

# Sales Management and Profitability among Gasoline Station in Panabo City

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**ABSTRACT:** The study aimed to determine the relationship between Sales Management and Profitability among Gasoline stations in Panabo City. Thirty-five managers/owners of a gasoline station in Panabo City were the respondents of this research. This study utilizes the descriptive-correlation method and random sampling in determining the number of respondents along with Mean and Pearson-r as statistical tools. Moreover, the results revealed that the level of sales management among gasoline stations in Panabo City in terms of sales operations, sales strategy, and sales analysis was very high and yielded a grand mean of 4.28. For the level of profitability of the gasoline station in Panabo City, it garnered a high level of result with grand mean of 4.18. Furthermore, it reveals that there is a significant positive relationship between sales management and profitability among gasoline stations in Panabo City. The results yielded an p-value of 0.01 and an r-value of 0.737, which was less than a 0.05 level of significance. Therefore, the null hypothesis (H<sub>0</sub>) was rejected.

**Keyword:** Sales Management, Profitability, Gasoline Station, Panabo City, Philippines

## I. INTRODUCTION

In today's world, profitability has been a dilemma for business owners. As a result, the tactics and methods for this ever-changing problem are to overcome the underlying causes, such as planning and controlling, which are some reasons customers prefer to meet their demands or necessities at that company. In a convenience store in the United States of America, the gross margin on gasoline was 30.9 centavos per liter; with such a small margin, people in business developed a counter-strategy to compensate for the low profit or even losses by opening a convenience store or providing other services in the same area as the gas station to attract more customers and increase their profit/income (Robinson, 2020, p.130-132).

In Poland, the enormous source of business enterprise success is profitability. Profitability is the best source of finance/capital to invest in expanding the business; additional funds from investors attracted by the prospect of high returns on their investment. It is an essential factor in the business's day-to-day operations. A business without profitability cannot survive, whereas a highly profitable business can fully reward shareholders with a significant investment return. Increasing profitability is the most important task of business managers that will assist in providing input for management decisions and benefit the company's long-term success; without it, the company would cease to exist (Król, 2018, p.279).

In the Philippines, sales management has substantially impacted their profitability. An issue sales management fails to maximize firm profitability is due to a lack of comprehensive knowledge of the company's profitability effectiveness which makes it very difficult to convey clear, actionable goals and techniques to the sales staff. However, those who own fueled vehicles have been more cautious of their fuel expenses; and consumers would prefer gas station that provides a lower price than others (Avila, Laforgge, Ingram, Schwepker & Williams 2019, p.245).

Numerous studies have been found regarding the sales management of gasoline stations, but the researchers have not come across a study on sales management and profitability of gasoline stations. As a result, the managers needed to determine the long-term and short-term results. They were unaware of the environmental condition affecting

the gasoline stations' profitability (Ashenafi2022, p. 36). Thus, this interests the researchers in conducting the study to determine the relationship between sales management and profitability among the gasoline stations in Panabo City.

## **II. METHOD**

### **Participants**

The study's respondents were the 35 managers/owners of gasoline stations in Panabo City. The researchers utilized a random sampling technique to obtain a more accurate estimation of population characteristics. Random sampling is a sampling strategy to ensure that the sample provides unbiased information and has an equal chance of being chosen regarding turnover, employee numbers, and assets (Alvarez, Sensini& Vazquez, 2021, p.34).

### **Materials/Instrument**

A standardized survey questionnaire was used to achieve the study's primary objective. The research questionnaire consists of two parts: part one, which refers to the area of sales management of the gasoline stations consisting three indicators that include sales operations, sales strategy, and sales analysis; and part two, which refers to the evaluation of a company's profitability. The respondent is asking to check a single selected choice to the range of 1 to 5.

Furthermore, the research questionnaire consists of two parts: part one, which refers to the area of sales management of the gasoline stations, and part two, which refers to the evaluation of a company's profitability which the experts validated. The researchers personally conducted and distributed the questionnaire. The distribution will be during their free time, and personal interviews will be conducted to clarify answers from the respondents. The questionnaire was made in a way that the respondents could answer quickly.

Moreover, the scales used to determine the level of sales management of gasoline station are as follow: (1) the scale of 4.21-5.00 is considered very high, which means the sales management is always implemented; (2) the scale of 3.41-4.20 which described as high and considered that the sales management is often implemented; (3) the scale of 2.61-3.40 considered as moderate, which means the sales management is sometimes implemented; (4) the scale of 1.81-2.60 is considered as low, which means the level of sales management is seldom implemented; (5) the scale of 1.00-1.80 is considered as very low which means the level of sales management is never implemented.

Moreover, the scales to determine the level of profitability of gasoline stations are as follows: (1) the scale of 4.21-5.00 is considered very high, which means the profitability is always satisfactory; (2) the scale of 3.41-4.20 which described as high and considered that the profitability is often satisfactory ; (3) the scale of 2.61-3.40 considered as moderate, which means the profitability is sometimes satisfactory; (4) the scale of 1.81-2.60 is considered as low, which means the level of the profitability is seldom satisfactory;(5) the scale of 1.00-1.80 is considered as very low which means the level of the profitability is never satisfactory.

### **Design and Procedure**

This study employs a descriptive-correlation method in assessing the research problem. It is designed to describe the level of the two variables and the relationship between sales management and profitability among gasoline stations in Panabo City. According to (McCombes 2020, p.3), a descriptive study aims to accurately and systematically characterize a population, situation, or phenomenon. It also aids in identifying the needed information for the research. A descriptive study design can also investigate two or more variables.

Furthermore, the researchers used the following steps to gather the study's data. A letter of request for validation was first sent to the evaluators for validation and approval of the proposed and prepared modified questionnaires. After that, the researchers ask for the list of gasoline stations from the licensing office of Panabo City, which will confirm how many gasoline stations there are in Panabo City. Also, a letter of request to conduct the survey was sent to the managers/owners of the gasoline station in Panabo City for permission and approval to conduct the study to gather and collect the information needed.

The researchers personally conducted and distributed the questionnaires. The distribution was conducted during their free time. Personal interviews were conducted for the clarification of answers from the respondents while observing the health and safety protocols. Once the respondent answers the given survey questions, data retrieval should be next. The responses were collected, tallied, and submitted for statistical interpretation. Results were analyzed and interpreted based on the significance of the study.

The researchers used the following statistical tools: mean, it was used to determine the level of sales management and the profitability among gasoline stations in Panabo City; Pearson-r, it was used to determine the significant relationship between the sales management and profitability among gasoline stations in Panabo City (Albus, 2019, p. 1).

### III. RESULTS AND DISCUSSION

This chapter presented the analysis and interpreted sales management data and profitability among gasoline stations in Panabo City. The indicators were presented and discussed. The sequence of the major topics in the study is as follows: the level of sales management among gasoline stations in terms of sales operations, sales strategy, and sales analysis; the level of profitability among gasoline stations in Panabo City and the significant relationship between sales management and profitability among gasoline station in Panabo City.

#### Level of Sales Management

As shown in Table 1, the level of sales management, which has a grand mean of 4.28 described as very high with a standard deviation of 0.951. Among the three indicators, the sales operations got the highest overall mean of 4.33, described as very high.

Table 1

*Level of Sales Management*

Indicators	Mean	SD	Description
Sales Operations	4.33	1.060	Very High
Sales Strategy	4.27	0.971	Very High
Sales Analysis	4.23	1.024	Very High
<b>Overall</b>	<b>4.28</b>	<b>0.951</b>	<b>Very High</b>

In sales operations, the highest items were 1 and 4, which indicates that the gasoline station has fast and reliable transactions that give individual attention to the customer, and 4, uses a stage by stage, systematic sales procedures, which both got the mean of 4.86, which described as very high. This means that sales management is always implemented. This finding is supported by Pingrey (2022), which states that it is responsible for leading the management and operating effectively to enable gasoline stations to achieve their goals. Thus, the gasoline station has an efficient, reliable, and fast transaction in daily operation. However, the lowest item for sales management is item 2, with a mean of 3.14, described as average in employing customer segmentation or loyalty card.

The next indicator is the sales strategy, with an overall mean of 4.27, described as very high. It means that sales management is always implemented. It signifies that gasoline station utilizes marketing strategies to get the customer's interest. These findings are supported by Abubakar (2020) affirmed that sales strategy plays a considerable role in a gasoline station to attract the interest of clients, which leads to profit. In this indicator, the highest mean was item number 2, having a trained staff and employees to deal with the customers in daily operation, with a mean of 4.83, described as very high. While item number 4 got the lowest mean of 3.69, described as high for having a lower price than other stations and adapting its strategy to the diversity of each client. It implies that the gasoline station often experienced sales increases.

Furthermore, the last indicator is sales analysis which gathered an overall mean of 4.23, which is described as very high. It means that sales management is always implemented. It implies that the gas station employs sales analysis to monitor and determine if the business is successful or has a profit. As emphasized by Adepoju et al. (2017) that by enhancing sales analysis, businesses can develop their products and service to deliver higher quality to increase their profits.

On the other hand, item number 2 got the highest mean of 4.71 in giving customers correct/accurate information. It implies that gasoline stations are more efficient in giving factual information, which is essential for maintaining consumer loyalty. However, the item that got the lowest mean was item number 4, with a descriptive mean of 3.77, described as high.

#### Level of the Profitability

Presented in Table 2 is the level of profitability among gasoline stations in Panabo City. The evaluation is based on the 12-item questions relating to profitability. The overall mean is 4.18, described as high. It means that

profitability is very satisfactory. It shows that the gasoline station is generating a profit. Bock (2020) supports this outcome by stating that profitability is the main goal of any organization, large or small. It assesses a company's ability to generate profits that will enable it to operate in the long run. It provides the company with the resources it needs to continue its operations and, as a result, grow in the industry.

Table 2

*Level of Profitability*

<b>Indicators</b>	<b>Mean</b>	<b>SD</b>	<b>Description</b>
Profitability	4.18	0.998	High
<b>Overall</b>	<b>4.18</b>	<b>0.998</b>	<b>High</b>

Further, as shown in Table 2 in item number 12, having excellent performance and a strong desire to improve sales obtained the highest mean of 4.69, described as very high. It means that the gasoline station continuously shows the grit to increase profitability in daily operations. This implies that they have the undying courage to grow purposely in terms of sales. On the other hand, item number 10 obtained the lowest mean of 3.43, described as high in raising money without increasing the price charged to customers. It indicates that the gasoline station experienced raising their prices to improve their operation and income.

**Significant Relationship between Sales Management and Profitability among Gasoline Station in Panabo City**

Presented in Table 3 is the significant relationship between sales management and profitability. The computation of the r-value of 0.737 associated with the P-value of 0.01 is less than 0.05. Therefore, the null hypothesis (Ho) is rejected since the P-value is less than 0.05. It means that there is a significant relationship between sales management and profitability among selected gasoline stations in Panabo City.

The result of the study supports the theory of Sangeetha (2015) that the fundamental to a firm's success in sales management is through sales operations, sales strategy, and sales analysis that help to increase the company's profitability. Also, supported by Hoffman and Wandal (2016), sales management is associated with profitability because it influences the overall efficiency of the firm through sales management. Therefore, if sales management is effective, profitability is also effective, according to Shruti (2020, p.1-2).

Table 3

*Significance of relationship between Sales Management and Profitability*

<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>r-value</b>	<b>p-value</b>	<b>Decision</b>
Sales Management	Profitability	0.737	0.01	Ho is rejected

**IV. CONCLUSIONS AND RECOMMENDATIONS**

The segment presents further understandings and related work to the outcomes of the study, as well as the conclusion drawn and the relevant and valuable recommendations offered by the researchers based on the obtained results.

There are 35 gasoline owners/managers respondents who answer the survey questionnaire. The level of sales management of gasoline stations in Panabo City has overall mean of sales management is 4.28 describe as very high with a standard deviation of 0.951, which means that sales management is always implemented. It clearly tells that the gasoline stations operate effectively and efficiently, which leads the management to achieve and surpass its goals.

The overall mean rating obtained by profitability is 4.18, described as high with a standard deviation of 0.998, and considered that the profitability is often satisfactory. It tells that gasoline station is generating a profit. The

computed r- value is 0.737 and is associated with the P-value of 0.01, which is less than 0.05. It simply means that the null hypothesis is rejected.

Based on the results and findings of the data gathered, the researchers have concluded the following: The level of sales management of gasoline stations in Panabo City is very high. Among the three indicators of sales management, sales operations garnered the highest mean of 4.33, while sales analysis yielded an ensuring score of 4.23. The level of profitability among gasoline stations in Panabo City is high and considered that the profitability is often satisfactory. There is a significant relationship between sales management and profitability among gasoline stations in Panabo City. Therefore, sales management affects the profitability of gasoline station in earning profit.

Based on the findings and conclusion of the study, the following recommendations are drawn by the researchers: business owners of gasoline stations may continue to maintain and improve their sales management techniques by offering discounts, customer rewards, and loyalty cards to attract customers. As well as the gasoline station may also check and monitor the sales performance of their business by reviewing the profit of the sales force to increase the profit to the highest level. Also, start exploring new revenue opportunities that could help the company remains profitable and healthy.

The owners and employees of the gasoline station may check and review the collections and sales in daily operations in order to boost profits. It also suggested that owners/ managers should conduct employee training development to improve and develop the performance of those newly hired employees.

Future researchers may conduct another study investigating others factors that may influence sales management so that they can know and compare whether the current research and the future research still have the same results.

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