

Problems And Prospects Of Selling In Reseller Markets in The Fast-Moving-Consumer-Goods (FMCGs) Industry Using The Salesforce; The Case of Y&K Investments Limited, Koforidua, Ghana.

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Abstract

The researchers attempted to assess the problems and prospects associated with selling in reseller markets within the fast-moving-consumer-goods industry, using Y&K Investments Limited, Koforidua, Ghana (Y&K) as case study. Using convenience and purposive sampling approaches, we surveyed the opinions of resellers, salespeople, and management of Y&K on the subject and analyzed using descriptive statistics. The study revealed that problems faced by resellers include customers' reluctance to accept new products, over supply of products and shortages in money collected as a result of pressure to attain sales targets, and general difficulty in retrieving money owed by clients, among others. However, firms that are able to employ the right salespeople with the right qualities and strategize well would enjoy high sales and market growth.

Key Words: Salesperson, Personal Selling, Reseller Market, Selling Process, Salesforce Remuneration

Introduction

Selling, otherwise known as personal selling, involves person-to-person communication with a prospect. It is a process of developing customer relationships, discovering customer needs, matching the appropriate products with these needs, and communicating benefits through informing, reminding, or persuading (Manning and Reece, 1998).

Sometimes, a product being offered for sale is called a business product. A firm purchases business products either for re-sale or for use in producing other products. Firms that purchase products for re-sale are classified as resellers. Thus the reseller market is the market in which firms (sometimes called middlemen, dealers, distributors, or resellers) buy products not for their own use but to 'resell' those products to other firms or consumers at a profit. For example, Y&K Investments Limited in Koforidua, Ghana (Y&K) purchases products from companies like Nestle Ghana Limited, Unilever Ghana Limited, Johnson and Johnson, Cadbury Ghana Limited, etc. for re-sale to other dealers such as wholesalers and retailers. Therefore, since she buys goods purposely for re-sale, Y&K operates in the Reseller Market.

Y&K started in Accra, Ghana, as Y&K Farms. The company was into petty trading of farm products until 1999, when the then Unilever distributor in Koforidua had some problems. Y&K farms was invited to bid for the slot and won the slot as the Unilever Key Distributor for "cluster 4", a Unilever terminology for territorial demarcation. The name of the company was later changed to Y&K Investments Limited because the company aimed at investing in many business areas. The company later added sugar and rice trading to its business lines. The company currently covers almost all markets in the Eastern and Volta Regions of Ghana and has offices at Oda, Somanya, and Ho.

The performance of Y&K caught the attention of Nestlé Ghana Limited which had no distributor in Koforidua and so also appointed Y&K as a Key Distributor. As at now, the company is into the distribution of general fast-moving-consumer-goods (fmcgs). Because the company is into consumable goods, it deals mostly with wholesalers and retailers, who purchase for re-sale. In doing this, Y&K employs and uses salesmen. Thus, the outstanding performance of the company and the successes it has chalked over the years can be attributed partly to the abilities of its sales people. The researchers, in carrying out this research, intended to find out the problems being faced by these sales people on the field and the strategies that they employ to overcome those problems in a competitive environment.

The Problems And Objectives Of The Research

It was stated that Y&K's sales performance has been high over the years. In spite of Y&K's outstanding performance, selling in the resellers market in an economy like Ghana makes the company seem predisposed or susceptible to:

- a) poor handling of merchandise by clients that lead to damage of product packages, spillages, ants and other insects' infestations, etc.;
- b) difficulty in collecting money from clients that buy on credit;
- c) the risk of arm robbery attacks because of the huge sums of money collected from clients during sales rounds;
- d) competition from other firms which makes selling difficult; and
- e) difficulty in convincing customers to accept new products being introduced into the market.

The main objective of the study was to ascertain the magnitude of each of these problems and to establish the factors that have contributed to the company's sales performance. Specifically, the study aimed at:

- a) finding out what clients/customers' expectations are with regards to the firm that supplies products they buy.
- b) establishing the major constraints in selling in the resellers market.
- c) finding out the causes of short falls in selling in the resellers market.
- d) finding out the extra effort needed to do well as a salesperson in the resellers market.
- e) establishing the qualities that make a good and effective salesperson.

Nature Of Selling

In the opinion of Kotler and Armstrong (2000), personal selling is the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales. Palmer, Adrian (2000) see personal selling as a face-to-face communication between an organisation and its customers, with a view to achieving a sale. Selling is a profession and professional selling is more about gathering market and customer information, listening, interpreting and understanding customer needs, managing the customer-supplier relationship interface, and communicating clearly to the customer the benefits of purchasing a particular product that meets their needs. Personal selling thus refers to the personal communication of information to unselfishly persuade a prospective customer to buy something – a good, a service, an idea, or something else that satisfies that individual's needs. The word "unselfish" tells a sales person to be caring toward customers and to serve or help the person or organisation without expecting to get something in return (Futrell, 2005).

All the above indicate that personal selling or selling involves a personal interaction between a seller and a prospective buyer with the aim of convincing the prospect to make a purchase. The selling concept holds that consumers will not buy enough of the organization's products unless it undertakes a large-scale selling and promotion effort. For instance, if an employee (a salesperson) of Y&K goes to interact with a business client such as Glorious Enterprise with the aim of convincing her to buy goods from Y&K, that activity is known as selling or personal selling.

Role or Functions Of Selling

Selling provides many valuable functions, both for society as a whole and for the individual firm. These functions as were given by Marks (1994) are presented below:

Personal Selling Creates Utility: Selling (and marketing in general) helps to provide the three basic activities of time-, place-, and possession-utility, being defined here as the ability to satisfy human needs. Salespeople sell their products or services which satisfy customers' needs or solve their (customers) problems (Hafer, 1993).

Selling Increases Total Demand: By contributing to time-, place-, and possession-utility, salespeople increase the demand for goods and services.

Selling Fights Inflation: Salespeople help lower prices by increasing the number of buyers and encouraging large-scale and less expensive methods of production.

An Agent of Change: Society's habits tend to change slowly, and certain members of society including salespeople are responsible for changing these habits by promoting better ways of doing things.

Hafer (1993) adds two more roles to what Marks (1994) presented. They are:

Selling creates Efficiency and Lowers Prices: Let us step back in time for a second and think of a world without selling, and suppose you needed a new tin of milk. You would have to spend time to find the materials

and make the milk. If you were doing this, you could not be doing something else like rearing cattle. If a group of people worked together as a team to do nothing but to produce milk, milk could be produced in volumes; and because this team could specialize, it could make a tin of milk cheaper. If a salesperson, a specialist in selling milk, were to find customers and make sales, each team member could concentrate on doing what it does best, the unit cost would go down and the total profits of the team (company) would go up. Selling allows the whole economy to take advantage of specialization of labour and enhances the firm's ability to produce at a lower cost.

Selling Creates Opportunity: Selling creates opportunities for many people. Since the products and services sold by sales people are the culmination of all business activities, salespeople's efforts create jobs for other people. Salespeople are on the front line of business and without them, there would be no need for accountants, truck drivers, or manufacturing workers, etc.

The Salesman

According to Perrault and McCarthy (2003), the salesman or the salesperson is often seen as a representative of the whole company – responsible for explaining its total effort to customers rather than just pushing products. The salesperson may provide information about products, explain and interpret company policies, and even negotiate prices or diagnose technical problems.

The salesperson also represents the customer back inside the selling firm. Recall that feedback is an essential part of both the communication process and the basic management process of planning, implementation, and control. For example, the salesperson is likely to be the one to explain to the production manager why a customer is unhappy with product quality.

Characteristics/Qualities Of The Salesperson

The job of a salesman requires some distinct characteristics or qualities of head, heart and appearance. There are a number of qualities that actually make up the overall personality of a salesman. These qualities which can be grouped into four (4) categories, according to Sahu and Raut (2003), are Social Qualities, Mental Qualities, Physical Qualities, and Character Qualities:

Physical Qualities: The physical quality of a salesman is of crucial importance since it is the most visible aspect of all qualities. Some of the important physical qualities are:

Health: It is commonly said and believed that 'health is wealth'. A sound health, in fact, helps the salesman to perform his duties perfectly, contributes to the development of mental qualities and provides a lot of self-confidence. Salesmen possessing bad health cannot maintain a pleasing and impressive appearance and therefore cannot carry their duties efficiently.

Voice: A pleasing and clear voice is needed by the salesman in order to create a favourable impression on the prospects. Generally, a hoarse, high pitched, shrill, commanding or nasal voice does not appeal to customers. The salesman's voice should neither be too loud nor too low but should be such that customers can hear as well as receive clearly what the salesman is presenting.

Posture: Good and correct posture enhances the appearance and personality of an individual. It is the position in which one holds his body while standing, walking or sitting. A good posture of an individual spreads the message of confidence to one and all and creates favourable impressions on the prospects.

Appearance: The first impression on the prospect is created by the physical appearance of the salesman. A salesman should possess a good, neat and pleasing appearance which provides him a lot of self-confidence to deal with prospects. The physical personal appearance of a salesman is used to judge his cleanliness, through checking of his grooming and clothes.

Mental Qualities: Mental quality is another important consideration for the success of salesmen in selling jobs. Below are some of the mental qualities:

Alertness: A person that is alert is watchful and ready to deal with whatever happens. An alert salesperson has a sharp impulse, is active, attentive, and ready to deal with every situation. He is able to meet objections, remove them, know the actual need, and serve to the best satisfaction of every customer.

Imagination: This quality of a salesperson helps them to perceive in their mind's eye the problems and difficulties that prospects are facing. This imaginative quality is necessary to help a salesperson determine the exact requirements of customers who may not know the exact product that they are searching for or which may meet their needs.

Self Confidence: In salesmanship, the need for self-confidence is seriously felt since the salesman is continuously subjected to resistance, discouragement and opposition. Knowledge of the goods and services being offered for sale and knowledge of the customers' needs build the self-confidence of the salesman to face and tackle selling effectively and efficiently. Also, a thorough knowledge of the market, the product and the prospect, provides an air of confidence to the salesman to persuade and convince customers.

Memory: A sharp memory helps a salesperson to recall customers' names, meetings with customers, specific agreements reached, etc. and can help a salesperson become accurate and alert when dealing with customers.

Resourcefulness: Resourcefulness is the ability to think about the alternatives and find out new ideas. This ability helps the salesman to be more creative as well as confident. Knowledge of goods, customers and their buying motives usually makes a salesman more resourceful. If a customer asks a resourceful salesman about a specific product, which the salesman does not have, he never says 'no'. Either he offers the customer an alternative product or promises to arrange the required product in the near future. This attitude of the salesman not only makes the customer satisfied but also helps the salesman in striking the sale.

Knowledge: The salesman should have knowledge of competition and the general trade information. This includes competitors' policies, strategies, products and standards of performance in comparison with the salesman's own company, distribution channels used by competitors, packaging and product features, etc.

Initiative: To be successful in the job of selling, a salesman needs to have a lot of initiative. It is the ability to work on one's own without any guidance from anybody. The salesman should be able to handle difficult situations independently on his own initiative.

Social Qualities: A salesman is required to deal with different types of people in the society, persuade and influence them in favour of products and services, move in different circles, meet many customers and get along with them. Therefore, a salesperson must possess social qualities which are essential for their work as follows:

Good manners: This is the most important social quality that a salesman must have. A salesman must always be polite and respectful towards the customer and his talk should be polished. A salesman at no point should get angry with the customers. If he does, he loses sale. Certain behaviour like clearing of throat frequently while talking, swinging on chair, etc. irritates customers. Therefore such manners should be avoided.

Patience and Tolerance: At times, customers start rejecting the utility and price of the product or service offered for sale without reason. Under such circumstances, the salesman should remain calm and tolerant. He should try to listen patiently to the arguments of the customers, and their objections regarding the products or service. He should try to explain his views in a polite manner and remove the objections through pleasing replies. Salesmen with bad tempers lose sales propositions easily.

Tact: This is the ability to do things correctly at the right moment without offending others. Tact is the ability of the salesman to tackle all kinds of situations and handle different prospects or clients in satisfactorily different ways. This can be developed by empathizing with customers.

Courtesy: A salesman is expected to be polite and considerate in his dealings with a customer. It has been rightly pointed out that 'courtesy costs nothing but pays much'. Respecting customers and a sincere desire to serve them are essential for success in salesmanship. The use of words like 'thank you', 'please', 'welcome', etc. in appropriate occasions costs the salesman nothing, rather, it creates favourable and lasting impressions on the customers.

Sahu and Raut (2003) further add *Ability and Eagerness to meet people, Effective Speech, and Cooperation* to the Social Qualities of a good Salesman.

Character Qualities: There are certain moral qualities which are also important in developing the overall personality of a salesman. These are:

Honesty: The salesman must be honest throughout. The proverb, 'honesty is the best policy', holds good in salesmanship. A salesman has to be true and sincere in his dealings, statements and actions in order to win permanent goodwill for the organisation. In selling transactions, dishonesty always suffers in the long run.

Determination: Determination is the will to go ahead and succeed. Unless a salesman is determined to move ahead, he cannot be successful. At times, he may face resistance from various quarters. Each such problem in selling efforts should make a salesman determined to find alternative ways to proceed to achieve success.

We can still talk of *Courage, Loyalty, and Industriousness* as part of a good salesperson's character

qualities.

All the above qualities make a favourable impression on prospects. When all these qualities are used skilfully, a salesman can easily influence the prospects in favour of purchases and this goes a long way to make the firm achieve its selling objectives.

Types Of Salesmen

Salesmen or salespeople in modern days are not of uniform type and perform varying functions. Therefore classification of salesmen is necessary. They may be classified on the basis of organisation, goods they sell, and services offered (Sahu and Raut, 2003).

On the basis of organisation, the types of salesmen are:

Wholesalers' Salesmen

Usually, the job of the wholesaler is to purchase goods from the manufacturer and sell the same to retailers. Therefore, a wholesaler is normally the main link between the manufacturer and the retailer. Wholesalers appoint salesmen whose main job is to inform retailers about the various products or services as well as persuade them (retailers) to buy for resale. As the wholesaler usually deals with a number of products of various manufacturers, also Wholesalers' salesmen have to handle a number of items. They help the retailers in selecting the products and show them ways and means of increasing their sales volume. Another duty of these salesmen is to collect all possible information on behalf of the wholesaler regarding dealers' attitudes, market conditions and the competitive position of the product, among others.

Manufacturer's Salesmen

There are some salesmen who do the selling on behalf of the manufacturing organisation. They usually possess specialised knowledge about the products or the services being offered. They can be divided into three categories namely: Pioneer or Promotional Salesmen, Dealer or Middlemen Servicing Salesmen and Merchandise Salesmen.

Pioneer or Promotional Salesmen usually undertake the responsibility of introducing new products or services to the market. They work just like missionary salesmen.

Dealer Servicing or Middlemen Servicing Salesmen are usually employed to book orders, visit dealers at regular intervals and convince them about goods and services.

Merchandise Salesmen are generally appointed to assist dealers to expand their sales volume. They visit dealers at regular intervals and point out ways and means to increase sales.

Retailer's Salesmen

Retailers constitute the end part in the chain of distribution of goods and services. Usually, retailers purchase goods from the wholesalers and sell them to the ultimate consumers. In the distribution process, retailers are the middlemen who directly come into contact with the final consumers. To carry out their selling activities, retailers employ salesmen. Retailer's Salesmen are of two types, i.e. Counter salesmen and Outdoor salesmen.

Counter or Indoor Salesmen are basically meant to pass on the goods across the counter in exchange for money. Sometimes too, Indoor Salesmen remain inside the Retailer's store to guide customers that come in to make a choice. They usually sell products by remaining at the counter and/or in the store and are most commonly found in every shop, whether big or small.

Outdoor or Travelling Salesmen are usually employed to contact prospective customers scattered in different parts of the country. Unlike Indoor Salesmen, Outdoor Salesmen travel extensively in search of prospective customers personally, introduce new products, popularise existing products, etc.

On the basis of goods they sell, Salesmen (usually Travelling Salesmen) can be put into two types, namely Staple Salesmen and Speciality Goods Salesmen. *Staple Salesmen* specialise in selling necessities like food, clothes, stationery, grocery, etc. *Speciality goods* are goods which are fairly durable, non-consumable and have high unit value, such as industrial products, materials supplies, vacuum cleaners, electronic water purifiers, etc. The *Speciality Goods Salesmen* specialize in selling such goods.

On the basis of services they render, salesmen can be categorised as Exporters' Salesmen, Industrial Salesmen, Service Salesmen, Missionary Salesmen, and House-to-House Salesmen. *Exporters' Salesmen* are the representatives of their organisation in overseas markets. Firms that engage in the export business employ these salesmen. *Industrial Salesmen* sell industrial goods only, such as machines, plants, components and spare parts,

etc. These goods are sold to manufacturers and business houses. *Service Salesmen* do not sell tangible goods but sell only services. Examples include the insurance agents, bank deposit collectors, door-delivery service, etc. *Missionary Salesmen* are appointed by the manufacturers to propagate the merits of goods and are responsible for promoting sales and creating additional demand, thereby developing new sales territories. As their job is to maintain the good will of the manufacturer, they are called missionary salesmen. *House-to-House Salesmen* may be in the form of Independent Consumer Salesmen, who come in the form of Peddlers and Hawkers, which carry goods on their head, shoulder, back or hands, etc. and sell them by moving from door-to-door. They sell goods, which are usually cheap (e.g. bangles, powder, comb, biscuits, bread, porridge, fruits, etc.) independently by moving from door-to-door and approaching each prospect personally.

Operating A Sales Force

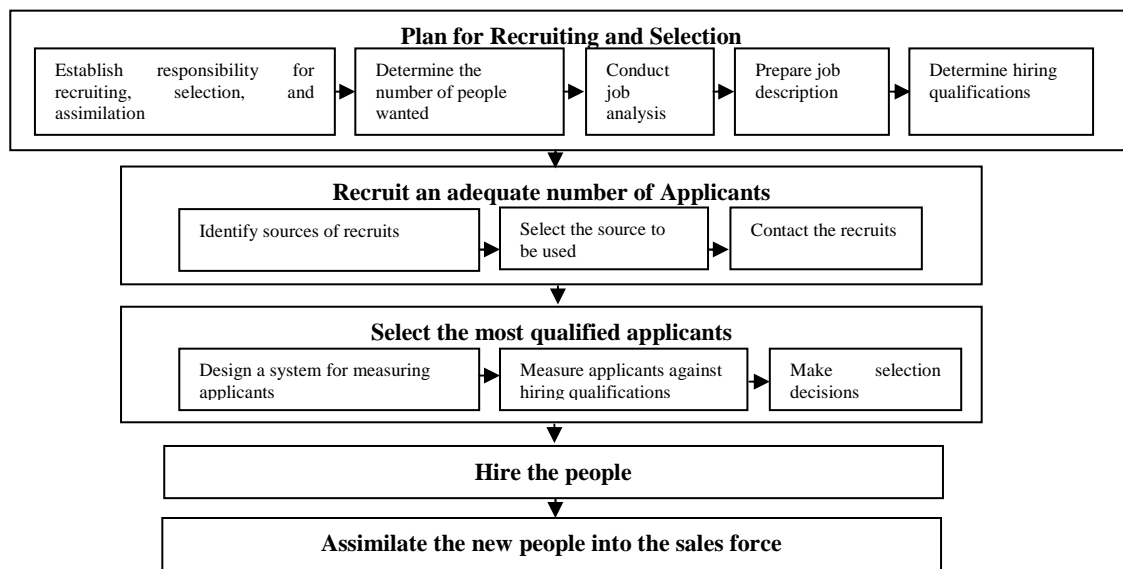
Once a company has established objectives and strategy, it needs to select a good sales force that will yield good results for the company. The following needs to be done in order to own and operate an efficient and effective sales force:

Recruitment or Staffing of the Sales Force: To ensure an effective selling function, management has to pay particular attention to the recruitment, selection and training of salespersons. The manager has to appreciate the strategic role that the sales force plays and define the traits/qualities/characteristics that will be needed to make a good salesperson as the starting point of the recruitment process. Spiro et al (2008) suggest a 5-step sales force recruiting or staffing process as below:

- Step 1 – *Plan* the recruiting and selection process.
- Step 2 – *Recruit* an adequate number of applicants.
- Step 3 – *Select* the most qualified applicants
- Step 4 – *Hire* those people who have been selected.
- Step 5 – *Assimilate* the new hires into the company.

This is further explained in the flowchart below:

Figure 1: The Sales force Staffing Process



Training Of The Sales Force

Selling is a highly competitive business, which makes the training of the sales force a vital ingredient for success. Initial training and continuous development is necessary to enable the salesman to perform his job satisfactorily. Whilst other divisions can make mistakes which can pass unnoticed and corrected later, the mistakes of the sales force may be crucial as they invariably result in lost revenue, hence the need to train the sales force to perform perfectly with minimum or no mistakes.

Training Objectives

There must be specific objectives for an effective training programme for the sales force, which must be reflected in the formulation of the course content. Skills to be taught must be clearly stated and also the level of skills needed to be achieved must be measurable to facilitate control and provide feedback on success.

A major objective of sales training programmes is to increase level of sales per sales executive or higher rate of sales per sales call. Other training objectives include passing on In-depth production knowledge, Improved products application knowledge, Understanding pricing and discount rules and rates, Presentation skills, Territory and time management, Report and letter writing skills, Imparting knowledge of competitors' products, and Teaching of Company's policies, strategies and procedures.

The Selling Process

The selling process is the set of steps through which a salesman or a salesperson passes with a prospective client to make a sale. These steps focus on the goal of getting new customers and obtaining orders from them (Dunne and Lusch, 1999). These steps (Philip Kotler, 2003) are presented below:

Prospecting and Qualifying: The first step in selling is to identify leads and qualify them into prospects. Companies and salespeople can generate leads by putting up a booth at trade shows to encourage drop-bys, inviting current customers to give or suggest names of prospects, using the telephone, mail, and the internet to find leads, dropping in unannounced at various offices, called canvassing, and contacting prospect organisations and associations.

They can then qualify the leads by assessing their levels of interest and financial capacity. Thus Qualifying is the process of finding those who have the ability and willingness to purchase your product. (Dunne and Lusch, 1999).

Pre Approach: Before calling on prospects, the salesperson or the salesman needs to learn as much as possible about the prospect. The sales person can consult standard industry and online sources, acquaintances and others to learn about the prospect. Another task at this stage is to decide on the best timing and the best approach, which might be a personal visit, a phone call, or a letter.

Approach: During the approach, the salesperson should know how to greet the buyer to get the relationship off to a good start. He should show courtesy and attention to the buyer; and avoid distracting mannerisms, such as staring at the customer. The key to a successful approach is discerning as soon as possible the customer's needs by asking the right questions and listening. What the salesperson hears about the customer's problem or need is more important than anything at this point. The salesperson should ask a few well-chosen questions to find out more about the need or problem to be solved and let the customer do the talking (Dunne and Lusch, 1999).

Presentation and Demonstration: Once the initial contact has been established and the sales person has listened to the customer's problems and needs, he now tells the "product story" to the buyer, following the AIDA formula of gaining attention, holding interest, arousing desire, and obtaining a purchase action. Sales presentation can be improved with demonstrations or product samples, and visual aids (Dunne and Lusch, 1999).

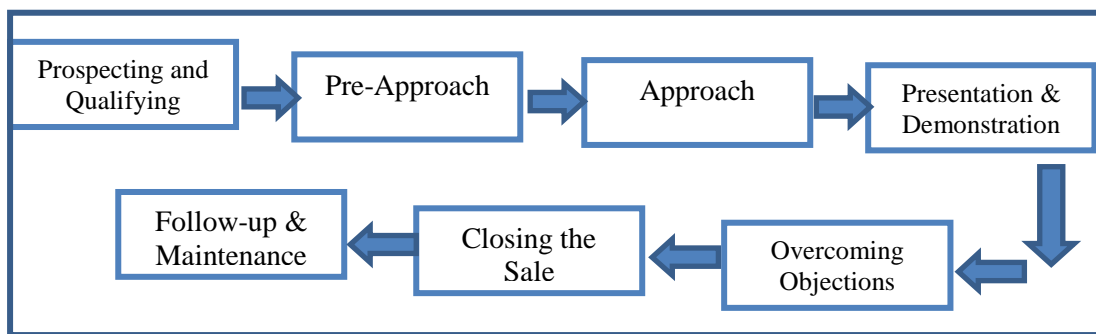
Overcoming Objections: Customers typically pose objections during sales presentations or when asked for the order. The prospect's problem can be either logical or Psychological. To handle objections, the salesperson maintains a positive approach, asks the buyer to clarify the objections, questions the buyer in a way that the buyer has to answer his or her own objections, etc.

Closing the Sale: It is at this stage that the salesperson attempts to conclude the sale. The salesperson needs to know how to recognize closing signs from the buyer, including physical actions, statements or comments. The salesperson can use techniques such as asking order, getting the buyer to make minor choices such as colour, or indicate what the buyer will lose if the order is not placed now. The salesperson might offer the buyer specific inducements to close, such as special price, an extra quantity, or a token gift.

Follow-Up and Maintenance: Follow-up and maintenance are necessary if the salesperson wants to ensure customer satisfaction and repeat business. Immediately after closing, the salesperson should cement any necessary details on delivery time, purchase terms, and other matters important to the customer. The sales person should schedule a follow-up call when the initial order is received to make sure there is proper installation, understanding of usage instructions and servicing. This visit or call will detect any problems, assure the buyer of the salesperson's interest, and reduce any cognitive dissonance that might have arisen.

Figure 2 below is a diagram representing the major steps in an effective selling process:

Figure 2: Steps in the selling process.



Selling To An Organisation

Selling to a whole organisation can sometimes prove to be a complex process because it is possible for a number of different people to become involved at the customer end. Theoretically, only one of the below is the buyer, but in practice, he/she might not make any purchase decision until others with technical expertise and knowledge about the product have given their approval. All these involved in the buying decision are collectively known as the Decision Making Unit (DMU) or the “Buying Centre” and it is important for salespeople to identify the DMU in all current and prospective customer companies.

The Decision Making Unit (DMU): In the opinion of Boyd *et al* (1998), the DMU refers to several people from different departments who participate in the decision process of an organisation and share knowledge and information relevant to the purchase of a particular product or service. They perform six different roles as Initiators, Deciders, Influencers, Users, Buyers, and Gatekeepers. In selling to an organisation, salespeople should devise strategies to convince each of these role players or bypass them to reach others in the DMU.

Methods Of Remunerating Salespeople

A good compensation plan motivates the sales force to perform selling activities in the most productive manner and achieve the objectives of the organisation. There are three (3) basic methods of remunerating the sales force of an organization (Kotler, 2003) which may be adopted based on time spent on the job, and the volume/amount of sales made. The three (3) methods used in compensating the sales force are Straight Salary, Straight Commission, and Salary plus Commission.

Straight Salary Method: This may be the most simple, common and perhaps the oldest method of remunerating the sales force. Under this method, the salesmen are paid a pre-determined and fixed amount as salary at the end of each month just as other employees.

Straight Commission Method: Under this payment plan, the salesperson’s remuneration is paid as a percentage of the actual sales made or the orders secured by them. The percentage of commission may, however, vary from concern to concern and from person to person.

Salary Plus Commission Method: This method is an amalgamation of both the straight salary and straight commission methods. In other words, it carries features of both methods and as such incorporates the advantages of both methods. Under this scheme, the sales force is entitled to a commission in addition to a fixed salary. The commission element, usually in the form of a percentage of sales, is meant to provide a stronger incentive to make more sales by putting in extra effort and hard work. The guaranteed fixed salary provides the salesman the necessary financial security and comfort.

Scope and Methodology of the Research

The research work, which was a descriptive survey, was undertaken to examine the problems and prospects associated with the use of the Salesforce in selling in reseller markets, using Y&K as a case study. The population was made up of resellers of fast-moving-consumer-goods (who are clients of Y&K) within Koforidua, Somanya, Suhum, and Akim Tafo, and the management and sales personnel of Y&K. The sample for the study were fifty-three (53), comprising five (5) management staff, thirteen (13) salesmen, nine (9) wholesalers and twenty-six (26) retailers. With regards to the sample, convenience and purposive sampling were used. Convenience Sampling was used to select the wholesalers and retailers for the study, as the researchers surveyed the opinions of those that were available at the times they visited the various research areas. Purposive Sampling was used to select the Management Staff and the Salesforce of Y&K as respondents for the study.

All the respondents were made to answer both open-ended and close-ended questions relating to the objectives of the research. Some of the respondents were later interviewed to seek clarification to unclear responses.

Descriptive statistics such as percentages and simple frequencies were used to analyse the data gathered. Data were sorted, coded, and analysed; and the information presented using tables, column charts, and pie charts.

Results and Discussion

Summary Of Questionnaires Administered And Collected

Sixty (60) questionnaires were sent out in all comprising six (6) management and non-management personnel of Y&K, fifteen (15) sales personnel and thirty-nine (39) wholesalers and retailers.

Out of the sixty (60) questionnaires issued to respondents, fifty-three (53) were returned, representing eighty-eight percent (88%) of the whole as presented in Table 1.

Section 1: Presentation And Analysis Of Responses From Wholesalers And Retailers.

1.1 Classification of Respondents

As shown in Table 2, out of the thirty-five (35) respondents, nine (9) were wholesalers representing twenty-six percent (26%); and the remaining twenty-six (26), representing fifty-four percent (54%), were retailers. None of the respondents was an agent.

It can be deduced from the above information that Y&K deals mostly with retailers. Clearly, Y&K is in the business-to-business (specifically reseller) market since it does not deal directly with final consumers but other firms within the distribution chain.

1.2 Factors Considered By Resellers When Selecting A Supplier

Respondents were asked to indicate the factors they considered in selecting a supplier. Responses to the above question were categorized and coded as follows and have been presented in Table 3:

Prices of Products	-	1
Reliable and Timely Supply of Orders	-	2
Salesperson's Appearance	-	3
Salesperson's Attitude	-	4
Credit Facility from Potential Supplier	-	5

In their responses, none of the respondents stated any of these factors standing alone (i.e. nobody stated "1" only, "5" only, "3" only, etc.). However, more than half of the respondents indicated that they considered 1, 2, and 5 in selecting a supplier, i.e. they consider the prices of the products, reliable and timely supply of orders, and credit availability from potential supplier before choosing a supplier. Twenty-six percent (26%) stated that they considered all the five factors in deciding on a supplier, fourteen percent (14%) considers 1 and 5 alone, and nine percent (9%) considers 1 and 2 only in choosing a supplier.

From the statistics available to the researchers, it was realized that all respondents consider the prices of products (or cost products) when making a choice of a supplier; about ninety-one percent (91%) of respondents considers prices of products and credit availability; fifty-one percent (51%) considers price, credit availability, and reliable supply of orders; and twenty-six percent (26%) consider salespeople's appearances and attitudes in addition to the price, credit facility, and reliable supply of orders.

1.3 Ways Y&K Can Improve Performance To Win More Customers For Itself

Respondents were asked to suggest ways they think can help Y&K to improve upon its performance and win more customers for itself. Twenty-three percent (23%) answered that Y&K needs to train its sales people on how to treat customers at the point of sale. Fifty-four percent (54%) said Y&K needs to improve upon the time it takes to deliver orders to its clients, while seventeen percent (17%) indicated that the company should offer bonuses and other gifts to the middlemen that do well. The remaining six percent (6%) asked for an increase in the number of salesmen.

This information has been presented graphically in Figure 3.

Section 2: Presentation And Analysis Of Responses From Salesmen.

2.1 Educational Background/Qualification of Salesmen of Y&K.

Respondents were asked to indicate their educational background or qualification as a way of evaluating whether Y&K employs the right qualified people to work as salespeople. Out of the responses received, eight percent (8%) were Senior Secondary School graduates (i.e. SSSCE/WASSCE), seventy-seven percent (77%) were Higher National Diploma Certificate holders (HND), and fifteen percent (15%) were Bachelor Certificate holders. There were no Masters, 'A' Level, and 'O' Level Certificates holders within the salesmen and therefore have no percentages to their offerings. This has been simplified in Figure 4.

It can be deduced from the analysis above that majority – about ninety-two percent (92%) – of salesmen of Y&K have their educational background ranging from Higher National Diploma to Bachelor Degree levels. A follow-up interview revealed that out of those who were HND and Bachelor Certificate holders, eighty-three percent (83%) had their specialization in the field of Marketing and the remaining seventeen percent (17%) specialized in Business Administration. In other words, the statistics indicate that majority of the salesmen of Y&K are well-educated in the field.

2.2 Training of Salesmen prior to field work

The researchers wanted to know whether, in spite of their educational background, Y&K gives its salespeople training before they are allowed to go out to the field for sales. In answering this question, all the salespeople said that they were given training by Y&K before they started selling. They indicated that the company trains its salesmen using indoor lectures and presentations; and, in addition, each potential salesman is attached to a salesperson already on the field for a specific period before they are given autonomy to go to the field to sell.

From the information above, it can be stated that all the respondents were in agreement that they were trained before they started the sales job. This implies that salesmen of Y&K receive some form of training before selling, which can explain the successes chalked by the company over the years.

2.3 Factors that motivate salespeople to do their job well

Salespeople were asked to indicate the factors that motivate them to do their job well. Out of the responses received (refer to Table 4), it came to light that about sixty-one percent (61%) of the salespeople were motivated to work well because they were afraid that they could lose their jobs if they failed to achieve sales targets, about eight percent (8%) worked well because they received adequate compensation for their work, twenty-three percent (23%) did not like the embarrassment and sometimes punishments that are meted out to them for not achieving targets and hence worked well, and the remaining eight percent (8%) said that they owed their successes to a friendly and supportive staff. Nobody admitted that they work well because of rewards that are given them for achieving and/or exceeding sales targets.

A follow-up interview revealed that:

- a. There is no such system to recognize and/or reward salespeople for achieving and/or exceeding sales targets.
- b. The CEO will insult and/or embarrass a salesperson before other staff if they fail to achieve results, or in some cases, withhold a salesperson's remuneration for the week.
- c. There is no allowance set up to cater for shortages and the risk of traveling from place to place.

From our follow-up interviews with some of the salespeople, it was gathered that the salespeople of Y&K are compensated using the Straight Salary method.

2.4 Problems salespeople encounter in selling

All the salespeople admitted that they encounter problems in carrying out their work. The problems they encounter were categorized into four main classes by the researchers, i.e. clients' reluctance to accept new products for stocking, over-supply of goods to clients (resellers), shortages in money collected from clients, and general difficulty in retrieving debts from clients.

The salespeople explained that clients are always reluctant to collect and stock new products for resale, especially when no advertisements on the products have been seen by these clients on television nor heard on radio. Also, the pressure to serve many clients and meet sales targets sometimes makes salespeople supply more goods to clients than are requested and recorded in the books, hence creating shortages and losses for the salespeople in the end. The salespeople stated that this same pressure to meet targets sometimes makes them count money collected from debtors wrongly, which also leads to shortages that must be covered with the salesman's earnings. Undoubtedly, selling in the business-to-business (specifically the reseller) market is not an easy task. It requires vigilance and hard work on the part of the salesperson.

2.5 Factors that create a short fall in selling

Salespeople were asked to state the factors that can create a shortfall in selling and inhibit a salesperson's ability to do well. In their responses (shown in Figure 5), forty-six percent (46%) answered that competition can create a short fall in selling in the resellers market. They explained that sometimes competitors introduce better products which lead consumers, and ultimately, resellers to reject old brands. In addition, competitors sometimes come up with better promotional and/or advertising messages which catch on well with the people, hence leading to a rejection and a rather acceptance of the competitors' offerings.

Thirty-one percent (31%) said that frequent prices increases from manufacturers could also create a short fall in selling. Resellers simply refuse to accept and stock goods with increasing prices because they find it difficult to sell. The remaining twenty-three percent (23%) attributed short falls in selling to low demand of a manufacturer's goods because that manufacturer does not support the selling function with proper promotion and advertising.

Section 3: Presentation And Analysis Of Responses From Management Of Y&K.

3.1 Management's view of Target Markets of Y&K.

Management were asked to state the target customers of Y&K's offerings. All management personnel indicated that Y&K targets both wholesalers and retailers of fast-moving-consumer-goods within its operational zones. Management staff of the company comprise the CEO or entrepreneur and the supervisors of the company responsible for the general day-to-day running of the business, including its warehouses, company vehicles, Salesforce, etc.

3.2 Methods used to attract customers' or prospects' attention to Y&K's products.

When asked to indicate methods used by Y&K to attract attention to its products, responses (as shown in Table 5) depicted that Y&K depends mainly on advertising from manufacturing firms and little personal sales calls to attract customers' or prospects' attention. Out of the five (5) management personnel representing hundred percent (100%), forty percent (40%) said that they depend on advertisements from manufacturing firms, twenty percent (20%) said they use personal sales calls to attract customers, and the remaining forty percent (40%) indicated that the company depends both on personal sales calls and manufacturers' advertising and promotions.

3.3 Factors that account for Y&K's salespeople's abilities to sell more.

In answering this question (refer to Table 6), eighty percent (80%) of management staff that responded to the questionnaires believed that salespeople's ability to sell the company's goods was based on adequate motivation and supervision from the company. Twenty percent (20%), however, believed that the sales people are able to sell more because of uninterrupted supply of goods. In other words, during seasons when goods from the manufacturers are in short supply, Y&K's salespeople still get goods to supply to their loyal clients because the company has bigger warehouses and stores more goods than the average Key Distributor, which gives Y&K the ability to supply clients even if goods are not received from the manufacturers for more than a month. Hence, realistically speaking, it is to the advantage of every reseller to order her goods from the salespeople of Y&K because in lean seasons, only clients of Y&K get goods to stock for resale.

The eighty percent (80%) also explained that, relative to other staff of the company, salespeople of Y&K are paid highly, which should be enough motivation to do their job well. In addition, management of Y&K, unlike other organizations, is keen on salespeople's supervision on the field to ensure that the right thing is done. Sales supervision is usually done by sending a supervisor round on sales routes randomly to check with Y&K's customers on the price at which salespeople sell goods to them, how long it takes a salesperson to deliver ordered goods, attitudes of the salespeople toward work, among others. Management of Y&K added that if it was detected that any particular salesperson is selling to resellers at a price higher than the price at which he/she was given by the company, that salesperson is made to refund the extra money to Y&K and subsequently dismissed from the company (this is because the company knows that a lower price is a major reason for supplier selection by clients). Additionally, salespeople who show disrespect to the company's customers, fights/quarrels with their clients, or show any poor attitudes toward clients are firstly reprimanded and, if it happens a second time, dismissed. Management explained that all these measures are instituted to ensure that salespeople do not bring Y&K's image into disrepute in the eyes of its customers.

3.4 Other factors that account for Y&K's success.

Responses from management indicated that the company is generally successful because they deal with clients in an honest manner, ensures that the salespeople get all the tools and assistance they need to do their job right and on time, gives prizes or awards to clients that sell highest at the end of the year, gives clients free

merchandising and display materials, point of sales display assistance where necessary, and generally sells to resellers at a lower price than competitors.

The researchers' interactions with management revealed that even though salespeople are given training before they start their work as independent salespeople, they are not specifically trained in the areas of customer communications, complaint handling, debt collection techniques and dealing with difficult customers, good listening skills, among others. Thus general training in customer service is not formally given to salespeople before they start work. It also came to light that once they start work, no formal in-service training is organized by Y&K itself for its sales staff, except when manufacturers organize the training. For example, Unilever Ghana Ltd. could request to organize training for all salespeople of Y&K that sell Unilever's products and, in such a case, salespeople are given in-service training.

Conclusions And Recommendations

From the results and discussions, the following conclusions were drawn:

The reseller market for fast-moving-consumer-goods (fmcgs) within the research area comprises more retailers and fewer wholesalers. The study brought out the fact that the three major factors considered by both retailers and wholesalers of fmcgs when selecting a supplier are, in order of importance, the prices of the supplier's products, credit facility, and reliable supply of orders. However, a significant number also considers the appearances and attitudes of salespeople in addition to those three main factors.

A number of qualities make up a good and effective salesperson, which could be broadly classified into Social Qualities, Mental Qualities, Physical Qualities, and Character Qualities.

Salesmen of the company are motivated to do their job well mainly because they are afraid to lose their jobs and become unemployed in an economy where it is difficult to find employment. A significant percentage also do well because they are never comfortable with the insults, shouting, etc. that the CEO of Y&K metes out to them when they do not do well. It was clear from our research that most of the salespeople are working in fear of either being embarrassed or losing their jobs.

It was realized that salesmen of the company face some problems in selling, such as customers' reluctance to accept new products being introduced, over supply of products and shortages in money collected as a result of pressure to attain sales targets, and difficulty in retrieving money owed by clients. Also, factors like competition, low demand (perhaps arising from inadequate advertising and promotion), and frequent price increases are major problems which every manufacturer needs to address within the distribution chain and improve upon the selling function.

Most customers of Y&K suggested that the company should improve upon its delivery time in order to improve upon its sales performance and win more customers for itself.

The survey showed that all salesmen of Y&K are given more training by the company in the form of indoor lectures and presentations, and attachments to an experienced field salesperson for a specific period before they are allowed to start selling. However, once they start selling, no in-service training is formally organized by Y&K itself to re-equip the salespeople with skills in customer communications, complaint handling, debt collection techniques, dealing with difficult customers, good listening skills, among others.

Notwithstanding its successes, it was revealed that Y&K uses mainly advertising from manufacturing firms and personal sales calls to attract customers' or prospects' attention to her products.

Based on the results of the study and the conclusions drawn from it, the following recommendations are spelt out by the researchers:

Management of Y&K should develop a strategy to find out what customers' real expectations from suppliers are and satisfy in order for them not to switch to competitors.

Salespeople within the reseller markets should be trained on how to use different sales-calling and attention-getting techniques, including telemarketing, letter writing, proposal writing, door drops, mail shots, etc. in order to achieve a high market growth.

Y&K and similar firms within the industry should invest more in training and re-training of its salespeople in areas like relationship selling, ethical issues in selling, leads identification and prospecting, territory and time management, customer communications, complaint handling, debt collection techniques, dealing with difficult customers, good listening skills, among others in order to sell more.

The company needs to put in an extra effort to motivate salesmen and her customers in order to sell more. Salesmen must be made to feel secure at the work place and not work in fear. Management of Y&K could introduce cash bonuses, gifts or other award schemes to reward salespeople who achieve and/or exceed their targets. It is also recommended that “Salary plus Commission” method of rewarding salespeople should be adopted instead of the use of the “Straight Salary” method, so that salespeople are encouraged to sell more in order to earn more.

Significance Of The Research

The research is useful because it serves as a reference to students, managers as well as marketing and sales practitioners who want an insight into the subject matter. Managements of reseller firms, especially the management of Y&K would find the research very useful for the formulation of policy and enhancement of competitiveness within this business-to-business market sector.

Limitations Of The Research

The researchers faced the general problem of time and financial constraints associated with traveling in-between data collection points, which limited the scope of the research. Also, some respondents were unwilling to divulge information either for security or other personal reasons.

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Table 1: Summary of Questionnaires Administered and Collected.

GROUP	NUMBER ISSUED	NUMBER RECEIVED	(%)
Management/Staff	6	5	83
Sales personnel	15	13	87
Wholesalers/retailers	39	35	90
Total	60	53	88

Table 2: Classification of Respondents

RESPONSES	FREQ	(%)
Wholesalers	9	26
Retailers	26	54
Agents	-	-
Total	35	100

Table 3: Factors Considered by Resellers When Selecting a Supplier.

RESPONSES	FREQ	(%)
1 and 2 only	3	9
1, 2 and 5	18	51
1 and 5 only	5	14
All (1-5)	9	26
Total	35	100
<u>Codes:</u>		
Prices of Products	-	1
Reliable and Timely Supply of Orders	-	2
Salesperson's Appearance	-	3
Salesperson's Attitude	-	4
Credit Facility from Potential Supplier	-	5

Table 4: Salespeople's views of factors that motivate salespeople of Y&K Investments Ltd. to do their work well

RESPONSES	FREQ	(%)
Adequate Compensation	1	8
Fear of losing job	8	61
Friendly & Supportive Staff	1	8
Reward for achieving and/or exceeding target	-	-
Punishment for not achieving target	3	23
Total	13	100

Table 5: Methods used by Y&K Investments Ltd. to attract prospects' attention.

RESPONSES	FREQ	(%)
Personal sales calls	1	20
Telephone solicitation	-	-
Exhibition	-	-
Letter writing, door drops	-	-
Advertising from manufacturing firms	2	40
Personal Sales Calls & Manufacturers' promotions	2	40
Total	5	100

Table 6: Management's view of factors that help Y&K's salespeople to sell more.

RESPONSES	FREQ	(%)
Adequate motivation & supervision	4	80
Uninterrupted supply	1	20
Total	5	100

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Figure 3: Ways Y&K Investments Ltd Can Improve Performance



Figure 4: Educational Background or Qualification of Salesmen of Y&K Investments Ltd

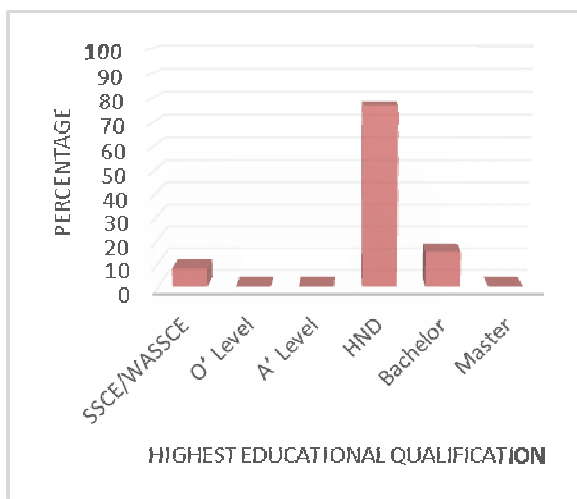
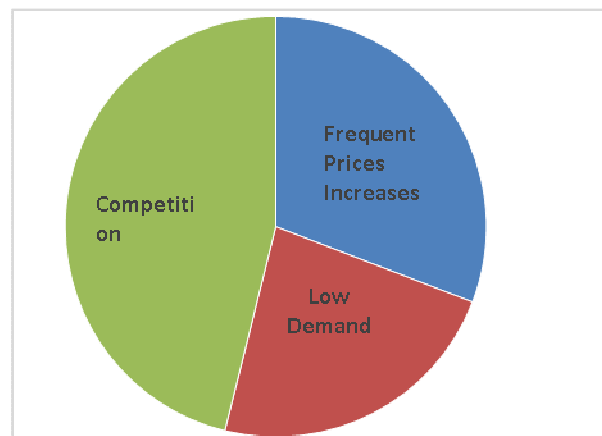


Figure 5: Y&K Investments Ltd. Salespeople's Opinions of Factors That Can Create a Shortfall in Selling



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