Application of Relationship Selling in the Nigerian Context: A Model of the Restraining Factors

IE Ernest
Dayowumi Nursery/Primary School Offa, Kwara State, Nigeria.

Correspondence: Izogo Emeka Ernest, ernestizogo@yahoo.com
Accepted: May 24, 2011; Published: August 30, 2011

Abstract

Relationship selling is a new marketing fad that can be of immense advantage to organizations operating amidst stern competitive pressures, changing consumers’ tastes and preferences of, technical dynamics and other dramatic upturns in the contemporary business setting. This notwithstanding, the adoption of relationship selling practice by Nigerian companies is still largely rudimentary. Following from this, the researcher theorized a model of the factors that have suppressed the entrenchment of relationship selling practice in most Nigeria organizations. To test the proposed model, the researcher used a sample of 120 respondents randomly generated from National Youth Service Corps members serving in Offa Local Government Area of Kwara State, Nigeria. Empirical results were consistent with the proposed model. It was therefore concluded that until the imbalances highlighted in the model are checked, the relational orientation of selling as we have it in advanced industrial economies will be difficult to materialize in Nigeria.

Keywords: Relationship selling; restraining factors; Nigeria.

1. Introduction

Given the realities of today’s market where there is a substantial degree of competition, sharp divergences in consumers’ tastes and preferences, technology dynamics, emerging consumerisms and government regulations all around, all leading to market fragmentation, companies have no choice than to build strong bond with the customers on which they can lay their hands. Transaction selling which took the lead before the invasion of these current market dynamisms is gradually losing its stance because of the new challenges posed by these emerging external organizational variables. According to Eisenhardt [1], Harrigan [2], Dyer and Singh [3] as cited by Weitz et al. [4], the organization’s efforts to adapt it to, and, in some respects, control, changes in the external environment result in changing internal structures and processes. The import of this is that the current internal structural challenges facing organizations is a function of certain external factors which firms strived to acclimatize to. It is palpable that contemporary market players are at present more interested in strategic selling approaches rather than short-run oriented techniques because these micro and macro environmental variables have dealt a terrible blow on the way traditional selling activities are undertaken. At a double quick match, companies at the vanguard of strategic thinking have already embraced relationship selling as a tactical tool for surviving the test of the present contesting business milieu.

In Nigeria, the squall of sharply evolving markets being a derivative of competition, unstable nature of consumers’ wants, increasing consumer affluence and technical advancement has blown in most of our industries especially in the services sector. This has compelled most of our indigenous firms to change their orientation over night because selling is no longer an episodic, intermittent affair. It is now an ongoing, unceasing, integral form of relationship between buyers and sellers. Nowadays, most Nigerian industrial players such as banks, hotels, accounting firms, tourist dealers, communication companies and the like have specially designed programmes geared towards building sales from effectively nurtured relationships.

Unfortunately, relationship selling which has gained wide acceptance and applicability in developed countries is still fundamentally rudimentary in the Nigerian business context. The dominance of the win/loss selling approach is still evidently uncontestable in most industries in Nigeria due to some militating factors. This paper therefore theorizes a schematic model on this aspect. The research seeks to expose the factors that have contributed to the
slow pace of relationship selling development in our business setting and the strategies that can be applied to dislodge these militating variables. To this end, this study becomes significant. Given the growing nature of the services economy globally, it is anticipated that this paper can help organizations to attend more suitably to the challenging dictates of the current business environment.

1.1. Meaning of relationship selling

Relationship selling is a strategic marketing approach that is highly accentuated in recent time. In Jap's [5] explanations as cited by Thomas and Bahaudin [6], establishing and maintaining solid, long term marketing relationships are vital to the success of a sales representative as well as the firm the representative is employed by. The current era of selling, relationship selling, is customer-centered and uses a two-way collaborative model of communication between customer and salesperson [7]. Fundamentally, relationship selling views the sales role as attracting, developing, and retaining customer relationships [8]. Effective sales organizations become focused on building and maintaining an on-going and mutually beneficial, value creating relationship between the selling and buying organizations [9].

Relationship selling is a marketing folklore that has gained wide acceptance in developed marketing economies especially in the capitalist blocs where heightened competitive pressures, improved technologies, eroding brand loyalties, consumers' affluence, legal forces, emerging consumerisms and the like have inextricably engendered market fragmentation especially in the financial services sector. Accordingly, Crosby et al. [10] state that given the complex nature of the financial services selling environment, the focus of financial service providers has shifted to emphasize customer retention and enhancement. Today's marketplace for consumer financial services would seem to parallel business-to-business marketing in that customers are increasingly served by multiple vendors with overlapping product lines [11]. With these shifts, financial service providers are convinced that success today depends on effective relationship selling [8]. To survive the derivative marketing challenges in today's sharply astringent markets, attraction of customers for the sole purpose of exchange consummation and nothing more is at present a cascading strategy. Reichheld and Sasser [12] state that the tremendous competitive pressures, cost constraints, and the economic realization that the longer an organization keeps a "good, high value" customer the more profitable the organization will become, have reinforced the need for extended relationship selling. Relationships are so important in selling that one study surveyed one hundred top B2B salespeople and found that they attribute 79 percent of their success to their relationships with customers [13]. It can be surmised from the literature that the current changes in the contemporary selling setting simply imply that customer attraction which is the dominant focus of the transactional selling approach is just the starting point in the selling process, an idea which Jeffrey [14] staunchly shares.

1.2. Relationship selling success variables/factors

For organizations to accomplish its relationship selling programmes, certain variables must be taken into consideration. Table 1 depicts the relationship selling success variables, the impacting sub-variables and its effects.

**Trust:** For relationship selling to flourish amidst today's topical environmental dynamisms, firms must be actively committed to trust building since according to Nicholas [17], relationship selling, at its very core, is about fostering trust between the salesperson and the client(s). Unless you build relationships of trust with your customers, listen, learn, and respond to their changing needs, and empower your people to correct mistakes when they occur (not days or weeks after they have been measured), you will not establish an environment for long-lasting customer relationships [18]. Schein [19] believes that the external environment for organizations requires learning about how to have more trusting and open communications with customers, how to deal with dependency in relationships and gaining commitment of subordinates. Similarly, Dolan and Garcia [20] reflect that values, such as trust, creativity and honesty have become of equal or greater importance than traditional economic concepts such as efficiency or return on investment. But in Nigeria, the latter orientation is dominant. Bigne and Blesa [21] found that trust improves a distributor’s satisfaction with its relationship with its manufacturer. In a recent empirical research, Richard [22] investigated the interaction of trust, relational selling behavior, team sales, and sales success in a business-to-business environment using a data collected in Europe for 270 different purchase

http://astonjournals.com/bej
situations for which business buyers rated their suppliers' salespersons on various dimensions. Findings indicate that the three levels of trust are related positively, that successful salespersons are rated significantly higher by buyers for all three trust scales and for relational behavior. The implication of the findings is that the level of trust existing between a salesman and customers is a strong determinant of salesman’s success. The foregoing literature notwithstanding, observations have shown that one of the conspicuous features of the Nigerian business environment that made the practice of relationship selling somewhat difficult is the lack of trust and commitment that has constantly dominated our selling practices (figure 1).

Table 1: Variables that aid relationship selling development and their effects.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Facilitating Variables/Factors</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust and commitment</td>
<td>Fairness, honesty/integrity, promise fulfillment, consistency</td>
<td>Great communication and feedback, better problem solving, effective delegation and acceptance of common goals and sharing responsibility [15-16].</td>
</tr>
<tr>
<td>Internal marketing</td>
<td>Company policies, staff orientation, organizational culture</td>
<td>Better service encounters leading to improved quality of services, customer loyalty leading to long-term profitability.</td>
</tr>
<tr>
<td>State of demand and supply</td>
<td>Level of competition, income, government policies</td>
<td>Transaction or relational orientation.</td>
</tr>
<tr>
<td>Information technology</td>
<td>Pace of innovation and creativity, company resources, government policies</td>
<td>Cost efficiency, time savings, improved service quality, customer satisfaction.</td>
</tr>
<tr>
<td>Quality of services</td>
<td>Internal marketing, technical equipment, quality of staff, reliability, responsiveness, customer expectations, empathy</td>
<td>Low or high customer satisfaction, customer defection or customer loyalty, competitive advantage and customer referrals.</td>
</tr>
<tr>
<td>Consumers’ reactions to price</td>
<td>Level of purchasing power, degree of competition, consumers’ level of psychological satisfaction with products</td>
<td>Increased or decreased patronage, customer loyalty or customer defection.</td>
</tr>
<tr>
<td>Relationship intensity</td>
<td>Mutual disclosure, cooperative intentions, reciprocity</td>
<td>Value creation, improved long-term sales performance leading to long-term profitability.</td>
</tr>
<tr>
<td>Customer knowledge</td>
<td>Database, skillful questioning, careful listening feedback system</td>
<td>Customization of services leading to better customer satisfaction and loyalty.</td>
</tr>
</tbody>
</table>

**Commitment:** The connection between trust and commitment in relationship building has been largely supported. For instance, Morgan and Hunt [23] argued for the importance of the link between commitment and trust. Solomon and Flores [24] indicated that trust is necessary for making commitments. *Morgan and Hunt [23] as cited in Johnson-O'Connor, O'Connor, and Zultowski [25] described relationship commitment as ‘an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes that the relationship is worth working on to insure that it endures indefinitely’. The level of commitment displayed by customers typically varies with the size of the investment made by the provider and the provider’s ability to meet customer expectations [26-29]. Following from this, it can be discerned that the ability of the salesperson to provide services that will meet customers' expectations and make them unlikely to switch vendors is a function of the level of the salesperson’s commitment to the buyer-seller relationship which in itself is a critical element in trust building.

**Integrity and fairness:** have been largely championed as antecedents of trust and commitment which are a vital factor in relationship building. Integrity usually has a lasting quality to it and in that way is a critical overlay for trust propagation. *Fairness is a second critical virtue for relationship commitment. If the partners in a relationship are unfair with one another, there is little chance that it will continue. Although the definition of fairness deals with being unbiased and equitable, most individuals can recognize and articulate when they have been treated unfairly. One book described highly ethical companies as ones that are 'obsessed' with fairness [30]. Price seems to be the marketing variable where there is the most concern about fairness. Whether a firm is a bricks and mortar one or a virtual one, consumers must have a sense that they are receiving 'a fair deal'. Some of the loyalty-based reward*
programs that are popular signal to frequent customers that they are being recognized and treated in a fair manner. While fair treatment of partners in a relationship has been recognized, ethical companies also must be aware of those who are not interested in a relationship such as the consideration due to former suppliers, clients and joint venture participants” [31].

**Promise fulfillment:** Researchers have equally suggested that making realistic promises, enabling promise delivery and fulfilling promises made to customers creates a foundation for maintaining service relationships [32, 33]. Bitner [34] clarifies the promise fulfillment research stream, noting that service relationships are built and promises are kept one encounter at a time. There is no doubt therefore that salesmen who make and keep their promises are nurturing mutual confidence and trust between them and their customers. It is this mutual trust that leads to a number of positive outcomes – greater communication and feedback, better problem solving, effective delegation and acceptance of common goals and sharing of responsibility [15, 16]. Once trust is established, commitment to the relationship inevitably ensues. To cause this to happen, the salesmen of various companies in question must be consistently committed to fairness, integrity/honesty and promise fulfillment in its relationships with the consumers since any relationship that lacks these ingredients will be perceived as risky and uncertain by the consumers.

**Demand-supply situation:** The simple demand and supply relationship states that for normal goods and services, the former increases with a fall in price while the latter increases when there is an increase in price. This therefore suggests that while a negative relationship exists between demand and price, there is a positive relationship between supply and price. Either way, the state of demand and supply in a given market has a substantial influence on the selling strategy (transactional or relational) a salesman will likely adopt. “The sales rep wears “many hats” while interfacing with a buyer. When supply is limited and demand is greater than supply, the rep will play a production role in trying to satisfy the short-term needs of the buyer and in some instances provide recommendations either on alternative products that might have better availability or other sourcing considerations. Traditionally, in his/her sales role, the rep is there to stimulate demand for products, rather than just fulfill a customer’s requirements. As a marketer, the rep needs to consider the needs of both the customer and the firm for whom they work. In a partnering role with the customer, the rep should help develop solutions that enhance the profit of both firms, whereby both firms mutually realize gain from the recommended solution” [32]. They further maintain that, “salespeople often have a production role when competition is limited and demand is greater than supply. In this role, the salespeople are concerned about satisfying the short-term needs of their firms”. Similarly, Smith [35] submitted that a highly competitive environment results when there are too many products chasing too few buyers. Jack [36], Kumar [37], Reichheld and Sasser [12] also agree very much to this. The implication of the literature is that the selling approach (transaction or relational selling) to be adopted by salespeople is a function of the market conditions under which they operate. If they find themselves in an environment where supply lags demand they will have no option than to employ the transaction selling approach, but if they are operating in a highly competitive market where demand lags supply due to too many competitive players, building sales from splendidly nurtured relationships becomes inevitable. Observations have equally unveiled that another factor that has hampered the adoption and growth of relationship selling in Nigeria is the low competitive profile discernible in most of our industries. This is clearly depicted in figure 1. The competitive profile of most industries in Nigeria is yet to be equilibrated. Skewed competition is not an uncommon feature of such Nigerian industries as the communication, insurance, banking, airline transportation, and manufacturing sector and so on as they have only few competing players with uneven capital and technical competence. For instance, in the communication sector, we have only six major service providers (MTN, GLO, Econet, Starcoms, Airtel and Etisalat) while the banking sector can only boast of twenty-four banks with varying and low capital base in a country of over 150 million people. There are even recent rumours from the apex bank that 10 out of the 24 banks may close shops in a matter of weeks. In the communication industry, the rate of customers’ turnover has generated a lot of interesting arguments. For instance, Samson [38] stated that it is a common knowledge that a single customer patronizes as many as three to four GSM service providers at a time as a result of poor quality services.

http://astonjournals.com/bej
**Information technology:** "Perhaps the most powerful force for change in service businesses comes from information technology, reflecting the integration of computers and telecommunications. Digitization allows text, graphics, video, and audio to be manipulated, stored, and transmitted in the digital language of computers. Faster and more powerful software enables firms to create relational databases that combine information about customers with details of all their transactions and then to "mine" these databases for insights into new trends, new approaches to segmentation, and new marketing opportunities. Greater bandwidth, made possible by innovations such as fiber-optic cables, allows fast transmission of vast amounts of information so that customer-contact personnel can interact almost instantly with a central database, no matter where they are located" [39].

"With the information available on the internet as well as the advanced communication devices (web conferencing, video conferencing, online ordering tools, etc) the traditional functions of a sales rep are changing. It is imperative that sales reps acknowledge and understand the unique requirements their customers have as it relates to the sales rep. Truly, the sales rep needs to be acknowledged by their customers as providing "value added" services. If the rep continues to provide the same type of services delivered in the past without understanding the customer’s requirements (today), they could quickly lose credibility and account control. Thus, periodically it is appropriate to evaluate the customer requirements on behalf of their sales reps to ensure a high level of customer satisfaction" [6].

With the rate at which information technology which has inevitably converted the world into a global village is developing, the services sector is witnessing revolutionary metamorphosis. Technology has altered greatly the delivery processes in the services sector with electronic patterns of service delivery systems rapidly replacing manual processes. In the banking industry for instance, with the invasion of such electronic means as automated teller machine (ATMs), point of sales (POS) devices, electronic/internet banking and the like, the banking sector is gradually moving into a more competitive arena. The adoption of these electronic means of services delivery is pledged on its efficiency, speed, convenience, customization opportunities, and perfect information and so on. Unfortunately, the rate at which cases of internet fraud are being reported in Nigeria has greatly affected trust and commitment which is the center of relationship selling especially in the banking industry. It is not uncommon to see customer ignoring the ATMs to make withdrawals across the counter even when banks charge them (customers) for this while withdrawals through the ATM is absolutely free. This goes well to inform us that the benefits of information technology is totally abused in Nigeria as it has widened the trust gap between sellers and buyers especially in the services sector.

**Services quality:** There is no doubt that current customers are very much concerned about the quality of services delivered by organizations as competition get more intense among firms. Research has indicated that service quality has been increasingly recognized as a critical factor in the success of any business [40]. To this end, it is indeed true that delivery of high-service quality to customers offers firms an opportunity to differentiate themselves in competitive markets [41, 42]. In contrast, high quality of service leads to customer satisfaction and loyalty and greater willingness to suggest and or recommend to someone else, reduction in customer complaints, and improved customer retention rates to a great extent [43-46]. Similarly, service business success has been associated with the ability to deliver superior service [47, 48]. Leading service organizations strive to maintain a superior quality of service in an effort to gain customer loyalty [49]; thus, a service organization’s long-term success in a market is essentially determined by its ability to expand and maintain a large and loyal customer base. Moreover, the yardstick by which an exceptional service organization may be measured is its returning customer ratio: the loyal customer base. Evaluating the impact of service quality through customer retention will help companies to gauge the financial impact of service quality [49].

“Generally, buyers purchase from the salesperson best able to meet their needs. After the initial purchase, buyers often continue to repurchase from the same salesperson to avoid spending the time and expense required to assess new suppliers. A buyer’s perception of the relationship with the salesperson can play an integral role in the buyer’s decision to continue or terminate the relationship” [50, 51]. What is implied in the literature is that sustained customer patronage is a function of customer expectation and service experience. Put simply, if the service quality exceeds customer expectations, the customer is bound to continue patronizing the organization and vice versa. To maintain strong bond with buyers, salesmen must always strive to fulfill their promises to the buyers.
through follow-up. According to Berry et al. [52], breaking the service promise is the single most important way in which service companies fail their customers.

**Staff expertise:** The quality of services offered by firms also partly depends on staff expertise. For instance, Kandampully’s [53] study outlines how a firm’s service employees develop the emotional connection with customers which leads to exceptional service and the ability to exceed customer expectations. It is proposed that offering loyal service gives an organization the advantage, not only to be able to fulfill customers’ present needs, but also the ability to anticipate their future needs. This ability to anticipate presents the firm with the opportunity to surprise and delight customers on a consistent basis thereby reinforcing to the customer, the firm’s service loyalty and subsequently affecting a responsive and sustained patronage. Customers’ perception of exceptional service is often associated with the personal interaction of the employees [54, 55]. Services management literature has repeatedly emphasized the importance of the human element in the delivery of superior service [56-58, 29]. Moreover, the human propensity for the delivery of superior service is greatly enhanced by continuous service innovation. Indeed, technological implementation and the subsequent changes in the service process not only has the potential to affect employee-customer interaction positively, but may actually augment the importance of the human element as an organization’s competitive edge.

"Customers seek a business interaction on the tacit understanding that they will receive the service they require; they neither desire nor expect to receive mediocre service or experience dissatisfaction. Further, in reality, customers are inherently loyal and seek a loyal relationship; when customers seek service, they are essentially seeking to establish a relationship. Customers have a greater need to maintain a relationship with the service firm because of the unique features inherent in services, namely intangibility, inseparability of production and consumption, heterogeneity and perishability. The customer’s desire for a relationship is, thus, founded on the tacit understanding that this will proffer a guarantee of service reliability and fulfill not only the customer’s present but also his/her future needs" [53].

**Internal marketing and organizational culture:** People in an organization should be well attuned to achieving the common purpose of the organization. Human resources are crucial to the success of an organization. Therefore, internal marketing within the organization is a prerequisite for successful external marketing [59, 60]. The employee is regarded as an enabler ‘to enhance external market place performance’ [61]. The internal market consists basically of the employees. They are important for marketing, as a firm’s employees are the ones who create and foster trust and relationship with the customers [62]. "The division of work also explains the phenomenon of the part-time marketers. The practice of salesmanship and relationship building between people in different organizations or between customers and non-marketing staff in an organization reflect the culture of the organizations involved. Although marketing people emphasize the importance of customer service and salesmanship, it is the power of the higher management to support people to implement the practice of salesmanship and relationship building throughout the organization. Organizational culture also explains the issues of internal customers and internal marketing. Respecting individuals and treating them as customers reflect the culture of the organization and the behavior and value of the people in the organization. The integration of people’s skill and knowledge to work coherently toward the common goals of the organization is a leadership issue as well as a cultural one. Although people from the marketing department are able to demonstrate the importance of synergy of resources within the organization, it is the higher management that has the ultimate authority to implement the practice throughout the organization" [59].

Even when authors [59, 60] have strongly proposed that internal marketing within the organization is a prerequisite for successful external marketing, observations have shown that many Nigerian enterprises are yet to recognize that getting staff to be marketing oriented is of utmost priority in peddling products in today’s ever dynamic business environment. Since employees work concertedly to create and foster values and relationship between companies and their customers, it is the responsibility of top management of organizations to implement marketing orientation courses to enable them (employees) acquire skills that will help them to relate well with the customers. In Nigeria, very few firms have embraced this ideology. In exception of such services firms as banks, communication companies, hotels and the like who have partially cuddled this philosophy, it remains a mere litany to many Nigerian organizations.

http://astonjournals.com/bej
**Consistency:** Going by the implications of authors’ submissions, consistent price [63], attitude [64] as cited in [6], quality [65-67], energy and vitality [68, 35] and service delivery [9] that meet the long-term strategic needs of the consumers are critical success factors of relationship selling. The obvious fact about Nigerian business scene is that these necessary inputs are far lacking in the selling practices of most of our industrial players. The reason behind this is that the competitive dictates of our business environment are yet to storm its peak and in as much as this remains the case, the absolute adoption of relationship selling will equally remain uncertain because in a skewed competitive setup, very little marketing effort is needed to peddle companies’ products.

**Customer knowledge:** “To initiate, develop, and maintain long-term customer relationships, sales organizations must become learning organizations [69-71]. This calls for a “sophisticated, customer-solutions-oriented sales force dedicated to hearing the voice of the customer” [70]. ‘Professional salesperson can efficiently uncover the prospect’s perceived problems and needs by skillful questioning and careful listening’ [72]. The import of this is that to better understand and satisfy the needs of the customer, salespeople must be trained in the act of asking questions and good listening ability. According to Weitz et al. [73], once customer needs were uncovered through a series of questions, the seller would attempt to create value by matching the sales organization’s product offerings with the perceived customer needs. Furthermore, citing Ingram [74], David et al. [72] further held that through a superior understanding of the customer’s needs and the ability of the sales organization to most effectively satisfy these needs with a targeted market offering, salespeople can learn to create value. If the sales rep has a good grasp of the customer’s personal feelings concerning his/her comfort level with various communication approaches it could enhance the reception of messages crafted for the customer [6].

Authors [70] also advocate a “customer-centric” sales culture, high levels of customer responsiveness and a single face to the customer, the reduction of role stress in the sales force, and for salespeople to manage themselves when possible. In order to achieve these initiatives, sales organizations and their salespeople must understand far more than basic product, buyer, and competitive knowledge and how to implement the traditional sales process. In particular, more knowledge about customer satisfaction and retention strategies would clearly be important to succeed in the relationship-selling mode. This point is reinforced in a study of 844 business customers of a Fortune 100 company that found that salespeople play a critical role in reducing customer defection [75] as cited in Ingram [74].

Knowing your customers is a precondition for building effective and workable relational programmes. But the question that suffices when this comes to mind is, “How many Nigerian salesmen strive to know their customers”? The dominant practice in Nigeria as has been observed by the researcher is how to peddle products and not intimate customer knowledge even when Ozuru and Kalu [76] explicitly stated that the demands for economic efficiency and improved customer loyalty has given rise to greater demands for more detailed information about customers that can help in segmenting and targeting them. The activities of the Nigerian salesmen are grossly ubiquitous and as such no serious time is devoted to the exploration of the needs and wants of the customers. Meanwhile, customers want salesmen that understand their needs and wants. For you to learn more about the needs and wants of your prospects and customers, you have to listen more than you talk, but Nigerian organizations parade a set of salesmen that talk more than they listen. This stems mainly from the fact that organizations are not awakened to the fact that sales reps are to be trained in the act of building relationships. They spend more money embarking on countless promos, without striving to train their salesmen on customer understanding skills which are a necessary input for effective relational selling. The struggle to meet sales quotas is also a factor that makes Nigerian sales reps more interested in volume of sales than customer understanding. It is not uncommon to find most Nigerian salesmen using unprofessional tactics to make sales in attempt to meet formidable quotas. Female sales reps marketing for banks go as far as adopting seductive means in getting customers to come and deposit money instead of employing adequate time in ensuring that they get to learn more about customers’ needs and wants that would enable the bank serve them better. This accounts significantly for why there is high rate of turnover of customers in the Nigerian banking industry. Just as Samson noted in the communication sector, it is no more news that majority of Nigerian consumers of banking services maintain account with three or four banks at a time. Many of these accounts have gone dormant. This accounts for why the apex bank recently initiated the “Know Your Customer” directive to banks operating in Nigeria.

http://astonjournals.com/bej
Consumers' reaction to price: Research has shown that marketers and consumer behaviorists know little about consumer reaction to price [77] but more recent stream of research [78, 79, 35] has shown that price is a critical determinant of what and who the buyer buys from in a highly competitive environment. Kumar [37] found that business customers' intent to repurchase depends not only on satisfaction with the supplier firm but with cost and competitor availability considerations as well. Charles [80] urges organizations not to quote price until they have established value. Gunal [63] states that mistakes in pricing cause customers' shift toward the rivals offering likewise services. Michiyo [79] concluded that the relation between consumer's reaction to price and the purchase intention depends on the product type and consumer characteristics. Despite the foregoing evidences, in Nigeria, even when the state of competition is still low in most of our industries, this argument still remains very valid because of the level of consumers' purchasing power and high price sensitivity. The untrustworthy nature of most of our sales reps and consumers' constant search for a slight reduction in price makes them (consumers) jettison any form of relationship with one particular seller. The rate of customer turnover is very high. This makes relationship selling very difficult as it cannot be propagated in an environment where there is high rate of customer turnover like Nigeria.

To this end, it is relevant to note that if the existing literature is juxtaposed with the researcher’s observations, one can safely submit that the relationship selling practices is indeed still at the elementary level in Nigeria. The intensity of its adoption in most of our industries is still largely discouraging when compared with the rate at which such advanced economies like Europe and America have exploited the advantages derivable from this new marketing fad. These gave birth to the model depicted in figure 1. Fifteen hypotheses were derived from the model for further empirical testing. Figure 2 presents a model of the research hypotheses.

Figure 1.1: The Model.
1.4. Research hypotheses

H1: Unfulfilled promises lead to lack of trust
H2: Dishonesty and insincerity leads to lack of trust
H3: Perceived risk and uncertainty leads to lack of trust
H4: Lack of commitment leads to lack of trust
H5: Lack of trust leads to relationship selling failure
H6: Poor internal marketing leads to relationship selling failure
H7: Low technical know-how leads to relationship selling failure
H8: Consumers’ high price sensitivity leads to failure of relationship selling
H9: Excess demand over supply leads to relationship selling failure
H10: Poor knowledge of consumers’ needs leads to relationship selling failure
H11: Inconsistent attitude leads to relationship selling failure
H12: Inconsistent quality leads to the failure of relationship selling
H13: Inconsistent service delivery leads to relationship selling failure
H14: Inconsistent energy and vitality leads to relationship selling failure
H15: Inconsistent price does not lead to relationship selling failure.

Figure 2: Model of the Research Hypotheses.

2. Methods
This study which was conducted in Offa Local Government Area of Kwara State, Nigeria used a sample of 120 respondents to elicit the requisite data needed to test the proposed model. The sample population was randomly generated from National youth Service Corps Members serving in Offa Local Government Area of Kwara State, Nigeria. The rationale for using corps members was because they are basically a collection of people from the three major ethnic groups in Nigeria (Igbo, Hausa and Yoruba). Most of them have had managerial experiences during their industrial training and as such can answer questions with respect to internal organizational management of several companies in Nigeria. Apart from that, they are relatively young, educated and have very rich buying experiences of modern products and services. Company staffs were excluded from the sample because

http://astonjournals.com/bej
an average Nigerian staff can not speak ill of their business activities. So if they were to be used as some of the respondents, they will likely fault their responses. The researcher elicited the needed responses through a well structured questionnaire. The measurement used is the Likert Scale Method of summated ratings. It consists of statements where respondents indicate their degree of agreement or disagreement on a five-point scale -Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. The 5-point Likert scale was adopted because it is one of the most frequently used methods of measuring social attitude. Given that relationship selling is a contemporary concept in selling literature, pains was taken by the researcher in shading more light to the meaning of the concept to enable the respondents who are not marketing professionals to gain better understanding of the concept so as to provide the desired responses. To ensure reliability, face validity was adopted by the researcher in testing the research instrument. The pre-test of the instrument took two distinct phases. First, it was given to professionals in the field of research for proper vetting. Second, the research instrument was administered to few respondents (eight) to test their understanding of the questions warded. After the two pre-tests proved successful and necessary adjustments made, the questionnaire was administered to the respondents. To facilitate the data collection process, the researcher recruited and trained some Corps Members serving in Offa Local Government to assist him in the administration of the research instrument. Out of the 120 questionnaires distributed, only 96 were returned, indicating a response rate of 80%. Of the 96 respondents that returned their questionnaire, 73 (76.19%) fell within the age bracket of 20-29, while 23 (23.96%) were within the age bracket of 30-39. Furthermore, 50 (52.38%) of the respondents were male while 46 (47.62%) were female. Of these, 69 (71.43%) are single while 27 (28.57) are married. Yet, 73 respondents representing 76.19% were Christians just as the remaining 23 (23.96%) were Moslems. 37 (38.54%), 36 (37.5%) and 23 (23.96%) hail from Igbo, Hausa and Yoruba ethnic groups respectively. To test the proposed hypotheses, the one sample chi-square method was adopted. This is a non-parametric procedure that tests the goodness of fit. The Version 10.0 of the GB-Stat package was utilized to ease the work of analysis for the researcher.

3. Results and Discussion

In an attempt to examine factors restraining relationship selling in Nigeria, the proposed hypotheses were tested using the following procedures.

\[ \alpha = 0.05 \]  
\[ df = 4 \]  
\[ \chi^2 = \sum \left( \frac{(O_i - E_i)^2}{E_i} \right) \]  

Where  
\[ \chi^2 = \text{Chi-Square} \]  
\[ \sum = \text{Summation notation} \]  
\[ O_i = \text{Observed frequencies} \]  
\[ E_i = \text{Expected frequencies} \]  

Decision rule - Accept \( H_1, H_2... H_{15} \) if \( \chi^2_{\text{cal}} \geq \chi^2_{\text{tab}} \), otherwise Reject

Table 2: Summary of Responses.

<table>
<thead>
<tr>
<th>Ratings</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>Q6</th>
<th>Q7</th>
<th>Q8</th>
<th>Q9</th>
<th>Q10</th>
<th>Q11</th>
<th>Q12</th>
<th>Q13</th>
<th>Q14</th>
<th>Q15</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA</td>
<td>78</td>
<td>73</td>
<td>46</td>
<td>32</td>
<td>55</td>
<td>50</td>
<td>46</td>
<td>27</td>
<td>64</td>
<td>37</td>
<td>69</td>
<td>59</td>
<td>59</td>
<td>37</td>
<td>55</td>
</tr>
<tr>
<td>A</td>
<td>18</td>
<td>18</td>
<td>41</td>
<td>55</td>
<td>32</td>
<td>32</td>
<td>23</td>
<td>50</td>
<td>14</td>
<td>27</td>
<td>18</td>
<td>32</td>
<td>32</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>N</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>14</td>
<td>14</td>
<td>4</td>
<td>14</td>
<td>9</td>
<td>0</td>
<td>5</td>
<td>18</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>D</td>
<td>0</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>5</td>
<td>14</td>
<td>14</td>
<td>0</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>SD</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

N/B: Q= Question; SA=Strongly Agree; A=Agree; N=Neutral; D=Disagree; SD=Strongly Disagree

http://astonjournals.com/bej
Table 3: Test of Hypotheses.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Weighted Responses (Oi)</th>
<th>Expected Frequencies (Ei)</th>
<th>X^2_cal</th>
<th>X^2_tab</th>
<th>Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>78 18</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>237.75</td>
<td>9.49</td>
<td>Accept H1</td>
</tr>
<tr>
<td>H2</td>
<td>73 18</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>199.73</td>
<td>9.49</td>
<td>Accept H2</td>
</tr>
<tr>
<td>H3</td>
<td>46 41</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>173.06</td>
<td>9.49</td>
<td>Accept H3</td>
</tr>
<tr>
<td>H4</td>
<td>32 55</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>138.58</td>
<td>9.49</td>
<td>Accept H4</td>
</tr>
<tr>
<td>H5</td>
<td>50 32</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>97.75</td>
<td>9.49</td>
<td>Accept H5</td>
</tr>
<tr>
<td>H6</td>
<td>46 23</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>70.146</td>
<td>9.49</td>
<td>Accept H6</td>
</tr>
<tr>
<td>H7</td>
<td>27 50</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>83.688</td>
<td>9.49</td>
<td>Accept H7</td>
</tr>
<tr>
<td>H8</td>
<td>64 14</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>139.94</td>
<td>9.49</td>
<td>Accept H8</td>
</tr>
<tr>
<td>H9</td>
<td>37 27</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>94.521</td>
<td>9.49</td>
<td>Accept H9</td>
</tr>
<tr>
<td>H10</td>
<td>69 18</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>173.06</td>
<td>9.49</td>
<td>Accept H10</td>
</tr>
<tr>
<td>H11</td>
<td>59 32</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>139.94</td>
<td>9.49</td>
<td>Accept H11</td>
</tr>
<tr>
<td>H12</td>
<td>59 32</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>139.94</td>
<td>9.49</td>
<td>Accept H12</td>
</tr>
<tr>
<td>H13</td>
<td>37 36</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>60.979</td>
<td>9.49</td>
<td>Accept H13</td>
</tr>
<tr>
<td>H14</td>
<td>55 37</td>
<td>19.2 19.2 19.2 19.2 19.2</td>
<td>127.32</td>
<td>9.49</td>
<td>Accept H14</td>
</tr>
</tbody>
</table>

N/B: O_i = Observed Frequencies; X^2_cal=Chi-square calculated; X^2_tab=Chi-square table value.

Table 2 shows the summary of responses rated in the 5-point Likert scale where SA=5 and SD=1 while table 3 shows the weighted responses, expected frequencies, and the results of the 15 hypotheses tested in this study. All of the 15 hypothesized relationships are supported at 4 degree of freedom and (α=0.05) level of significance. This follows from the table revelations that demonstrate a set of Chi-square calculated values that are greater than the Chi-square tabulated values. Unfulfilled promises (H3) and dishonesty and insincerity (H4) ranks highest in the hierarchy of the Chi-square calculated values. This implies that they are the chief factors that restrain trust propagation in Nigerian relationship selling practice. The Chi-square calculated value of H2 (perceived risk and uncertainty) and H6 (lack of commitment) were equally greater than their Chi-square tabulated values implying that they also contribute to lack of trust in the Nigerian selling scene. These results accounts for why H3 (lack of trust) was also supported.

Given that many Nigerian companies are yet to wake up to the reality of internal marketing programmes and the low level of technical know-how pervading the contemporary business scene, the results of H9 and H7 stands true. H9 and H7 representing consumers’ high price sensitivity and excess demand over supply respectively were also supported because the calculated values of the chi-square were greater than the chi-square table values. This implies that it may be very difficult to build lasting relationship in an environment where buyers are very sensitive to price changes or where the level of competition prevailing between sellers is very low. It is equally worthy of note that having a good knowledge of consumers’ needs is a critical success factor in building lasting relationship with buyers. This accounts for why H10 is supported. Inconsistency on the part of the seller in terms of attitude, quality, service delivery, energy and vitality and price administration can mar the intention of a seller who is relationship-oriented. This was clearly demonstrated by the results of H11, H12, H13, H14 and H15 respectively.
4. Limitations and Further Research

Given that the sample of this study was drawn from a population that comprises mainly youths makes it limited in this respect. A sample comprising adults only or a combination of relatively young and old people can be employed by future researchers to see whether consistent results can be achieved. In any model in which causality is suggested, longitudinal studies provide stronger inferences [23]. Therefore, future researchers are enjoined to utilize a longitudinal design to test the proposed model. Finally, this research focused mainly on the services sector. Future researches can concentrate on other sectors to see whether same result can be achieved.

5. Conclusion

The changing dictates of the contemporary selling environment has recently challenged the transactional selling approach. Firms at the vanguard of strategic thinking have without delay adopted the relational selling model in response to these shifts. Despite this, skewed competition, lack of trust, poor customers' knowledge and internal marketing, high rate of customer turnover, low technical development and the like in Nigeria has totally challenged the adoption of the latter model. The implication of this is that the African continent especially Nigeria offers ample viable venture opportunities to prospective investors. The transactional selling framework has constantly dominated our selling philosophy as a result of the afore-highlighted factors. To dislodge the dominance of the win/loss selling approach, it will make great professional sense if Nigerian sales organizations can move towards more credible itinerary to restore trust through promises fulfillment, reduction of customers’ perceived risk and uncertainty, sincerity and commitment. This cannot materialize if organizations refuse to organize internal marketing orientation training for their employees. It will equally make great sense if the Nigerian salesmen will devote more time to seek and understand the needs and wants of the customers instead of undue emphasis in quota realization. Consistency in price administration, quality, service delivery, attitude, energy and vitality are critical factors that will facilitate the implantation of the relationship selling tradition in Nigeria. Finally, if government can implement policies and programmes that will trigger more intense competition among industrial players, I think they will come to the reality of the values of relationship selling in a fiercely competitive environment in no time. To other emerging economies of the world, it will equally make great sense if their industrial players integrate the relationship selling philosophy in their business practices and implement its strategies to the latter.

References


http://astonjournals.com/bej


http://astonjournals.com/bej


http://astonjournals.com/bej


http://astonjournals.com/bej
