

MARKETING CHANNEL ADMINISTRATION AND SALES EFFORT: AN EMPIRICAL STUDY

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Abstract: Effective marketing channel administration has become a potentially valuable way of securing competitive advantage and improving sales effort. The objective of this research is to present the relationship between marketing channel administration and sales effort. The data collection instruments used was a questionnaire which was administered to a total sample of 237 management staff of table water manufacturing firms in Rivers State of Nigeria. Of which 200 completed correctly and returned the questionnaire and the response rate was 84.4%. Sample selection was based on random sampling which was obtained from Rivers State Ministry of Commerce and Industry Business Directory. The data collected were analyzed using reliability and validity tests, descriptive statistics (mean and standard deviation) and inferential (simple regression analysis) statistics. The results indicated that Marketing channel administration significantly and positively influence sales effort. The study concludes that based on the findings of the empirical analysis, proper marketing channel administration is indispensable in guaranteeing that company's products reach the customers at the right time and place through sales effort. The study recommends amongst others that management of table water manufacturing companies should engage in proper implementation and coordination of marketing channels to endear greater sales effort in their organizations.

Keywords: Marketing channel administration, Rivers State, Sales effort, Table water manufacturing firms.

1. INTRODUCTION

As competition in the 1990s intensified and markets became global, so did the challenges associated with getting a product and service to the right place at the right time at the lowest cost. Organizations began to realize that it is not enough to improve efficiencies within an organization, but their whole marketing channel administration has to be made competitive. The role of marketing channel administration has become an essential prerequisite for staying competitive in the global chase and for enhancing profitability. Marketing channel management connotes the process of evaluating, scheduling, systematizing, and scheming a firm's marketing channels (Coughlan et al., 2005).

Marketing channel administration has been positioned to overtly differentiate the strategic nature of harmonization connecting channel members and to furnish facts to the twofold purpose of marketing channel administration: to advance the performance of a particular channel member, and to perk up the performance of the complete channel members. The justification for marketing channel administration is to incorporate both information and product flows without blemish crosswise the channel members as an effectual competitive weapon.

The concept of marketing channel administration has received increasing attention from academicians, consultants, and business managers alike. Research show that sales effort has definite benefits as it cost a lot more to attract sales of company's products. Several studies have been carried out to examine the impact of marketing channel administration on firm performance (e.g. Behan and Lamoureux 2015; Mehta, Dubinsky and Anderson, 2002). However, only few studies on the impact of marketing channel administration on sales effort in the context of under-developed nations have been carried out. This study emerged to examine whether channel administration enhances the sales effort of table water manufacturing firms in Rivers State of Nigeria.

Our study adds new explanation on marketing channel administration and sales effort by adding new empirical evidence to the present literature by examining whether marketing channel administration actually improve sales effort. Increasing sales is essential to building sales effort. Hence, sales effort can be used as the goal for attaining sales performance. The purpose of this study is therefore to empirically experiment a framework identifying the relationships between marketing channel administration and sales effort.

The paper is organized as follows: we first present a brief review of conceptual and empirical literature on marketing channel administration. Next, we present the methodology and data of the research. We then analyzed the results of our study in the following section. Finally, we provide our conclusions and recommendations.

Statement of the problem

Nowadays, in an ever changing marketplace, sale of product is more and more challenging and the manufacturing industry is struggling for better ways of improving sales performance. Customers can be won or lost due to administrative processes that go along with marketing channel administration and it is imperative that sales are maintained with the same level of production. Surprisingly, despite

processes automation, information technology and training interventions, the level of sales is actually declining year-on-year by significant amounts. The application of marketing channel administration to the manufacturing context could be a possible solution to tackle sales effort concerns.

From studies done before, it implies that little research has been done on marketing channel administration on sales effort since majority of research focus on marketing channel administration only, with this knowledge this study is mandated to fill this gap, by looking at the role of marketing channel administration on sales effort, by looking specifically at the Nigerian table water manufacturing companies.

Purpose of the Study

To determine the role of marketing channel administration on sales effort of table water manufacturing companies in Rivers State of Nigeria.

Research Hypothesis

I. **H₀₁**: Marketing Channel administration does not significantly influence sales effort

Scope of the Study

This research paper was limited to the personnel of table water manufacturing companies. The study took place in Rivers State headquarter in Port Harcourt. The target population was the personnel of table water manufacturing companies in Rivers State of Nigeria specifically the product managers, sales managers and supervisors.

2. REVIEW OF LITERATURE

Marketing Channel Administration

Marketing channels have need of cautious management as finer channel management policies and strategies help a firm attain a differential advantage but concomitantly are difficult to duplicate (Kansal, 2010). Marketing channel administration refers to the procedure of analyzing, planning, organizing, and controlling a firm's marketing channels (Coughlan et al. 2005; Hutt and Speh, 2013). This study draws attention to the major roles of marketing channel administration which are; selection of channel members and motivating channel members. The practice of selecting marketing channel members / intermediaries is a continuing progression due to the actuality that they are inclined to abscond from the channel continually as a result of diverse situations that emanates in form of market's changes and concerns encircled by their businesses (Hutt and Speh, 2013). Thus the procedure of selecting intermediaries should be very well administered in order not to trim down the cost of search to the least amount (Coughlan et al., 2005). It is the most vital step to be made in order to liberate the goal of securing good intermediaries.

Nonetheless, it ought to be kept in mind that the procedure of deciding on the intermediaries is not a in one direction at all, thus the organization ought to be anxious about its standing if it wants to have the prospect to select the unsurpassed intermediaries (Kumar and Venkatesan, 2005). If the company desires to assemble a sturdy and advantageous affiliations inside its marketing channels, they should attach their organizations' strategies to the potentials and aspirations of their distributors, representatives and suppliers (Hutt and Speh (2013),).

Sales Effort

Marketing leads are periodically not tracking their sales (Sabnis, et al., 2013), so sales endeavor is a major variable to observe. Sales effort has been calculated by self testimony terms, including overall endeavors in the implementation of sales tasks, the number of hours worked and number of sales calls made (Brown and Peterson, 1994). For best performance, effort, or working hard, must be augmented by working smart, or working in an adaptive fashion. This comes from budding and applying knowledge of an assortment of sales situations (Sharma and Sheth, 2010), signifying experience will augment success-producing potential.

Management performance ratings of sales people have a propensity to overweight effort in their evaluation, and underweight task difficulty (Brown, Jackson and Mowen, 1981), but these evaluations can be amplified with objective decisive factors. Inattendance are countless unprejudiced sales achievement put up, with the calculation of sales to quota attainment being conceivably the most objective (Ahearne, et al., 2008).

Marketing Channel Administration and Sales Effort

Sales effort emphasize that most manufacturers, success or failure is determined by how effectively and efficiently their products are sold through their marketing channel members (Behan and Lamoureux, 2015). In an epoch of augmented emphasis on customer relationship management and hybrid marketing channels, there has been mounting concern regarding how channel relationships are managed (Mehta, Dubinsky and Anderson, 2002). The magnitude of channel administration is premised on the reality that marketing channel partners play a significant role in the flow of products from producers to consumers and on company profitability (Kotler et al., 2009). According to

Behan and Lamoureux (2015), channel administration affects sales by helping to guard brand value, permit vendors to sell their products at a premium, while allowing the channel to up-sell the proper services and support offerings that meet the customer's requirements. Channel administration can also manage price reductions, which can slow price wearing down. In addition, it can lengthen a vendor's visibility over products and services through the channel to put off distraction and the hazard of gray marketing, where products are leaked or diverted outside of the authorized channel. Well-built channel administration helps create and maintain customer loyalty while strengthening the channel partner relationship by protecting the investment in the vendors' products and the partners' post-sales service and support (Behan and Lamoureux, 2015).

3. RESEARCH METHODOLOGY

The study adopted a survey study design to justify the relationship between the independent and dependent variables. The target population of this study was undertaken at the table water manufacturing companies in Rivers State and the study's respondents were 200 personnel working in the table water manufacturing companies studied. Out of a target population of 181 a sample size of 200 respondents was selected from 3 categories: product managers, sales managers and supervisors. This study adopted a random sampling technique.

The data collection instrument used was a questionnaire which was administrated to a total sample of 200 management staff from 79 table water manufacturing firms in Rivers State. The questionnaires were hand delivered to the respondents and data were analyzed using mean, standard deviation and tables, linking the independent and dependent variables. The analyses engaged statistical methods such as reliability and validity tests and simple regressions.

4. RESULTS AND DISCUSSION

The descriptive analysis of the sample firms with respect to the use of marketing channel design and sales cycle time duration are shown in Tables 1 and 2.

Channel Administration

Table 1 shows the analysis and interpretation of frequencies on items of channel administration.

Table 1: Marketing Channel Administration (n=200)

S / N	Items	Frequencies / Percentages				
		UD (1)	SD (2)	D (3)	A (4)	SA (5)
1	Our company communicates effectively with her channel members.	4	5	11	60	120
		2%	2.5%	5.5%	30%	60%
		4	10	33	240	600
2	Our company roles out recognition programs for retailers and distributors who meet or exceed their sales targets,	-	2	55	68	75
		-	1%	27.5%	34%	37.5%
		-	2	165	272	375
3	The management of our marketing channel has played a significant role in meeting customer requirements	-	4	41	66	89
		-	2%	20.5 %	33%	44.5 %
		-	8	123	264	445

Source: Research data, 2019.

Note: UD = Undecided
SD = Strongly Disagree
D = Disagree
A = Agree
SA = Strongly Agree

Table 1 illustrate frequencies of marketing channel administration as presented for table water manufacturing companies studied. Our company roles out recognition programs for retailers and distributors who meet or exceed their sales targets, recorded (2%) as undecided,

5 (2.5%) as strongly disagree, 21 (5.5%) as disagree, 60 (30%) as agree, and 120 (60%) as strongly agree. On I am satisfied with the recognition programs for retailers and distributors who meets or exceed their sales targets,, strongly disagree presented no responses for undecided, 2 (1%) for strongly disagree 55 (27.5%), for disagree, 68(33%) for agree and 75(37.5%) for strongly agree. The item that concerns the management of our marketing channel has played a significant role in meeting customer requirements presented no response for undecided, 4(2%) for strongly disagree, 41(20.5%) for disagree, 66 (33%) for agree, and 69(44.5%) for strongly agree. This implies that marketing channel administration is a major activity in table water manufacturing companies in Rivers State.

Sales Effort

Table 2 illustrate the analysis and interpretation of frequencies on items of sales effort.

Table 2: Sales Effort (n=200)

S / N	Items	Frequencies / Percentages				
		UD (1)	SD (2)	D (3)	A (4)	SA (5)
1	Sales effort calls attention to successful sale of company's products.	4	5	11	60	120
		2%	2.5%	5.5%	30%	60%
		4	10	33	240	600
2	Sales effort leads successfully to the attainment of stated objectives.	-	2	55	68	75
		-	1%	27.5%	34%	37.5%
		-	2	165	272	375
3	Sales effort boosts success-producing capability.	-	4	41	66	89
		-	2%	20.5%	33%	44.5%
		-	8	123	264	445

Source: Research data, 2019.

Table 2 shows frequencies of sales effort as presented for table water manufacturing companies studied. Sales effort calls attention to successful sale of company's products recorded 4 (2) % as undecided, 5(2.5%) as strongly disagree, 11(5.5%) as disagree, 60 (30%) as agree, and 120 (60%) as strongly agree. On sales effort leads successfully to the attainment stated objectives., undecided presented no response, strongly disagree presented 2 (1%) for strongly disagree 55 (27.5%), for disagree, 68 34%) for agree and 89 (44.5%) for strongly agree. The item that concerns Sales effort boosts success-producing capability, presented no response on undecided, 4(2%) for strongly disagree, 41(20.6%) for disagree, 66 (33%) for agree, and 89 (44.5) for strongly agree. This implies that sales effort is useful in achieving success in table water manufacturing companies in Rivers State.

Test of Hypothesis

Influence of Marketing Channel Administration on Sales Effort

H₀: Marketing Channel administration does not significantly influence sales effort

H₁: Marketing Channel administration significantly influences sales effort

Table 3: Influence of Marketing Channel Administration on Sales Effort (N=200).

Model	R	R Square	Adjusted R Square	Std. Error of 1 the estimate
	.871	.756	.613	.30458

a. Predictors: (Constant), Marketing Channel administration

b. Dependent Variable: Sales effort

Since for hypothesis four, the significant is .000 which is less than 0.05; there is a significant, influence of marketing channel administration on sales effort with the R (Coefficient of Correlation) that there is 81% direct relationship between marketing channel administration and sales effort. R-square value of .65.6% shows that marketing channel administration can influence sales effort to a high degree. The researcher also used ANOVA to test the hypothesis in this section. The results were presented in table 4.

Table 4: One way ANOVA for the difference in mean between Marketing Channel Administration and Effort (N=200).

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	53.551	1	3551	263.137	.0000
Within Groups	21.647	199	355		
Total	100.94	200			

a. dependent variable: Sales effort

b. Predictor: Marketing Channel administration

Table 4 shows that there is difference in mean between marketing channel administration and sales effort $F(dfB,dfw) = F(199,1) = 221.263.137, p < 0.05$. Significant value is 0.01, $r(1,199)$. This agrees with the regression result in table 3.

The purpose of this study is to explore how marketing channel administration influences sales effort. The results show that sales efforts depend greatly on marketing channel administration. The effect of marketing channel administration was found to be significant. For any given marketing channel administrative activity, sales effort is affected positively. The results indicate that marketing channel administration is more effective in predicting sales effort in table water manufacturing companies. The results illustrate that administrative factors in the marketing channel influence the relative effectiveness of the sales effort. The results point to the importance of identifying marketing channel administration in the context of a enhancing sales effort.

This study extends the previous study by providing a theoretical framework that helps to explain the relative effectiveness of marketing channel administration on sales effort. These results seem to imply that marketing channel activities necessarily increase the likelihood of enhanced sales effort.

4. Conclusion

This paper has demonstrated that marketing channel has the potentialities to be implemented in the manufacturing industry as an effective way to enhance efficiency and to increase sales effort. Considering this as a practical strategy, it could be interesting to increase the practicality of the approach by tailoring it to the requirements of table water manufacturing companies.

The study concluded that marketing channel administration significantly and positively affects sales effort. The beta coefficients indicate the relative importance of the independent variable (Marketing Channel Administration) in influencing the dependent variable (Sales Effort). The study further concludes that based on the findings of the empirical analysis, proper marketing channel administration is indispensable in guaranteeing that company's products reach the customers at the right time and place though sales effort.

Recommendations

The study recommends that:

1. Management of table water manufacturing companies should engage in proper implementation and coordination of marketing channels to endear greater sales effort in their organizations.
2. Table water manufacturing companies should put in place mechanisms to ensure that future marketing activities are successful. Channel members need to be evaluated based on their performance.
3. Table water manufacturing companies should also involve various stakeholders when introducing and implementing marketing channel administrative decisions to enhance satisfactoriness and for this reason even execution of marketing channel decisions.
4. The study also recommends that, table water manufacturing companies should maintain the spirit of customer relationship management by bringing in apparatuses that make certain faster, easier and proficient feedback from the customers.
5. The study finally, recommends management should develop a more insistent and down to business approach towards sales force administration. Sales force are seen to be taking the core arena in a good number of companies hence table water companies need to be more aggressive in terms of sales force management in order to be at a competitive edge in the shifting environment.

Limitations and Directions for Future Research

There are a number of limitations that influence the generalizability of this study. One limitation of the present study is that it was carried out in one industry This study employed an experiment with manufacturing companies only, rather than extending it to service based companies. One of the limitations of this single-sector study is that the conclusions may not be generalizable to other sectors. Future studies replicating this research across multiple industries and sector would increase the understanding of the influence of marketing channel administration on sales effort. Second, the sample represented a limited number of companies in limited industry. Thus, the results of this study should be considered analytical rather than ultimate based on these limitations.

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