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Influence of Employee Personal Selling on Competitive Advantage of Institutions of Higher Learning in Kenya

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Abstract:

In the recent years, inadequate Government funding has led to stiff competition amongst institutions of higher learning to attract Self Sponsored Programme (SSP) students in order to meet the short-fall. As a consequence, nowadays, personal selling has become the key marketing tool for sustainable advantage in organizations. Most previous research on organization-public relationship investigates the relationship from an organizational and customers' perspective, where as this study investigated from the employee perspective. Therefore, the purpose of this study was to examine whether employees personal selling has effect on institution competitive advantage of public universities in Kenya. Pragmatism philosophical paradigm and explanatory survey research design was utilized. Target population of 450 was considered, out of which a sample of 212 employees drawn from 28 universities were obtained using Slovin's sample size formula representing the institutions selected by simple random sampling technique. Questionnaires were then administered to these employees. The analysis of data was by use of multiple regression analysis. The findings revealed positive significant relationship between knowledge and institution competitive advantage, between dynamic and institution competitive advantage, between sales pitch and institution competitive advantage and between relationship and institution competitive advantage. Similarly, overall test of significance with F-test confirmed high significant effect of personal selling on institution competitive advantage. It was concluded that the findings extended the use of competitive advantage and resource based view theories. Subsequently, it extended the literature on the match between personal selling on institution competitive advantage. The findings clarified the alignment of personal selling on institution competitive advantage for employees to market their institutions as choices of customers.

Keywords: Personal selling, Institution, Competitive, advantage, knowledge

1. Introduction

African governments are committed to financing university education on the premise that higher education is a most sensitive area of investment. According to Sherman (1990) & Psacharopoulos (1982), the government mainly offers financial assistance to universities in almost all African countries. For long, the national economic performance's soundness has determined the financing level of higher education. Financial constraints have been experienced in most African countries since the 1980s. This was attributed to rapid population growth and poor economic performance. Therefore, has led to stiff competition for limited funds from the government between university education and other sectors (Woodhall & Psacharopoulos, 1985).

The personal selling function in marketing management has gained corporate, academic, and educational status. The vast majority institutions utilize personal selling to some degree to achieve competitive advantage. Armstrong & Kotler (2008) defined personal selling as personal communication between customers and sales force for the purpose of building customer relationship and making sales. It is precisely the direct, intimate, and flexible nature of personal selling that makes it the predominant aspect of the marketing for many institutions. Cheney *et al.* (2011) established that there was a significant positive association between a salesperson's skills and an institution's performance. The sales staffs are an asset to the organization since they play a significant role in meeting customers' needs, giving them satisfaction as well as managing the customers (Eswaran *et al.*, 2011).

According to Peters (1999), the synergy effects the employees benefit from are between the institution brand and their personal brand. Although some personal branding authors (Speak & Mc Nally, 2002) defined approaches for aligning personal brand standards to an institution's brand standards. Kaputa (2003) suggested that the staff members put themselves first than the institution. An oldest promotion mix instrument which is achieved via two-way interaction among a buyer and a seller is the personal selling. In addition, Kaputa (2003) asserted that major proposition in selling is the fear that failure of individual to administer their own brands, lead to others managing for them: Failure to brand oneself, others will.

Personal selling is the process of telling the benefits of your institution products by reminding, convincing and providing data to customers (Reece & Manning, 2008). It involves flexibility as one of the key elements of personal selling, considering that the seller is the most flexible means of communication. In many institutions, personal selling serves as the basis for university to customer communication and exchange. Montoya (2005) posited that pure talent is not the only thing to attain the summit of university success as it is believed that in the modern economy, visibility is considered essential for university success, and personal branding is offered as a means of increasing visibility which has considerable appeal. It is a lifestyle which is a reflection of your personal brand and should be consistent with your university brand (Arruda, 2005). Personal selling can therefore be considered as an extension of marketing concept that involves identification of customer needs and aiding customer decision-making by selecting those products of the university that best fit their requirements (Moncrief & Marshall, 2005). One of the most important elements to the lasting success of university is regularly considered as customer satisfaction.

The relationship between the institution and its customers is important, as there are benefits for both parties (Pettijohn *et al.*, 2002). Personal sellers have the ability to increase customers' perceptions and attitudes towards university brand via the service they are providing (Williams & Attaway, 1996). According to Williams and Attaway (1996) the success of an institution largely depends on their employees, as they are the people who are interacting with the customers, and therefore have the most influence on them. In personal selling situations, it has been shown that buyers are more likely to have a greater sense of loyalty to the sales person in this case the employees, rather than the firm of which the sellers are working for (Anderson & Robertson, 1995; Heide & John, 1988; Macintosh & Lockshin, 1997). Furthermore, Armstrong (2001) stated that personal selling can enhance performance and competitiveness of educational institutions.

Recent trends in the personal selling environment within the universities, such as advances in technology, customer relationship management, and globalization, have placed a premium on training programs designed to develop knowledgeable and effective employees (Deeter-Schmelz *et al.*, 2002; Jones *et al.*, 2005; Magrath, 1997; Marshall & Michaels, 2001). Indeed, there is evidence that employee intellectual capital constitutes up to 75 percent of an organization's total balance sheet (Kust 2005). It is important and advantageous for universities to engage employees that have the ability to exercise all the four roles of selling. As the sellers need to be dynamic and able to change their sales pitch, have different ways of forming relationships with customers, and have different sets of knowledge to ensure that their selling will be effective (Weitz & Bradford, 1999).

They need to have knowledge of product features of the University for Sufficient Sales Success. Successful sales people relate service or product features to consumer benefits, as people purchase products for the benefits they bestow; the process by which the benefits result from are referred to as attributable features of the product. According to Mohammad & Ghazaleh (2009), the use of visual aids in developing and planning of product benefits and feature presentation is important. Most prospects customers must be shown reasons for buying university products. University employees can do this through product demonstrations and presentations that show the features, advantages and benefits of the product to show the customer why they need it. This can be done through knowledge empowerment of employees which means equipping the institution workforce with knowledge, skills and positive work behaviour (Burkitt & Zealley, 2006). Thus, the emphasis on having dynamic and successful employees will have positive implications for the institution they are working for.

Institutions need to ensure that their employees have a range of different selling techniques they can use, a tidy appearance, and enthusiasm for the job, as these will all benefit the institution in terms of the number of sales they are getting. This is important as it helps to form institution brand associations for the customer. According to Iain (2005), system selling, when well executed, is normally expected to push a greater volume as complementary products can be sold in unison, hence improving the profit margin of a given company that manufactures such complementary products. Thus, the sellers need to ensure that their sales pitch is not abrupt and forceful, as this could hinder their sales figures. Combination of interaction and friendly customer service are easy but highly effective ways of making sales.

The higher the satisfaction level of the service received the more likely the customer is to become loyal to that brand, as suggested by Pettijohn *et al.* (2002). Schwepker (2003) attributes the success of those with personal selling skills to their ability to persuade a potential client by explaining the utility and distinctive qualities of the product. Moncrief and Marshall (2005) noted that personal selling had a positive effect on firm's effectiveness. They explained that personal selling skills enable employees to give an accurate presentation of products or services to the potential clients/customers, continuously holding their attention and creating interest.

In this regard, the varying degrees of self-efficacy present in each individual will motivate the employee to move forward to achieve and increase their performance. Further, self-monitoring was found to predict employee's performance in the organization. The implications of the results suggested that the higher the self-efficacy and self-monitoring of employees, the higher their performance. The reason is that employees that are able to adjust and adapt to different selling situations are likely to be able to win more sales (Salleh & Kamaruddin, 2011). While interpersonal, salesmanship, technical and marketing skills have been established as key determinants of salespersons performance in previous studies, they are not the only factors that influence salesperson performance (Ahmad *et al.*, 2010). This is so because the effects of affective organizational commitment on sales skills dimensions take place.

Employees memorize and deliver sales pitches verbatim when they utilize a script based selling strategy. Script-based selling is also called canned selling. The term "canned" comes from the fact that the sales pitch is standardized, or "straight out of a can." According to Jobber and Lancaster (2009), the script comprises a logical set of questions and when the salesperson meets an obstacle they remember what is in the script and methods of overcoming it. The script covers a range of techniques from opening the sales interview to closing techniques. Employee should be intelligent enough to keep track of buyer's mental state while asking him questions. It is a bit technical and requires sound mental ability of the employee. First the sales person tells customer about the university product to gain attention, then tries to develop customers' interest. Conviction comes when the employee describes the functions and benefits of

products. In the next stage of desire, the employee should overcome the hesitation in the customer and make him warm up to his product/service and at the end seek to conclude the sales call with an actual sale.

Personal selling is a useful communication tool in building buyers' first choices at various stages of the buying process. Personal selling refers to the promotional presentation by an organization's sales force conducted for the purpose of making sales and building customer relationship (Solomon & Stuart, 2003). It is conducted on a face-to-face basis, over a telephone, through video conferencing, or any interactive electronic media like the internet between the buyer and seller. The direct contact with the customer gives the employee the opportunity to be flexible and modify the sales message to coincide with the customer's needs (Kotler, 2013). The interactive nature of personal selling makes it one of the most successful methods for building relationships and attracting customers (Armstrong, 2001). Messah and Namulia (2012) noted that making presentations and one-to-one communication strengthens an institution's relationship with clients and boosts students' enrolment.

The key to successful selling today is a consultative, problem-solving, relationship building approach (Anderson, 1996). It requires sales professionals to focus on identifying and satisfying the needs and wants of their customers. This technique focuses on building relationships, creating an atmosphere of trust and selling the way customers want to buy not the way you like to sell. According to Kotler and Armstrong (2012), personal selling is the communication between a firm's sales force and customers for the purpose of making sales and building customer relationship. Jobor (2007) argued that empowering employees enhances their ability to build and maintain long-term customer relationships by listening to them, assessing their needs, and solving their problems. This not only enhances the organization's attractiveness but also its competitiveness.

2. Methodology

The study utilized the explanatory survey research design. This type of design is primarily concerned with determining cause and effect and the state of affairs as they exist (Gall *et al.*, 2007). Explanatory design was used to determine causal relationship between variables (Saunders *et al.*, 2011). The explanatory survey was deemed ideal for the study because it involved collecting data at one point in time on personal selling and competitive advantage of public universities and then establishing their effects without manipulation of variables. Target population of 450 was considered, out of which a sample of 212 employees drawn from 28 universities were obtained using Slovin's sample size formula. Questionnaires were then administered to employees of the institutions. The analysis of collected data was by the use of multiple regression analysis.

3. Results

Correlation analysis was performed thereafter hypotheses were tested using multiple linear regression analysis to check the relationship between independent and dependent variables.

3.1. Correlation Analysis of Personal Selling and Institution Competitive Advantage

Correlation analysis was carried out to test the theoretical proposition regarding relationship between personal selling and institution competitive advantage. There was positive significant correlation between knowledge and institution competitive advantage ($r = 0.859$, $P < 0.01$). The correlation of dynamic and institution competitive advantage was positively significant ($r = 0.840$, $P < 0.01$). The correlation of sales pitch and institution competitive advantage was positively significant ($r = 0.850$, $P < 0.01$). The correlation of relationship and institution competitive advantage was positively significant ($r = 0.807$, $P < 0.01$). This shows that there is degree of association between personal selling and institution competitive advantage as shown in Table 1.

		MCA	MK	MD	MSP	MR
MCA	Pearson Correlation	1				
	Sig. (2-tailed)					
MK	Pearson Correlation	.859**	1			
	Sig. (2-tailed)	.000				
MD	Pearson Correlation	.840**	.863**	1		
	Sig. (2-tailed)	.000	.000			
MSP	Pearson Correlation	.850**	.884**	.866**	1	
	Sig. (2-tailed)	.000	.000	.000		
MR	Pearson Correlation	.807**	.825**	.809**	.821**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

Table 1: Correlation Analysis of Personal Selling and Institution Competitive Advantage

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

MCA= Competitive advantage, MK= Knowledge, MD= Dynamic, MSP= Sales pitch, MR=Relationship

3.2. Model Summary of Personal Selling and Institution Competitive Advantage

Regression model summary results between personal selling and institution competitive advantage, indicates that four dimensions of independent variable explained 92% ($R^2 = 0.920$) of the variance on institution competitive advantage and they were statistically significant and positively related to institution competitive advantage. As indicated, the residuals were not correlated since the regression was 1.890 (The Durbin-Watson statistic) which falls within the normal range as presented in Table 2.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.960 ^a	.922	.920	.08673	1.890

Table 2: Model Summary of Personal Selling and Institution Competitive Advantage

a. Predictors: (Constant), MR=Relationship, MD= Dynamic, MK= Knowledge, MSP= Sales pitch

ANOVA model results as in model 1 indicated that with F-test value of 494.253 as illustrated by overall test of significance shows good model fit and with (p value $0.000 < 0.05$) the level of significance was statistically vastly substantial (Table 3). Thus, the model was fit to predict institution competitive advantage using knowledge, dynamic, sales pitch and relationship.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	14.872	4	3.718	494.253	.000 ^b
	Residual	1.256	167	.008		
	Total	16.128	171			

Table 3: ANOVA Model of Personal Selling and Institution Competitive Advantage

a. Dependent Variable: MCA

b. Predictors: (Constant), MR=Relationship, MD= Dynamic, MK= Knowledge, MSP= Sales pitch

The multiple regression results of standardized beta coefficients indicated that knowledge ($\beta = 0.264$, $t = 2.028$, $P < 0.05$), dynamic ($\beta = 0.209$, $t = 2.394$, $P < 0.05$), sales pitch ($\beta = 0.381$, $t = 2.883$, $P < 0.05$) and relationship ($\beta = 0.122$, $t = 2.095$, $P < 0.05$) were positive and statistically highly significant predictors of institution competitive advantage. Multicollinearity was not a problem since the variables had VIF of less than 10 and tolerance values of above 0.2 as displayed in Table 4.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	.176	.092		1.917	.057		
	MK	.273	.135	.264	2.028	.044	0.147	6.799
	MD	.228	.095	.209	2.394	.018	0.776	1.289
	MP	.379	.131	.381	2.883	.004	0.521	1.921
	MR	.119	.057	.122	2.095	.038	0.767	1.304

Table 4: Coefficient Analysis for Intellectual Asset and Institution Competitive Advantage

a. Dependent Variable: MCA = Competitive advantage, MR=Relationship, MD= Dynamic, MK= Knowledge, MSP= Sales pitch.

4. Discussion

ANOVA model results as in model 1 indicated that with F-test value of 494.253 as illustrated by overall test of significance shows good model fit and with (p value $0.000 < 0.05$) the level of significance was statistically vastly substantial. In other words, knowledge, dynamic sales pitch and relationship were statistically highly significant predictors of institution competitive advantage. The findings were in line with Armstrong (2001) that personal selling can enhance performance and competitiveness of educational institutions. From the model summary results, the four independent variables explained only 92.2% ($R^2 = 0.922$) of the variance on institution competitive advantage and they were statistically significant and positively related to development of institution competitive advantage. This indicated that the four independent variables predicted development of institutional competitive advantage. The findings concurred with Moncrief and Marshall (2005) that personal selling had a positive effect on firm's effectiveness. They explained that personal selling skills enable salespersons to give an accurate presentation of products or services to the potential clients/customers, continuously holding their attention and creating interest.

5. Conclusion

Empirical findings of this study confirmed the significant relationship between personal selling and institution competitive advantage. Moreover, the study confirms the extension use of resource based view and competitive advantage theories. Results of this study provided valuable information and guidelines that would be useful to Kenyan public universities policy makers and implementers, in addressing issues and designing appropriate measures or interventions on personal selling to positively impacting institutions competitive advantage.

6. Recommendations

Future studies might explore what other types of personal selling that could lead to the development of unique institutional competitive advantage, in respond to external influences, as a result of changing educational environmental philosophies.

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