

An Empirical Investigation on Sales force Problems in Real Estate Sector

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Abstract: *Real estate sector is one of the ever growing sectors in India as it is understood as need fulfilment and as well as investment opportunity that yields stable returns over a period of time. Earlier the Indian real estate sector is in the hands of informal real estate agents and brokers. These day the real estate sector is growing in a tremendous manner due to the government policies, rules and regulations in a more formal way. Foreign Direct Investments entry into real estate and announcement of regional balanced development by the both central and state governments increased the employment opportunities further. As this sector is highly influenced by so many players, the real estate firms started focusing on increasing the goodwill to reach the customers. The best goodwill ambassadors for the companies, are the sales force due to the reason they will be in continuous interaction with the customers throughout the process. Sales force face many professional problems and challenges during the delivery of their work. In this context, a study has been conducted to understand the professional problems and challenges faced by real estate sales force in the select cities of Andhra Pradesh. The study used simple percentages, KMO and Bartlett Test, Factor loading analysis were used to project the results. The study identified significant problems faced by real estate sales force and offered suggestions to real estate firms in Andhra Pradesh for better results.*

Keywords: *Real Estate, Sales Force, Challenges, Professional Problems.*

I. Introduction

A nation with speedy development must give priority to nurture talent for the success of business firms and their stay for long time. Rising to the expectations of employees and satisfying them in job front is a crucial concern for all business firms these days. The practices for increased productivity and efficiency have become an important concern for the organisations in this competitive business scenario. The ever fluctuating dynamics remains a challenge, given the demand for capital in this sector and the returns that real estate sector can potentially generate, the supply of capital keeps re-inventing itself. With real estate reaching a point of saturation in developed countries and the demand and prices falling, global real estate players are started looking at emerging economies such as India for tapping opportunities in real estate. Real estate sector covers residential housing, commercial offices, and retail outlets, trading spaces such as theatres, hotels and restaurants, industrial buildings such as factories and government buildings. It involves the purchase, sale, and development of land as well as residential and non-residential buildings. The activities of the real estate sector encompass the housing and construction sectors also. As this sector is fully dominated by huge number of players, the competition for customers is intensified all the time. The successful performance of any organisation is dependent on successful and productive performance from the individuals. Sales force play a significant role in acting as a significant interface between the business firms and customers. Salesforce represent the organisation to customers, interact with them, strengthen transactions, and serve as an instrument to scan and monitor the external environment. Sales and marketing people are crucial for the success or failure of businesses due to their continuous interaction with customers. is not an exception too, to real estate sector as this sector deals with different sections of people and their diversified needs.

II. Objectives of the Study

The study mainly tries to find out various professional problems or job related challenges faced by salesforce in work front in real estate sector and to recommend suggestions to handle the problems faced by sales force to work effectively in select cities.

III. Methodology of the Study

The main objective of the study is to investigate various work related problems or professional problems faced by sales force working in real estate sector firms of select cities in Andhra Pradesh, India. The study is mainly an empirical one. The primary data was collected from 450 sales force working in different real estate (housing and property development) firms in select cities of Andhra Pradesh i.e. Visakhapatnam, Vijayawada, Tirupati. The sales force were selected with convenience sampling and snowball sampling technique from the select real estate firms. A structured questionnaire was exclusively designed to get the responses in relation to objectives of the study. The questionnaire was framed in such a way that the respondents gave their opinions on a 5 point Likert scale (strongly agree [5], agree [4], agree to some extent [3], disagree [2], strongly disagree [1]) as the parameters to collect the data. The study used simple percentages, KMO and Bartlett Test, Factor loading analysis were used to project the results. The secondary data was collected from data sources such as reports on real estate sector, Google Scholar, SAGE, EBSCO, ProQuest etc.

IV. Results and Discussion

Socio Economic profile of salesforce			
Variable	Categories of variable	Frequency	Percentage
Gender	Male	280	62.2
	Female	170	37.8
Age	Below 25	65	14.4
	Between 25-34	203	45.1
	Between 35 -44	119	26.4
	Between 45-54	41	9.2
	More than 55	22	4.9
Education	No educational qualification	0	0
	X Class	35	7.8
	Intermediate / Diploma	53	11.8
	Degree	134	29.7
	Post-Graduation	198	44
	Doctorate	30	6.7
Income(In rupees per Annum)	Less than 1 lakh	52	11.6
	Between 1 lakh to 2 lakh	130	28.8
	Between 2 lakhs to 3 lakhs	151	33.6
	More than 3 lakhs	117	26.0
Experience (In years)	Below 1 year	102	22.7
	1 - 3 years	156	34.7
	3-5 years	109	24.2
	5-7 years	48	10.6
	more than 7 years	35	7.8

Table 4.1 Socio Economic profile of salesforce

The study revealed that, 170 female sales force representing 37.8 per cent and 280 male sales force representing 62.2 per cent of the total sales force in the present study. Hence it can be concluded that the Real Estate sector is dominated by male sales force.

From the table it is found that, out of total 450 sales force, majority of the sales force i.e. 45 per cent are between the age group of 25-34 years, 26.4 per cent of sales force are between the age group of 35-44 years, whereas 14.4 per cent of sales force represent below 25 years of age group, while around 9.1 per cent of sales force are between 45-54 years of age group and a small 4.9 per cent of the sales force are above 55 years of age.

Hence it can be concluded that majority of the sales force working in the Real Estate sector are between the age groups of 25-34 and 35-44. A considerable 14.4 per cent of sales force below 25 years are working in Real Estate sector.

The study revealed that none of the sales force are without any educational qualification, 7.8 per cent have completed X class, 11.8 per cent have completed intermediate or diploma, 29.8 per cent have Degree as their qualification, 44 per cent of the sales force are post Graduates and 6.7 per cent are Doctorates. Hence it can be concluded that a good sign of change is seen that graduates and post graduates started choosing Real Estate as their career prospects.

From the table it can be found that 28.9 per cent of the sales force are drawing annual salary between 1 Lakh and 2 Lakhs while 33.6 per cent of sales force are drawing annual salary between 2 Lakhs and 3 Lakhs. Still 11.6 per cent of the sales force indicated their annual salary to be less than 1 Lakh. However, 26 per cent of the sales force are drawing annual salary above 3 Lakhs. Hence it is a majority are in the salary range of Rs.2, 00,000 to Rs 3, 00,000.

It is found that 22.7 per cent of sales force having less than 1-year experience, 34.7 per cent of the total sales force are having 1-3 years of experience in the current organisation, while 24.2 per cent of the sales force have 3-5 years of experience in the current organization. Also, 10.7 per cent of the sales force have 5-7 years of experience. And 7.8 per cent of the sales force are serving the organisation with more than 7 years of experience in their present organization.

Reliability of Data: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test: To determine the appropriateness of factor analysis for the proposed study in hotel industry, Kaiser-Meyer-Olkin (KMO) and Bartlett's Test were conducted.

Table 4.2: Kaiser-Meyer-Olkin (KMO) and Bartlett's Test for measurement of salesforce job satisfaction

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.851
Bartlett's Test of Sphericity	Approx. Chi-Square	992.486
	df	78
	Sig.	.000

The KMO measure was observed to be 0.851 and Bartlett's test measures gave the value of 0.000. It is understood that there is no error in 85.10% of the sample. The level of significance, which is less than 0.05 is desirable and acceptable as shown in the above table. Hence it is concluded that the data collected for the study was appropriate for factor analysis. The calculated Chi-Square value is 992.486, which was found to be significant at the 5% level

FACTOR EIGEN VALUES, CUMULATIVE VALUE

The Eigen Values explained cumulative values and Chi-Square value – a test for goodness of fit- all are arranged in the table below. All variables together explained 38.419 % of the variance, with Eigen values more than 1

Factors	Eigen Values	% of total Variance	Cumulative %
FACTOR 1	3.796	29.197	29.197
FACTOR 2	1.199	9.222	38.419

Table 4.3: Factor Eigen Values, Cumulative Value

(Source: Primary data)

4.4. Factor loadings

Variable	1	2
Competing with the sales force of the competitors completely	0.755	
The dominance of real estate brokers	0.572	
Limited staff to reach the targets is a big problem	0.601	
Prospecting good leads is a major problem for sales force in real estate sector		0.74
Too many competitors in the market making me not to get prospect customers		0.648
Too much psychological stress at work is a big problem		0.526
Too much of physical stress at work is a big problem		0.526
Mismatch between the customer expectations and features of the available projects from real estate companies to meet the customer needs		0.52

Extraction Method: Principal Component Analysis
 Rotation Method: Varimax with Kaiser Normalization.
(Source: Primary data)

Factor 1: Heavy competition and limited staff

Variable	Score
Competing with the sales force of the competitors completely	0.755
The dominance of real estate brokers	0.572
Limited staff to reach the targets is a big problem	0.601

Factor 1(Heavy Competition and Limited Staff): With an Eigen value of 3.796, first factor was formed with three variables together explained 29.197% of the variance. The first variable in the factor is competing with the sales force of the competitors completely, which is loaded with the score of 0.755. The second variable, the dominance of real estate brokers loaded with 0.572. The third Variable is ‘limited staff to reach the targets is a big problem’ loaded with 0.601 factor score.

Hence it is understood that competing with the sales force of the competitors completely with limited staff to achieve targets is a big problem for the sales force working in the real estate sector.

Factor 2 Customer prospecting and stress in work

Variable	Score
Prospecting good leads is a major problem for sales force in real estate sector	0.74
Too many competitors in the market making me not to get prospect customers	0.648

Too much psychological stress at work is a big problem	0.526
Too much of physical stress at work is a big problem	0.526
Mismatch between the customer expectations and features of the available projects from real estate companies to meet the customer needs	0.52

Factor 2 (Customer prospecting and stress in work): With an Eigen value of 1.199, second factor was formed with five variables together explained 9.222% of the variance. The first variable in the factor is ‘prospecting good leads is a major problem for sales force in real estate sector’ which is loaded with the score of 0.740. the second variable ‘Too many competitors in the market making me not to get prospect customers’ was loaded with 0.648. The third variable ‘too much psychological stress at work is big problem’ loaded with 0.526. The fourth Variable is ‘too much physical stress at work is big problem’ loaded with 0.526 factor score. The last variable ‘Mismatch between the customer expectations and features of the available projects from real estate companies to meet the customer needs’ was loaded with the factor score of 0.520.

Hence it is concluded that customer prospect identification and stress in the work is a big problem for the sales force working in real estate sector.

Eliminated Variables from Factor Analysis

coverage of entire sales area as planned by company

Overcoming the sales objections raised by prospect customers

Customers are not fully believing organized real estate players

My organization fails to provide me sufficient training related to company and its products to meet the customer requirements

Government rules and regulations on real estate made the job difficult

V. Managerial Implications

1. The sales force should be given training on how to identify and approach good prospects. The sales force is encouraged to attend seminars, expert lectures on sales management issues in real estate sector.
2. The real estate firms are recommended to organise various sales force engagement activities to reduce the stress levels of sales force. The firms are also suggested different outings and get together programmes on a periodical basis to make the sales force rejuvenated in the work as this is sector is highly competitive.
3. As real estate sector is slowly transforming into one of the biggest sectors in India formally, the competition from real estate agents and brokers is a significant issue to be handled well. The real estate firms should try to increase the market image to reach the customers well. The real estate firms are also encouraged to go for sponsorship programmes, Corporate Social Responsibility activities to increase the image further.

VI. Conclusion

As the competition highly intensified in this sector, the real estate sales force face tough profession challenges in the work front. The firms have to identify challenges faced by them have to be addressed carefully to get best out of them in an efficient manner. The sales force should be empowered continuously to deliver their jobs efficiently irrespective of the market conditions.

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