

AGGRESSIVE SELLING AND ITS IMPACT ON FINANCIAL PERFORMANCE OF A COMPANY

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ABSTRACT

Manufacturers make many efforts to sell products in markets. Various methods used to increased sales volume for the products, it is called aggressive selling or offensive selling. On the other hand, when the sales efforts which a manufacturer makes to retain his customers i.e. to protect his already established market against his competitors is termed as defensive selling. This tool is widely acknowledged as a determinant of sound financial performance of a company. This study tries to find the link between the two variables. In order get insight data was collected from 50 senior managers and analyzed through Lisrel 8.80. the results shows significant impact of aggressive selling on financial performance of a company.

KEYWORDS: *Aggressive Sales Promotion, Financial Performance, Return on Assets, Investment and Earning Returns, Marketing*

INTRODUCTION

Aggressive selling based on the approach of how much does the firm gain (in term of sales with profit) on the other hand defensive selling is based on consideration as to how much the firm will going to lose if it does not use any particular method to increase sales. This can be obtained from two sources: a) New consumers and From the competitors.

Aggressive Selling

This kind of approach to sales promotion is only fruitful when the market is growing, once the market saturates this can lead to negative publicity.

METHODS OF AGGRESSIVE SELLING

In fact, an ingenious sales manager can devise any number of incentives schemes for promoting the sales volume. Such as:

Consumer Promotion

Consumer promotion is a category of sales promotion including free samples, winning contests, different price packs, and sweep stakes. Sales promotion is projected to increase the sales of final ultimate consumers of the product (Kotler and Armstrong, 2002). Some techniques or rather methods are apparently for the benefit of consumers and some really are for penetration. (Kotler et al. 1999: Tellis 1998).

Relationship Between Consumer Promotion and Brand Loyalty

After the extant literature overview this research will be testing model with aggressive selling and its tools. This is the area of our research that will explore whether Aggressive selling has any long term impact on financial

performance or not. According to previous researches sales Promotion of any product leaves an impact on the acquiring behaviors of the consumers for a particular product or brand that the consumer will not buy otherwise (Alvarez and Casielles, 2005). However another study conducted by Dawes (2004) have revealed the fact that purchasing a particular product which is on promotion can reduce the chances of succeeding buying of that particular product.

Promotion Mix-Awareness and Purchase Likelihood:

- **Aggressive Advertising**

Pollay and Mittal's model (1993) proposed seven factors that influence attitudes toward advertising which are product information, social role and image, hedonic/pleasure, value corruption, falsity/no sense, good for the economy, and materialism. Czech consumers believed that advertising as being short on information, long on falsity (Millan and Mittal, 2010) and the advertised product is the oversupply product and in poor quality (Elliott, 1992).

- **Aggressive Public Relation**

Besides bringing spectacular result to the company, public relations have a strong impact on public awareness at a lower cost compare with the advertising (Armstrong & Kotler, 2009). In addition to getting awareness level, exposure to public relation results in intention to purchase. For instance, 53% of the public stated that sponsorship has made them more likely to purchase a product or services particularly those who are over 50 years old with incomes \$20,000-30,000 (Gardner & Shuman, 1987). In sponsorship element, age and income seems to be the influential factors for customers' intention to purchase offerings.

- **Aggressive Direct Marketing:**

Most of the consumers are annoy or feel offended towards direct marketing such as TV commercials that are too long, loud and insistent, unwanted junk email in the mailboxes and computer screens flash out unwanted banner or pop-under advertising (Armstrong & Kotler, 2009). Al-alak& Alnawas (2010) findings show that in mobile marketing, consumers who believe that mobile was for personal use were less likely to have intent to participate in a permission based advertising programs, reluctant to purchase the products and less likely to share personal information because of negative attitude toward direct advertising.

- **Aggressive Personal selling**

According to Kola and Akinyele (2010), in Nigerian context, personal selling is moderately effective in providing information, creating awareness and changing attitude of consumer preferences. Trust on salesperson increases the probability of positive customer attitudes toward the salesperson (Swan, Bowers & Richardson, 1999). Ultimately, Aggressive personal selling is the most effective elements in building up buyer's preferences, conviction and action in certain stage of buying process (Armstrong and Kotler, 2009).

- **Financial performance**

Financial performance of the company was assessed through published data. The measure comprised of ROA and IER. Both these measures are reliable and valid. These measures were used previously in many studies and many researchers advocated the significance of these measures.

- **India-A large consumer goods spender**

An average Indian spends around 40 per cent of his income on grocery and 8 per cent on personal care products. The large share of fast moving consumer goods (FMCG) in total individual spending along with the large population base is another factor that makes India one of the largest FMCG markets. Even on an international scale, total consumer expenditure on food in India at US\$ 120 billion is amongst the largest in the emerging markets, next only to China.

OBJECTIVE OF THE STUDY

“The study aims at exploring the most important tool for aggressive sales promotion”

DATA COLLECTIONS

The data was collected through questionnaire from 50 respondents and analysis was carried out by using Lisrel 8.80. The data was collected from primary sources mainly from customers. The data was collected through mail methodology initially 150 respondents were contacted and 55 responses were received, out of them 5 questionnaires were incomplete and discarded from final analysis. Final usable questionnaires were 50.

The Research instrument was designed after considering extant literature review, brainstorming sessions and various discussions with academicians, practitioners and researchers in the area. The research instrument thus finalized was put to pilot test comprising 15 respondents and responses were analyzed, thereafter full model with control variables was assessed but it was found that there was little correlation between the model and control variables therefore it was decided to drop them before final analysis.

Measures

The study considers the tools of aggressive selling and tries to find out relationship of aggressive selling tools with sales promotion of the product.

Independent Variables; the tools of aggressive selling are regarded as independent variables

- Aggressive Advertising (AAG) (9 item scale)
- Aggressive Personal selling (APS) (7 item scale)
- Aggressive Direct marketing (ADM) (3 item scale)

Dependent Variables; they are given as under

- Financial performance (SP) (5 item scale)
- Investments and Earning returns (IER) (3 item scale)

Measurement Model

Using the techniques of SEM in Lisrel 8.80, measurement model and structural models are obtained. The model fits to the data well. All the parameters were in acceptable ranges. After assessing reliability and validity of the model, study furthers with Uni Dimensionality issues, CFA was performed and results were satisfactory, the lowest standard loading was.36 which was acceptable. The parameters are given in Table 1.

Table 1: Showing Fit Indices of the Final Model

Cronbach Alpha	GFI	CFI	NFI	RMSEA	CHI / DF
.768	.80	.71	.88	0.192	3.2

Structural Model

After all the necessary tests were performed on measurement model, structural model was estimated. The path values were found to be significant. The fit indices were within acceptable ranges.

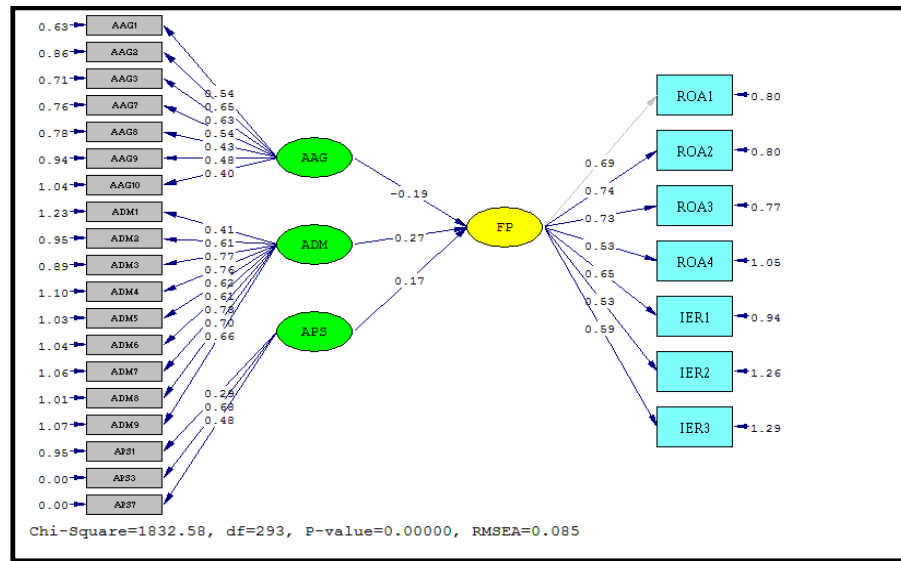


Figure 1: Showing Final Model for All Study Variables.

CONCLUSIONS

The path values from ADM to FP recorded highest at 0.27* and the relationship was negative with AAG, this can be implied to the fact that aggressive advertising sometimes negatively affects the financial performance of the company. The relationship of Aggressive personal selling was moderate as 0.17* implies balanced relationship with financial performance of the company. The results of the study cannot be generalized as it suffers from small and restricted sample size issue.

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