



**THE EFFECT OF PERSONAL SELLING ON CUSTOMER  
LOYALTY:  
THE CASE OF ETHIOPIAN AIRLINES**

A thesis submitted in partial fulfillment of the requirement for  
Master of Arts Degree in Marketing Management

By  
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Advisor  
Dr. Mulugeta GebreMedhin

Addis Ababa  
June 2018



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**Approved by Board of Examiners**

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Addis Ababa  
June 2018

## **DECLARATION**

I, Henok Sirak, hereby declare that the work in this research study entitled “The effect of personal selling on customer Loyalty: The case of Ethiopian Airlines” is my own original work and all the sources of materials used for this study have been identified and duly acknowledged. This research study has not been previously submitted in full or partial fulfillment for any degree in this university or any other recognized education institution. This research study is being submitted in partial fulfillment of the requirement for Master of Arts Degree in Marketing Management.

By: Henok Sirak (GSE/0227/08)

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## STATEMENT OF CERTIFICATION

This is to certify that HENOK SIRAK AYELE has carried out his thesis on the topic entitled “*The effect of Personal Selling on Customer Loyalty: The case of Ethiopian Airlines*” This work is his original work and it is suitable for submission for the award of Master’s Degree in Marketing Management.

Dr. Mulugeta G/Medhin  
Thesis Advisor

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Date: \_\_\_\_\_

Place: Addis Ababa, Ethiopia

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## **List of Abbreviations and Acronyms**

ET – Ethiopian Airlines

FFP –Frequent Flyer

IMC- Integrated Marketing Communications

EBBE- Consumer Based Brand Equity

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## **Abstract**

*The purpose of this study is to investigate the effect of personal selling on customer Loyalty: The case of Ethiopian Airlines. The study used quantitative research method and employed explanatory research design to objectively answer the research questions. For achieving the study objectives, 384 sample respondents were selected through non-probable convenient sampling technique. Accordingly, data were collected through self administered questionnaire from sample respondents. Out of 384 respondents, workable data were obtained from 372 respondents. The Data was analyzed using SPSS software to obtain descriptive statistics, comparing mean scores (i.e. independent t-test and ANOVA) and other analyses (i.e. correlation analysis and multiple linear regressions). According to the study finding, among five variables, two variables (selling skill and trust) were identified as the main factors that affect the loyalty of Ethiopian Airlines customers. The study also finds out that the remaining 3 variables: selling strategy, product or service knowledge and organizational policy and procedure knowledge have no significant effect on the loyalty of Ethiopian Airlines Customers. The finding of the study showed that there is a significance difference in perceiving the five factors between and among the customers of Ethiopian airlines with different demographic profiles. Furthermore, on the basis of the research finding, appropriate recommendations along with implications for further studies have been forwarded.*

*Keywords: Customer Loyalty, Personal Selling, Trust, selling skill, selling strategy, product or service Knowledge, organizational policy and procedure knowledge*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

Personal selling is one of the basic sales and promotional tools, being a part of integrated (carefully coordinated) marketing communications (IMC), which are nowadays shifting away from mass marketing Armstrong and Kotler (2013). Personal selling remains as an effective tool in assisting and persuading customers to patronize the firm's offerings or to act favorably upon an idea that has commercial significance to the firm.

According to Kotler and Armstrong (2010), personal selling is a presentation by the firm's sales force for the purpose of matching, sales and building customer relationship. The hallmark of every business is to identify, anticipate and satisfy customers need; maximize profit, possess competitive advantage and remain relevant in the marketplace. This can only be achieved through the adoption of personal selling in a firm's operations.

In today's highly competitive marketplace, personal selling is a critical element in the effort of modern firms to achieve organizational success based on customer satisfaction, loyalty and profitable sales volume.

Personal selling plays a vital role of creating direct contacts and/ or interactions between customers and sellers/producers as well as enhances a firm's productivity. Productivity is the act of enhancing customer relationship, customer retention and increase in sales volume of a firm. Personal selling is a process of assisting and persuading a prospective buyer to buy a product in face-to-face situation. It involves direct and personal contact between the seller and his representative with the prospective buyers or customers. Personal selling enhances quick customer response, but it is quite time consuming and most expensive of all the promotional mix elements Gupta and Khanta, (2003); Donaldson, (1995).

Personal selling remains a vital method to contact the prospective buyers personally and to persuade them to purchase a firm's offerings. The need for the adoption of personal selling in the operations of an airlines industry cannot be underestimated. Airlines can equally use personal

selling to convenience customer about the quality of their services. Through personal selling, airline sales representatives explain to their clients how well the services they are selling can satisfy their needs. They give their clients opportunity to make more enquiries about their services. This assists them to match their needs and the services. Airline sales representative informs customers about new products or services and explain to them how best they can use these products and services. Personal selling equally assist airlines to increase their sales and expand the market by identifying new customer, retaining old customers and persuading them to use the firm's products and services. The need for personal selling activities has increased because of stiff competition, widening of market, changes in tastes of customers and technology, increasing customer relationship and sales volume of the firm. The airlines industry needs to adopt personal selling in their operations to remain relevant in the market place that is full of competition, enhance customer relationship, keep customers loyal and increase sales volume.

Alike other businesses and airlines, Ethiopian Airlines sells its services to the customers and create long term relationship with its customers through its sales representatives which are found in Addis Ababa, the Headquarters and in countries where it has direct scheduled flight and office representation. Among the airline's personal selling activities, passenger sales, cargo sales, corporate sales, charter sales and Aviation Academy sales are the main selling activities that directly need personal selling. Therefore, the concept of personal selling has been found appealing and attracts the researcher to investigate the effect of personal selling on customer loyalty.

## **1.2. Statement of The Problem**

The current stiff competition in the airlines industry has forced most airlines to sell their services and operate within a dynamic and competitive environment. Studies show that most of airlines revenue is generated from existing customers. So keeping customers loyal is crucial for airlines to maintain their presence in the market and generate revenue. According to Zeithaml et al.(1996) customer loyalty is defined as a customer's expressed preference for a company and intention to continue to purchase from it and to increase business with it in the future. In order to keep customers loyal a personal selling needs to be applied. Existing customers need to have a proper follow up assistance and a personalized service by sales representatives. Cultivating loyal

customers can lead to increased sales and customer share, lower costs, and higher prices Reichheld and Teal (1996); Zeithaml, Berry and Parasuraman (1996). Research on relationship marketing Palmatier et al. (2006), and direct selling Macintosh and Lockshin (1997), indicated that customer loyalty improves financial performance of a firm.

Although personal selling has long been recognized as one of the marketing mix, most of the studies investigated (see Ghozaleh and Mohammed (2019), Ahmed et.al (2010), Sixtus et.al (2014), Chang (1999) ; Babakus, et al., 1996; Barker, 1999; Rentz et al., 2002) its impact on sales performance and Consumer Based Brand Equity. Moreover, the majority of previous studies (see Churchill et al., 1985; Baldauf and Cravens, 1999; 2002; Piercy et al., 1997; 1998; Baldauf et al.,) examining the impact of sales skill in salespersons performance and sales skills on sales performance have been conducted in advanced western economies. Limited research works (see Mikias (2016), Amanuel (2016), Eden (2014), have been conducted in Ethiopia examining the impact of personal selling and organizational commitment on sales performance.

Ethiopian airlines tries to maintain its customers loyal through different techniques such as enrolling them to a Frequent Flyers Program or a loyalty program called ‘Sheba Miles’ and other personalized services which can be provided by the sales representatives of the company. Even though personal selling is believed to be important in an airline business, it is not well implemented in terms of keeping customers loyal. According to the data obtained from Ethiopian airlines Loyalty management department, the number of passengers and the number of loyal customer is by far different. Ethiopian Airlines Loyalty Management members list (2017). This implies, but not proofed by research that most of the customers of the airline are not member of the loyalty program.

Hence this study attempts to fill the above mentioned practical, empirical and theoretical gaps of the effect of personal selling on customer loyalty in the case of Ethiopian Airlines.

### **1.3. Research Question**

The following research questions are expected to be addressed after completion of the study.

- How does selling skills of sales representatives influence the loyalty of Ethiopian Airlines customers?
- How does selling strategy affect the loyalty of Ethiopian Airlines Customers?
- How does product or service knowledge of sales representatives influence the loyalty of Ethiopian Airlines customers?
- How does organizations policy and procedure knowledge affect the loyalty of Ethiopian Airlines Customers?
- How does trusting sales person affect the loyalty of Ethiopian Airlines Customers?

### **1.4. Objective of The Study**

**General Objectives:** To examine the effect of personal selling on customer loyalty

**Specific Objectives:**

- To examine how selling skills of sales representatives influence the loyalty of Ethiopian Airlines customers.
- To investigate how selling strategy affect the loyalty of Ethiopian Airlines customers.
- To evaluate how product or service knowledge of sales representatives influence the loyalty of Ethiopian Airlines customers.
- To find out how organizational policy and procedure knowledge affect the loyalty of Ethiopian Airlines customers.
- To find out how trusting the sales person affect the loyalty of Ethiopian Airlines customers.

## **1.5. Hypothesis of the Study**

Based on the review of related literature the researcher formulated the following hypothesis. The entire hypothesis was resulting from the review of related literature and was summarized below.

H1. Sales person's selling skill has significant effect on customer loyalty.

H2. Sales person's selling strategy has significant effect on customer loyalty.

H3. Sales person's product or service knowledge has significant effect on customer loyalty.

H4. Sales person's organizational policy and procedure knowledge has significant effect on customer loyalty.

H5. Trusting the sales person has significant effect on customer loyalty.

## **1.6. Significance of The Study**

Since this study is conducted for the fulfillment of Master's Degree program, it will contribute a lot for academic discussions and it will add an input to the literature. It is also very important for Ethiopian airlines as the study investigates and finds out problems that need possible solution in relation to personal selling and customer loyalty. So the secondary beneficiary of this study is Ethiopia airlines. Moreover the study is expected to show a better way of performing tasks so as to fill any gape in an organization in relation to keeping customers loyal. The researcher believes that the study will be very important in fulfilling the research gap in personal selling which is one of the marketing mix. In addition to these, the study will initiate for future studies and the output of this study may serve as a base for further investigation in the area.

## **1.7. Scope of The Study**

The scope of the study is only on the effect of personal selling on customer loyalty in the case of Ethiopian Airlines. The study is limited to Addis Ababa, Ethiopia due to resource related reasons, i.e., money and time. Besides, questionnaire is used as data collecting instrument and the respondents are loyalty members of Ethiopian airlines who resided in Adddis Ababa. and currently, Ethiopian Airlines has more than 334,648 ShebaMiles member passengers who resides in Ethiopia of which only 1773 are Gold and Platinum members (*Ethiopian Airlines Loyalty management department*) and a complete evaluation of the effect of personal selling on customer loyalty requires a wider investigation. Hence, the researcher gets it necessary to limit the scope to a manageable size due to research cost, time and accessibility. The study is limited to Ethiopian Airlines Loyalty Program members who reside in Addis Ababa.

## **1.8. Limitations of The Study**

The study did not address the entire variables affecting customer loyalty and it focused on the mentioned variables. Other variables attributed to the effect of personal selling on customer loyalty are left out for further study. Moreover, particular industry's loyalty management and personal selling activities were taken for the study and the research is conducted from customers' perspective which in turn has a limitation to generalize the research findings. The sampling technique is Non-probability convenience sampling technique due to the unavailability of details of target respondents and due to the reason that there is no way to get the customers unless they arrive at ticket offices and airport check-in counters. In addition, the company is not willing to disclose a complete list of its customers who are members of the loyalty program both to respect the privacy of its customers and to minimize possible snatching of the customers by competitors.

## **1.9. Organization of The Study**

This research report has five chapters and other sections, namely, the list of reference and appendixes. The first chapter provides information about the introduction of the research topic. The research is carried out with the assessment of the theoretical function and relevant literature in chapter two and the suitable methodology utilized to answer the research question is discussed in chapter three. Data analysis and interpretation of the research result found by using the appropriate instrument for the methodology selected is dealt in chapter four. The final chapter five covers the discussion of results, conclusion and recommendations.

## **1.10. Definition of Terms**

**Customer loyalty:** is defined as a customer's repeated same-brand purchase within a given category, based on a favorable attitude toward and preference for the specific brand due to the incentive of loyalty program.

**Frequent Flyer program (FFP):** is a loyalty program offered by many airlines. Typically, airline customers enrolled in the program accumulate frequent-flyer miles (kilometers, points, segments) corresponding to the distance flown on that airline or its partners.

**Market:** It is potential customers sharing a particular need or want who might be willing and able to engage in exchange to satisfied that need or want

**Prospect:** Is a potential customers who is willing to buy and organization product.

**Personal Selling:** Is an oral presentation in conversation with one or more prospective purchasers for the purpose of making sales.

**Sales:** This are the activities involved in selling goods and services

**Sales person:** Is an organization sales man who is in charge caring out sales activities he is also known as a sales representative. Represent the organization by influencing the customer to by the organization product.

**Selling process:** It is a series of steps that a sales man passes in selling an organization product to its customers.

**Selling strategy:** is a plan by a business or individual on how to go about selling products and services and increasing profits. Sales strategies are typically developed by a company's administration, along with its sales, marketing and advertising managers.

**Selling skill:** is a skill required by sales people to sell an organizations products or services

**Trust:** is defined as users' perception, opinions, emotions, or feelings that occur when consumers think that the sales person can be relied upon to act in their benefits.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

#### **2.1. Theoretical Review**

##### **2.1.1. Personal Selling**

Personal Selling is the process by which the seller sells to the consumer face to face. Personal selling is the most expensive form of promotion. In essence personal selling involves the building of relationship through communication for the purpose of creating a sales transaction. Personal selling is defined by Weitz and Castleberry (2004) as an interpersonal process whereby a seller tries to uncover and satisfy buyer's needs in a mutually long term beneficial manner suitable for both parties. Thus Personal selling is interpersonal communication regarding goods and services. Communication is the most basic activity for the sales representative during Personal Selling exchanges Engel and Kollat (2011). It is a social situation involving two persons in a communication exchange. Success depends on how well both parties achieve a common understanding enabling mutual goal fulfillment through social interaction kotler (2013). Weitz et al (2004) states that the role of sales representative is to engage and collect information about a prospective customer, develop a sales strategy based on that information, transmit a message that implements organizational strategy, evaluate the impact of these messages and make adjustments upon this evaluation.

Kotler (2013) noted that personal selling is a useful vehicle for communicating with present and potential buyers. Personal selling involves the two way flow of communication between a buyer and seller often in face to face encounter designed to influence a person's or group's purchase decision. However, with advances in technology, personal selling also takes place over the telephone, through video conferencing and interactive computer links between buyer and seller though personal selling remains a highly human intensive activity despite the use of technology. Kotler (2013) also noted that personal selling serves three major roles in a firm's overall marketing effort. Salespeople are the critical link between the firm and its customers; salespeople are the company in a customer's eyes. They represent what a company is or attempts to be and are often the only personal contact a customer has with the company; and lastly, personal selling may play a dominant role in a firm's marketing program. Salespeople can create customer value in many ways. For instance, by being close to the customer, salespeople can identify creative

solutions to customer problems. Personal selling assumes many forms based on the amount of selling done and the amount of creativity required in performing the sales task Adebisi (2006). The selling must be managed if it is to contribute to a firm's overall objectives. Personal selling creates a greater level of participation in the decision process by the vendor especially when combined with tailored messages in response to the feedback provided by the buyer, Fill (2009). However Cravens (2012) argues that since personal selling messages are not controlled, they may lead to inconsistency which in turn leads to confusion of the client. Therefore the messages presented by the sales personnel should be regulated and the time they spend with the prospects limited to avoid jeopardizing the communication process, Low and Cravens (2004).

Personal selling is a social situation involving two persons in a communication, and success results in how well both parties achieve a common understanding that will enable mutual goal fulfillment through social interaction Webster (1968), as cited in Meredith (2009). A sales representative's skill and efforts are especially important whereby —good skills and effort are more effective than poor skills and effort especially for complex, new products as well as presentations from sales representations from lesser-known organizations Levitt (1967) as cited in Meredith (2009). Robert Louis Stevenson once noted, "Everyone lives by selling something." Companies around the world use sales forces to sell products and services to business customers and final consumers. But sales forces are also found in many other kinds of organizations. For example, colleges use recruiters to attract new students, and churches use membership committees to attract new members. Museums and fine arts organizations use fund-raisers to contact donors and raise money. Even governments use sales forces. The U.S. Postal Service, for instance, uses a sales force to sell Express Mail and other services to corporate customers. In the first part of this chapter, they examine personal selling's role in the organization, sales force management decisions, and the personal selling process.

The personal selling process is the heart and soul of selling Anderson (1995). It comprises a series of interrelated stages, which the salesperson follows Kotler and Armstrong (2008) or performs in making the sale. Personal selling is face to face interaction with one or more prospective customer for the purpose of making presentation, answering questions and procuring orders Kotler (2006). Personal selling is the interpersonal arms of promotional mix and personal selling can be more effective than advertising in more complex situation Kotler (2005, p.488).

Personal selling is a process of person-to-person communication. In personal selling, company promotes their products directly to consumers through advertising and promotions or indirectly through resellers or salespeople. For example: Sales people of the insurance industry and real estate sales people Belch and Belch (2009). Personal selling can be classified in various ways like: retail selling, field selling, telemarketing and inside selling Belch and Belch (2009).

According to Zeithaml, Bitner and Gremler (2006) “personal selling is face to face presentation by a representative from the firm to make sales and build customer relationships.” Personal selling is very secure in selling to consumers and resellers.

The face to face conversation facilitates instant feedback. In personal direct selling, representatives can present the product or service to the customer, they can convince the customer through showing the service value, and last if successful, they close the sales. Personal contact is vital for technical consumer products like; real estate, insurance, computer, machine etc. In these cases, personal selling is high value- because it gets the sales close Arens, Schaefer and Weigold (2009). Physical sales meeting is more powerful than other sales techniques to convince the customers because; sales people can easily understand the requirements of customer and can offer accordingly Belch and Belch (2009).

### **2.1.2. The Nature of Personal Selling**

**Personal selling** is one of the oldest professions in the world. The people who do the selling go by many names, including salespeople, sales representatives, agents, district managers, account executives, sales consultants, and sales engineers. People hold many stereotypes of salespeople including some unfavorable ones. “Salesman” may bring to mind the image of Arthur Miller’s pitiable Willy Loman in *Death of a Salesman* or Dwight Schrute, the opinionated Dunder Mifflin paper salesman from the TV shows *The Office*, who lacks both common sense and social skills. And then there are the real-life “yell-and-sell” “pitchmen,” who hawk everything from the ShamWow to the Swivel Sweeper and Point ’n Paint in TV infomercials. However, the majority of salespeople are a far cry from these unfortunate stereotypes. As the opening P&G story shows, most salespeople are well-educated and well-trained professionals who add value for customers and maintain long-term customer relationships. They listen to their customers, assess customer

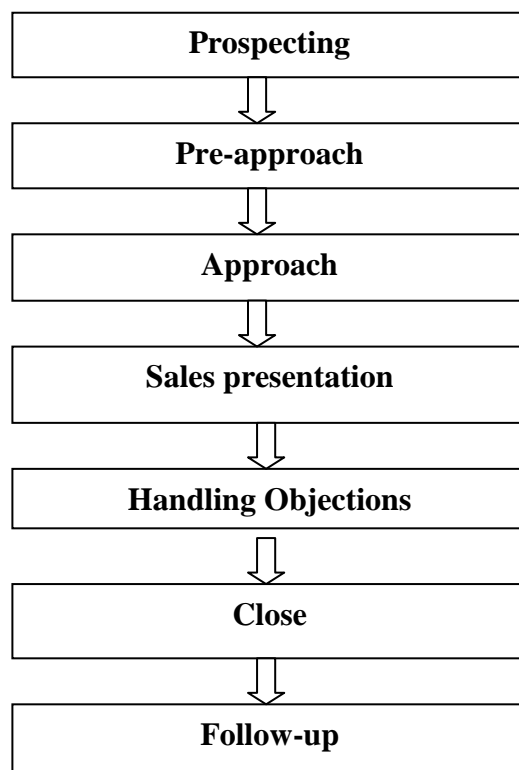
needs, and organize the company's efforts to solve customer problems. Some assumptions about what makes someone a good salesperson are dead wrong. There's this idea that the classic sales personality is overbearing, pushy, and outgoing—the kind of people who walk in and suck all the air out of the room. But the best salespeople are good at one-on-one contact. They create loyalty and customers because people trust them and want to work with them. It's a matter of putting the client's interests first, which is the antithesis of how most people view salespeople. The most successful salespeople are successful for one simple reason: They know how to build relationships. You can go in with a big personality and convince people to do what you want them to do, but that really isn't selling; it's manipulation, and it only works in the short term. A good salesperson can read customer emotions without exploiting them because the bottom line is that he or she wants what's best for the customer. Consider GE's diesel locomotive business. It takes more than fast talk and a warm smile to sell a batch of \$2-million high-tech locomotives. A single big sale can easily run into the hundreds of millions of dollars. GE salespeople head up an extensive team of company specialists—all dedicated to finding ways to satisfy the needs of large customers. The selling process can take years from the first sales presentation to the day the sale is announced. The real challenge is to win buyers' business by building day-in, day-out, year-in, year-out partnerships with them based on superior products and close collaboration. The term **salesperson** covers a wide range of positions. At one extreme, a salesperson might be largely an *order taker*, such as the department store salesperson standing behind the counter. At the other extreme are *order getters*, whose positions demand *creative selling* and *relationship building* for products and services ranging from appliances, industrial equipment, and locomotives to insurance and information technology services. (Personal Selling and Sales Promotion pp.463).

### **2.1.3. Personal selling process**

Personal selling process refers to a sequential series or a series of interrelated steps that the salesperson follows when selling Kotler and Armstrong (2008, p.468). It includes locating qualified prospective customers, the sales presentation plans, making an appointment to see the customer, the sales presentation, completing the sale and performing post-sale activities.

#### 2.1.4. Background of personal selling process

The personal selling process is one of the oldest subjects in the sales literature. It can be found in early sales books, and for example a sales training book titled “How to Increase Your Sales” (1920) already introduces the list of steps of selling. Therefore, the personal selling process has been discussed at great length by a number of authors. The work provided by Cash and Crissy (1964) was the first that posits selling as a process. Later, Dubinsky (1980) made a notable contribution to the sales process by suggesting that rather than being a disorganized activity, selling appears to be a systematic process. The most widely accepted selling process model in the sales literature is recognized as the “seven steps of selling” provided by Dubinsky (1980) – prospecting, pre-approach, approach, presentation, objection handling, close and follow up.



**Figure 1: The Seven Steps of Selling**

*Source: Adopted from (Dubinsky, 1980, p, 32)*

If salespeople follow logical and sequential series of steps in the selling process, they can improve the chance of making the sale Futrell (1994). While there are minor variations among the various traditional personal selling processes that appear in the sales literature, the essential selling activities included in most of these selling processes are similar and each of them are described here in under.

### **i. Prospecting**

Prospecting is a fundamental step in the personal selling process Jolson and Wotruba (1992). Prospect is a person or business, that needs the product a salesperson is selling Futrell (1994, p.408). Prospecting and locating for customer, involves the salesperson searching for and identifying potential customers who have the need, willingness, ability and authority to buy the salesperson's offering Dubinsky (1980, pp.26-27). In this step, the salesperson utilizes various sources to develop sales leads that might need a particular article Hite and Bellizzi (1985). These leads in sales terminology refer to a person or organization that may be a potential customer Reid (1981), and the most basic lead normally consist of a name, a phone and an address Anderson (1995). In other words, "prospects are what salesperson hopes his or her leads really are" Kossen (1982, p.136).

### **ii. Pre-approach**

Before approaching the customer, the professional salespeople must take into account a thoughtful process of planning called the pre-approach which consists of several post prospecting activities before the actual visit with customer. According to Futrell (1994, p.409) "with the pre-approach the salesperson investigates the prospect in greater depth and plans the sales call". The pre-approach has several objectives. The first objective is to gather relevant and specific information about the customer directly from customer or from public sources Ingram (1990), and this information will help salespeople to better qualify the potential prospects Dubinsky (1981). Secondly, the pre-approach will provide some insights into how to develop the most effective way to approach customer Dubinsky (1980). The pre-approach involves preparing presale objectives and developing a customer profile Futrell (1994). Moreover, the pre-approach information enables tailoring the sales presentation and choosing the best strategy for each prospect Anderson (1995).

### **iii. Approach**

After the prospect is identified and the salesperson has collected relevant prospect information, the salesperson is ready to move to the next step called approach. The purpose of approach is to open the sales call, to gain and hold customers' attention and interest Dubinsky and Staples (1981) so that salesperson is able to interact with them more favorably and furthermore to obtain information and to determine prospects' needs and wants Reid (1981).

### **iv. Sales presentation**

The sales presentation has been termed "The core of the personal selling process" by many authors Dubinsky (1980). Accordingly, sales textbooks and trade publications have spent a lot of time discussing this step and research has also been carried out how to gain maximum marketing benefit from its suitable design and execution. In spite of that, many salespeople do not perform the sales presentation activities very well.

According to traditional personal selling process, the purpose of the sales presentation is to provide knowledge about the product Futrell (1994). Moreover, its objective is to demonstrate the benefits and strengths of the product to potential customers and explain what it will do for them Dubinsky (1980). Additionally, salesperson can show during the sales presentation, how the product can fill the prospect's recognized needs Kossen (1982). Hite and Bellizzi (1985) mention that the sales presentation is the actual delivery of designed communication to present a product and salesperson attempts to rouse the prospect's desire for the product and to become a customer. Many authors (e.g., Kossen (1982); Futrell, (1994) suggest that salespersons should attempt to guide the prospect's mind through a four-step AIDA (1. Secure Attention, 2. Arouse Interest, 3. Stimulate Desire, 4. Obtain Action).

### **v. Handling Objections and Overcoming Resistance**

Even the best planned sales presentations will encourage the prospect to make objections Ingram (1990). Professional salespeople should expect that the resistances will confront in every sales situation Brennan (1983). In the stage of handling objections, the salespeople attempt to overcome prospects' opposition and resistance to sales presentation and reluctance to buy Dubinsky and Staples (1981); Hite and Bellizzi (1985). According to Dubinsky (1980), this may

result in the salesperson repeating the product benefits, reassuring the customer's potential decision, and helping the prospect to do the decision.

## **vi. Closing**

The next step in the personal selling process is called the close. In the closing stage, the salesperson tries to convince the customer to buy Dubinsky and Staples (1981). According to the early personal selling literature, the closing stage was often presented as the most important aspect of the sales process. For instance, Brennan (1983) notes that selling is closing, and the ability to get order – to ask for it, to get customer to sign on the dotted line – is the payoff selling. Many authors emphasize the necessity of taking the initiative to close the sale by salespeople (e.g., Dubinsky (1980). Sales person cannot make a sale without closing, because selling is not order taking. Therefore, no matter how well the salesperson has performed in earlier stages of the selling process, he or she can still lose the sale without closing Anderson (1995). According to Futrell (1994), this is the step, where many salespeople fail. They fail because they are afraid of rejection and salesperson may not be confident in his or her ability to close.

## **vii. Follow-up**

The follow-up step is a relatively newer addition to the steps of selling in which the salesperson does not assume the sale is over with the acceptance of an order. Rather, much work begins after the sale to make sure the customer is happy with the product/ service and that everything that was promised is being delivered. Follow-up is an often overlooked but important part of the selling process. After an order is received, it is in the best interest of everyone involved for the sales person to follow-up with the prospect to make sure the product was received in the proper condition, at the right time, installed properly, proper training delivered, and that the entire process was acceptable to the customer. This is a critical step in creating customer satisfaction and building long-term relationships with customers. If the customer experienced any problems whatsoever, the sales professional can intervene and become a customer advocate to ensure 100% satisfaction. Diligent follow-up can also lead to uncovering new needs, additional purchases, and also referrals and testimonials which can be used as sales tools.

In many sales books the final step on the personal selling process is devoted to follow-up (Anderson (1995)). The salesperson's job is not finished when the sale is over with the acceptance of an order. To professional salespeople the ultimate goal is to have a satisfied customer (Reid (1981)) and the follow-up activities can influence the satisfaction derived from their purchases (Kossen (1982)). According to Reid (1981), there are three major reasons why it is necessary to ensure customers' continued satisfaction:

1. It is easier in most cases to sell satisfied customers more or something new than to find and sell to entirely new prospects.
2. Satisfied users are the best source for locating and gaining access to potential new customers (Referrals').
3. Follow-up calls on satisfied customers give salesperson an opportunity to see the product in operation and moreover salesperson can discover new ideas for its use.

The follow-up activities also reduce the negative post-purchase concerns (Dubinsky (1980)), and create goodwill between a salesperson and the customers, which in the long run will increase sales faster than not providing it (Futrell (1994)).

#### **2.1.5. The Sales Process Model**

A schematic model of the sales process is actively influenced by participants, the salesman and the buyer. Each may be thought of as a focal person and each is influenced by personal characteristics and role requirements. Personal characteristics include personality, values, attitudes, past experiences and the like. As shall be developed in more detail in a later section, in some situations the personal affiliation of the salesman and customer with respect to these characteristics may help or hinder the participants in moving onward in the sales process. Role set requirements (e.g., formal authority and organizational autonomy) interact with personal characteristics to shape needs and expectations. Furthermore, one focal person's knowledge of the other's needs and expectations may lead to an adjustment of his own. Based on his needs and expectations, each person develops a strategy by which he expects to negotiate a favorable exchange. That overall strategy may involve efforts at persuasion, ingratiation, communication of facts or offers, efforts at friendship and/or other elements. Directly or indirectly, the compatibility of the needs and expectations of the buyer and seller, as reflected by their strategies, is tested at the negotiation phase of the process. If the strategies are compatible, an

exchange will take place. Otherwise, the salesman and buyer may stop interacting; or, based on the feedback provided by the unsuccessful negotiation, either or both may adapt by altering strategy, attempting to adjust needs locus of control, and thus he may not be able to adapt successfully: for example, to negotiate effectively a salesman may need to be able to set prices, yet this may be contrary to organizational policy and thus beyond his control. When the particular set of negotiations is terminated, regardless of the outcome, the experience becomes input into future S/C interactions. In subsequent sections, previous research of the model: personal characteristics, role requirements, needs and expectations and strategies. While some of the concepts discussed in one section are relevant in others, the division of material provides a logical organization for most issues about personal selling as a process. Arun (1993, p.231-238)

### **2.1.6. Customer Loyalty**

Retaining customers is a financial imperative as attracting new customers is considerably more expensive than for comparable, traditional, bricks-and-mortar stores Reichheld and Schefter (2000). Understanding how or why a sense of loyalty develops in customers remains one of the crucial management issues of our day. Aaker (1991) has discussed the role of loyalty and has specifically noted that brand loyalty leads to certain marketing advantages such as reduced marketing costs, more new customers, and greater trade leverage. In increasingly competitive markets, being able to build loyalty in consumers is seen as the key factor in winning market share Jarvis and Mayo (1986) and developing sustainable competitive advantage Kotler and Singh (1981). While the importance of brand loyalty has been recognized in the marketing literature for at least three decades Howard and Sheth (1969), the conceptualization and empirical validation of a loyalty has not been addressed. Recognizing a vital key to retaining customers is maintaining their trust Reichheld and Schefter (2000).

Oliver (1999) defines loyalty as “a deeply held commitment to rebuy or repatronise a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts have the potential to cause switching behavior Oliver (1999). Chaudhuri and Holbrook (2001) suggest that behavioral, or purchase, loyalty consists of repeated purchases of the brand, whereas attitudinal brand loyalty

includes a degree of dispositional commitment in terms of some unique value associated with the brand.

Oliver (1999) has proposed four ascending brand-loyalty stages according to the cognition affect–conation pattern.

The first stage is cognitive loyalty. Customers are loyal to a brand based on their information on that brand. The next phase is affective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is conative loyalty or behavioral intention. This is a deeply held commitment to buy—a “good intention.” This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. Customers at this stage experience action inertia, coupled with a desire to overcome obstacles to make a purchase. Although action loyalty is ideal, it is difficult to observe and is often equally difficult to measure. As a compromise, most researchers tend to employ the conative or behavioral-intention measure.

As Kelvin (2006) points out, customer loyalty is all about driving perceived value, whether that is rational (Functional, quality, cost, etc.), emotional (trust, service, communication, information, and brand equity) or a combination of these two dimensions. First, identify what leverages top-end customer commitment and advocacy behavior, and then build customer experience around it. According to Lowenstein's research on customer retention, there is no standard schedule for how often to communicate with customers to build loyalty.

The key is to run relevant pander-free promotions that reward customers, make them feel good about doing business with your company, and encourage them to do more of the same. Loyalty programs are a good way to encourage and reward repeat business. Special discounts can also be effective, especially when they are tailored to those customers whose behaviors indicate signs of possible defection. On a more personal note, promotions such as sending promotional gifts, birthday cards, or staying in touch over the holidays with business Christmas cards are additional ways to express appreciation and potentially increase customer retention.

To be successful with a customer loyalty program, one should rely on both tangible and intangible (service, convenience, information, etc.) components Lowenstein (1997). In most programs, a high percentage of customers do not take advantage of loyalty rewards. Consulting

firms can help by researching the effectiveness of each element of the loyalty or retention program, based on its correlation, or contribution, to desired loyalty behavior. For those that don't have access to this kind of quantitative evaluation, Lowenstein recommends debriefing the redeemers and non-redeemers of a loyalty program to find out why they are/are not redeeming and also to determine what else the company can do to build value. When evaluating the benefits of a customer loyalty program, companies need to consider whether they will buy an off-the-shelf vendor program or develop a homegrown program.

In the categorization of brand loyalty today, it would seem that two major approaches predominate. Attitudinal loyalty is often understood as a systematically favorable expression of preference for the brand, or in other words a reflection of the emotional attachment that consumers feel for brands. Behavioral loyalty on the other hand typically infers the loyalty status of a given consumer from an observation of repeated purchasing behavior Morgan (1999).

Jones and Sasser (1995) propose that behavioral loyalty can come up in different kinds of behavior. According to them the recency, frequency and amount of purchases can be identified as a consumer's primary behavior. A consumer's secondary loyalty behavior consists of customer referrals, endorsements and word of mouth. A third kind of loyalty behavior is a consumer's intent to repurchase whether or not the consumer is ready to repurchase the brand in the future.

### **2.1.7. Approaches to Customer Loyalty**

There are multiple approaches to customer loyalty. Theories of behavioral loyalty were dominating until 1970 considering loyalty as the function of the share of total purchases Cunningham (1956); Farley (1964), function of buying frequency or buying pattern Tucker (1964) and Sheth (1968) or function of buying probability Harary (*et al.* 1962); McConnell (1968:14); Wernerfelt (1991,pp. 231). These approaches looked at brand loyalty in terms of outcomes (repeat purchase behavior) rather than reasons; Day (1969) introduced the two-dimensional concept of brand loyalty, which stated that loyalty should be evaluated with both behavioral and attitudinal criteria. Contemporary researches consider and accent the psychological (mostly attitudinal and emotional) factor of loyalty Jacoby (*et al.* 1973, pp.2); Oliver (1999, pp. 34); Chaudury (1995, pp. 28); Djupe (2000: 79); Reichheld (2003, pp. 47). There are also approaches comparing loyalty with marriage Hofmeyr (*et al.* 2000, pp. 53–83);

Lewitt (1983, pp. 89); Dwyer (*et al.* 1987, pp. 14). These different approaches allow distinguishing customers as whether behaviorally or emotionally loyal. Behaviorally loyal customers act loyal but have no emotional bond with the brand or the supplier whereas emotionally loyal customers do. Jones and Sasser call these two kind of loyalty accordingly false or true long term loyalty (Jones *et al.* 1995, pp. 90). Hofmeyr and Rice (2000, pp. 87) divide customers to loyal (behavioral) or committed (emotional). Emotional loyalty is much stronger and longer lasting than behavioral loyalty. It's an enduring desire to maintain a valued relationship. The relationship is so important for the customer that he or she makes maximum efforts to maintain it. (Morgan *et al.* 1995, pp. 24; Reichheld 2003, pp. 9; Moorman *et al.* 1992, pp. 316) highly bonded customers will buy repeatedly from a provider to which they are bonded, recommend that provider to others, and strongly defend these choices to others – insisting that they have chosen the “best” product or service. Butz (*et al.* 1996, pp. 65) Behaviorally loyal customers could be divided to sub-segments by the reason of acting:

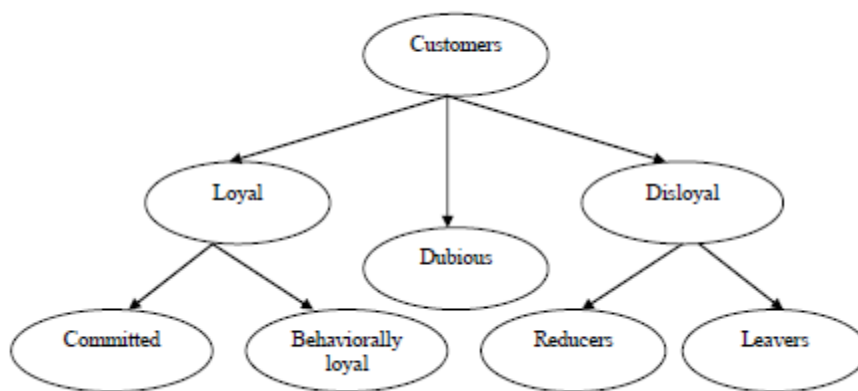
- Forced to be loyal
- Loyal due to inertia or
- Functionally loyal.

Customers are forced to be loyal when they have to be clients even if they do not want to. Customers may be forced to consume certain products or products/services offered by certain vendor e.g. when the company acts as a monopoly or the poor financial status of the customer is limiting his selection of goods. Grönholdt, Martensen and Kristensen (2000) have found that companies with low price strategy had a much higher loyalty than expected from their customer satisfaction. On the other hand, companies that had used a lot of energy on branding indeed had a high customer satisfaction but they did not have a correspondingly high loyalty. Grönholdt (*et al.* 2000, pp. 512) Forced loyalty could be established through creating exit barriers as well. Loyal behavior may also result from inertia – customer does not move to another vendor due to comfort or relatively low importance of operation – if the choice has low importance, there is no point to spend time and effort on searching for alternatives. Thus, based on his faith in the suitability of the current product, the customer continues to use it without checking alternatives. It's in accordance to Oliver's approach of cognitive loyalty: the loyalty that is based on brand belief only. “Cognition can be based on prior or vicarious knowledge or on recent experience-based information. If the transaction is routine, so that satisfaction is not processed (e.g. trash pickup,

utility provision), the depth of loyalty is no deeper than mere performance.” Oliver (1999, pp. 35) Hofmeyr and Rice (2000, pp. 23) say that one of the reasons that customers don’t switch brands when they are dissatisfied is that they feel that the alternatives are just as bad as the brand they are using or even worse. Inertia may be caused also by lack of information about attractive characteristics of the brands Wernerfelt (1991, pp. 231). Functionally loyal customers are loyal because they have an objective reason to be. Wernerfelt (1991) points out “cost-based brand loyalty” where brand utilities have a positive influence on brand choice. Wernerfelt (1991, pp. 231) Functional loyalty can be created by functional values using price, quality, distribution, usage convenience a product or through different loyalty programs (points, coupons, games, draws etc.) giving a concrete reason to prefer certain supplier. Unfortunately competitors can most easily copy functional values. Thus, creating functional value offers a fleeting competitive advantage: functional loyalty can’t be very long lasting. Barnes (2003, pp. 8) Jones and Sasser (1995, pp. 94) propose three measures of loyalty that could be used in segmentation by loyalty:

- **Customer’s primary behavior** – recency, frequency and amount of purchase;
- **Customer’s secondary behavior** – customer referrals, endorsements and spreading the word;
- **Customer’s intent to repurchase** – is the customer ready to repurchase in the future.

Based on the theoretical literature presented above about loyalty, the customers of a certain could be segmented by their loyalty as follows (see also Figure 2):



**Figure 2: General segmentation of customers by loyalty**

*Source: Jones and Sasser (1995, pp. 94)*

- **Committed or emotionally loyal customers** – active customers who use only the certain provider's services and declare that they will use only this provider in the future and recommend this provider to others;
- **Behaviorally loyal customers** – active customers who use only the certain provider's services and declare that they will use only this provider in the future but do not agree to recommend this provider to others (inert or functionally loyal);
- **Ambivalent or dubious customers** – active customers who use only the certain provider's services but don't know which provider they will use in the future;
- **Disloyal reducers**– customers who have reduced or will reduce the percentage of the provider's services in their usage;
- **Leavers** – customers who declare, that they will certainly leave this provider.

#### **2.1.8. Personal selling and customer Loyalty**

During the last several decades, the marketing paradigm has shifted from the manufacturer's market to the customer's market. In order for companies to remain competitive, they must have core capabilities like\ customer orientation, innovativeness, organizational information sharing, personal selling and employee motivation, perceived quality of the product or service, relationship trust or commitment between buyers and sellers, customer satisfaction and high technology. In this paper, the focus is on personal selling and its effect on customer loyalty. A successful salesperson is one that responds quickly to a customer's request. Therefore, factors pertaining to the salesperson are quite important. The performance of the salesperson relates strongly to the company's performance in sales and customer retention. Belch (2006)

Customer loyalty is all about attracting the right customer, getting them to buy, buy often, buy in higher quantities and bring you even more customers. Personal selling that focus is not how you build customer loyalty. Schlesinger et. al. (1991) Customer loyalty, according to Schlesinger, is built by keeping touch with customers using email marketing, thank you cards, treating the sales team well so they treat customers well, showing that you care and remembering what customers like and don't like, and building loyalty by rewarding customers for choosing the company over competitors. In short, you build customer loyalty by treating people how they want to be treated.

### **2.1.9. Selling Skill and Loyalty**

The basic philosophy underlying the approach to personal selling is that selling should be an extension of the marketing concept. This implies that for long-term survival it is in the best interests of the salesperson and their company to identify customer needs and aid customer decision-making by selecting from the product range those products that best fit the customer's requirements. Though many people consider selling as a synonymous term of marketing, but actually it is not. In fact, it is only one of many marketing components. Selling refers to the personal communication of information to pursue a prospective customer to buy something, for example- a good, service, idea or something else. This is done to satisfy his/her need Futrell (n.d.). To be highly efficient, a salesperson should have some unique characteristics. These are known as selling skills. There are a lot of selling skills. Some are discussed below:

***Interpersonal Skills:*** The type of *skills* which are used by a person to properly interact with others. In other words, this term is generally referred to an employee's capability to get along with others while getting the job done. Interpersonal skills refer to mental and communication algorithms applied during social, communication and interaction to achieve certain effects and results Ahmad (et al., 2010, pp.186). Different researches on the area have found that interpersonal skills significantly predict salesperson performance (E.g. Ahmad et al., 2010; Ford et al., 1988; Pilling and Eroglu, 1994;) which finally result on loyalty.

***Marketing skill:*** refers to knowledge about the industry and trends in general such as customers, markets and products; Competitor's products, Services, sales policies; knowledge of competitor's product lines, and knowledge of customer operation Behrman and Perrault (1982). As cited in Ahmad (et al., 2010 pp.188), Ahearne and Schillewaert (2000). As expressed by Ahmad et al., (2010) extensive knowledge base is importance for a sales person since it allows them to cope with the complex market environment.

***Salesmanship Skills:*** Salesmanship skills refer to the skills and knowledge of the salespersons about how to sell the product. As defined by Stroh, "Salesmanship skill is a direct, face-to-face, seller-to-buyer influence which can communicate the facts required for marketing a product; or it

can be utilized by the psychology of persuasion to encourage the formation of a buying decision Ghose (2015).

**Technical Skills:** Technical skills are usually the knowledge and capabilities to perform particular tasks. Managers often need to have technical skills in order to communicate effectively with line workers and coordinate efforts. Technical skills include salesperson's knowledge of product features and benefits, engineering skills, and the procedures required by company policies. A technical skill is defined as a learned capacity in just about any given field of work, study, or even play. Having the above mentioned points, the below is taken as the first Hypothesis of the study.

H1. Sales person's selling skill has significant effect on customer loyalty.

#### **2.1.10. Selling Strategy and Loyalty**

Strategy is a collection of processes that firms utilize before selling their goods and/or services. The aim of a good strategy in selling is that one can meet a proper person at the proper time and location using the best technique in order to influence that person. The real meaning of strategy is doing all things needed to do in the best situation and achieving goals. Selling strategies and tactics should be geared towards customer loyalty and customer retention by inspiring and motivating people. People are emotional creatures. Not only is our decision-making influenced by what we feel, we get an energy boost from strong emotions. Kelvin (2006) The most common definition of sales strategy deals with one's approach to the customer.

##### **i. Adaptive selling strategy**

Adaptive selling is conceptualized as the process a salesperson goes through to gather information about the selling situation and use this information to develop unique sales presentations designed to meet the needs of the customer Spiro and Weitz (1990). The adaptive selling framework proposes that the proper use of an adaptive selling strategy can be critical to a salesperson's effectiveness (Spiro and Weitz 1990; Goolsby et al., 1992; Boorum et al., 1998; Porter, 1998; Porter and Inks, 2000) which is defined as "the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation" Weitz et al., (1986).

Adaptive selling may cause a salesperson to sacrifice short-term sales to maintain customer satisfaction and increase the probability of future sales Porter et al., (2003). High adaptation to customer needs and customization of the offer are usually considered important dimensions of an adaptive strategy.

## **ii. Customer-oriented selling strategy**

A contemporary belief holds that a vital key to performance rests with being able to maintain customer relationships. In order to have a successful long-term relationship with customers, the organization should be customer-oriented.

As pointed out by Wilson (2000), salespeople attempt to persuade the buyer to do something that will benefit the salesperson's company. A win-win approach should be adopted, where salespeople should become customer partners Weitz and Bradford (1999) and increase their customer orientation, as opposed to selling orientation Saxe and Weitz (1982). Consequently, a customer-oriented selling strategy is widely recognized as an important class of selling strategy (Flaherty et al., 1999; Keillor et al., 2000).

It is appropriate to assess the connections of this well-established construct (customer orientation) to long-term relationships more specifically, while salespeople who are customer-oriented attempt to satisfy buyers' needs, which is not a short-term venture. Instead sellers committed to this orientation must be willing to spend considerable time dedicated to understanding and then satisfying the customer through enduring buyer-seller relationships that transcend occasional relational disruptions.

The firm can provide the appropriate training so that salespeople gain the aforementioned resources to become more customer-oriented (Siguaw et al., 1994; Flaherty et al., 1999. Williams 1998) found that customer-oriented selling strategy leads to the successful development of relationships with customers and positive impact on customer loyalty and sales performance.

## **iii. Relational selling strategy**

During the past decade, both academics and practitioners have devoted increasing attention to the relational selling strategy Morgan and Hunt (1994). This trend has been particularly relevant in industrial markets, where buyer-seller relationships are typically characterized by complexity, interdependence and long-term orientation.

According to Slater and Olson (2000), a relational selling strategy is based on supplier and customer interdependence, an exchange of critical information, trust between partners and a stable relationship that allows each party to benefit from a fair return on its investments in keeping with the orientation towards relational exchanges, which has been recognized as one of the fundamental changes in business-to-business markets during the last decades Weitz and Bradford (1999). Salespeople play a key role in the formation of long-term buyer-seller relationships; buyers often have a greater loyalty to salespeople than they have to the firms employing the salespeople Weitz and Bradford (1999).

Based on the above points the below is taken as second hypothesis of the study.

H2. Sales person's selling strategy has significant effect on customer loyalty.

#### **2.1.11. Product/ service Knowledge and Loyalty**

Product and service Knowledge refers to salesperson's knowledge and skill in providing information about design and specification of products and the applications and functions of both products and services Ahmad (et al., 2010, pp.188). The fourth hypothesis emanates from the above literature. If the sales person has the expected product/ service knowledge, he/she can convince customers to be loyal. For customers with low product knowledge, the relative importance of the perception of sacrifice will decline, as customers may take more time to interpret product information. In addition, due to the lack of product knowledge, customers may have difficulty assessing the service outcome and, thus, may be less certain in evaluating that outcome. Thus, the link from service outcome to loyalty would not be as strong as for those with high product knowledge. Therefore the below is the third hypothesis of the study.

H3. Sales person's product and service knowledge has significant effect on customer loyalty.

#### **2.1.12. Sales person's organizational policy and procedure knowledge and Loyalty**

If the sales person has a good knowledge of the company's organizational policy and procedure, he or she can maintain the customers loyal. This is therefore the below point is taken as third hypothesis.

H3. Sales person's organizational policy and procedure knowledge has significant effect on customer loyalty.

### **2.1.13. Trust and Customer Loyalty**

Trust is defined as users' perception, opinions, emotions, or feelings that occur when consumers think that the provider can be relied upon to act in their benefits Patrick (2002). Trust is built when customers do not hesitate to believe in services provider or the organization's intentions and customers think that they will not deliberately do anything to harm them. Trust exists when consumers have positive perception regarding the performance of product a brand and organization's behavior Chaudhuri and Holbrook (2002). Trust refers to the consumers' willingness to believe their exchange partner with honesty and integrity Wang (2009). Trust is considered so important to long-term relationships and enhancing customer loyalty. Many authors have suggested that customers' trust has a significant role in building long-term relationship and achieving customer loyalty (Berry, 1983; Kotler and Armstrong, 2010). According to Clow and Kurtz (2003), the key to developing a customer relationship competitive advantage is not merely obtaining a contractual agreement, it is developing mutual trust. They argue that the customers must be able to trust the seller and know that he or she will provide the service when needed at the service quality level desired and the seller must be able to trust and work with the customer in a mutually beneficial relationship. This relationship involves both parties sharing information and working together to solve problems. The primary action in gaining customer acceptance of service process modification is to develop customer trust Clow and Kurtz (2003). They pointed out that service modifications are much easier to accomplish if customers trust the service providers. Service providers must understand customer habits and know how, when, and why customers purchase the service. The more the producer knows about the customer's use of product, the easier the change will be to implement. The results of Taylor, Celuch and Goodwin (2004) suggest that trust is consistently the most important antecedents to customer loyalty.

As Morgan and Hunt (1994) demonstrate it, Relationship Marketing is built on the foundation of trust. They define trust as a willingness to rely on an exchange partner in whom one has confidence. Trust ensures that the relational exchange is mutually beneficial, as the good intentions of partners are not in doubt. Customers buying services are specially benefited by the existence and development of trust Berry (1983). Trust is an important ingredient in firm-

customer relationships and ultimately in the development of loyalty Ndubisi (2005). Therefore, firms should strive to win customers' trust. The ways in which this can be achieved include the giving and keeping promises to customers, showing concern for the security of transactions, providing quality services, showing respect for customers through front-line staff, fulfilling obligations, and acting to build customers confidence in the company and its products. Morgan and Hunt (1994) conceptualize trust as existing when one party has confidence in an exchange partner's reliability and integrity. They indicated that trust is a generalized expectancy held by an individual that the word of another can be relied on. Their definition highlights the importance of confidence. The literature on trust suggests that confidence on the part of the trusting party results from the firm belief that the trustworthy party is reliable and has high integrity, which is associated with such qualities as consistent, competent, honest, fair, and responsible. Trust in personal Selling is very important. This is the main focus in service organizations. It needs to go along with commitment. If deliverable is good then trust increases. A customer's trust in a salesperson positively influences the customer's trust in the supplier firm. Specifically, it can be argued that it is through the sales exchange experience that the customer builds familiarity with the salesperson and, since the salesperson is often the key interface between the customer and the firm (especially in industrial markets), customers will often need to use information about the salesperson in order to make inferences about the firm Swan and Nolan (1985). This notion is supported by Doney and Cannon (1997, pp. 35), who state: "[a] long term relationship with a trusted supplier could be jeopardized by a company representative who proves to be dishonest and unreliable... Conversely, highly trusted salespeople can preserve commitment during difficult times created by management policies that appear contrary to the customer's best interests". Thus, it can be seen that the establishment of customer trust or mistrust in the salesperson is likely to be transferred to the firm. This is therefore the below point is taken as forth hypothesis.

H4. Trust has significant effect on customer loyalty.

## 2.2. Empirical Review

Although personal selling has long been recognized as one of the marketing mix, most of the studies investigated its impact on sales performance and Consumer Based Brand Equity. Moreover, the majority of previous studies examining the impact of sales skill in salespersons performance and sales skills on sales performance have been conducted in advanced western economies. Limited research works have been conducted in Ethiopia examining the impact of personal selling and organizational commitment on sales performance.

In addition, several studies have been conducted to find out the role of sales staff in improving customer retention rates through direct intervention. Reicheld and Sasser (1990) found out that profit in service industries, including credit card companies like banks, increased in direct proportion to the length of a customer's relationship. They noted the experience of MBNA America, citing its customer defection 'swat' team staffed by some of the company's best telemarketers, which achieved a 50% success rate in persuading customers to retain their credit cards. They concluded that cutting defection in half could more than double the growth rate of the average company. Everett (1993) noted that a dedicated customer retention unit developed by Patrick J Swanick at the Society National bank in Clevel and achieved a seventy five percent success rate in persuading callers to remain with the bank.

A study conducted with the title: Effects of Direct Selling Strategy on Customer Loyalty by Commercial Banks in Kisii County which was conducted by Sixtus, Dr. Walter, Dr. Andrew Philemon Wesonga and Dennis (2014) indicated that all banks in Kisii County engage in direct selling activities as a way of increasing volume sales without much regard to customer retention. The banks' engagement in direct sales paid little attention to customer loyalty. As a recommendation the researcher proposed the establishment of an effective direct sales approach that ensures a successful customer retention implementation program.

A study which is conducted by Chong Lee Woon and his friends in 2015 with the title Factors Influencing Customer Loyalty in Airline Industry in Malaysia states that the independent variables which are satisfaction, commitment, trust and perceived quality were discussed in

details based on analysis result. The findings found that commitment, trust and perceived quality have positive and significant relationship with the dependent variable customer loyalty in airline industry in Malaysia.

### **Relationship marketing on customer loyalty enhancement**

A study conducted by Assistant Professor Abdolaziz Abtin and MSc Student in Information Technology Management, Mostafa Pouramiri in 2016 with the title *The impact of relationship marketing on customer loyalty enhancement (Case study: Kerman Iran insurance company)* studied the positive effects of factors such as trust, satisfaction, management, communication, and competence on increasing customer loyalty. The result indicated a statistically significant relationship between customer loyalty and each of independent variables consist of trust, satisfaction, management, communication, and competence. The results of the study support the findings of several previous studies such as Kahraman and Ndubisi (2005) and Fry (et al. 1973). Cottrell (1995) argued that trust is essential for customer loyalty where trust indicate the product quality. Based on the result of the research, respondents were clearly keen about product quality to convert from ordinary customer to loyal customer. The findings also were not congruent with Reynolds and Arnold (2000) who stated that emotional loyalty is not developed by loyalty points and reward. The researcher takes the two factors Trust and Satisfaction for the study to check whether the mentioned variables apply on an airline industry or not.

### **Selling strategies on sales performance**

Another study which was conducted by Ghazaleh Moghareh Abed and Mohammad Haghghi (2009) with the title *The effect of selling strategies on sales performance* states that the findings from their study clearly show that managers' perception of the adoption of strategies on the part of the selling firm is associated with the adoption of some specific classes of behaviors (customer-oriented selling, adaptive selling, relational selling) that can contribute to the creation of strong and long-lasting positive relationships with customers. An effective strategy means an adequate formulation process, competitive positioning and proper implementation. We examined the most effective sales strategies and found that customer-oriented, relational selling strategies and salespeople characteristic have positive effect on sales performance and finally through applying such strategies managers can meet their goal of meeting customer satisfaction and establishing positive long-term relation with customers. On the other hand, the managerial

problem of aligning the actual behaviors of the sales force to the firm's intended strategy has become even more important in the strategic perspective, due to the fundamental role played by sales people in the implementation of such selling strategies Guenzi (et al., 2007). From their findings, it can be learned that selling strategy has significant impact on the creation of strong and long-lasting positive relationships with customers who will end up in customer loyalty. This is therefore one of the variable is taken from this study to ascertain whether selling strategy has impact on customer loyalty in an airline industry.

Several studies have identified a number of independent variables that influence salesperson performance (see Churchill et al., 1985; Baldauf and Cravens, 1999; 2002; Piercy et al., 1997; 1998; Baldauf et al., 2001; Babakus, et al., 1996; Barker, 1999; Rentz et al., 2002). Churchill (et al., 1985) found that in terms of the average size of their association with salesperson performance, the determinants were ordered as follows: Role variables, selling skills, motivation, personal factors, aptitude, and organizational factors; but when ordered according to real variation (i.e., not attributable to sampling error), the determinants were ranked as: personal factors, selling skills, role variables, aptitude, motivation, and organizational/environmental factors. The findings from Churchill (et al., 1985) indicated that selling skills were the second most important of six variables, both in terms of average size association with performance and in terms of real variation. However, Churchill (et al., 1985) and Rentz (et al., 2002) observed that few studies on individual characteristics relating to the selling skills dimensions of salespersons were conducted before the meta-analysis studies of Churchill (et al., 1985). Nevertheless, since these studies, a considerable amount of research has focused upon specific aspects or the micro-skill stream of selling skills, which focused on individual sales skills Rentz (et al., 2002). These micro-stream selling skills can be divided into three dimensions – interpersonal, salesmanship and technical skills. With respect to this, this paper attempts to build upon Churchill (et al., 1985) seminal work to examine the influence of sales skills on salesperson performance in an emerging economy context. Specifically, the paper investigates the influence of four sales skills dimensions on salesperson performance. Three sales skills dimensions – interpersonal, salesmanship and technical skills – are derived from Ford (et al., 1988); cited in Churchill (et al., 2000), and the other dimension of marketing skills is derived from Ahearne and Schillewaert (2000). Although there have been numerous studies on the direct relationship between

organizational commitment and job performance, however, there have been few studies conducted treating the influence of organizational commitment on salespersons performance. According to Meyer and Allen (1997), a committed employee is the one who stays with the organization through thick and thin, attends work regularly, puts in a full day (and maybe more), protects company assets, shares company goals and others. Thus, having a committed workforce is an added organizational advantage. Irving and Coleman (2003), for example, examined the effect of organizational commitment on the relationship between role ambiguity and job tension in an organization undergoing significant change. Results of their study indicated that organizational commitment tended to aggravate relations between the two variables. From a different perspective, Chang (1999) examined the effect of organizational commitment as on the relationship between perceptions of a company's career practices and turnover intention. Based on the above study the researcher took one of the variables which is selling skill to investigate its impact on customer loyalty as it if found that selling skill has a great impact on performance.

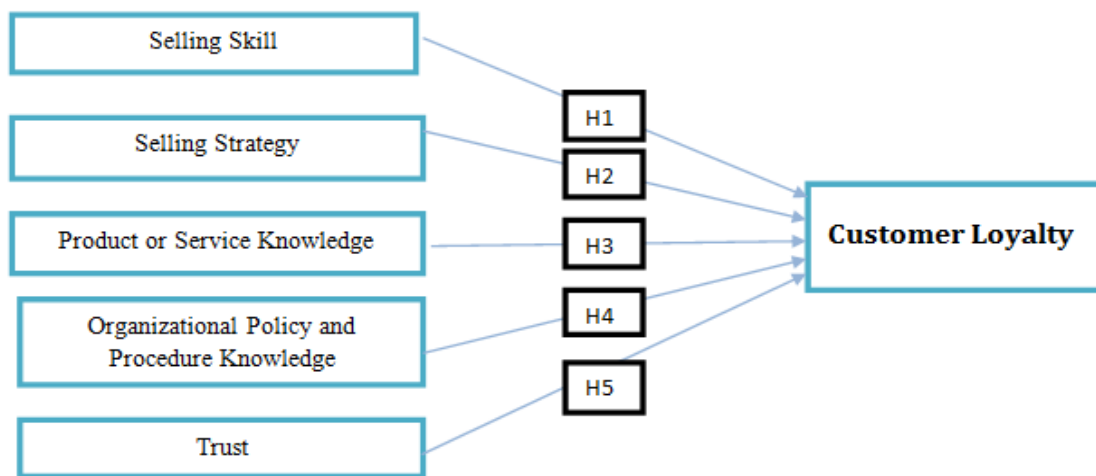
### **Ethiopian researches on the Subject**

When we come to in Ethiopian context Mikias (2016), Amanuel (2016) and Eden (2014) studied the impact of personal selling skill on sales performance and they took the personal selling skills as variables and tasted its impact on sales performance and all of the confirmed that selling skill has an impact on sales performance.

A study conducted by Cherinet Boke Chakiso (2015) with the title The effect of relationship marketing on customers' loyalty (Evidence from Zemen Bank) provides empirical evidence for the influence on customer loyalty of five underpinnings of relationship marketing: Trust, commitment, conflict handling, communication, and gratitude. RM constructs are identified from the literature, integrated in the proposed model, and linked with customers' loyalty. In addition, the mediating effect of top management commitment with RM and customers' loyalty are also investigated. The study tried to validate that, in Zemen Bank; relationship marketing underpinnings had effect on customers' loyalty. Overall, all relationship marketing underpinnings such as trust, commitment, conflict management, communication, and gratitude have positive and moderate relationship with customers' loyalty.

### 2.3. Conceptual Frame work

Figure 2.3 shows the proposed conceptual model for the research. The independent variables are selling skill, selling strategy, product/ Service knowledge, Trust and satisfaction while the dependent variable is customer loyalty. All of the independent variables are proposed to have positive relationship with the dependent variable.



**Figure 3: The Proposed Conceptual Framework**

*Source: Adopted from Ghozaleh and Mohammed (2009), M.S Basis, S.Z Ahmad and P.J Kitchen (2010), Rauyruen and Miller (2007), and modified by the researcher*

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3. Introduction**

This chapter provides a clear explanation on how the research is carried out. It describes the target respondent, the sample size and sampling procedure, when, where and how the data was collected, how the variables are measured and what techniques were employed to examine the collected data.

##### **3.1. Description of the Study area**

The study area is limited to personal selling and its effect on customer loyalty in the case of Ethiopian Airlines. To the best of the researcher's knowledge and review of related literatures, although personal selling has long been recognized as one of the marketing mix, most of the studies investigated its impact on sales performance and Consumer Based Brand Equity. Limited research works have been conducted in Ethiopia examining the impact of personal selling and organizational commitment on sales performance. Therefore the researcher gets the subject area appealing for further investigation. The study focuses only on Ethiopian Airlines frequent flyer program members. The questionnaire were distributed at Addis Addis Ababa Bole International Airport Sheba Miles check-in counter, Ethiopian Airlines Ticket Office which is located in Hilton Hotel and The Central Ticket Office which is located in front of National Theatre as the two offices have a dedicated counter for Loyalty program members.

##### **3.2. Research Approach**

Since the researcher formulated a set of hypotheses that need to be confirmed or rejected during the research process, deductive research approach was adopted.

The study used quantitative research methods. Quantitative research involves studies that make use of statistical analyses to obtain their findings. Key features include formal and systematic measurement and the use of statistics. The researcher chose Quantitative approach.

### **3.3. Research Design**

Exploratory research is undertaken to explore an area where little is known or to. The researcher used the facts or information already available to analyze and make a critical evaluation of the data/information. Exploratory research is less formal, sometimes even unstructured and focuses on gaining background information and helps to better understand and clarify a problem. It can be used to develop hypotheses and to develop questions to be answered Abiy et al. (2009).

Accordingly, the research is explanatory type of research as it explains the effect of personal selling on customer loyalty and it also investigates the strength of the relationship between dependent and independent variables. The research also attempted to clarify why and how there is relationship between two or more aspects of variables. Moreover, the research investigated the contribution of personal selling towards customer loyalty.

### **3.4. Population and Sampling**

#### **3.4.1. Population**

The target population of the study is passengers of Ethiopian Airlines frequent flyer program members who resides in Addis Ababa, Ethiopia. The questionnaires was administered over two week's period. Hence the population of this study was targeted on Ethiopian airlines frequent flyer program members; the questionnaires were distributed at Addis Addis Ababa Bole International Airport check-in counter, Ethiopian Airlines Ticket Office located in Hilton Hotel and The Central Ticket Office which is located in front of National Theatre as the two offices have a dedicated counter for ShebaMiles members.

#### **3.4.2. Sampling Techniques**

Respondents were sampled using non-probability convenience sampling method based on the accessibility and willingness to participate (i.e. as they arrive to the service delivery counter). The researcher employed convenience sampling method mainly due to the unavailability of details of target respondents and due to the reason that there is no way to get the customers unless they arrive at ticket offices and airport check-in counters. In addition, the company was not willing to disclose a complete list of its customers who are members of the loyalty program

both to respect the privacy of its customers and to minimize possible snatching of the customers by competitors. Since there was no sampling frame for application of random selection, the researcher decided to approach customers who visit the selected sites i.e. the airline's selected ticket offices and airport check-in counters.

### **3.4.3. Sample Size**

Coming to the appropriate number of participants, identifying a sufficient sample size is important. Large sample sizes are desirable as they are more representative of the population and inversely proportional to sampling error. Due to resource related reasons and prior studies sample size, a sample size of 384 respondents were considered for the study using the below sample size determination formula with 5 percent error margin.

$$n = \frac{Z^2 * pq}{e^2}$$

Where

n: sample size

z: z score at specified confidence interval

p: estimated proportion of an attribute present in the population

If p is unknown in advance, the convention is to assume p = 0.5

q = 1 - p

e: desired level of accuracy

$$n = \frac{(1.92)^2 * 0.5 (1 - 0.5)}{(0.05)^2}$$

$$n = 384$$

### **3.5. Data Source and Types**

Both primary and secondary data were applied to obtain relevant information as an input for this study. Primary data was obtained from questionnaire, whereas secondary data was obtained from different reports and documents. The Questionnaire enhanced collection of large and standardized data and it was developed both in English and Amharic languages. The researcher adopted a five point Likert scale that helps to measure the adopted variables by the researcher

and help the respondents to evaluate the effect of personal selling on customer loyalty. This measurement shows statement with which the respondents show the level of agreement or disagreement that is from strongly agree=5 to strongly disagree=1. The questionnaire has two parts, namely General Information, and questions based on the variables namely, selling skill, selling strategy, product/ service knowledge, Trust and customer satisfaction. The secondary data was obtained from the airline's loyalty program guide, personal selling procedures and other materials such as the internal newsletter, aviation report and magazine, articles, books and other pertaining documents.

### **3.6. Data Collecting Procedures**

To enhance representativeness of the sample, the sampling targets were selected among all ticket offices and airport counters including countries. The questionnaires were administered face to face with 384 customers who were selected while visiting Hilton and Central Ticket Offices' dedicated counters and Addis Ababa Bole Airport international Airport check-in counters. The Survey was made only with customers who were willing to take part in the study and they were also assured about the confidentiality of the information.

### **3.7. Data Analysis**

After the data is collected from primary source it was checked and in-house editing was undertaken to detect errors. Then, the edited data was coded and manually entered in to statistical package for social science (SPSS). Moreover, quantitative method of data analysis techniques was employed. The collected data was analyzed using descriptive statistical tools like: frequency, mean, standard deviation and inferential statistical tools such as: correlation, regression and ANOVA and T- test (for the demographic variables and dependent variable). The regression analysis was conducted to determine by how much percent the independent variable explain the dependent variable. Correlation analysis was conducted to test the proposed hypothesis whether there is a positive significant relationship between the independent and dependent variables.

### **3.8. Reliability and Validity**

**Reliability** is the consistency of a set of measurements or measuring instrument, often used to describe a test. One of the most commonly used is called Cronbach’s Alpha. The Cronbach Alpha coefficient is an indicator of internal consistency of the scale. A high value of the Cronbach’s Alpha coefficient suggests that the items that make up the scale “hang together” and measure the same underlying construct. A value of Cronbach alpha above 0.70 can be used as a reasonable test of scale reliability (Gaur A. and Gaur S., 2009). The reliability of both dependent and independent variables is shown in the below Table 1.

**Table 1: Reliability Analysis of Variables**

<b>Variables</b>	<b>Cronbach’s Alpha Coefficient</b>	<b>Number of items</b>
<b>Selling Skill</b>	<b>0.806</b>	<b>6</b>
<b>Selling Strategy</b>	<b>0.700</b>	<b>5</b>
<b>Product or Service Knowledge</b>	<b>0.855</b>	<b>6</b>
<b>Organizational Policy and Procedure Knowledge</b>	<b>0.738</b>	<b>5</b>
<b>Trust</b>	<b>0.906</b>	<b>5</b>
<b>Customer Loyalty</b>	<b>0.812</b>	<b>5</b>

*Source: Survey Data (2018)*

**Validity** is concerned with whether the findings are really about what they appear to be about. Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure. Different steps were taken to ensure the validity of the study.

- Data were collected from reliable sources, from respondents who should provide a valid answer.
- Survey question were prepared based on literature review and frame of reference to ensure the validity of the research.

In order to ensure the quality of this research design content and construct validity of the study was checked. Peer discussion with advisor and other experts was also another way of checking the appropriateness of questions. Moreover, the pilot test that was conducted prior to the actual data collection has helped to get valuable comments. The questionnaires were amended based on the pilot test and feedback from experts including the advisor.

### **3.9. Ethical Consideration**

As this study required the participation of human respondents, specifically passengers, certain ethical issues like consent and confidentiality were considered. In order to secure the consent of the selected participants, all important details of the study, including its aim and purpose were relayed. By explaining these important details, the respondents were able to understand the importance of their role in the completion of the research. With this, the participants were not forced to participate in the research. The confidentiality of the participants was also ensured by not disclosing their names or personal information in the research. Only relevant details are included. Finally, ethical consideration of proper and due referencing and acknowledgement is also made during the entire research process.

## **CHAPTER FOUR**

### **4. DATA ANALYSIS AND INTERPRETATION**

This chapter contains data presentation, analysis and discussion on findings under each presentation, aimed at achieving the research objective. In this regard, the chapter discusses the data analysis and interpretation. The data analysis was made with the help of Statistical Package for Social Science (SPSS).

The demographic profile of the study sample has been described using descriptive statistics. Furthermore, descriptive statistics were used to analyze variables. To test hypothesis and achieve the study objectives, different inferential statistics were employed. By using T-test and one way ANOVA the mean difference between demographic profile of respondents and customer Loyalty were analyzed. Multiple regressions were also employed to test hypothesis and achieve the study objective that focuses on identifying the most important personal selling variables. Pearson correlation coefficient and Cronbach alpha were used to test reliability and internal consistency of the measure.

In order to make the collected data suitable for the analysis, all questionnaires were screened for completeness. All returned incomplete questionnaires were considered as errors and removed from the survey data. Out of the 384 distributed questionnaires, 372 were collected. During data editing, the collected questionnaires were checked for errors and 12 incomplete questionnaires were identified and discarded. Therefore 372 questionnaires were found to be valid and used for the final analysis.

#### **4.1. Descriptive Analysis**

##### **4.1.1. Demographic Profile of Respondents**

This section summarizes the demographic characteristics of the samples, which includes age of the respondent, gender, education level, and experience. The purpose of the demographic analysis in this research is to describe the characteristics of the samples such as the number of respondents, proportion of males and females in the sample, range of age, and education level, membership period and level, class of service so that the analysis could be more meaningful for

readers. In addition to this, the differences between demographic profiles of respondents on the customer loyalty were analyzed by using T-test and one-way ANOVA.

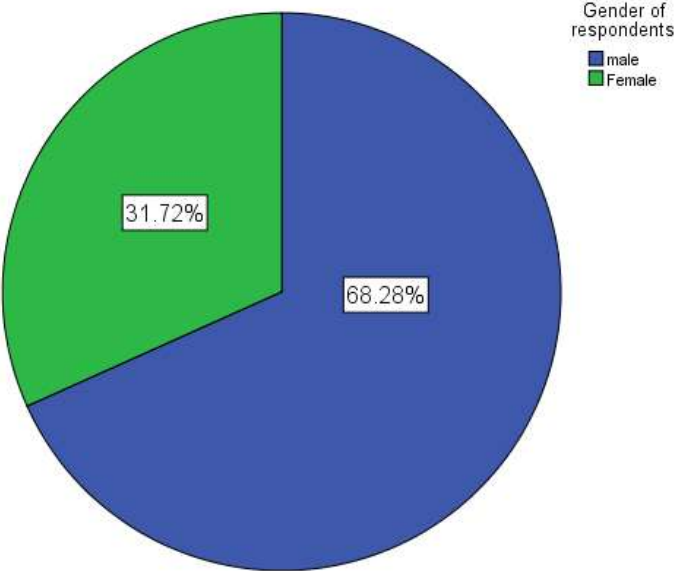
**Table 2: Demographic Profile of Respondents**

<b>No</b>	<b>Variables</b>	<b>Description</b>	<b>Frequency</b>	<b>Percentage</b>
<b>1</b>	<b>Gender</b>	Male	254	68.3
		Female	118	37.7
<b>2</b>	<b>Age</b>	Below 20 years	9	2.4
		20-30	156	41.9
		31-40	125	33.6
		Above 40	82	22
<b>3</b>	<b>Educational Qualification</b>	High School complete	21	5.6
		Certificate	1	0.3
		Diploma	37	9.9
		Degree	177	47.6
		Master's Degree	70	1.8
		PhD	66	17.7
<b>4</b>	<b>Job</b>	Government Employee	72	19.4
		Private company Employee	66	17.7
		NGO Employee	84	22.6
		Business Owner	141	37.9
		Unemployed	9	2.4
<b>5</b>	<b>Membership Period</b>	Less than 5 Years	207	55.6
		6-10	84	22.6
		11-15	34	9.1
		More than 15	47	12.6
<b>6</b>	<b>Membership Level</b>	Platinum	84	22.6
		Gold	98	26.3
		Silver	141	37.9
		Blue	49	13.2
<b>7</b>	<b>Class of Service</b>	Business	114	30.6
		Economy	258	69.4

*Source: Survey Data (2018)*

Table 2 shows the demographic profile of 372 respondents.

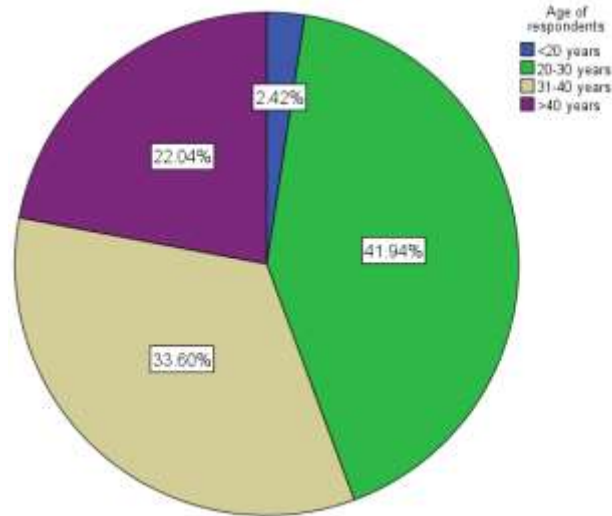
In terms of gender, male respondents have outnumbered female respondents (Female 37.7 %, Male 68.3%).



**Figure 4: Gender of Respondents**

*Source: Survey Data (2018)*

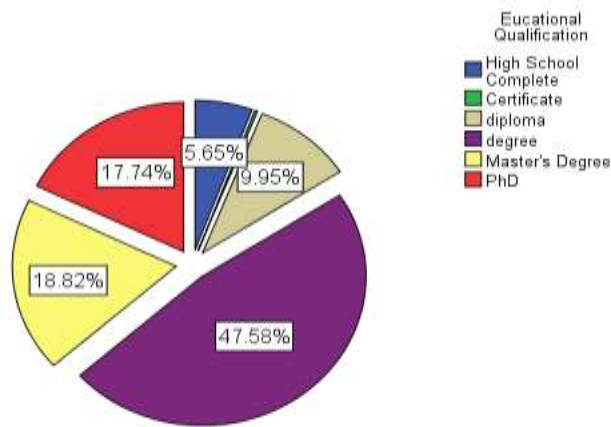
Regarding the age of respondents, the sample population is largely dominated by the age group of 20-30 (41.9%) followed by the group within the age group of 31-40 (33.6%). This implies that most of the sample respondents are the younger generation below the age of 40. The rest of the respondents consist of adults in the age group above 41 (22%) and those below the age of 20 (2.4%). This implies that most of the airlines are customers between 20-40 Years old and customer who are less than 20 years old are not loyal customers.



**Figure 5: Age of Respondents**

*Source: Survey Data (2018)*

In terms of education, the largest number of the population comprises 1st degree holders, which accounts for 47.6% of the total respondents, followed by those who hold Master’s degree 18.8% and PhD 17.7%. The remaining figures falls into high school complete 5.6%, Diploma holders 9.9% and certificate 0.3%. This shows that most of the respondents are well educated.

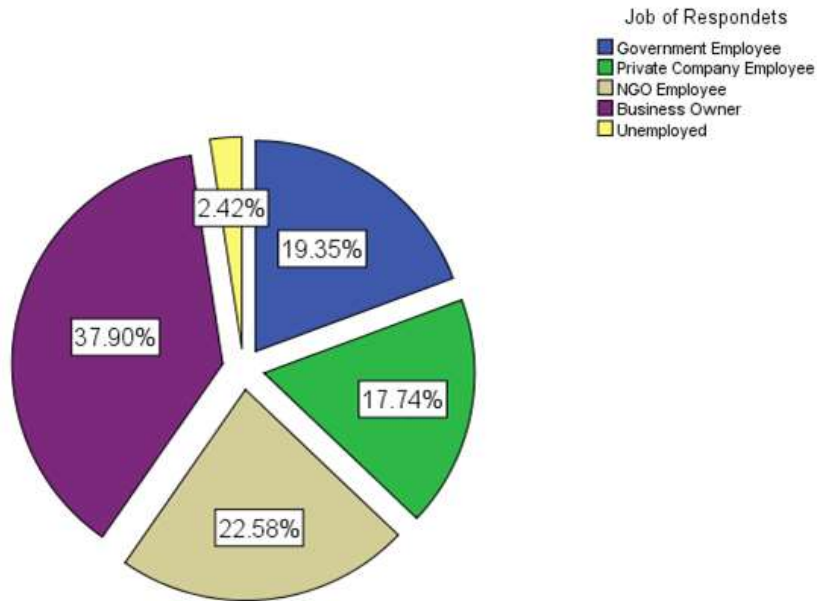


**Figure 6: Educational Qualification of Respondents**

*Source: Survey Data (2018)*

In terms of Job 37.9% of the respondents are Business owners, 22.6% of them are NGO employees, 19.4 % are Government employees, 17.7% private company employees and 2.4% are

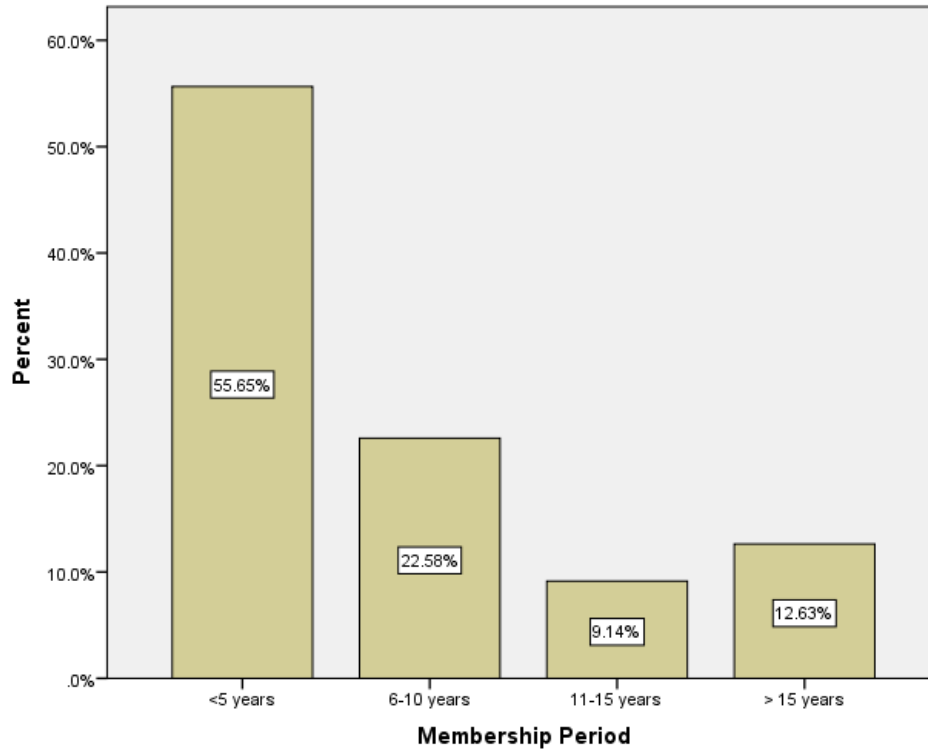
unemployed. This implies that majority of the respondents are Business Owners followed by NGO Employees and Government employees. It can be said that most of the airline customers loyal customers are comprises from Business owners, NGO employees and Government Employees respectively.



**Figure 7: Job of Respondents**

*Source: Survey Data (2018)*

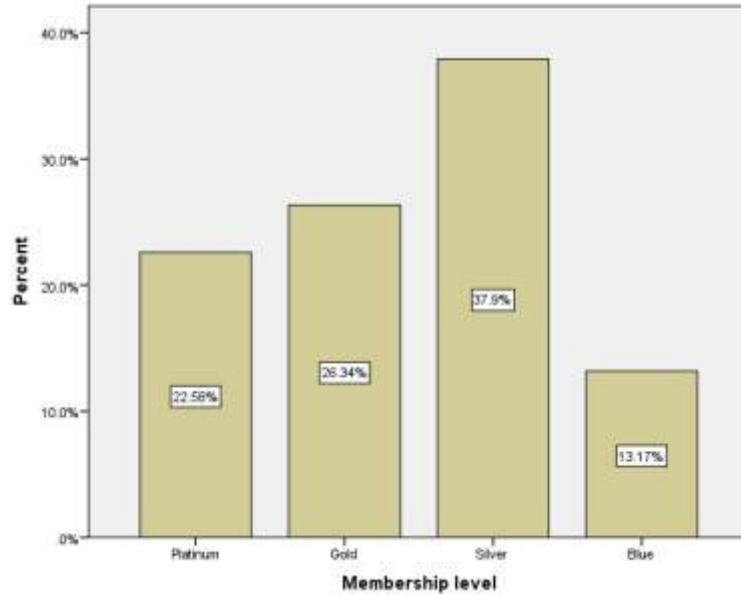
Regarding membership period in Ethiopian Airlines Loyalty Program ( Shebamiles) 55.6% of the respondents become members in less than 5 years, 22.6 % of them became members from 6-10 years, 12.6 % of the respondents become members before 15 years and 9.1% of the respondents become members between 11-15 Years. This implies that most of the respondents are new members who joined the program in less than 5 years and most of the airlines' loyalty program members are new.



**Figure 8: Membership Period in Ethiopian Airline Loyalty program**

*Source: Survey Data (2018)*

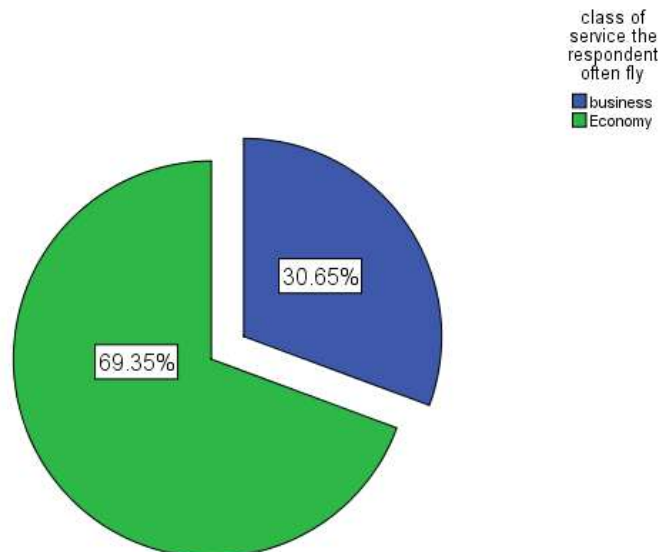
In terms of membership level 37.9% of the respondents are silver members, 26.3% are Gold Members, 22.6% are platinum members and 13.2% are blue members. This implies that most of the airlines loyalty program members are between silver and platinum.



**Figure 9: Membership Level in Ethiopian Airline Loyalty program**

*Source: Survey Data (2018)*

Among the 372 respondents, 69.4% of them fly in Economy class and the remaining 30.6% of them fly in Business class. This implies that most of the airlines loyal customers use economy class than business.



**Figure 10: Membership Level in Ethiopian Airline Loyalty program**

*Source: Survey Data (2018)*

#### 4.1.2. Descriptive Statistics of Variables

**Table 3: Descriptive Statistics of variables**

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Selling Skill	372	3.50	5.00	4.3835	.38893
Selling Strategy	372	3.00	5.00	4.4581	.39054
Product or Service Knowledge	372	3.17	5.00	4.1438	.36383
Organizational Policy and Procedure Knowledge	372	3.20	5.00	4.2081	.35003
Trust	372	2.80	5.00	4.5210	.45580
Customer Loyalty	372	3.00	5.00	4.5849	.42584
Valid N (list wise)	372				

*Source: Survey data (2018)*

Since items under each dimension are summed to one in table 3, the mean score of all variables is greater than the midpoint of the scale (which is 3). The mean value of the dependent variable Customer Loyalty (4.5849) is the highest followed by Trust (4.5210), Selling Strategy (4.4581) and selling skill (4.3835) respectively. Product or service Knowledge has the lowest mean compared to the others i.e. 4.1438.

#### 4.2. Measurement of Reliability

In survey based research it is important to validate the scales used for reliability and validity. Reliability refers to the extent to which the items measure accurately and consistently what they intend to measure. The instrument for this study contains 32 items that are in a Likert scale type. The overall reliability of the instruments is measured using cronbach's Alpha.

Cronbach's alpha is a coefficient (a number between 0 and 1) that is used to rate the internal consistency (homogeneity) or the correlation of the items in a test. A good test is one that assesses different aspects of the trait being studied. Cronbach's alpha will generally increase as the inter correlations among test items increase, and is thus known as an internal consistency estimate of reliability of test scores. Because inter correlations among test items are maximized when all items measure the same construct, Cronbach's alpha is widely believed to indirectly indicate the degree to which a set of items measures a single construct (Gleam & Rosemary ,

2003). George and Mallery (2003) provide the following rules of thumb:  $\alpha > .9$  excellent,  $> .8$  Good,  $> .7$  Acceptable,  $> .6$  Questionable,  $> .5$  Poor, and  $< .5$  Unacceptable p.231 (as cited in Gleam & Rosemary, 2003). If correlations between items are too low, it is likely that they are measuring different traits and therefore should not all be included in a test that is supposed to measure one trait. Table 4 and Table 5 illustrate the reliability of the independent and dependent variables. Based on the results presented in this table, it can be concluded that all the scales used in the study were reliable. Thus, they can be used to measure the variables under study. A cronbach's alpha of 0.809 is obtained which is well above what is considered acceptable by scholars which is 70% (Gleam & Rosemary, 2003). The cronbach's alpha for all the items are also above 70 %.

**Table 4: Measure of Internal Consistency- Cronbach's alpha for all variables**

Reliability Statistics	
Cronbach's Alpha	N of Items
.809	6

*Source: survey Data (2018)*

**Table 5: Measure of Internal Consistency- Cronbach's alpha**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Selling Skill	21.9159	2.045	.638	.763
Selling Strategy	21.8413	2.193	.485	.797
Product or Service Knowledge	22.1556	2.099	.639	.765
Organizational Policy and Procedure Knowledge	22.0913	2.256	.502	.793
Trust	21.7784	1.907	.629	.765
Customer Loyalty	21.7144	2.072	.533	.788

*Source: survey Data (2018)*

**Table 6: Measure of Internal Consistency- Cronbach's alpha for all questionnaires items**

Reliability Statistics	
Cronbach's Alpha	N of Items
.919	32

*Source: survey Data (2018)*

The detail reliability of all questionnaire items is available in Appendix 3.

### **4.3. Correlation Analysis**

The study employed correlation analysis, which investigates the strength of relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005). General guidelines correlations of .10 to .30 are considered small, correlations of .30 to .70 are considered moderate correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

In order to know the effect of each independent variable on customer loyalty, relationship between all variables was determined through correlation analysis before proceeding to regression analysis.

As per table 7 the coefficients show that two of the personal selling variables affecting customer Loyalty were slightly related with customer loyalty within the range of 0.197 to 0.292, all of the variables are significant at  $P < 0.01$  level. On the other hand, selling skill ( $r=0.404$ ) and product or service knowledge (0.306) have moderate correlation whereas Trust ( $r=0.747$ ) found to have strong correlation with customer Loyalty.

A further look into each variable, it is indicated that the four independent variables i.e. selling skill ( $r=0.404$ ), Product or Service Knowledge ( $r=0.306$ ), and trust ( $r=0.747$ ) are important determinants of customer Loyalty.

Regarding the relationship between the independent variables, Table 7 clearly shows that each of the independent variables are significantly correlated with each other at a significance level of  $p<0.01$ . The correlation between selling skill and Product or Service Knowledge is the highest ( $r=0.600$ ) followed by the correlation between Product or Service Knowledge and Organizational Policy and procedure knowledge ( $r=0.581$ ). The rest of the independent variables correlation with each other falls under the  $r$  value range 0.503 that is between Selling Skill and Selling Strategy and 0.458, between Selling Strategy and Product or Service Knowledge, 0.350 between selling skill and Organizational Policy and Procedure Knowledge, 0.446 between selling skill and trust, 0.395 between selling strategy and Organizational Policy and Procedure Knowledge, 0.292 between selling strategy and trust, 0.397 between Product or Service Knowledge and trust, 0.338 between Organizational Policy and Procedure Knowledge and Trust.

**Table 7: Correlation between independent and dependent variables**

Correlations						
	Selling Skill	Selling Strategy	Product or Service Knowledge	Organizational Policy and Procedure Knowledge	Trust	Customer Loyalty
Selling Skill	1	.503**	.600**	.350**	.446**	.404**
Selling Strategy	.503**	1	.458**	.395**	.292**	.197**
Product or Service Knowledge	.600**	.458**	1	.581**	.397**	.306**
Organizational Policy & Procedure Knowledge	.350**	.395**	.581**	1	.338**	.230**
Trust	.446**	.292**	.397**	.338**	1	.747**
Customer Loyalty	.404**	.197**	.306**	.230**	.747**	1

\*\*Correlation is significant at the 0.01 level (2-tailed)

Source: Survey data (2018)

## 4.4. Assumptions for Testing Regression Analysis

Before proceeding to regression analysis, the basic parametric statistical test assumptions of normality, linearity and multicollinearity tests are undertaken and the below result is obtained.

### 4.4.1. Normality Test

According to Saunders (2009), normality test is used to determine whether the data sets are normally distributed or not. In this study, normality test has been tested by using Skewness and kurtosis. Skewness is a measure on the asymmetry of a distribution. Whereas, kurtosis measures the extent to which observations cluster around a central point. The acceptable range for normality for both statistics is between (-1.0 and +1.0). As depicted in Table 8, all variables are within the acceptable range for normality (-1.0 to + 1.0). The kurtosis statistics for all independent variables are within the suggested range of normality (-1.0 to + 1.0).

**Table 8: Normality Test**

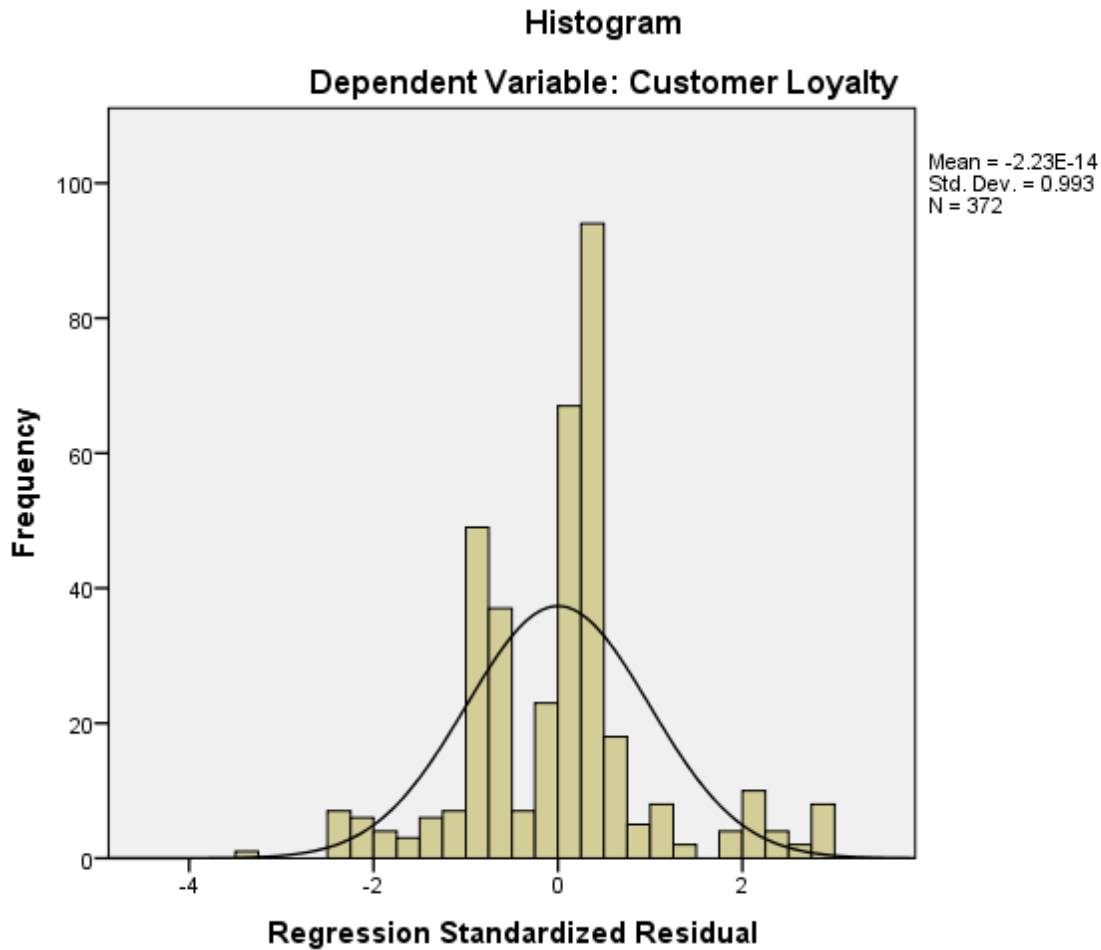
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Selling Skill	372	.531	.126	-1.023	.252
Selling Strategy	372	-.225	.126	-.111	.252
Product or Service Knowledge	372	.992	.126	.712	.252
Organizational Policy and Procedure Knowledge	372	.742	.126	.960	.252
Trust	372	-.452	.126	-.722	.252
Customer Loyalty	372	-.543	.126	-.775	.252
Valid N (listwise)	372				

*Source: Survey data (2018)*

### 4.4.2. Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable and the independent variables is linear; P-P plots (probability–probability

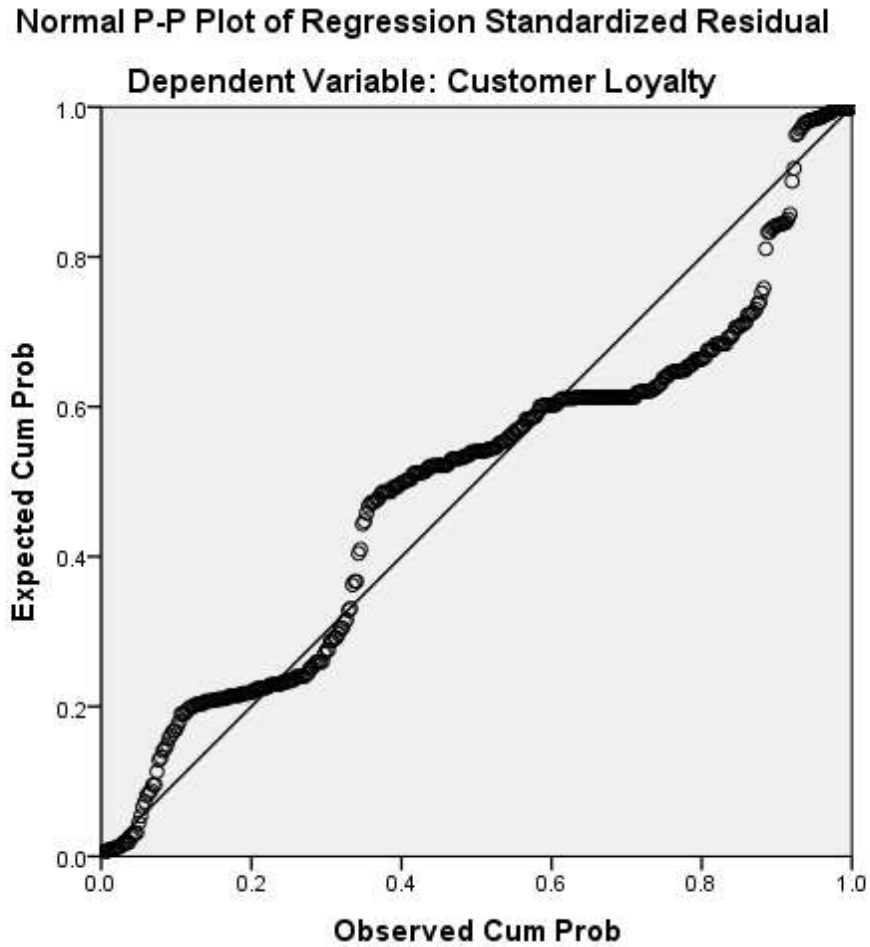
plot).of the regression residuals through SPSS software has been used and it is presented as follows.



**Figure 11: Figure Histogram for Linearity Test**

*Source: Own Survey, computed in SPSS, 2018*

As Garson (2012) and Field (2009) noted, normal distribution take the form of a symmetric bell shaped curve. Accordingly, as we observed from the above figure (figure 11), the histogram look like a normal distribution (bell-shaped curve) and the distribution is roughly normal. Moreover, the curve is perfectly skewed (symmetrical). Therefore, it can be conclude that, the model good for the data.



**Figure 12: Normally Distributed errors**

*Source: Own Survey, computed in SPSS, 2018*

The normal probability plot also shows up deviations from normality. The straight line in this plot represents a normal distribution, and the points represent the observed residuals.

Therefore, in a perfectly normally distributed data set, all points lie on the line (Field, 2009).

Likewise, as we seen in the above figure (figure 12), the dots are closely plotted to the straight line, which indicate a small or no deviation from normality and there are no extreme cases observed. Therefore, the assumption of simple linear regression has been met and it can possibly be assume that the model is accurate and can probably generalize to the population.

### 4.4.3. Multicollinearity Test

In order to run a regression analysis, multicollinearity diagnosis needs to be checked. Therefore, the collinearity statistics result for both dependent and independent variable constituents were performed on SPSS and presented as follows.

**Table 9: Multicollinearity Test**

Coefficients <sup>a</sup>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Selling Skill	.532	1.880
	Selling Strategy	.684	1.463
	Product or Service		
	Knowledge	.475	2.107
	Organizational Policy and		
	Procedure Knowledge	.627	1.596
	Trust	.757	1.320

a. Dependent Variable: Customer Loyalty

Source: Own Survey, computed in SPSS, 2018

According to Saunders, et al. (2009), most regression programs can compute variance inflation factors (VIF) for each variable and as a rule of thumb; VIF above 5.0 suggests problems with multicollinearity. Moreover, Field (2009), also underline that, values for “Tolerance” below 0.1 indicate serious problems, although several experts suggest that values for “Tolerance” below 0.2 are worthy of concern.

Accordingly, as it can be seen in the above collinearity table (table 9), multicollinearity is not the problem of this model, because VIF (variance inflation factor) of the model is well less than 5.0 And the tolerance is greater than .10. Hence, the value of VIF ranges between 1.320 to 2.107 and the tolerance of the variables ranges between .475 and .757.

Thus, according to the above diagnosis information presented in all the tests, there are no significant data problems that violate the assumptions of multiple regressions and the variables are not overlapped and they are free from collinearity effect which possibly hinders the prediction ability of the model.

## 4.5. Regression Analysis

According to Daniel, L. (1991, p.421), a correlation between two variables does not imply that one event causes the second to occur. Therefore, multiple regressions were carried out in order to know how the independent variables affect the dependent variable Customer Loyalty.

Customer Loyalty was used as the dependent variable while personal selling was used as the independent variable. Table 10 provides the results of the multiple regression analysis. The regression model presents how much of the variance in the measure of Customer Loyalty is explained by the independent variables.

**Table 10: Regressions Analysis**

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.418	.225		6.312	.000		
Selling Skill	.145	.052	.133	2.822	.004	.532	1.880
Selling Strategy	-.069	.045	-.063	-1.520	.129	.684	1.463
1 Product or Service Knowledge	-.018	.058	-.015	-.300	.764	.475	2.107
Organizational Policy and Procedure Knowledge	-.032	.053	-.026	-.604	.546	.627	1.596
Trust	.673	.037	.721	18.262	.000	.757	1.320

a. Dependent Variable: Customer Loyalty

Source: Survey Data (2018)

**Table 11: Model Summary**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 <sup>a</sup>	.569	.563	.28162

a. Predictors: (Constant), Trust, Selling Strategy, Organizational Policy and Procedure Knowledge, Selling Skill, Product or Service Knowledge

b. Dependent Variable: Customer Loyalty

Source: Survey Data (2018)

According to the Model summary (Table 11), the model or the predictor variables have accounted for 56.9% (adjusted R square of 56.3% with estimated standard deviation (.28162) of the variance in the criterion variable. The remaining 43.1% is explained by other variables out of this model.

Compared to coefficient of determination or R, Adjusted R-square is more reliable in measuring a regression model's goodness of fit. The main disadvantage of using coefficient of determination or R-square is more to do with bias of number of independent variables included into the model, which implies that the more independent variable added into the model, the more R-square increasing. Worst of all, this condition does not take into consideration whether independent variable included is significant or insignificant influencing dependent variable. Meanwhile, that situation will not apply in the case of using adjusted R-square Marczyk, Dematteo, & Festinger (2005).

The R-square value only indicates the variance in overall customer loyalty as it is explained by the independent variables. However, when we see the extent to which each independent variables influence the dependent variable; selling skill and trust were found to be the determinants of Customer Loyalty in their descending order referring Trust as the most effective Customer Loyalty predictor.

Similarly, the ANOVA table (see Table 12) shows the overall significance or acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of 96.457 and p- value (.000), which is less than  $p < 0.05$ , the model is significant. This indicates that the variation explained by the model is not due to chance. As it is stated earlier in this chapter, this study aims to identify the effect of independent variables (Personal selling) in the prediction of the dependent variable Customer Loyalty. Thus, the strength of each predictor (independent) variable influence on the criterion (dependent) variable can be investigated via standardized Beta coefficient. The regression coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. The larger value of Beta coefficient that an independent variable has, the more support to the independent variable as the more important determinant in predicting the dependent variable. The beta coefficient of the

three independent variables (selling strategy, product and service knowledge and organizational policy and procedure knowledge) is negative that shows the three variables have no significant effect on the dependent variable ( customer Loyalty).

**Table 12: Regression ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.249	5	7.650	96.457	.000 <sup>b</sup>
	Residual	29.027	366	.079		
	Total	67.276	371			

a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Trust, Selling Strategy, Organizational Policy and Procedure Knowledge, Selling Skill, Product or Service Knowledge

Source: Survey Data (2018)

According to Table 10, the regression standardized coefficients for the two independent variables, i.e. trust and selling skill are 0.721 and 0.133 respectively. Their significance levels are 0.00, and 0.04 respectively. Since the significant values are all less than 0.05, it indicates that there is significant relationship between them and the dependent variable (Customer Loyalty). Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related with trust and selling skill were accepted and the two alternative hypotheses were rejected.

**Table 13: Summary of the Overall Outcome of the Research Hypotheses**

Hypothesis	Statement of Hypothesis	Supported?
<b>H1</b>	Sales person's selling skill has significant effect on customer loyalty.	<b>Yes</b>
<b>H2</b>	Sales person's selling strategy has significant effect on customer loyalty.	<b>No</b>
<b>H3</b>	Sales person's product or service knowledge has significant effect on customer loyalty.	<b>No</b>
<b>H4</b>	Sales person's organizational policy and procedure knowledge has	<b>No</b>

	significant effect on customer loyalty.	
<b>H5</b>	Trusting the sales person has significant effect on customer loyalty.	<b>Yes</b>

Source: Survey Data (2018)

## 4.6. T-Test and One Way ANOVA

In order to achieve the objective that aims to examine if there is a difference between the demographic profile of salespersons and their performance, two inferential statistics techniques were employed. The independent t-test and one-way ANOVA were applied to compare demographic characteristics and investigate how they are related with customer Loyalty. Similarly, ANOVA is a test of mean comparisons. In fact, one of the only differences between a t-test and an ANOVA is that ANOVA can compare means across more than two groups or conditions.

### 4.6.1. T-Test

Theoretically, the t-test can be used even if the sample sizes are very small (e.g., as small as 10), as long as the variables are normally distributed within each group and the variation of scores in the two groups is not reliably different Gleam & Rosemary (2003). Independent sample T-Test is performed for variables gender and class of service in which respondents often fly.

**Table 14: Independent Sample T-Test for gender on customer Loyalty**

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper	
Customer Loyalty	Equal variances assumed	61.775	.000	-2.792	370	.006	-.13127	.04701	-.22371	-.03882
	Equal variances not assumed			-3.156	311.065	.002	-.13127	.04159	-.21310	-.04944

Source: Survey Data (2018)

As it is shown in table 14, the sig. (2-tailed) value is 0.06 and 0.002 when equal variance assumed and not assumed respectively. As this value is below the required cut-off of 0 .05, this shows that there is statistical significant difference in the mean customer loyalty and gender. The mean difference between the two groups is also shown in table 14, along with the 95% confidence interval of the difference showing the lower value and the upper value.

**Table 15: Independent Sample T-Test for class of service on customer Loyalty**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Customer	Equal variances assumed	45.390	.000	-.391	370	.696	-.01877	.04795	-.11305	.07551
Loyalty	Equal variances not assumed			-.360	180.444	.719	-.01877	.05210	-.12158	.08404

*Source: Survey Data (2018)*

As it is shown in table 15, the sig. (2-tailed) value is 0.696 and 0.719 when equal variance assumed and not assumed respectively. As this value is above the required cut-off of 0 .05, this shows that there is no statistical significant difference in the mean customer loyalty and class of service. The mean difference between the two groups is also shown in table 15, along with the 95% confidence interval of the difference showing the lower value and the upper value. This implies that flying in economy or business class doesn't show any difference degree of becoming loyal and class of service has no effect on customer loyalty.

#### **4.6.2. One-way ANOVA**

Analysis of variance (ANOVA) is a general method for studying sampled-data relationships. The method enables the difference between two or more sample means to be analyzed, achieved by subdividing the total sum of squares. One way ANOVA is the simplest case. In statistics, one-

way analysis of variance (abbreviated one-way ANOVA) is a technique used to compare means of two or more samples (using the F distribution). It is a way to test the equality of three or more means at one time by using variances. Incidentally, if we are only comparing two different means then the method is the same as the T-Test for independent samples. In a one-way ANOVA (also known as a single classification ANOVA), there is one measurement variable and one nominal variable. Multiple observations of the measurement variable are made for each value of the nominal variable. One way ANOVA is done for age, educational qualification, job, Membership period and level.

**Table 16: One way ANOVA between age and customer loyalty**

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.918	3	1.639	9.674	.000
Within Groups	62.358	368	.169		
Total	67.276	371			

*Source: Survey Data (2018)*

ANOVA result in table 16 shows that variables are perceived differently among respondents, who are in different age groups, with a significant level (.000), which is less than 0.05.

**Table 17: One way ANOVA between educational qualification and customer loyalty**

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.803	5	1.361	8.235	.000
Within Groups	60.473	366	.165		
Total	67.276	371			

*Source: Survey Data (2018)*

ANOVA result in table 17 shows that variables are perceived differently among respondents, who have different educational qualification, with a significant level (.000), which is less than 0.05.

**Table 18: One way ANOVA between job of respondents and customer loyalty**

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.458	4	.864	4.971	.001
Within Groups	63.818	367	.174		
Total	67.276	371			

*Source: Survey Data (2018)*

ANOVA result shown in table 18 shows that variables are perceived differently among respondents, who have different job, with a significant level (.001), which is less than 0.05.

**Table 19: One way ANOVA between membership period and customer loyalty**

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	7.658	3	2.553	15.756	.000
Within Groups	59.618	368	.162		
Total	67.276	371			

*Source: Survey Data (2018)*

ANOVA result shown in table 19 shows that variables are perceived differently among respondents, who have different membership period, with a significant level (.001), which is less than 0.05.

**Table 20: One way ANOVA between membership level and customer loyalty**

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.005	3	1.335	7.764	.000
Within Groups	63.271	368	.172		
Total	67.276	371			

*Source: Survey Data (2018)*

ANOVA result shown in table 20 shows that variables are perceived differently among respondents, who have different membership level, with a significant level (.000), which is less than 0.05.

#### **4.7. Discussion of the Results**

The study was designed and carried out to find out the effect of personal selling on customer loyalty in the case of Ethiopian Airlines and this paper has particularly tried to see five variables that affect customer loyalty.

As per the findings of the research, two variables were found to significantly affect the customer loyalty. These are selling skill and trust. The effect of trust is found to be more important. The study also resulted that the other three factors (selling strategy, product or service knowledge and organizational policy and procedure knowledge have no significant influence on customer loyalty.

The regression analysis of the current study also showed that there are other factors other than the ones found to be significant by this study. This is because the adjusted R-square comes out to be 56.9% implying that the rest 43.1% of customer loyalty is affected by other factors (i.e. other than the ones that come significant in the current study). This is true that other researches on the area have come up with many other factors that affect customer loyalty.

The hypotheses raised at the beginning of the study were also addressed in the analysis. Three of the hypotheses were Rejected i.e. selling strategy, product or service knowledge and organizational policy and procedure knowledge and two of the hypotheses are accepted selling skill and trust. The result has similarity with the below empirical researches which were mentioned in chapter 2.

- A study which was conducted by Chong Lee Woon and his friends in 2015 with the title Factors Influencing Customer Loyalty in Airline Industry in Malaysia states that the independent variables which are satisfaction, commitment, trust and perceived quality

were discussed in details based on analysis result. The findings found that commitment, trust and perceived quality have positive and significant relationship with the dependent variable customer loyalty in airline industry in Malaysia.

- Another study conducted by Assistant Professor Abdolaziz Abtin and MSc Student in Information Technology Management, Mostafa Pouramiri in 2016 with the title *The impact of relationship marketing on customer loyalty enhancement (Case study: Kerman Iran insurance company)* studied the positive effects of factors such as trust, satisfaction, management, communication, and competence on increasing customer loyalty. The result indicated a statistically significant relationship between customer loyalty and each of independent variables consist of trust, satisfaction, management, communication, and competence. The results of the study support the findings of several previous studies such as Kahraman and Ndubisi (2005) and Fry (1973). Cottrell (1995) argued that trust is essential for customer loyalty where trust indicate the product quality. Based on the result of the research, respondents were clearly keen about product quality to convert from ordinary customer to loyal customer.
- A study conducted by Cherinet Boke Chakiso (2015) with the title *The effect of relationship marketing on customers' loyalty (Evidence from Zemen Bank)* provides empirical evidence for the influence on customer loyalty of five underpinnings of relationship marketing: Trust, commitment, conflict handling, communication, and gratitude. RM constructs are identified from the literature, integrated in the proposed model, and linked with customers' loyalty. In addition, the mediating effect of top management commitment with RM and customers' loyalty are also investigated. The study tried to validate that, in Zemen Bank; relationship marketing underpinnings had effect on customers' loyalty. Overall, all relationship marketing underpinnings such as trust, commitment, conflict management, communication, and gratitude have positive and moderate relationship with customers' loyalty.

The findings of the T-test and ANOVA results also showed that the independent factors affecting customer loyalty have differences among the different demographic profiles of the customers. The T-Test revealed that male and female respondents have no significant effect on loyalty whereas the remaining demographic factor has significant effect on loyalty. The ANOVA results

revealed that customers in different age group, educational background, job, and membership period and membership level affect customer loyalty.

Finally all the research objectives and questions which were raised in the first chapter of the study are addressed based on the result and finding of the study and the questions are stated below:

- How does selling skills of sales representatives influence the loyalty of Ethiopian Airlines customers?
  - According to the study, it is confirmed that selling skill highly influences the loyalty of Ethiopian airlines customers.
- How does selling strategy affect the loyalty of Ethiopian Airlines Customers?
  - It is confirmed by the study that selling strategy has no significant effect on the loyalty of Ethiopian airlines customers.
- How does product or service knowledge of sales representatives influence the loyalty of Ethiopian Airlines customers?
  - It is confirmed by the study that product or service knowledge of sales representative has no significant effect on the loyalty of Ethiopian Airlines customers.
- How does organizations policy and procedure knowledge affect the loyalty of Ethiopian Airlines Customers?
  - It is validated by the study that organizational policy and procedure knowledge has no significant effect on the loyalty of Ethiopian Airlines Customers
- How does trusting sales person affect the loyalty of Ethiopian Airlines Customers?
  - It is confirmed by the study that trusting the sales person has significant effect on the loyalty of Ethiopian Airlines customers.

## CHAPTER FIVE

### 5. SUMMERY, CONCLUSION AND RECOMMENDATION

This chapter aims to review the problem of the research and conclude the findings with regard to the objectives of the study. Recommendation that focuses on how the problem identified could be addressed is included in this chapter. Limitation faced while conducting the study and suggestion for future researches is also included at the end of this chapter.

#### 5.1. Summary of Major Findings

Based on the different analysis undertaken by the researcher the following findings were found:

- From the correlation analysis, the factors (independent variables); selling skill, product or service knowledge and trust were found out to be significantly correlated with the dependent variable ( customer Loyalty) The other two variables selling strategy and organizational policy and procedure knowledge were found to have less significant correlation with the dependent variable.
- From the regression analysis, it's observed that two factors i.e. selling skill and trust out of the five studied independent variables significantly affect the loyalty of Ethiopian Airlines Customers.
- When put in the order of significance from high to low, selling skill next to trust affect the loyalty of Ethiopian Airlines Customers.
- From the T-test it's observed that male customers are more influenced to be loyal than female customers.
- From the ANOVA analysis it's observed that the factors age, educational qualification, job, membership period and membership level of customers affect the loyalty of customers.

## **5.2. Conclusion**

This study was initiated to investigate the effect of personal selling on customer loyalty: the case of Ethiopian Airlines. Five determinates of the independent variable (selling skill) were assumed to be important factors in affecting Ethiopian airlines the loyalty of Ethiopian Airlines Customers.

The study tried to meet its objectives addressing the raised research questions by employing different analysis techniques. So as to address its first objective the research through analyzing different prior studies and theories come up with five independent variables that are believed to affect customers' loyalty. From the adopted five variables, through regression analysis, two factors succeed to be significant in affecting the loyalty of Ethiopian airlines customers. Though there exists other factors that affect customer loyalty, it can be concluded that the above two variables are found to be significant in the eyes of Ethiopian airlines customers.

A correlation analysis was made so as to check whether the studied independent variables have association with the dependent variable. The result showed that there is significant relation between three variables (selling Skill, product or Service Knowledge and trust) whereas the remaining two variables (selling strategy and organizational policy and procedure knowledge have less or no significance correlation.

Regression analysis was then made and it came to show that the first most significant factor in affecting the loyalty of Ethiopian airlines customer is trust followed by selling skill. So, one can conclude that trusting the sales person is the foremost factor that affect the loyalty of Ethiopian Airlines customers. It can also be concluded that selling skill or the skill of the sales person is significant factor that make the customers of Ethiopian Airlines to be loyal.

The independent t-test and ANOVA results showed a significant variation between customers of different gender, age, job, educational qualification, membership level, membership period and class of service are affected by the different factors differently. From this, one can conclude that the loyalty of Ethiopian Airlines customers highly vary across different demographic profiles of customers.

### **5.3. Recommendations**

Depending on the findings of the study and conclusions made, the researcher came up with some important recommendations that can be used to maintain Ethiopian Airlines customers Loyal. Below are the recommendations:

- Based on the results of the study, Ethiopian airlines should give due emphasis on building the trustworthiness of its sales person to its customers.
- The airline should give professional selling skill training for its sales personnel so as to make them effective in sales and keeping the airline's customers loyal. The Airline should strengthen the marketing, interpersonal, technical and salesmanship skill of its sales personnel.
- The airline should work on its business class travels and encourage passengers who fly in economy class to fly in business class.
- According to the study, as majority of the respondents are business owners followed by NGO employees the airline should retain this customers and work on welcoming new customers from different areas of the population.
- The airline's sales personnel should improve themselves in order to maintain their loyal customers and work on welcoming new customers.
- The airline and its sales personnel should focus on the demographic differences of their customers so as to arrange a service offering that fits to the needs and requirements of these different segments of customers.

## **5.4. Limitations**

Every research has certain limitations therefore it is necessary to acknowledge them before moving on to generalizations of findings. There is limitation with regard to sample size and sampling technique used. This research is limited by the fact that a small sample of participants was selected compared with the very large customer base of Ethiopian airlines. As a non-probability sampling technique the use of convenience sampling, may have created a bias. If another probability sampling technique was used, it would have contributed for a higher credibility of the results. The study is conducted by considering the customers, it has a limitation by itself as it didn't include the employees and see the effect from the employees' perspective.

While the study relates to the effect of personal selling on customer loyalty, it has only focused on five personal selling variables which are believed to have effect on customer loyalty; as per different researches in different times, so many other variables can affect customer loyalty. Other variables are left for future study.

## **5.5. Directions for Further Studies**

The research has more rooms for improvements. Further research could be conducted by comparing personal selling and customer loyalty. Further researches can also be conducted to study the effect of personal selling on customer loyalty by considering other industries and by using different variables. Expanding the current study to a larger sample size or geographical area may also turn the result to reflect the actual considerations of customer loyalty.

Gathering the data by using different qualitative methods such as in- depth interview, or focus group discussion might have also help to uncover other variables that might have effect on customer loyalty. In addition to this, the study is conducted from the customers' perspective; there might be a change in result if it can be done in employees' perspective.

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## Appendix 1-Questionnaire- English and Amharic

**Addis Ababa University College of Business and Economics**

**School of Commerce Marketing Management Post Graduate Program**

### **A Questionnaire on the effect of personal selling on customer loyalty: The case of Ethiopian Airlines, (To be filled by Ethiopian Airlines Customers)**

Dear Respondents,

I am Henok Sirak and I am a post graduate student at Addis Ababa University College of business and economics, school of commerce. Currently I am conducting a research which shall be submitted in partial fulfillment of the requirements for **Masters Degree in Marketing Management**. The purpose of this study is to investigate the effect of personal selling on customer loyalty in the case of Ethiopian Airlines. Therefore, this is to kindly request you to take some of your precious time to fill this questionnaire. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purpose and will be kept confidential. So, please read it carefully and give your response. The questionnaire will take about 10 minutes.

*Thank you in advance for your time!*

**Henok Sirak**  
[sirakhenok13@gmail.com](mailto:sirakhenok13@gmail.com)  
+251913765924

#### **I. Part one -General information**

Please put (√) to give your answer in the given boxes.

1. **Gender**      Male                          Female
2. **Age**                      below 20        31-40 Years old      
    20-30 years old        above 40 years old
3. **Educational background**
- High school complete       Certificate                          Diploma

Degree  Masters Degree  PhD

**4. Job**

Government Employee  Private Company Employee  Unemployed   
 NGO Employee  Business owner

**5. Membership period in Ethiopian Airlines Loyalty program**

Less than 5 years  6-10 years  11-15 years  More than 15 Years

**6. Your membership level**

Platinum  Gold  Silver  Blue

**7. Which class of service you often fly?**

Business  Economy

**II. Part Two- Scale Questions based on personal selling variables**

Please rate Ethiopian Airlines Sales Personnel based on the below points.

**Please put (√) in each box to give your response.**

No	Points	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I.	<b>Selling Skill</b>	1	2	3	4	5
1	The sales personnel always have real time information about the company and company trends.					
2	They are well informed about important events in the industry.					
3	They have excellent ability to express themselves.					
4	They have excellent ability to control and regulate emotion.					

5	They have excellent ability in sales presentation.					
6	They are Excellent in establishing rapport easily and put people “at ease” in their presence.					
<b>II. Selling Strategy</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
7	They are interactive.					
8	They are excellent in creating long lasting relationship with customers.					
9	They are customer-oriented than market oriented.					
10	They have professional approach to their customers					
11	They have excellent ability to influence and convince their customers.					
<b>III. Product or service Knowledge</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
12	They have excellent knowledge about the company’s services or products					
13	They understand product or service rules					
14	They have excellent knowledge of the product or services performance					
15	They have excellent knowledge of the delivery process					
16	They have excellent knowledge of product or service features					
17	They have excellent knowledge of product or service characteristics.					
<b>IV. Organizational policy and procedure Knowledge</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
18	They perform different selling tasks based on the company’s procedure					
19	They know the company’s policy and procedures					
20	They care about the fate of the company					
21	They are proud to be associated with the organization					
22	They have values similar to the company					
<b>V. Trust</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
23	I am willing to rely on the sales persons’ services.					
24	I have confidence in the airline sales personnel.					
25	I consider the airline sales personnel as concerned for my wellbeing.					
26	I consider the airline sales personnel honest.					

27	The airline sales personnel have high integrity.					
<b>VI.</b>	<b>Customer Loyalty</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
28	I would recommend the airline to my friends.					
29	I say positive things about the airline to other people.					
30	I consider this airline the first choice for air transport.					
31	I encourage my friends and relatives to fly with this airline company.					
32	I consider myself to be loyal to this airline.					

*Thank you very much for your time!*



ክፍል ሁለት . በግል ሽያጭ ተለዋዋጮች የወጣ ጥያቄ

የኢትዮጵያ አየር መንገድን የሽያጭ ሰራተኞች ከታች ባሉት መመዘኛዎች ይመዘኑ የመልስዎን ምርጫ በ (✓) ምልክት ያሳዩ

ተ.ቁ	ነጥቦች	በጣም አልሰማማም	አልሰማማም	ምንም የሚሆነኝ የለም	እስማማለሁ	በጣም እስማማለሁ
<b>VII.</b>	<b>የመሸጥ ችሎታ</b>	1	2	3	4	5
1	የሽያጭ ባለሙያው ሁል ጊዜ ስለ ድርጅቱ ወቅታዊ መረጃ አለው/አላት					
2	የሽያጭ ባለሙያዎቹ ስለ መዋዘድ ዘርፉ በቂ ግንዛቤ አላቸው					
3	ራሳቸውን የመገለጽ ችሎታ አላቸው					
4	ስሜታቸውን የመቆጣጠር ችሎታ አላቸው					
5	ከፍተኛ የሽያጭ ገለጻ ችሎታ አላቸው					
6	ደንበኞችን የማዋወቅ ችሎታ አላቸው					
<b>VIII.</b>	<b>የሽያጭ ስልት</b>	1	2	3	4	5
7	ተግባር ናቸው					
8	ከደንበኞች ጋር ዘላቂ ግንኙነትን መፍጠር ይችላሉ					
9	ደንበኛ መር እንጂ ገበያ መር አይደሉም					
10	ከደንበኞቻቸው ጋር መዋወቅ ቅርፅ አላቸው					
11	ደንበኞችን የማለመን ችሎታቸው ከፍተኛ ነው :					
<b>IX.</b>	<b>የምርት ወይም የአገልግሎት እውቀት</b>	1	2	3	4	5
12	ስለድርጅቱ አገልግሎቶች ወይም ምርቶች በቂ እውቀት አላቸው					
13	የአገልግሎት ወይም የምርት ህገ-ገዥን ይረዳሉ					
14	የአገልግሎት ወይም የምርት ብቃት እውቀት አላቸው					
15	ምርቶችን ወይም አገልግሎቶችን የአድራሪ ሂደት እውቀት አላቸው					
16	የአገልግሎት ወይም የምርት መለያዎች እውቀት አላቸው					
17	የአገልግሎት ወይም የምርት ባህሪያት እውቀት አላቸው					
<b>X.</b>	<b>የድርጅቱ ፖሊሲ እና የሥራ መመሪያ እውቀት</b>	1	2	3	4	5
18	የተለያዩ የሽያጭ ሰራተኞችን በድርጅቱ መሠረት መሠረት ያከናወናሉ					

19	የድርጅቱን ፖሊሲ እና የሥራ መመሪያ ያወቃሉ					
20	ስለ ድርጅቱ ያስባሉ					
21	ከድርጅቱ ጋር በመጻፍ ያዘቀው ደስተኞች ናቸው					
22	ከድርጅቱ ተመሳሳይ የሆነ ዋጋ አላቸው					
XI.	አመጪ ታ /አምነት/	1	2	3	4	5
23	በሽያጭ ሠራተኛው አገልግሎት ለመተማመን ፍቃደኛ ነኝ					
24	በሽያጭ ሠራተኛው መጥ አምነት አለኝ					
25	የሽያጭ ሠራተኛው ለኔ እንደሚሰጠኝ አስባለሁ					
26	የሽያጭ ሠራተኛው ታማኝ ነው					
27	የሽያጭ ሠራተኛው ከፍተኛ ስነምግባር አለው					
XII.	ደንበኝነት	1	2	3	4	5
28	አየር መገገዳን እንደጠቀሙ ለጓደኞቼ እነግራለሁ					
29	ስለአየር መገገዳ መልካም ነገርን ለሌሎች እነግራለሁ					
30	አየር መገገዳን ለአየር በረራ የመጀመሪያ ምርጫ አድርጎ እወስደዋለሁ					
31	ጓደኞቼ እና ዘመዶቼ በአየር መገገዳ እንዲበሩ አበረታታኝባቸዋለሁ					
32	የአየር መገገዳ ደንበኛ እንደሆንኩ አስባለሁ					

*በጣም አመሠግናለሁ !!*

## Appendix 2 - Descriptive Characteristics of Variables

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Gender of respondents	372	1.00	2.00	1.3172	.46601
Age of respondents	372	1.00	4.00	2.7527	.82293
Educational Qualification	372	1.00	6.00	4.2688	1.20323
Job of Respondents	372	1.00	5.00	2.8629	1.18845
Membership Period	372	1.00	4.00	1.7876	1.05409
Membership level	372	1.00	4.00	2.4167	.98015
class of service the respondent often fly	372	1.00	2.00	1.6935	.46164
Valid N (list wise)	372				

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Selling Skill 1	372	4.00	5.00	4.3710	.48371
Selling Skill 2	372	2.00	5.00	4.3468	.53519
Selling Skill 3	372	3.00	5.00	4.5081	.50596
Selling Skill 4	372	3.00	5.00	4.3280	.68482
Selling Skill 5	372	2.00	5.00	4.3737	.55204
Selling Skill 6	372	3.00	5.00	4.3737	.48996
Selling Strategy 1	372	3.00	5.00	4.5108	.56625
Selling Strategy 2	372	2.00	5.00	4.4489	.56404
Selling Strategy 3	372	2.00	5.00	4.5995	.55267
Selling Strategy 4	372	3.00	5.00	4.4839	.52666
Selling Strategy 5	372	2.00	5.00	4.2473	.67542
Product or Service Knowledge 1	372	3.00	5.00	4.1828	.42040
Product or Service Knowledge 2	372	2.00	5.00	3.9892	.45248
Product or Service Knowledge 3	372	2.00	5.00	4.1640	.58507
Product or Service Knowledge 4	372	3.00	5.00	4.2204	.45238
Product or Service Knowledge 5	372	2.00	5.00	4.1909	.43884

Product or Service Knowledge 6	372	3.00	5.00	4.1156	.49805
Organizational Policy and Procedure Knowledge 1	372	2.00	5.00	4.2043	.51520
Organizational Policy and Procedure Knowledge 2	372	2.00	5.00	4.3710	.53655
Organizational Policy and Procedure Knowledge 3	372	2.00	5.00	4.2715	.55330
Organizational Policy and Procedure Knowledge 4	372	2.00	5.00	4.1022	.49286
Organizational Policy and Procedure Knowledge 5	372	1.00	5.00	4.0914	.39160
Trust of customers on the sales person 1	372	3.00	5.00	4.5645	.51252
Trust of customers on the sales person 2	372	3.00	5.00	4.5134	.51640
Trust of customers on the sales person 3	372	2.00	5.00	4.4704	.61138
Trust of customers on the sales person 4	372	3.00	5.00	4.6102	.49927
Trust of customers on the sales person 5	372	3.00	5.00	4.4462	.51376
Customer Loyalty 1	372	3.00	5.00	4.5081	.50596
Customer Loyalty 2	372	3.00	5.00	4.6720	.49795
Customer Loyalty 3	372	3.00	5.00	4.5000	.51657
Customer Loyalty 4	372	2.00	5.00	4.6075	.54624
Customer Loyalty 5	372	1.00	5.00	4.6371	.71940
Valid N (listwise)	372				

### Appendix 3- Reliability

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
Selling Skill 1	135.6532	78.966	.426	.917
Selling Skill 2	135.6774	77.060	.587	.915
Selling Skill 3	135.5161	78.073	.507	.916
Selling Skill 4	135.6962	76.606	.483	.917
Selling Skill 5	135.6505	77.355	.535	.916
Selling Skill 6	135.6505	77.678	.572	.916
Selling Strategy 1	135.5134	77.744	.480	.917
Selling Strategy 2	135.5753	78.083	.447	.917
Selling Strategy 3	135.4247	79.905	.268	.920
Selling Strategy 4	135.5403	78.368	.452	.917
Selling Strategy 5	135.7769	78.821	.299	.920
Product or Service Knowledge 1	135.8414	78.996	.493	.917
Product or Service Knowledge 2	136.0349	78.648	.499	.917
Product or Service Knowledge 3	135.8602	77.592	.478	.917
Product or Service Knowledge 4	135.8038	77.323	.670	.915
Product or Service Knowledge 5	135.8333	77.924	.612	.915
Product or Service Knowledge 6	135.9086	77.269	.610	.915
Organizational Policy and Procedure Knowledge 1	135.8199	79.005	.392	.918
Organizational Policy and Procedure Knowledge 2	135.6532	79.246	.348	.918
Organizational Policy and Procedure Knowledge 3	135.7527	78.639	.399	.918
Organizational Policy and Procedure Knowledge 4	135.9220	79.107	.400	.918
Organizational Policy and Procedure Knowledge 5	135.9328	79.022	.529	.916
Trust of customers on the sales person 1	135.4597	77.085	.612	.915

Trust of customers on the sales person 2	135.5108	77.242	.589	.915
Trust of customers on the sales person 3	135.5538	75.622	.645	.914
Trust of customers on the sales person 4	135.4140	77.057	.633	.915
Trust of customers on the sales person 5	135.5780	77.086	.611	.915
Customer Loyalty 1	135.5161	77.528	.570	.916
Customer Loyalty 2	135.3522	77.760	.552	.916
Customer Loyalty 3	135.5242	77.786	.527	.916
Customer Loyalty 4	135.4167	78.023	.470	.917
Customer Loyalty 5	135.3871	78.254	.321	.920

## Appendix 4 – Correlation

### Correlations

		Selling Skill	Selling Strategy	Product or Service Knowledge	Organizational Policy and Procedure Knowledge	Trust	Customer Loyalty
Selling Skill	Pearson Correlation	1	.503**	.600**	.350**	.446**	.404**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	372	372	372	372	372	372
Selling Strategy	Pearson Correlation	.503**	1	.458**	.395**	.292**	.197**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	372	372	372	372	372	372
Product or Service Knowledge	Pearson Correlation	.600**	.458**	1	.581**	.397**	.306**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	372	372	372	372	372	372
Organizational Policy	Pearson Correlation	.350**	.395**	.581**	1	.338**	.230**
	Sig. (2-tailed)	.000	.000	.000		.000	.000

and							
Procedure							
Knowledge	N	372	372	372	372	372	372
	Pearson Correlation	.446**	.292**	.397**	.338**	1	.747**
Trust	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	372	372	372	372	372	372
	Pearson Correlation	.404**	.197**	.306**	.230**	.747**	1
Customer	Sig. (2-tailed)	.000	.000	.000	.000	.000	
Loyalty							
	N	372	372	372	372	372	372

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## Appendix 4 - Regression

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.754 <sup>a</sup>	.569	.563	.28162

a. Predictors: (Constant), Trust, Selling Strategy, Organizational Policy and Procedure Knowledge, Selling Skill, Product or Service Knowledge

b. Dependent Variable: Customer Loyalty

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.249	5	7.650	96.457	.000 <sup>b</sup>
	Residual	29.027	366	.079		
	Total	67.276	371			

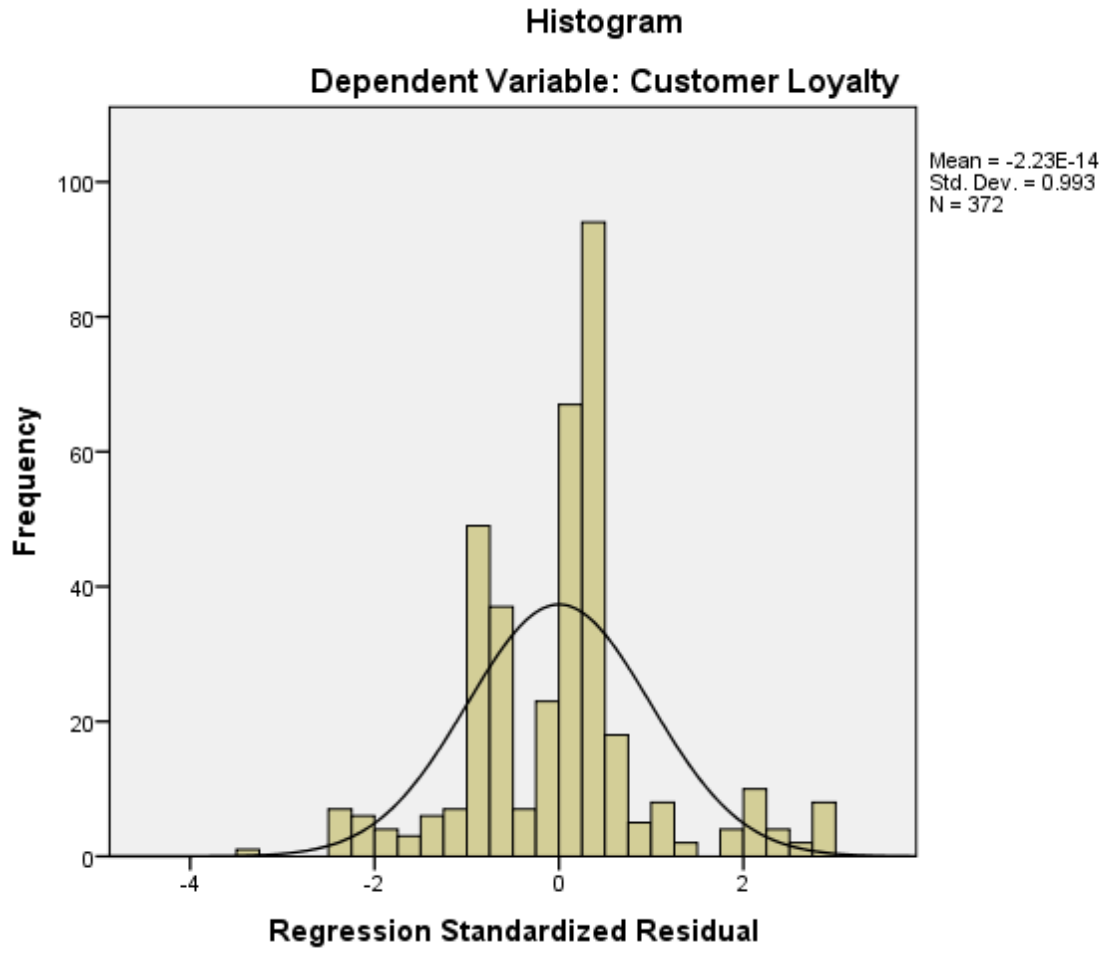
a. Dependent Variable: Customer Loyalty

b. Predictors: (Constant), Trust, Selling Strategy, Organizational Policy and Procedure Knowledge, Selling Skill, Product or Service Knowledge

Coefficients<sup>a</sup>

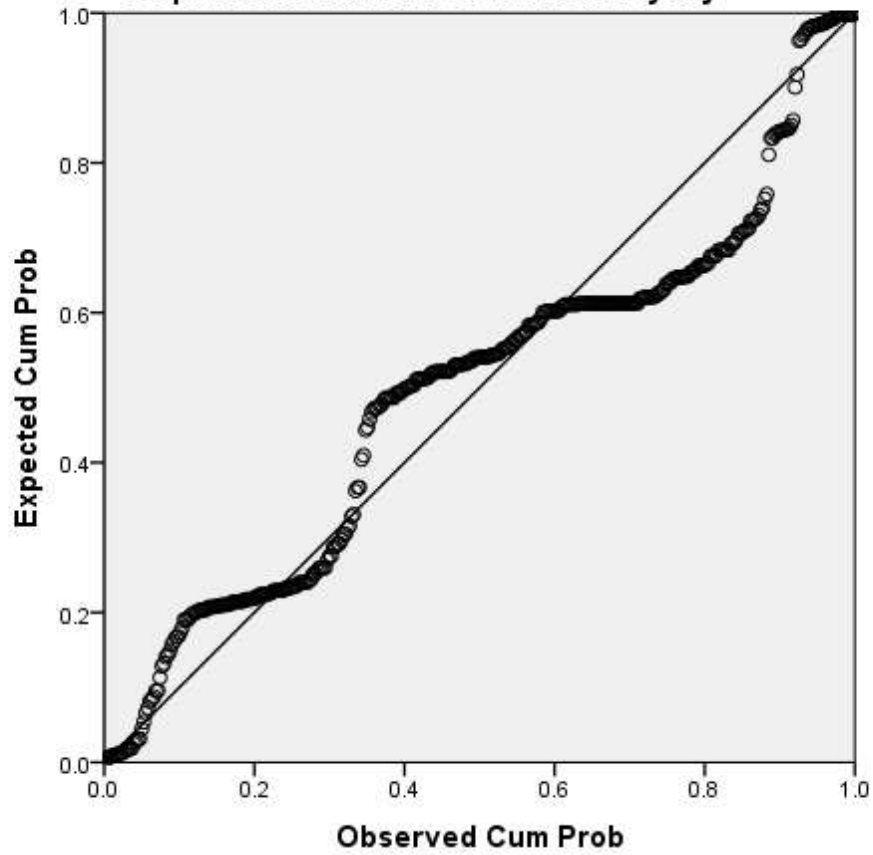
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.418	.225		6.312	.000		
Selling Skill	.145	.052	.133	2.822	.004	.532	1.880
Selling Strategy	-.069	.045	-.063	-1.520	.129	.684	1.463
Product or Service Knowledge	-.018	.058	-.015	-.300	.764	.475	2.107
Organizational Policy and Procedure Knowledge	-.032	.053	-.026	-.604	.546	.627	1.596
Trust	.673	.037	.721	18.262	.000	.757	1.320

a. Dependent Variable: Customer Loyalty



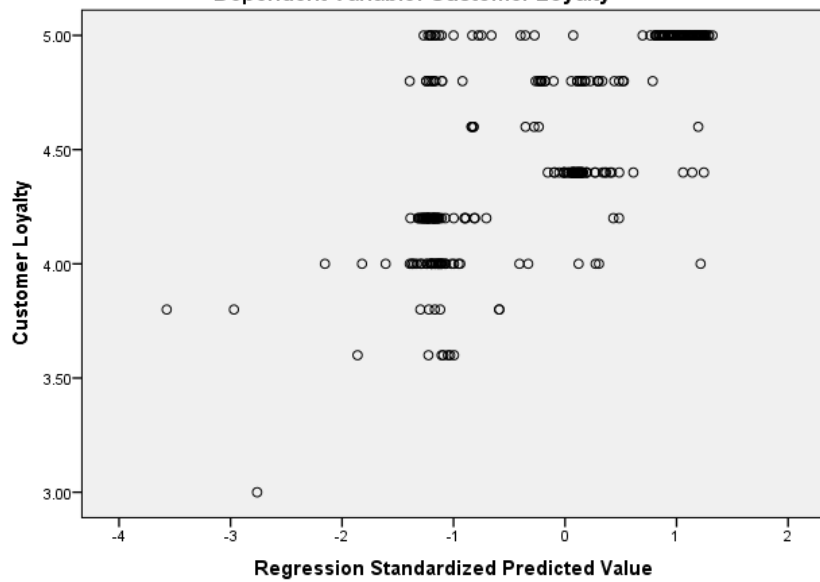
### Normal P-P Plot of Regression Standardized Residual

Dependent Variable: Customer Loyalty



### Scatterplot

Dependent Variable: Customer Loyalty



## Appendix 6- Independent T-Test

**Group Statistics**

	Gender of respondents	N	Mean	Std. Deviation	Std. Error Mean
Customer Loyalty	Male	254	4.5433	.45987	.02885
	Female	118	4.6746	.32534	.02995

**Independent Samples Test**

	Levene's Test for Equality of Variances	t-test for Equality of Means								
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Customer Loyalty	Equal variances assumed	61.775	.000	-2.792	370	.006	-.13127	.04701	-.22371	-.03882
	Equal variances not assumed			-3.156	311.065	.002	-.13127	.04159	-.21310	-.04944

**Group Statistics**

	class of service the respondent often fly	N	Mean	Std. Deviation	Std. Error Mean
Customer Loyalty	Business	114	4.5719	.49053	.04594
	Economy	258	4.5907	.39480	.02458

**Independent Samples Test**

	Levene's Test for Equality of Variances	t-test for Equality of Means								
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Customer Loyalty	Equal variances assumed	45.390	.000	-.391	370	.696	-.01877	.04795	-.11305	.07551
	Equal variances not assumed			-.360	180.444	.719	-.01877	.05210	-.12158	.08404

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Selling Skill	Equal variances assumed	7.391	.007	1.267	370	.206	.05487	.04329	-.03026	.14001
	Equal variances not assumed			1.213	205.528	.226	.05487	.04523	-.03429	.14404
Selling Strategy	Equal variances assumed	2.729	.099	1.214	370	.226	.05277	.04348	-.03273	.13827
	Equal variances not assumed			1.149	200.405	.252	.05277	.04592	-.03779	.14333
Product or Service Knowledge	Equal variances assumed	2.250	.134	3.675	370	.000	.14650	.03987	.06811	.22490
	Equal variances not assumed			3.518	205.595	.001	.14650	.04164	.06441	.22860
Organizational Policy and Procedure Knowledge	Equal variances assumed	.127	.722	-.079	370	.937	-.00308	.03905	-.07987	.07370
	Equal variances not assumed			-.077	214.018	.939	-.00308	.04009	-.08211	.07595
Trust	Equal variances assumed	19.908	.000	.165	370	.869	.00837	.05085	-.09162	.10835
	Equal variances not assumed			.172	254.620	.864	.00837	.04869	-.08751	.10425
Customer Loyalty	Equal variances assumed	61.775	.000	-2.792	370	.006	-.13127	.04701	-.22371	.03882
	Equal variances not assumed			-3.156	311.065	.002	-.13127	.04159	-.21310	.04944

## Appendix 7- ANOVA

### ANOVA

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.918	3	1.639	9.674	.000
Within Groups	62.358	368	.169		
Total	67.276	371			

### ANOVA

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.803	5	1.361	8.235	.000
Within Groups	60.473	366	.165		
Total	67.276	371			

### ANOVA

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	6.803	5	1.361	8.235	.000
Within Groups	60.473	366	.165		
Total	67.276	371			

### ANOVA

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	3.458	4	.864	4.971	.001
Within Groups	63.818	367	.174		
Total	67.276	371			

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	7.658	3	2.553	15.756	.000
Within Groups	59.618	368	.162		
Total	67.276	371			

**ANOVA**

Customer Loyalty

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	4.005	3	1.335	7.764	.000
Within Groups	63.271	368	.172		
Total	67.276	371			

**ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Customer Loyalty	Between Groups	4.005	3	1.335	7.764	.000
	Within Groups	63.271	368	.172		
	Total	67.276	371			
Selling Skill	Between Groups	4.973	3	1.658	11.926	.000
	Within Groups	51.146	368	.139		
	Total	56.119	371			
Selling Strategy	Between Groups	4.417	3	1.472	10.386	.000
	Within Groups	52.169	368	.142		
	Total	56.586	371			
Product or Service Knowledge	Between Groups	9.779	3	3.260	30.500	.000
	Within Groups	39.332	368	.107		
	Total	49.111	371			
Organizational Policy and Procedure Knowledge	Between Groups	1.134	3	.378	3.138	.025
	Within Groups	44.322	368	.120		
	Total	45.456	371			
Trust	Between Groups	11.079	3	3.693	20.591	.000
	Within Groups	65.998	368	.179		
	Total	77.076	371			