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A Study on Effectiveness of Salesperson Behaviour on Customer Loyalty in Retailing at Ranipet

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Abstract

This study focuses to the challenges facing the Indian organized retail sector are various and these are stopping the Indian retail industry from reaching its full potential. Trained manpower shortage is a challenge facing the organized retail sector in India. The Indian retailers have difficulty in finding trained person and also have to pay more in order to retain them. The retailers in India have to learn both the art and science of retailing by closely following how retailers in other parts of the world are organizing, managing, and coping up with new challenges in an ever-changing marketplace. due to time constraint; data can be collected only form limited number of respondents. Since the research was conducted in the particular areas only the results cannot be generalized. This study has been done about salesperson behavior, therefore in terms of management concept is based on marketing subjects and its only covers the salesperson behavior. In terms of place, the present research has been in Ranipet and only across Vellore District province that has been confronted with problems according to collecting data that across Vellore province the most of sales people and customers had characteristics which are different from those of other salespeople and customer in other provinces. The researcher has analyzed the collected data with the help of Average and Percentages. All the data were entered in SPSS 20.0 version for determining reliability of the data and to find the difference among the respondents also find the relationship between the salesperson behavior and customer loyalty of the study.

Key words: Retail sector, Sales person, customer loyalty, Retailing.

Introduction

Marketing is the social process by with individuals and organizations obtain what they need and want through creating and exchanging value with others Kotler and Armstrong (2010). Marketing is the management process for identifying, anticipating and satisfying customer requirements profitably (The Chartered Institute of Marketing 2012), it is the way of sell the product to right customer at right time in right place. In today's challenging environment, companies are totally based on customer retention because customers are the key factors of companies' success that is why customer loyalty is playing an important role to sustain competitive advantage in the market.

Salesperson plays a vital role in creating and maintaining buyer-seller relationships (Shepherd 1999). Salesperson are responsible for making initial contact, determining client needs, and identifying products or services to satisfy needs as well as providing follow-up support services (Pelham 2002). Organizations perform different activities in order to loyal its customers. a person who understands and apply the creative selling process, an organization should try to have salespeople who possess certain attributes that can make them more effective in their jobs.

These attributes, which can be grouped into mental and physical categories, merit further discussion. Judgment, common sense, maturity, intelligence—these and other terms are used interchangeably with judgment. A salesperson knows that it does not pay to argue with a customer. The salesperson also knows that the firm should never be "cut" in front of customers. These situations reflect the use of good judgment on the part of the employee. Please note that the term maturity is sometimes used in place of judgment but that it is not necessarily a function of age. Many older people do not use good judgment while some young employees will have a high level of commonsense.

A good salesperson will have a positive attitude toward customers, merchandise, services, and the business. A good attitude means that an employee is willing to accept suggestions, to learn and to apply the steps in the creative selling process, and to not be afraid of work. A salesperson with a bad attitude can create unnecessary problems. A bad attitude is contagious. If any employee is otherwise competent, management should work with the employee to develop a positive attitude. Positive attitudes can result in sales.

Customer loyalty has been considered the heart of victory in today's highly competitive world of organizations. It has a major contribution in sustainable profit growth of any organization. Customer loyalty has become the top key performance indicator for evaluating performance of the organizations. It is the key to stay alive in competition (Saha et al., 2015). Behavior of salesperson is also very important in creating customer loyalty because salesperson is presenting their organization image in their behavior and interactions with customers. Making loyal the customer has been very important up to recently, marketers thought to find customer and sales group were trying to find new customers but in today perspective, marketing means "to increase customer"; today, the art of marketing is that the customers of an organization be the co-workers of the organization internally and supporter and advocates of it externally. Richard Oliver has defined 'loyalty' as follows: "loyalty refers to a strong commitment for re-purchase of a superior product or service in future so that the same brand or product is being purchased in spite of the effects and potential endeavors of marketing by competitors".

Retailing includes all the activities involved in selling goods and services directly to final consumers for personal, non-business use. Retail consumption may take place at a group level; the majority of retail consumption episodes are individual in nature. Most retail service consumption episodes are characterized by an individual consumer interacting with individual employees. Research indicates that an appreciation of how retail consumers evaluate the service they receive can be highly useful in understanding customer loyalty (Gupta and Zeithaml, 2006). Retailing thus, may be understood as the final step in the distribution of merchandise, for consumption by the end consumers. Put simply, any firm that sells products to the final consumer is performing the function of retailing.

In an age where customer is the king and marketers are focusing on customer delight, retail may be redefined as the first point of customer contact.

Statement of the problem

This study finds the some of the issues and problems in salesperson behavior and customer loyalty in retailing for doing research in this area by the researcher.

- The challenges facing the Indian organized retail sector are various and these are stopping the Indian retail industry from reaching its full potential.
- Trained manpower shortage is a challenge facing the organized retail sector in India. The Indian retailers have difficulty in finding trained person and also have to pay more in order to retain them.
- The retailers in India have to learn both the art and science of retailing by closely following how retailers in other parts of the world are organizing, managing, and coping up with new challenges in an ever-changing marketplace.
- Indian retailers must use innovative retail formats to enhance shopping experience, and try to understand the regional variations in consumer attitudes to retailing.

Ranipet is a place under Vellore District in Tamil Nadu, this place is an industrial area (Sipcot) people alive from various places from India, and there are a many retail shops of consumer goods and other consumable products in this place.

Objectives of the study

The present study has been done by the following objectives of the salesperson behavior and customer loyalty.

- To identify the factors of salesperson behavior and customer loyalty.
- To determine the level of salesperson behavior and customer loyalty.
- To examine the effectiveness of salesperson behavior and customer loyalty in retailing at Ranipet.
- To evaluate the relationship between salesperson behavior and customer loyalty.

Hypothesis of the study

- This study includes the following assumption to find the differences and relationship between salesperson behavior and customer loyalty.
- Following the null hypothesis (H0) of the study
- H1: There is no significance difference between demographic factors of genders and educational qualification with salesperson and customer loyalty.
- H2: There is no significance difference between demographic factors of age, marital status and income level with salesperson and customer loyalty.
- H3: There is no relationship between salesperson behavior and customer loyalty.

Methodology of the study

The study is undertaken in Vellore District, both primary and secondary data were collected.

Primary sources of data

The primary data were collected through field survey. Direct interview method was adopted to collect the required information from the respondents by providing detailed questionnaire to them.

Secondary sources of data

The secondary data were collected from Books, Journals, Magazines, Newspapers, Reports, Websites and other supplementary sources.

Sample design

A simple random sampling method is used to collect the sample form the customers of various retail users in Ranipet. A well framed Questionnaire was circulated among the customers. Totally 75 questionnaires were circulated among them, only 62 were returned the filled questionnaire. Out of this, 50 questionnaires were found usable for study. Hence the exact size of the study is 50.

Analysis of data

The researcher has analyzed the collected data with the help of Average and Percentages. All the data were entered in SPSS 20.0 version for determining reliability of the data and to find the difference among the respondents also find the relationship between the salesperson behavior and customer loyalty of the study.

REVIEW OF LITERATURE

Within the context of buyer-seller relationships, salespeople are responsible for performing a number of sales focused tasks, particular importance are those tasks that must be performed to achieve sales call objectives (Moncrief, Marshall and Laask 2006). Though in some cases, the objective may be to make a sale, in other instances, the call objective may be simply to move toward the sale (Rackham 1996).Salespeople are encouraged to develop skills that help them to prospect and qualify buyers, secure sales calls, determine needs, present product or service solutions, overcome buyer objections, obtain agreements to purchase and perform follow-up sale tasks (Futrell 2006; Manning and Reece 2006; Rackham and DeVincentis 1999).

The empirical research on tasks behaviors approaches sales skills as a holistic construct that includes not only those behaviors relevant to the stages of the sales process but also the relational behaviors mentioned previously. Moncrief (1986) developed a six category classification of sales positions by analyzing 121 sales activities. Marshall, Moncrief and Lassk (1999) created taxonomy of sales positions through factoring and clustering 105 sales activities.

To create taxonomy of sales positions that reflect changing environmental forces Moncrief, Marshall and Lassk (2006) factored analyzed their earlier identified 105 sales activities into 12 dimensions (factors) of selling and clustered them into six categories of sales positions. Rentz et al (2002) developed a scale to measure selling skills and grouped them into the three main skills conceptualized by Walker, Churchill and Ford (1997): interpersonal, salesmanship, and technical. These skills represent an individual's "learned proficiency" at performing the necessary tasks for the sales position (Ford, Walker, Churchill and Hartley 1987). Because of the fast-paced changes that occur in today's business environment, buyers place an even greater value on the advice and guidance provided by salespeople. Consequently, salesperson tasks behaviors are empirically examined now, by some researchers, from a consultative selling perspective.

Liu and Leach (2001) defined consultative selling as "the process of professionally providing information for helping customers achieves their business objectives." Their study found that consultative service tasks influenced buyer perceptions of salesperson trust, expertise and overall satisfaction with the seller. Pettijohn, Pettijohn and Taylor (1995) examined the relationship between sales performance and consultative skills and showed that a salesperson's congruent skill (i.e., directness, honesty, and sincerity in what is overtly communicated to the buyer) was positively related to effective sales performance. Pelham (2002) found that the consultative skills of problem solving and adaptive selling positively influenced a firm's sales growth. Experimental studies conducted by DeCormier and Jobber (1993) focused on the similarities between selling and counseling. The results of their experiments showed that sales performance can be enhanced by providing training in adaptive selling skills, micro-skills used extensively in counseling, and the counselor selling process adapted from the meta-model of clinical interviewing developed by Ivey and Matthews (1984).

Customer's loyalty:

In the past, some researchers believed that it is only the quality of goods which leads to customer satisfaction and in this way will affect the customer. But in 1996, Richard published a book entitled "The effects of loyalty" in which he has said that customer satisfaction is not the only factor that guarantees the loyalty and many factors involve in determining it that should be studied. So far, various models have been introduced to study the customer loyalty in marketing subjects. For example, Selnes (1993) enumerates satisfaction, quality of performance and the fame of the brand as three factors influencing on customer loyalty.

Zhawi Dung (2004; Quotes from Seyed-Javadin et al, 2010) in a paper entitled "understanding of loyalty and customer satisfaction" have introduced a model in which factors such as confidence, quality of services, perceived value (functional, emotional, social and financial values) and costs of change have been known effective in customer loyalty and satisfaction. Steven Taylor et al (2004) in research under title of "The importance of brand equity to customer loyalty", according to Baldinger and Robinson, have proposed a model for customer loyalty under influence of brands and have presented the factors of satisfaction, value, resistance against change, affecting, confidence and flexibility of corporation as the effective factors on customer loyalty.

Davis (2008) in his doctoral dissertation has studied the impact of salesperson's leadership as salesperson's interactive behavior on sales performance and found that salesperson's behavioral factors have a positive effect on sales performance. Tajzade-Namin (2009) has done research entitled "the relationship of salesperson and customer's interaction with salesperson's performance in industry of sound and visual devices" that the results indicated that there is a significant relationship between salesperson's behavioral factors and salesperson's performance factor. About the relationship between salesperson's interactive behavior and the subject of customer loyalty, any research has not been done so far, therefore according to felt gap, the author decided to do the present research aiming at studying the relationship of salesperson's interactive behavior with customers and customer loyalty.

One of the most under theorized and 'boring of fields' (Blomley, 1996), retail geography has come to occupy a central position within social-scientific research. Some commentators have gone so far as to suggest that the spaces, places and practices of consumption, circulation and exchange lie at the very heart of a reconstructed economic geography (Crang, 1997), and that retailing is in many ways redefining the economic and cultural horizons of contemporary Britain (Mort, 1995).This early emphasis on retailers and store location activities served to 'misrepresent both the wider structure of the commodity channel and the status of consumption in shaping retail change' (Clarke, 1996: 295).

Findings

Tested with the reliability of the data, Cronbach's Alpha is a measure of internal consistency that is how closely related a set of items are as a group. It is considered to be a measure of scale reliability, to study the reliability test on salesperson behavior and customer loyalty in retailing.

Table: 1 Reliability of salesperson behavior

Reliability Statistics	
Cronbach's Alpha	No of Items
0.735	4

In this study the above table shows the reliability value of Cronbach's Alpha are 0.735 is acceptable value in the data of salesperson behavior.

Table:2 Reliability of customer loyalty

Reliability Statistics	
Cronbach's Alpha	No of Items
0.856	5

From the above table shows the reliability value of Cronbach's Alpha are 0.856 is good value in the data of customer loyalty.

Hypothesis testing

H1: There is no significance difference between demographic factors of genders and educational qualification with salesperson and customer loyalty.

This study follows the analysis of variance (ANOVA) otherwise called F-test is performed for one independent variable and sample belong to different group of same population. The significant value more the 0.5 is acceptable, this study the table 5.3 show the significant value of the gender is 0.366 and the educational qualification is 0.296 on salesperson behavior and Table 5.4. Show the significant value of the gender is 0.308 and the educational qualification is 0.174 on customer loyalty, these value are below the significant level on 0.5.

Hence the H1 is accepted, there is no significance difference between demographic factors of genders and educational qualification with salesperson and customer loyalty.

H2: There is no significance difference between demographic factors of age, marital status and income level with salesperson and customer loyalty.

The significant value more the 0.5 is acceptable, this study the below table show the significant value age is 0.687, marital status is 0.892 and level of the income is 0.968 on salesperson behavior and the Table 5.4. Show the significant value of the age is 0.777, marital status is 0.616 and level of the income is 0.83 on customer loyalty, these values are more than the 0.5.

Hence the H2 is rejected; the alternate hypothesis is there is a significance difference between age, marital status and level income level.

Table: 3 Difference between Respondent's Demographic Factors and Salesperson Behavior (ANOVA)

S. No	Variables	F value	Significant
1	Gender	1.127	0.366*
2	Age	0.703	0.687
3	Marital Status	0.437	0.892
4	Educational Qualification	2.361	0.296*
5	Monthly Income	0.264	0.968

Table: 4 Difference between respondent's demographic factors and customer loyalty (ANOVA)

S. No	Variables	F value	Significant
1	Gender	1.224	0.308*
2	Age	0.615	0.777
3	Marital Status	0.803	0.616
4	Educational Qualification	1.522	0.574
5	Monthly Income	0.549	0.839

H3: There is no relationship between salesperson behavior and customer loyalty.

Below the table shows the descriptive statistics of mean and standard deviation value of salesperson behavior and customer loyalty and

Table: 5 Descriptive statistics

	Mean	Std. Deviation	N
Salesperson Behavior	3.7600	.38119	50
Customer Loyalty	3.7120	.45564	50

Table: 5 Pearson's correlation of coefficient

Correlations			
		Salesperson Behavior	Customer Loyalty
Salesperson Behavior	Pearson Correlation	1	.722**
	Sig. (2-tailed)		0
	N	50	50
Customer Loyalty	Pearson Correlation	.722**	1
	Sig. (2-tailed)	0	
	N	50	50

** Correlation is significant at the 0.01 level (2-tailed).

The Table 6 shows the main matrix of the Pearson's correlation of coefficient. Variables have been arranged in a matrix such that their columns/rows intersect. In the cells there are numbers that tell about the statistical interaction between the variables. Three type of information are provided in each cell, i.e., Pearson correlation, significance and number of cases.

The values on either side of the diagonal are mirror image of each other, i.e., the values are the same. Hence, one can ignore the information above the diagonal or below the diagonal as one wish. The value against Pearson correlation, i.e., 0.722 is the r- value. Since, the r- value is positive and significance (2-tailed) value of 0.00 (the p-value) is below 0.01, Hence, we reject the null hypothesis of H3 and accept the alternate hypothesis is there is a relationship between salesperson behavior and customer loyalty.

Conclusion

In order to study on the effectiveness of salesperson behavior on customer loyalty, Ranipet has been selected. Data collected from 50 respondents has been analyzed in the previous chapter. The study has arrived at valuable conclusion and presents the salesperson behavior on customer loyalty in Ranipet. Naturally the researcher of this study evinced interest in investigating the effectiveness of salesperson behavior on customer loyalty.

Questionnaire method was adopted for this study. Apart from questions portioning to the salesperson behavior on customers loyalty, questionnaire includes questions to extract information on the attitudes and outlook of the retail customers. No doubt these general questions enabled the investigator to have a thorough understanding of their life styles and notions. Moreover, a personal contract with the respondents helped the researcher in arriving at valid conclusion. There was not only good response from the respondents but also co-operation in making this study a grand success.

It can be stated that the significance of the present study lies in the fact that this is the first study on the salesperson behavior on customer loyalty in Ranipet. The retailing salesperson behave with good knowledge in the product, communicate with clear, behave with honest and packing with comfortable way and the customer loyalty of product quality, price, availability, simplicity and happiness this type way followed by the retailer will become success in the competitive business environment. This study has laid foundation for the better future of salesperson behavior on customer loyalty in retailing.

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