



PERSONAL SELLING AND SAVINGS MOBILIZATION DRIVE OF UNIUYO MICROFINANCE BANK

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Abstract: *This study aimed at exploring the influence of personal selling on savings mobilization drive of Uniuyo Microfinance Bank in Uyo, Akwa Ibom State. To achieve this objective, data were collected through the use of questionnaire from 20 respondents drawn from the bank's managers and selected staff. Twenty copies of the questionnaire were retrieved in useable form, representing 100 percent. Data generated were analyzed using descriptive and inferential statistics and hypothesis tested with linear regression at 0.05 level of significance. Findings revealed that personal selling has significant influence on savings mobilization drive of Uniuyo Microfinance Bank. This means that increasing efforts in personal selling of the bank will bring about a corresponding increase in savings mobilization. Thus, we recommended that the Bank's management should effectively use personal selling strategies to increase savings mobilization drive of the Bank.*

Keywords: Personal Selling, Savings Mobilization Drive, Microfinance Bank

Introduction

The objectives of modern business enterprises include to identify, anticipate and satisfy customers' requirements profitably. Personal selling plays an important role in achieving these objectives. Personal selling is very useful in creating direct contacts and interactions between customers and sellers/producers. It helps in building long term relationships between banks and their customers. Salespeople have a huge influence on customers' perception of the reliability of a bank and the value of the bank's services (Jorge and Edward, 2018).

Following this, there is need to deploy this marketing tool of personal selling to enhance savings mobilization in the microfinance banking sector, to persuasively communicate customer value and build relationships between the customers and microfinance banks because personal selling is a direct promotion instrument to powerfully convey customer's worth and assemble customers' connections.

Though there have been several studies on the activities of Microfinance banks (Banerjee and Jackson, 2016; Breza and Kinnan, 2017; Arnedariz and Morduchi 2010; Cai, Park and Wang, 2016), little efforts have been made in the area of personal Selling and Savings Mobilization of Microfinance banks in developing economies like Nigeria.

It is against this background that we attempt to investigate the influence of personal selling on Uniuyo Microfinance Bank.



CONCEPTUAL FRAMEWORK

PERSONAL SELLING AND SAVINGS MOBILIZATION

Personal selling involves personal communication of information to persuade customers to buy a product. Following the fact that personal selling usually takes place face to face, it can be one of the most effective ways to promote a product and to build customer relationship (Gobezie, 2018).

The interactive nature of personal selling also makes it the most successful promotional method for building relationships with potential customers. (Afande and Maina, 2015). Personal selling is a useful communication tool at certain stages of the buying process, particularly in building up buyer's first choices, certainty and procedures (Armstrong, 2001). This is most imperative for a service sector particularly in developing countries (Armstrong, 2001).

Vokoja (2017), in a study on the impact of personal selling on banking services, found that personal selling has a significant positive impact on customers when choosing banking services. Both practitioners and academicians recognize that personal selling effectiveness has become vital to the success of banking institutions (Berry and Katak, 1990; Bernstel, 2001). Researchers on sales have examined several demographic and psychological characteristics of sales persons' effectiveness and success (predmore and Bonnice, 2010; Sengupta, 2011).

Johnson and Marshal (2013) state that the performance of salespeople is a function of both personal traits and organizational factors. Churchill (2015) found that the key individual level determinants of salesperson performance are aptitude, personal characteristics, skill level, role perception and maturation. Sengupta (2011) found that two other individual-level variables, strategic ability and entrepreneurial ability are significant determinants of salesperson effectiveness. The influence of these two variables are mediated by two relationship process variables, communication quality and customers trust. Strategic ability is defined by Sengupta (2011) as the cognitive capacity of a key account of the sales person to analyze customer organizational and business problems and focus on their long term interests.

Dwyer (2010) studied the effectiveness of the selling techniques used by salespeople in the insurance industry and found that some selling techniques have the potential of being critical factors in the success or failure of salespeople who sell homogenous goods. Johnson and Marshall (2013) believe that personal selling messages have the potential to be more persuasive than advertising or publicity due to the face-to-face communication with customers.

Brooksbank (2015) suggest that personal selling is a critical component of marketing success. He defines the personal selling process as the positioning of goods or services in the mind of a particular prospective customer.

Researchers have found that cultural values affect the preference for inter-personal communication tools, such as personal selling. For example, in a cross cultural study by Kim and Merrilees (1998) on differences in Australian and Hong Kong retailers' perception of personal selling. The difference in perception was attributed to differences in the retailer's degree of cultural orientation measured using Hofsfede's (1997) collectivism index.. Since 1970, a steady increase has occurred both in the



number of studies and in the variety of countries explored (Sojka and Tansuhaj, 1995). Cross cultural researchers have found that culture affects sales persons' effectiveness (Hill and Birdseye, 1989), salesperson perceptions of management, leadership and intrinsic/extrinsic motivations for savings mobilization (Decarlo, 2009), salesperson turnover (Naumann, 2014), personal selling measures (Herche, 2012) and communication preferences (Kim and Merrilees, 1998).

THE CONCEPT OF SAVINGS MOBILIZATION

It is clear and undisputable fact that savings are of great value to a nation's growth and development. Mobilizing savings is necessary if any society must proceed into self-sustaining economic growth (Bannerman, Siaw and Agbenyo, 2017).

Dupas and Robinson (2009) in an assessment of the effects of micro savings in Kenya found that access to savings accounts by micro entrepreneurs in Microfinance Banks had several positive effects on the business fortune of the savers. This fact seems interesting because the saving account were not only interest-free but also featured substantial withdrawal fees. Also, research in Thailand shows that microfinance institutions particularly those targeted at women promoted asset growth, consumption smoothing, mobility across occupations and industries and also reduced reliance on money lenders (Kaboski and Townsend, 2005).

People tend to save to compensate for uneven income streams. Poor households save for various purposes such as insurance against bad health, disability and other emergencies, investments, social and religious obligations and future consumption (CGAP, 2010). Evidence shows that the poor will hold financial savings in savings accounts with financial institutions if appropriate awareness are created (CGAP, 2010). Mobilizing small and micro savings can contribute to self-sustaining ability by providing the Microfinance Institutions (MFI) with cheaper fund than those from interbank market. However, there may be a tradeoff between the lower financial costs and relatively high costs of mobilizing and administering small deposits. (CGAP, 2010).

Attracting depositors may instill a stronger demand orientation and thriftiness in MFIs operations and increase public confidence. As savers become important stakeholders in deposit taking institutions, the latter are forced to improve their product variety and the efficiency of their services (CGAP, 2010).

Savings mobilization refers to creating safe and sound institutions where savers can place their deposits with the expectation that they will receive the full value of their funds plus a real return upon withdrawal. It means developing appropriate products to satisfy the local demand for voluntary savings services and marketing those products to savers of varying income levels.

THEORETICAL FRAMEWORK

AIDA MODEL -PROPOUNDED BY E. K. STRONG (1925)

ATTENTION STAGE

Here, the marketer first gets prospect's attention. Without attention, the marketer can hardly persuade the prospect to do anything. The marketer can get attention in many ways – a good way is to surprise the prospects. The sales person puts the prospect into receptive state of mind so that the main body of



the presentation may be started. This requires that the sales person should prepare himself as to be able to establish a working relationship with the prospect. It may not be easy to go straight to the topic of selling immediately. It may be appropriate to introduce tangential matters that could be of common interest like the weather or the business situation. This is with a view to establish closeness between the salesperson and the prospect.

It is generally better to open the presentation with something that pulls them towards you rather than something that scares them (as this may push them away). Good openers address their problems and begin with questions such as:

- Have you ever...?
- Are you noticing...?
- Can you see...?

Bad openers give them something to object to, just bore them to tears and may begin with words such as:

- I've got just the thing you want...?
- I just dropped by so that I might...?
- I was only wondering whether you could...?

THE INTEREST STAGE

This requires the salesperson to shift from the general discussion into the main sales discussion. Here, the salesperson introduces the subject matter and produces evidence by way of showing the goods/services. The salesperson can generate reasonable prospect interest by demonstrating the use of his products in the case of tangible goods. But in the case of intangibles like the fixed deposits, the demonstration can be achieved by working out mathematically the benefits the prospect is likely to derive. The salesperson tries to identify the strongest product appeal and use this as the unique selling proposition (USP) to close the sale.

THE DESIRE STAGE

This requires that the sales person should remain in control of the discussion and must direct it towards the line of sale. The salesperson must anticipate some intervening variables such as prospects objectives, external interruptions and digressive remarks. The salesperson must be prepared to deal with such situations in an experienced and mature manner. Desire is a motivation to act and leads towards the next stage. Desire is like fire and can be stoked by many methods, such as:

- Showing the prospects how the item or service (product) to be desired will not be available for long (scarcity principle).
- Showing how other people approve of the product/service and have acquired it for themselves.
- Showing them how what is offered will solve some of their problems.



ACTION STAGE

At the action stage, if the salesperson has done his work well, the prospect may be at the threshold of giving his order. The order may not be automatic which requires that the salesperson must make additional effort in getting the prospect to act. He can do this by adopting the trial or trick close technique. He gets about this by avoiding to use a definite “Yes” or “No” questions. Use the appropriate closing technique such as alternatives (Do you want the red or the blue?) or presupposition (what time shall we meet next week?).

The AIDA Model consists of four promotion jobs.

1. To get attention
2. To hold interest
3. To arouse desire and
4. To obtain action.

Getting attention is necessary to make consumer aware of the company’s offering. Holding interest gives the communication a chance to build the customer’s interest in the service (product). Arousing desire affects the evaluation process and building preferences, and obtaining action includes gaining trial, which may lead to a purchase decision, continuing promotion is needed to confirm the decision and encourage an ongoing relationship and additional purchases.

The study adopts AIDA theory because the basic promotion objectives, adoption process and personal sales presentation fits very neatly with the action-oriented model – Called AIDA.

TEST OF HYPOTHESIS

Personal selling does not significantly influence savings mobilization drive of uniuoyo microfinance bank.

Table 1: Model Summary of The Effect of Personal Selling on The Savings Mobilization Drive of UniuoyoMicrofinance Bank

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927 ^a	.859	.859	.85282

a. Predictors: (Constant), Personal Selling

Analysis of Variance^a of the Effect of Personal Selling on Savings Mobilization Drive ofUniuoyo Microfinance Bank

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1764.121	1	1764.121	2425.549	.000 ^b
1 Residual	289.469	398	.727		
Total	2053.590	399			

a. Dependent Variable: Savings Mobilization Drive

b. Predictors: (Constant), Personal Selling

Source: Field survey, 2019



The regression result in table1 revealed that the regression coefficient of R-value is (.927), which indicates that there is a strong positive relationship existing between personal selling and savings mobilization drive of uniuuyo microfinance bank. The model summary table shows that the R-square regression coefficient is (.859), which indicate that personal selling accounts for 85.9 percent of the total variation on the savings mobilization drive of uniuuyo microfinance bank. The ANOVA table shows the F-ratio for the regression model that indicates the statistical significance of the overall regression model. The F-ratio value is 2425.549 which is statistically significant at the 0.000 level. Since the probability value (P-V=0.000) is less than 0.05 percent, we rejected the null hypothesis and upheld the alternative. This means, there is a significant effect of personal selling on increasing savings mobilization drive of the microfinance bank.

DISCUSSION OF FINDINGS

Statistical analysis of data indicated significant effect of personal selling on savings mobilization drive of uniuuyo microfinance bank. This is consonance with Vokoja (2017) who found out that personal selling had a significant positive impact on customers when choosing banking services.

SUMMARY OF FINDINGS

The study investigated the influence of personal selling on savings mobilization drive of uniuuyomicrofinance bank inUyo,Akwa Ibom State. Hypothesis was formulated to guide the study and wastested at 0.05 level of significance through the use of simple regression analysis. The statistical package for social science (SPSS) version 21 was used to carry out the analysis.

The null hypothesis was rejected and the alternative hypothesis accepted. This resulted from the fact that the regression result was significant, the computed f-values for the hypothesis show statistical significant of the overall regression model, this means that there is statistically significant effect of personal selling on savings mobilization drive of uniuuyo microfinance bank inUyo, Akwa Ibom State.

5.2 CONCLUSION

Based on the findings of this study, it was concluded that personal selling has significant influence on savings mobilization drive of microfinance banks. This means that for every unit that personal selling increases, savings mobilization drive of the banks will increase.

5.3 RECOMMENDATION

Based on the findings, we recommend that the management of uniuuyomicrofinance bank should employ the use of personal presentation by the banks sales force for the purpose of mobilizing savings and building customer relationships to aid increase the banks savings mobilization drive.



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