales management is to oversee the company's sales operations. Although the job entails many responsibilities, success depends on two overriding factors: recruiting and mobilizing the sales force. In addition to directing the troops in the field, however, there are a number of overall managerial functions involved, among them approving sales promotion and incentive programs.

The manager who combines sound management with people skills stands a good chance of fielding a sales force that effectively develops accounts and satisfies customers.

As part of managing overall sales functions, sales managers analyze competitive products and selling techniques, review research, and work with budgets and quotas. They decide on computer systems, set pricing policies, choose distribution channels, determine travel and entertainment policies, establish territories, and decide which trade shows and conventions to participate in. They also have the last word in determining how incentive programs can be used to support these and other sales functions (montrosetravel.com cited august 20, 2010). One theory that has been applied effectively to sales force motivation is the expectancy theory, which states that motivation depends on the expectations an individual has of his or her ability to perform the job and how performance relates to attaining rewards that the individual values (Boone & Kurtz 2004).

Sales managers can apply the expectancy theory of motivation by following a five step process:

1. Let each salesperson know in detail what is expected in terms of selling goals, service standards and other areas of performance. Rather than setting goals just once a year, many firms do so on a semiannual, quarterly or even monthly basis.
2. Make the work valuable by assessing the needs, values and abilities of each sales person and then assigning appropriate task.
3. Make the work achievable. As leaders, they must inspire self confidence in their sales people and offer training and coaching to reassure them.
4. Provide immediate and specific feedback, guiding those who need improvement and giving positive feedback to those doing well.
5. Offer rewards that each sales person values. JD Edwards, an e-business solutions provider, runs a twice yearly customer satisfaction survey. Questions include ratings of employee

integrity and overall satisfaction and overall satisfaction. Salespeople must score at a certain level or forfeit compensation amounting to between 75 and 125 % of total bonuses earned that year.

2.4.6 Sales Force Compensation

Because monetary rewards are important factor in motivating subordinates, compensating sales personnel is critical for managers. The sales force may be compensated in one of three ways: straight salary; fixed payment made periodically to the sales personnel, straight commission; payment tied directly to the sales or profits that a sales person achieves, or a combination of salary plus commission; earns a fixed salary paid periodically and a commission tied to the output of the sales personnel. From 1950 through 1990 more companies began using a combination of salary plus commission to compensate their sales forces, and fewer companies based their sales force compensation on straight commission. It appears that, as a percentage of all sales forces, the use of straight salaries remained constant. Whatever type of compensation system is used for the sales force, the important consideration is that the compensation adequately motivates the sales force to perform its best (referenceforbusiness.com).

A sound sales compensation package enables the organization to focus sales activities towards desired results, and rewards these outcomes with compensation tied directly to the level of achievement.

The key to a successful sales compensation program can be achieved in three steps

- Clearly defining sales goals that are realistic but challenging
- Tracking and measuring performance against goals
- Rewarding achievement with competitive and motivational compensation

In other words before designing any sales compensation plan the sales manager need to design a correct sales performance metric. The right metrics designed to measure performance needs can serve as critical measures of success for any organization and, in particular, the sales force can benefit immensely from an understanding of how to identify and track these quantities in a meaningful way (salesforcecompensation.blogspot.com).

2.4.7 Sales Force Evaluation and Control

Perhaps the most difficult tasks required of sales managers are evaluation and control. Sales managers are responsible for setting standards and choosing the best methods for measuring sales performance. Sales volume, profitability and investment return are usual means of evaluating sales effectiveness (Boone & Kurtz 2004).

A sales force analysis will seek out the answers to questions. The analysis will often ask, among many questions, whether the right people are in the right roles, what impact is sales management having and are employees fulfilling their roles and carrying out the set strategies. To find the answers, the evaluators will likely conduct private interviews with company sales force and ask them to fill out questionnaires on sales quotas, customer satisfaction, profit contribution, share of product category sales and customer retention. The evaluators will also examine sales records for past performances and attempt to understand which strategies correlate to higher sales and morale and which ones have failed. Sales force evaluations are important for understanding why sales are

up or down, either on a regional or national basis. Pinpointing problem areas such as individual performance can help sales executives and managers develop strategies to correct problem areas.

2.5 Ethical issues in sales.

The sales profession today needs people with integrity, honesty and the ability to develop trusting relationships with customers, support staff, suppliers and management. Ethical issues arise in virtually every aspect of selling. But for many salespeople and customers alike, there seems to be a sort of tacit agreement not to refer to ethical issues unless it becomes absolutely impossible to avoid doing so.

Ethics are the backbone of personal selling. It is important to note that principles of personal ethics are the first checkpoint in any situation, often overriding those at the professional and global levels. For example, when judging if a corporation has been socially responsible, there is the need to consider principles of personal ethics as prerequisites. Personal ethics are the concern for the well-being of others, trustworthiness, refusing to take unfair advantage of one's customer and honesty (selling.lifetips.com).

Through Hollywood's heavily filtered lens, the salesperson is most often characterized as one of two distinct types — a self-absorbed, grasping, deceitful charlatan concerned only with closing sales and earning commissions or a pathetic, bumbling underachiever. Putting morality aside temporarily, there are two more pragmatic reasons for choosing an ethical approach to any selling situation — trust and credibility. Without them, no long-term relationship with a customer is possible. By recruiting highly ethical, educated individuals and by training them in relationship

selling techniques, companies develop sales force able to win the customer's respect and trust. By stressing consultative selling techniques, sales professionals meet customer needs without resorting to unethical behaviour. In addition sales managers create an ethical sales environment by doing the following: (Boone & Kurtz, 2004)

- Promoting ethical awareness during training programs, sales meetings and sales calls.
- Making sure that all salespeople and other company personnel know that the firm opposes unethical conduct.
- Establishing control systems to monitor ethical conduct.

2.6 Selling Industrial Products

For manufacturing companies in the capital goods industry, technological superiority is becoming increasingly more difficult to maintain as a sole lasting strategy. Declining margins on products and a stagnant demand in some industries has put new light on the companies' industrial services. Due to service outsourcing, many customers are demanding more services and because advanced service offerings are more difficult to imitate than goods they could become a sustainable source of competitive advantage. Since manufacturing companies have deep knowledge of their products and markets, they are often well positioned for these downstream activities (Knecht et al., 1993; Mathieu, 2001; Wise and Baumgartner, 1999).

The industrial services market is often counter-cyclical and operating on it is likely to give higher margins and require fewer assets than manufacturing activities do (Oliva and Kallenberg, 2003).

In order to address customers' business needs, companies are increasingly combining services with goods by the provision of broader, more tailored solutions (Foote et al., 2001; Galbraith, 2002; Phillips et al., 1999). A shift towards this new strategy implies opportunities as well as challenges. For example, the focus on the installed base increases with declining margins for manufactured products; thus, companies turn towards providing services required to upgrade, maintain and in some instances also to operate the equipment manufactured and delivered to customers (Wise and Baumgartner, 1999). In a relationship approach, the customer is viewed as a resource with which the company can create a solution. Mutual dependencies and cooperation is a win-win strategy improving both parties' results (Grönroos, 1996; Gummesson, 1994; Hammarkvist et al., 1982). Customers can play an important role in contributing to the innovative industrial good process (von Hippel, 1976), making a proactive market orientation critical (Narver et al., 2004). This is likewise applicable to industrial services as innovation in the core or in the peripheral systems is considered a key contributor to enhanced performance.

New services must be developed in close co-operation with key customers in order to reach an excellent fit with the market (Matthyssens and Vandembemt, 1998, p. 347). Every company selling industrial products faces the marketing-mix problem: how should funds be allocated to such activities as direct sales, customer service, and marketing communications (advertising and other customer-directed promotions)? Should a given product be advertised at all? What types of communications will best support current selling objectives? Are there special requirements, in this market, at this time, which indicate a need or opportunity for changes in marketing expenditures? Due to the characteristics of industrial products which include relatively fewer customers, short distribution channels, buyers are well informed, buyers are highly organized,

sophisticated purchasing techniques; the purchasing decisions are based on observable stages in industrial marketing (scribd.com) hence the focus on personal selling to achieve sales objectives.

CHAPTER THREE

METHODOLOGY AND PROFILE OF THE STUDY AREA

3.1 Introduction

This chapter focuses on the method used in achieving the objectives of the study. It takes into account the entire research design i.e. the sampling technique; sample size of the study; the nature and source of data, and the way these data were collected and analyzed. The chapter also captures the profile of the study area.

3.2 The Research Design of the Study

A research design is the overall plan for relating the conceptual research problem to relevant and practicable empirical research. In other words, the research design provides a plan or framework for data collection and its analysis.

There are three research designs being descriptive, exploratory and explanatory. This is an explorative research which aims at finding out the role of personal selling of industrial equipment. The researcher designed questionnaires for the customers. Interviews were also employed to gather more data from the staffs of Mantrac Ghana Limited. This enabled the researcher to evaluate the views of respondents to be able to draw reasonable conclusions from the qualitative data gathered.

3.3 The Population of the Study

The population is the relevant group of people under investigation. It is the entire set of individuals and objects of interest or the measurements obtained from all individuals or objects of interest. In a more current definition, Malhotra (2007) define population as the aggregate of all the elements, sharing some common set of characteristics that comprises the universe for the purpose of the research problem. The target population for the study included all customers and workers of Mantrac Ghana Limited.

Mantrac Ghana Limited was chosen for the study of personal selling of industrial products because of the lead role the company play in the distribution of industrial products in the area of the construction, agricultural and mining development sectors of the economy of Ghana.

3.4 The sample

A sample is a portion, or part, of the population of interest. According to Malhotra (2007), a sample is a subgroup of the elements of the population selected for the participation in the study. The importance of samples lies in the accuracy with which they mirror the larger population. The study was conducted using staffs the marketing department of Mantrac Ghana Limited office in Kumasi and sample of customers in the Kumasi metropolis. The branch in Kumasi was chosen due to time and financial constraints and also to be able to control internal validity.

3.5 Sampling Technique

The main sampling technique employed for the questionnaire administration of the study was the simple random sampling (SRS). SRS is a probability sampling technique in which each element in the population has a known and equal probability of selection. Every element is selected independently of every other element and the sample is drawn by a random procedure from a sampling frame (Malhotra, 2007). The target population of the questionnaire administration comprised 394 clients of Mantrac Ghana Limited in the Kumasi Metropolitan area. This was obtained from the database of the company. In order to operationalize the adopted sampling technique, lists of clients from the company database was numbered in alphabetical order and the samples were selected using the table of random numbers. By employing this method, the characteristics of the individual were therefore irrelevant to their selection. The table of random numbers was therefore used in order to satisfy the condition of randomness which is the basis of the SRS approach.

Thus the sample size for the questionnaires administration was 79. The samples sizes were selected based on the scientific approach formula given by Miller and Brewer (2003). With a confidence interval of 90 percent, the sample size was determined using the formula given by Miller and Brewer (2003) below.

$$= \frac{z^2 \cdot p \cdot q}{n} + 0$$

Where:

n = the sample size,

N = the population and α = the margin of error (10%).

The interviews were administered to Service Manager, the three Product Support Sales Representatives and Area Marketing Manager of Kumasi office. In all, five key members of the company were interviewed. These samples were selected using purposive sampling. The special attributes of the sample ensured that the selected respondents have special information and therefore qualify enough for impacting knowledge on the issue at stake.

3.6 Data Collection Instrument

The study collected data through questionnaires and interviews. The researcher personally administered the questionnaires to the selected sample. Interviews were also used to solicit information relevant to the study from the staffs of the company. The data collection process was carried out over a period of one month.

The data gathered comprised of three parts: Part A contains data about personal profiles of the respondents including gender, age, educational level, occupation. Part B solicits data on the extent of dependence of personal selling on the sale of the products and other element of marketing communication adopted by Mantrac Ghana Limited. Part C contains challenges faced in personal selling. The first drafts of the questionnaire and interview guide were pre-tested using Toyota Ghana Limited. This helped to fine tune the instruments for possible re-design, reduce the total time spent on using each tool for the data collection and the relevant of the responses to the

answering of the study questions. Appendix 1 presents the final structured questionnaire and interview guide used for the study.

3.7 Data Analysis

The obtained data were analyzed through Statistical Package for Social Services (SPSS) version 16. This is because the SPSS offers a full range of contemporary statistical methods. It also has a good editing and labelling of facilities as well as ability to produce output in both report and table formats and handles missing data with ease. The statistical methods involved those of descriptive (mean and standard deviation) and inferential statistics. Frequency tables and graphs were also employed in the data analysis. The outcomes of the interviews were qualitative in nature. This was analysis using description means and conclusions drawn.

3.8 Profile and History of Mantrac Ghana

In 1939 Mantrac Ghana was first established as Gold Coast Machinery and Trading (GCMT) a division of United Africa Company (UAC) Ghana, dealing in major Industrial and Caterpillar equipment.

UAC Motors division also established. Offering customers countrywide service in every aspect of vehicle operations from private cars to Bedford commercial units.

The late 1960's saw the separation of the expanding Caterpillar side of business from Industrial Machinery. The new set up became Tractor & Equipment, the Caterpillar dealership in Ghana. During the same period, UAC Motors was renamed Africa Motors.

Due to the dynamic motor industry in Ghana at that time, in the 1980's Africa Motors found it appropriate to break ties with Bedford, and took over the dealership of Isuzu commercial vehicles.

Further in 1995, Tractor & Equipment (Ghana) was registered, as a Limited Liability Company with Africa Motors as a division. Owned 100% by Unilever Ghana.

Unilever Ghana share holding acquired by Unatrac International, Egypt, part of the Mansour Group in 1997.

Finally, in 2007, Tractor & Equipment Ghana Limited changed its name to Mantrac Ghana Limited to align itself with other dealerships in Egypt and East Africa.



CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study with the objective of answering the research questions of the study. By answering the research questions, the chapter ends up indicating the extent to which the study objectives have been achieved. In order to keep the findings in the right context, the chapter first presents the sample profile of the respondents of the questionnaire as well as the interviewees used for the study. On the main issues of the study, the chapter presents the extent of dependence on personal selling on the sale of Mantrac Ghana products; other key element of integrate marketing communication mix adopted by Mantrac Ghana; and the challenges Mantrac Ghana goes through in using personal selling. In order to rationalize the findings of the study, the chapter also discusses the findings in the light of relevant literature.

The study achieved a response rate of 64.6% as 51 out of the 79 questionnaires that were sent out were responded to. All the questionnaires that were sent out physically were responded to. Thus, the non response cases came mainly from the customers that were chosen by the sampling technique but were not available physical to be administered with the questionnaire. Even though some of such cases agreed for a telephone interview for the administration of the questionnaire, some refuse to response to the issues of the questionnaire giving lack of time as the excuse. Notwithstanding this, the response rate was generally good and so can be deemed to give an accurate picture of the population from which they were drawn since according to Armstrong and Ashworth (2000), texts on survey methods have usually advised that response rates of 60% and

over are necessary to ensure that the replies of those responding will give an accurate picture of the population from which they are drawn. Also the response rate of 80% was achieved for the interview as 4 out of five keys staffs had time to respond to the interview. The high response rate is attributed to the fact that most of the questionnaires were given out and responded to on the same day thereby eliminating high frequency of non responses. It can also be due to the manner in which the questionnaire was designed which according to the respondents was easy and convenient to respond to.

4.2 Respondents' Profile

All the 51 respondents to the questionnaires were Mantrac Ghana customers and so were appropriate for the study. The modal age group was found to be 42 to 47 which recorded 21 (41.2%). This was followed by the 36 – 41 year group which registered 15 (29.4%) of the respondents. The remaining respondents were between 30 and 35 (3, representing 5.9%); and 48 years and more (12, representing 23.5%). With regards to gender, the representations were uneven. There were 5 (9.8%) of females against 46 (92.2%) of males. Most of the respondents were found to be government institutions (21, representing 41.2%). this was followed by the mining companies which registered 12 (23.5%) of the respondents. The remaining 18 were made of road and building contractors (7, representing 13.7%), timber contractors (6, representing 11.8%) and large-scale farmers (5, representing 9.8%). With regards to education, 12 (23.5%), 24 (47.1%), 11 (21.6%), and 4 (7.8%) of the respondent have completed masters and above, first degree, diploma and other academic qualifications respectively. Table 4.1 presents the age of the respondents of the questionnaire for the study.

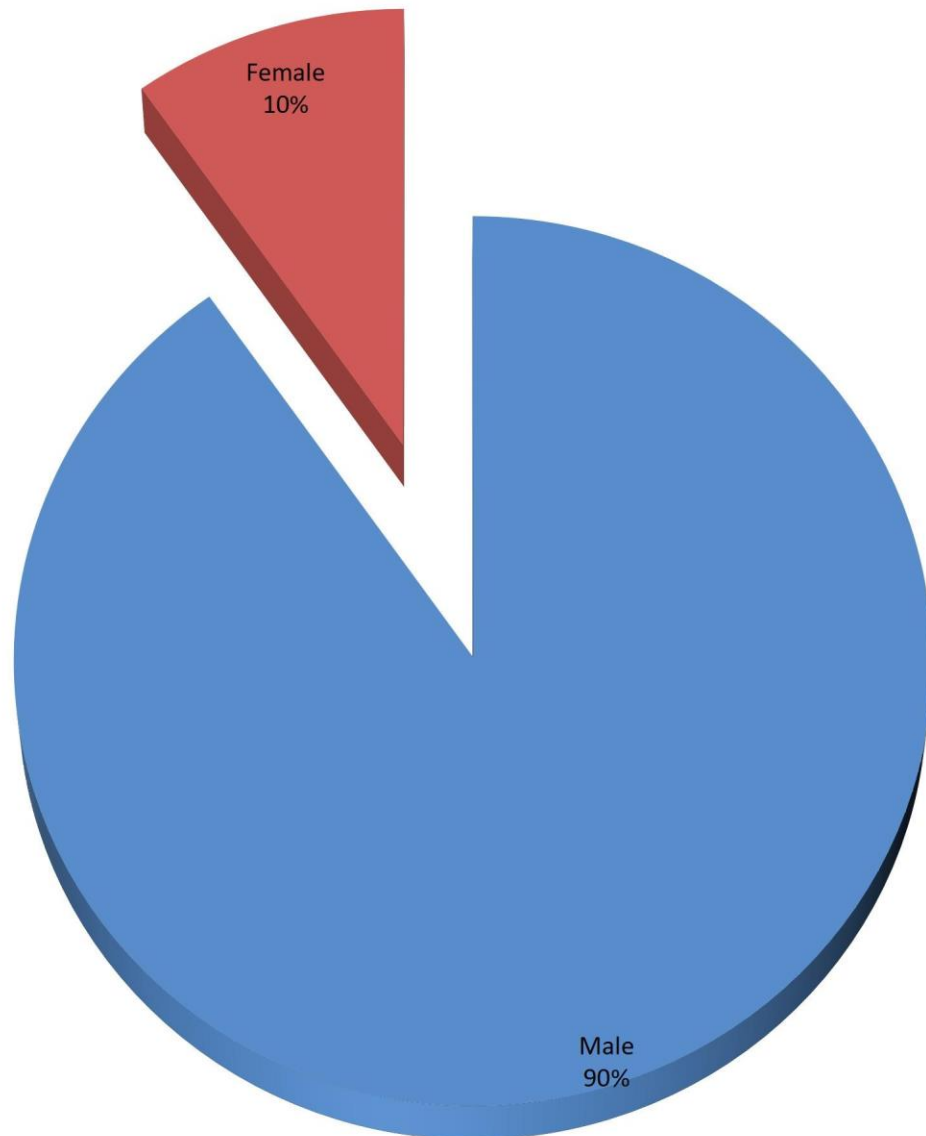
Table 4.1: Profile of respondents

Variable	Frequency	Percent
30-35	3	5.9
36-41	15	29.4
42-47	21	41.2
48 or more	11	21.6
N = 51		

Source: Field Data (2011)

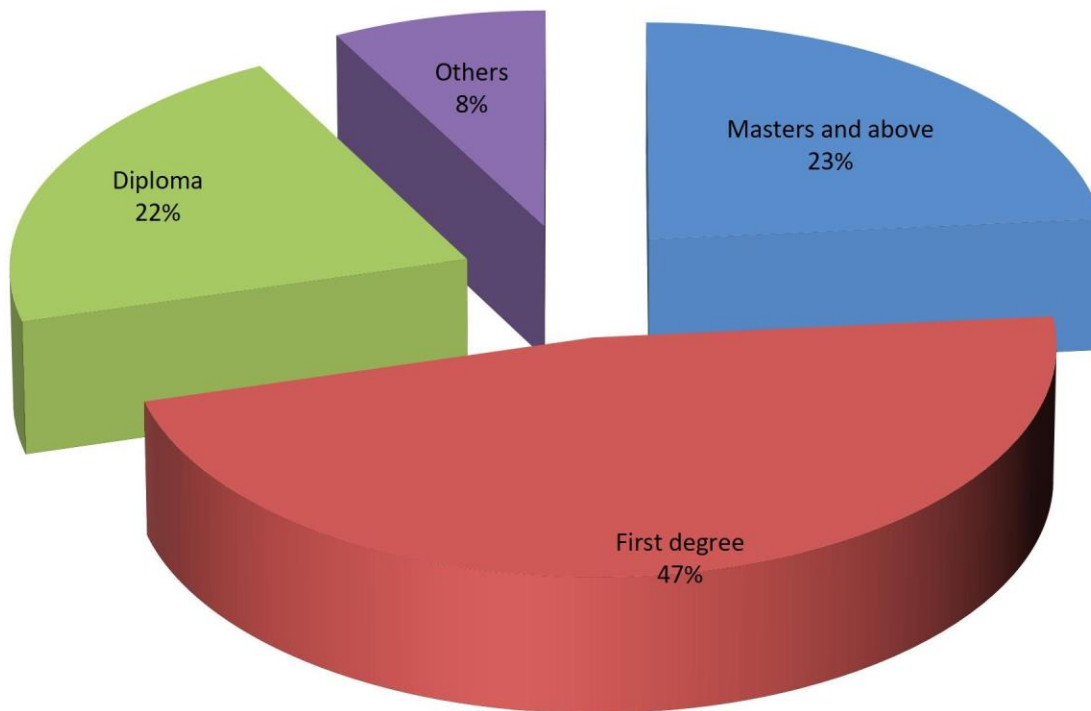
With regards to the staff of the Mantrac Ghana, four key staffs were purposively interviewed. The four that were interviewed were Service Manager and the three Product Support Sales Representatives. All the four have worked for Mantrac Ghana for between 2 and 3 years and have worked in their current job role for the same period. With exception of the Service Manager who has a Masters in Business Administration degree, the rest have first degrees.

Figure 4.1: Gender representations of the respondents of the study



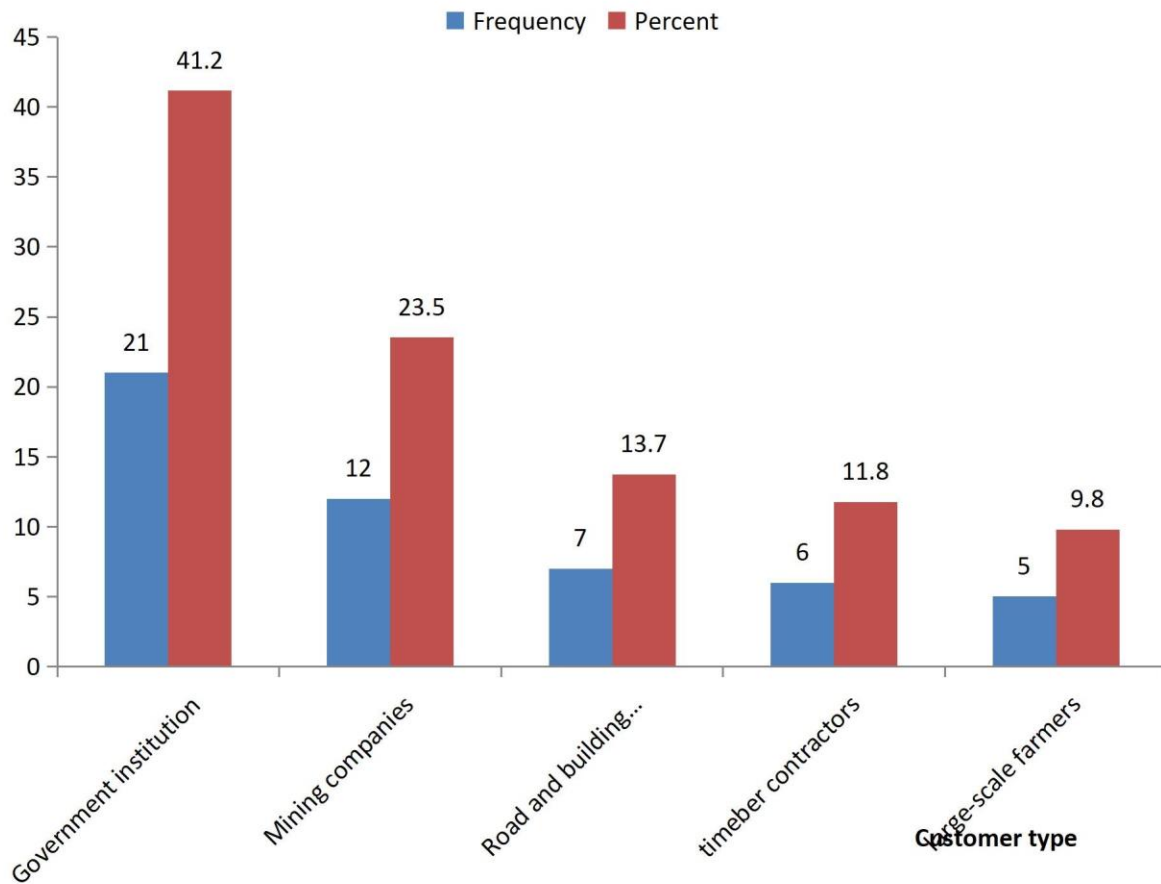
Source: Field Data (2011)

Figure 4.2: Educational background of the responded customers



Source: Field Data (2011)

Figure 4.3: Customer type representations of the respondents of the study



4.2 Extent of Dependence on Personal Selling

To ascertain the extent of dependence of personal selling on the sales of Mantrac Ghana products, the four staffs who responded to the interviewed were asked to indicate the level of extent. All the interviewees indicated that the company depends greatly on the personal selling of the sales of their products. The interviewees further indicated that compared to other marketing communications, the company commits about 40% of its marketing effort to personal selling. As observed by one interviewee, “we use more of personal selling to achieve our sales objectives

because of the characteristics of our industrial products which enjoy relatively fewer customers, short distribution channels, well informed buyers, highly organized buyers, sophisticated purchasing techniques and the purchasing decisions are based on observable stages in industrial marketing”. An interviewee reiterated that the company has Product Support Sales Representatives team who personally visit clients, create business with them and then work to maintain such relationship.

The exact budget for personal selling was however not available as indicated by one of the Service Manager to the question, “Can you provide me with the yearly budget for personal selling for the past three years?”

“The budget for personal selling is not available at the moment. What I can say is the company commits about 40% of the marketing resources into personal selling and even that the exact cost will more than that because the staffs who are responsible for sales, their salary and other benefits is not part”.

According to the interviewees, the main reason for the use of personal selling as the main marketing tool by the Mantrac Ghana is the strategic position of the company in the distribution of industrial products in the area of the construction, agricultural and mining sectors of the economy of Ghana. According to them, the company wants to address customers’ business needs by combining services with goods and provision of more tailored solutions. In this case, the best marketing communication tool to adopt is the personal selling. This is consistence with Foote et al., (2001) who indicated that in industrial service, customers’ needs must be addressed by the provision of broader, more tailored solutions.

Other reasons for the use of personal selling as the main marketing communication tool for the company that were captured from the interviews were that it enables customer difficulties to be resolved quickly and satisfactorily and personal selling also eliminates communication gaps due to educational, tribe, religious and political differences.

4.3 Elements of Integrated Marketing Communication Mix adopted by Mantrac Ghana

Betts et al., (2006) views Integrated Marketing Communications (IMC) as the strategic choice of elements of marketing communications which will effectively and economically influence transactions between organizations and its potential customers, clients and consumers. IMC is a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of the variety of communication disciplines for example, general advertising, direct response, sales promotion and public relations and combines these disciplines to provide clarity, consistency, and maximum communication impact. Mantrac Ghana is therefore expected to have strategically chosen such elements of marketing communications in order to effectively and economically influence transactions between the organization and its potential customers, clients and consumers. In order to have a holistic view of the elements of IMC mix adopted by Mantrac Ghana, two thematic areas were considered under this section – customers' perceived usage of the various elements; and customers' extent of exposure as they are being used by Mantrac Ghana.

4.3.1 Customers Perceived Usage of Integrated Marketing Communication Tools by

Mantrac Ghana

In general, customers' perceived usage of IMC tools by Mantrac Ghana is that of little above neutrality as indicated in registered mean of 3.27 with a standard deviation of 0.308. The result suggest Mantrac Ghana to be a little IMC oriented firm based on the trends in usage of IMC tools by the company. Notwithstanding the almost average perceived usage of IMC tools by the company, personal selling was found to be highly used by the company as perceived by the customers. Personal selling recorded a mean customers' perception score of 4.40 which is more skewed towards "High" (which is scored 4) than "Neutral" (which is scored 3). The least ranked customer perceived used IMC tool was found to be public relations and publicity which registered a mean customers' perceived usage score of 2.86 with a standard deviation of 0.971. Table 4.2 presents the mean customers' perceived usage score and standard deviation of the various IMC tools. The result suggests a high perceived usage of personal selling by Mantrac Ghana with indifferent customer perception for the others. The usage of the seven IMC tools to measure customers' perceived usage of IMC by Mantrac Ghana was found to be highly consistent as indicated in the registered Cronbach's alpha of 0.816. Thus, the result is reliable as a measure of customers' perceived usage of IMC by Mantrac Ghana as the various indicators seems to converge at the same point.

Table 4.2 Mean Mantrac Ghana customers' perceived usage score and standard deviation of the various IMC tools

IMC tools	Mean	Std. Deviation	Rank
Personal selling	4.40	0.907	1
Sales promotion & merchandising	3.39	0.970	2

Sponsorship	3.26	1.066	3
Trade shows and exhibitions	3.07	1.190	4
Advertising	3.04	0.950	5
Direct marketing communications	2.92	1.008	6
Public relations and publicity	2.86	0.971	7
Aggregate Score	3.27	0.308	

Cronbach's Alpha = 0.816

N = 84

4.3.2 Customers Extent of Exposure to the Integrated Marketing Communication Tools of Mantrac Ghana

Even though Mantrac Ghana seems to be using the various elements of the IMC mix, customers are more exposed to personal selling and sales promotion and merchandizing than the remaining IMC tools. Personal selling and sales promotion & merchandising recorded mean score of customers' exposure of 4.05 and 3.13 respectively. The result depicts personal selling to be highly common with the customers than even the second rated tool, sales promotion and merchandising. The result is in conformity to the views of the management of Mantrac Ghana who indicated that much of the company marketing efforts go into personal selling. It can therefore be deduced from the findings that personal selling is the most frequently employed communication tool of Mantrac Ghana. This can be attributed to the technical nature of the company's products which depends on the technical advice to customers for them to obtain an in depth knowledge of the product's functions in their operations. It also makes the building of strong personal relationships between

the sales force and customer's possible. However, since personal selling is limited in reaching out to all customers, most customers are unlikely to be aware of the company and its image through personal selling. The tool that customers are least exposed to was public relations and publicity which registered a mean score of 2.20 (which skewed towards "Low" than "Neutral") with wide variations around this mean as indicated in the standard deviation of 1.084. In general, Mantrac Ghana customers are less exposed to the IMC mix of the company as indicated in the aggregate mean score (standard deviation) of 2.89 (0.540). The total measure of customers' exposure to IMC tools by using the seven indicators registered a reliability value of 78.4% as indicated in the Cronbach's Alpha of 0.784. Table 4.3 presents the extent of exposure of Mantrac Ghana customers to the various IMC mix tools.

Table 4.3: Extent of customers' exposure to the various IMC tools of Mantrac Ghana

IMC tools	Mean	Std. Deviation	Rank
Personal selling	4.05	0.871	1
Sales promotion & merchandising	3.13	1.278	2
Trade shows and exhibitions	3.07	1.220	3
Sponsorship	2.76	1.137	4
Direct marketing communications	2.57	0.935	5
Advertising	2.49	1.058	6
Public relations and publicity	2.20	1.084	7
Aggregate Score	2.89	0.540	

Cronbach's Alpha = 0.784

N = 84

4.4 Challenges of the Use of Personal Selling

Even though, personal selling is considered to be the effective tool for the company there are certain challenges associated with this promotional programme. In an answer to a question that seeks to find the challenges encountered by the company in its selling activities, the Service

Manager stated that problems occur in the areas such as the handling of complaints and objections arising from the high prices of the products and the cost involved in making personal selling an effective promotional tool.

According to the Manager, the company needs a sales engineer who could sell the products that calls for technical know-how. Expertise in identifying, analyzing and solving customer problems are another factor because of the technical nature of the products. In this case the company will need to increase its capital inflow/injection to cater for such a person.

The manager stated that, some of their sales representatives find it difficult in handling complaints and objections and this has been a major problem for the company.

Another challenge that the study identified is competition. According to the manager, statistics available indicated that caterpillar experienced difficulties because of the depressed global construction equipment market and keen competition from Komatsu which adopted the internal slogan “Encircle caterpillar”. Caterpillar has now rebounded strongly winning back share and profit in its world market.

It was also revealed that between 20-40% of the company’s budget is allocated to promotion and since personal selling is the main promotional activity undertaken by the firm, this budget can be

said to be used mainly for personal selling activities which will include sales force recruiting process, and motivation. The manager observed that employing this tool is expensive.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter deals with the summary of the entire study with special focus on the findings; the conclusions drawn from the findings; and the recommended measures stipulated by the findings of the study. The chapter also outlines recommendations for further studies in the area of integrate marketing communications.

5.2 Summary of Findings

Extent of Dependence on Personal Selling

The outcome of the study shows that the company depends greatly on the personal selling of the sales of their products. The study found that compared to other marketing communications, the company commits about 40% of its marketing effort to personal selling. The company has Product Support Sales Representatives who personally visit clients, create business with them and then work to maintain business relationship.

The study found out that the company use personal selling as the main marketing tool because of its strategic position in the distribution of industrial products in the area of the construction, agricultural and mining sectors of the economy of Ghana. Other reasons for the use of personal

selling as the main marketing communication tool by the company is that it enables customer difficulties to be resolved quickly and satisfactory; and personal selling also eliminates communication gaps due to educational, tribe, religious and political differences.

Other elements of Integrated Marketing Communication Mix adopted by Mantrac Ghana

The findings of the study shows Mantrac Ghana to be a less integrated market communication oriented firm based on the trends in usage of IMC tools. Among the integrated marketing communication tools, the study found personal selling to be highly perceived IMC tool used by the company. Personal selling recorded a mean customers' perception score of 4.40 which is more skewed towards "High" on the rating scale. Next to personal selling was sales promotion & merchandising. The least ranked customer perceived used IMC tool was found to be public relations and publicity which registered a mean customers' perceived usage score of 2.86 with a standard deviation of 0.971. Even though Mantrac Ghana seems to be using the various elements of the IMC mix, the study found that customers are more exposed to personal selling and sales promotion and merchandising than the remaining IMC tools. Personal selling and sales promotion & merchandising recorded mean score of customers' exposure of 4.05 and 3.13 respectively. The result depicts personal selling to be highly common with the customers than sales promotion and merchandising. This observation was found to conform the views of the management of Mantrac Ghana who indicated that much of the company marketing efforts go into personal selling. This can be attributed to the technical nature of the company's products which depends on the technical advice to customers for them to obtain an in depth knowledge of the product's functions in their operations. The IMC tool that customers are least exposed to was public relations and publicity

which registered a mean score of 2.20 (which skewed towards “Low” than “Neutral”) with wide variations around this mean as indicated in the standard deviation of 1.084.

Challenges of the Use of Personal Selling

The outcome of the study found that the company encounters challenges in handling of complaints of customers and objections arising from the high prices of the products and the cost involved in making personal selling an effective promotional tool. According to the Manager, the company needs a sales engineer who could sell the products that calls for technical know-how.

Another challenge that the study identified is competition. It was also revealed that between 20-40% of the company’s budget is allocated to promotion and since personal selling is the main promotional activity undertaken by the firm, this budget can be said to be used mainly for personal selling activities which will include sales force recruiting process, and motivation. The manager observed that employing this tool is expensive.

5.3 Conclusion

The study seeks to ascertain the use of personal selling of the sales of industrial products using Mantrac Ghana Limited as a case. To understand the research issues raised in the study and to place the relevant literature in context, as well as to generalize the study to some extent, a thorough review of the literature was made. The finding of the study shows the company depends greatly on the personal selling of the sales of their products. The study found that compared to other marketing communications tools, the company commits about 40% of its marketing effort to personal selling. Apart from the personal selling, the study found sales promotion & merchandising and trade shows

and exhibitions as the other marketing communication tools used by the Mantrac Ghana of the sales of its products. However, the challenge of personal selling is its expensive nature as it required large investment.

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5.4 Recommendation

The study has produced some interesting results and one avenue for future research is to extend the investigation to other sectors of the economy. This is to ascertain whether differences exist in a particular integrated marketing communication tools use for the sales of companies' products and services. Further study should be carried out to ascertain how personal selling is contributing to the profitability of Mantrac Ghana Limited.

The following are some suggestions to Mantrac Ghana Limited as a follow-up of the study:

- Management need to reconsider the level and content of personal selling activities of the company if the tool is to significantly impact positively on the building and development of the caterpillar brand.
- Management should train the sales representatives on customers services and also how to handle customer complaints in a professional manner as this seem to be lacking among the sales representatives
- Management should explore other marketing communication tools that may possibly be less expensive. Advertisement may be a likely alternative.

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**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY BUSINESS
SCHOOL**

PERSONAL SELLING OF INDUSTRIAL PRODUCTS

QUESTIONNAIRE FOR CUSTOMERS

The series of statements and questions in this questionnaire are designed to obtain views on the personal selling of industrial products at Mantrac Ghana Limited.

Kindly indicate your opinions by ticking the appropriate option of your choice. Please answer all questions freely but objectively.

The information is for academic purposes only and will be treated with the strictest confidentiality.

SECTION A: DEMOGRAPHIC DATA

1. Gender: [1] Male [2] Female
2. Age: [1] 18-23 [2] 24-29 [3] 30-35 [4] 36-41 [5] 42-47 [6] 48 or more
3. Highest Educational Level Attained: [1] Masters and above [2] First Degree [3] Diploma [4] O 'Level'/SHS [5] Other (Please specify).....
4. Customer type: [1] Government institution [2] Mining companies [3] Road and building contractors [4] Timber contractors [5] large-scale farmers [6] Other (please specify)

SECTION B: ELEMENTS OF INTEGRATED MARKETING COMMUNICATION MIX

5. Please indicate perceived usage of the following Integrated Marketing Communication

Tools by Mantrac Ghana using the following scale

To a large extent =5 To an appreciable extent =4 Undecided =3 To a moderate extent =2 Not at all =1					
	1	2	3	4	5
i. Personal selling					
ii. Sales promotion & merchandising					
iii. Public relations and publicity.....					
iv. Advertising					
v. Direct marketing communications					
vi. Sponsorship					
vii. Trade shows and exhibitions.....					

6. Indicate the extent to which you are exposed to the following IMCs by Mantrac Ghana Limited using the following scale

To a large extent =5 To an appreciable extent =4 Undecided =3 To a moderate extent =2 Not at all =1					
	1	2	3	4	5
i. Advertising					
ii. Sales promotion & merchandising					
iii. Public relations and publicity					
iv. Personal selling					

v. Direct marketing communications					
vi. Sponsorship					
vii. Trade shows and exhibitions					

12. What actions will you recommend to Mantrac Ghana in order for them to improve their service.....

.....

.....

Thank you for your time & cooperation

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY BUSINESS
SCHOOL**

PERSONAL SELLING OF INDUSTRIAL PRODUCTS

INTERVIEW GUIDE FOR STAFFS

The series of statements and questions in this interview guide are designed to obtain views on the personal selling of industrial products at Mantrac Ghana Limited.

Kindly indicate your opinions. Please answer all questions freely but objectively.

The information is for academic purposes only and will be treated with the strictest confidentiality.

SECTION A: DEMOGRAPHIC DATA

1. Gender: [1]Male [2] Female
2. Age: [1] 18-23[2] 24-29 [3] 30-35 [4] 36-41 [5] 42-47 [6] 48 or more
3. Highest Educational Level Attained: [1] Masters and above [2] First Degree [3] Diploma [4] O 'Level'/SHS [5] Other (Please specify).....
4. How long have you worked with Mantrac Ghana? [1] Less than 1 years [2] 2 – 3 years [3] 3 – 4 years [4] 5 – 6 years [5] 7 years or above
5. Current Job Title/Office:
6. How long have you been in your current office? [1] Less than 1 years [2] 2 – 3 years [3] 3 – 4 years [4] 5 – 6 years [5] 7 years or above

SECTION B: PERSONAL SELLING

7. Please indicate the extent to which Mantrac Ghana Limited depend on personal selling for the sales of its products and services.....
.....
.....
8. What are the major bases for Mantrac Ghana Limited adoption of personal selling as the communication tool?
.....

.....
.....
9. What percentage of the company's marketing budget is allocated to personal selling?

.....
.....

10. From your own candid view, what are the other key elements of integrated marketing communications mix adopted by Mantrac Ghana Limited over the years?

.....
.....
.....
.....

11. What are the challenges in using personal selling as the major marketing communication tool?.....

.....
.....

12. How can these challenges be mitigated?

.....
.....
.....

13. Any general comments on the use of personal selling at Mantrac Ghana Limited?

.....
.....
.....

Thank you for your time & cooperation

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