



Impact of Selling Behaviours on Sales Performance of Prescription Drugs

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ABSTRACT

The study focuses on selling behavior of Medical Representatives and the sales performance of Prescription drugs. In order to focus on the selling behavior of salespeople, an extensive literature review has been performed. Our analyses are based on responses from 136 Medical Representatives from India's top Pharmaceutical Companies. This paper examines improvement in sales performance from sales force by adaptive selling behavior, customer oriented selling, job characteristics. The results show that adaptive selling behavior outperforms the others. Theoretical and practical implications for incorporating selling behaviors in to the pharmaceutical Sales promotion are discussed.

Keywords : Adaptive selling behavior, Customer Oriented Selling, Job Characteristics, selling behaviors, Sales performance, Medical Representative, Prescription drugs

INTRODUCTION

The pharmaceuticals Industry is one of the most highly regulated markets in India. Medical Representatives have been considered as primary disseminators of product information to physicians in an increasingly cluttered marketplace. Physicians respond to promotional activities, which largely take the form of detailing. Physicians will only prescribe drugs that are sufficiently appropriate for their patients. This responds to promotion (e.g., detailing) because physicians update their beliefs regarding the safety and benefits associated with the drug. Pharmaceutical companies usually spend huge money on advertisement and sales promotion. However, over the past few years they are investing more on customer obligations, an emerging area. The Medical Representatives are responsible for giving the information about each Physicians and their needs to their firm, so that the Company can get the right medicine at optimum price to patients. Physicians also need to be educated by the Medical Representative in order enable him to best select medicine for his patients. Results from the personal interviews, to Medical representatives shows that the main purpose of a Medical representative is to orient, bring information, and deliver samples to physicians in order to differentiate the products from other similar products and stimulates sales. The dialogue revealed that drugs are promoted through missionary selling in which they deliver information about new drugs and how to use them to treat illness. This paper analyze the differences between adaptive and customer oriented selling techniques by Medical Representatives.

SELLING BEHAVIOURS AND SALES PERFORMANCE

The practice of adaptive selling is, by definition, behavior that relates to the in person, dyadic interactions which characterize the relationship between the salesperson and the customer and includes prospecting, qualifying, interacting with, and presenting to them (see Spiro and Weitz 1990; Weitz et al. 1986). Tabbiner (2000) and Reid et al. (2002) have completed research on the concept of salesperson adaptation, communication behaviors, and sales performance. Tabbiner

(2000) explored adaptive behaviors, in correlation with Plank and Reid's four communication behaviors, to determine sales performance in the healthcare industry.

Moreover types of selling strategies such as customer oriented selling, adaptive selling behavior and team selling are also considered relational (Guenzi, Pardo, and Georges 2007).

Swenson and Herche (1994) in a study of industrial salespeople, found that customer oriented selling behaviors are positively related to salesperson performance. Customer-oriented salespersons involve themselves in the difficult process of determining their clients' needs and provide assistance that best satisfies those needs (Saxe and Weitz 1982). Customer orientation is also positively related to outcomes such as sales performance, and job satisfaction (Hoffman and Ingram 1991).

Job characteristics, such as preponderance of cold calls, degree of repeat business, market competitiveness, or the relative degree of commission versus salary-based compensation (e.g. Honeycutt et al., 2001; Murphy, 2004; Robertson and Anderson, 1993; Schwepker, 1999); Job Characteristics Theory of Motivation by Hackman and Oldham (as cited in Gomez-Mejia, Balkin, & Cardy, 2007) explains that positive job characteristics will bring about three critical psychological states, namely, experienced meaningfulness, experienced responsibilities, and knowledge of results.

Blackshear and Plank (1994) suggested that sales performance based on adaptive sales techniques and the salesperson's behaviors. Their research showed that "rapid adjustments by the salesperson during a sales presentation to respond to these needs were an integral part of adaptive skills" Sales representatives that were able to adjust to the new methods easily were thought to have better sales performance. Sales performance is often defined by the quantity and quality of sales closed in a given time period. However, the literature provides several perspectives on evaluating

sales performance. Colletti and Tubridy (1993) provided the follow list of sales activities for successful salespeople: selling, working with distributors, entertainment, attending meetings, servicing products, working with orders, servicing accounts, travel, communication/information, and training and recruiting. These ten broad activity groups are based on a factor analysis of responses from a survey of 51 companies.

HYPOTHESES

The hypothesis was tested in this study. Stated as the null form this is as follows:

Hypothesis 1 (H1) : There is a positive relationship between selling behaviours of Medical Representatives and target based sales performance

METHODOLOGY

Collection of data using field survey research instruments administered to Medical representatives provided sufficient input to complete the study. Items in the questionnaire were based on sales persons' job characteristics, adaptive selling and customer oriented selling behavior. The Tiruchirappalli Managerial region was selected for the study. The questionnaire was given to Medical representatives and they were instructed to return the completed questionnaire directly to the researcher. Questionnaires were given to 150 Medical representatives. Out of 150 respondents 136 completed their questionnaire (a 91% response rate).

A total of 16 questions were developed relating to adaptive selling behavior; 15 questions were related to customer oriented selling behavior; 10 questions were related to job characteristics. Items on the questionnaire were worded to indicate a behavioural pattern and, the respondent was asked to respond on a Likert-type scale from 1, "Strongly Disagree", to 5, "Strongly Agree". Therefore, the questions tapped the quantity and quality of the behaviours. Performance measures were also taken from the job description. It consisted of two questions, target based sales performance and value-wise sales performance. Finally, salespeople were asked a set of standard demographic type questions such as age, marital status, monthly income and number of promotions in the firm

ANALYSIS

Table 1
Descriptive statistics on demographic variables of representatives

Demographic characteristics	Category	Frequency	Percentage
Marital status	Married	75	55.1
	Unmarried	61	44.9
	Total	136	100.0
Age	Below 25 years	31	22.8
	25 - 35 years	85	62.5
	35 - 45 years	20	14.7
	Total	136	100.0
Educational level	Graduate	55	40.4
	Post Graduate	67	49.3
	Professional	14	10.3
	Total	136	100.0
Monthly income	Below Rs.10000	7	5.1
	Rs.10001- Rs.15000	24	17.6
	Rs.15001- Rs.20000	81	59.6
	Rs.20001 - Rs.25000	20	14.7
	Above Rs.25000	4	2.9
	Total	136	100.0

Table 1, summarizes descriptive statistics of the representatives demographic variables. Majority of the Medical representatives taking part in this study were married 75 (55.1%) and 61 (44.9%) were unmarried. Majority of the representatives are aged between 25 and 35 years, 85 (62.5%) and 31 representatives (22.8%) were below 25 years and 20

(14.7%) representatives were included in the category of 35 to 45 years. Regarding education 67 (49.3%) of them were post graduates, 55 (40.4%) representatives were graduates, 14 (10.3%) of them were professionals. Majority of the representatives monthly income were between Rs.15001 and Rs.20000, 24 (17.6%) representatives monthly income were between Rs.10001 and Rs.15000, 20 (14.7%) representatives monthly income were between Rs.20001 and Rs.25000, 7 (5.1%) representatives monthly income were below Rs.10000 and only 4 (2.9%) representatives monthly income were above Rs.25000.

The next issue of measurement was to examine the 16 adaptive selling behavior indicators. A principal component analysis with varimax rotations was undertaken (Table 2). Five very clear factors emerged. All factor loadings were over 0.5 with the exception of three which were below 0.5. Factor one consisted of three items (1) conversant, (2) unchanged approach, (3) frequency of visit. Factor two consisted of five items (1) Customer's needs, (2) Technique adaptation, (3) Time consciousness (4) Clinical trials and (5) Flexible approach. Factor three consisted of three factors, (1) Customer's reaction, (2) Professional experience, and (3) Cost consciousness. Factor four and five consisted of one factor each, Customer expertise and Long term benefits respectively.

The next measurement was to examine the 15 customer oriented selling behavior indicators. A principal component analysis with varimax rotations was undertaken (Table 3). Five very clear factors emerged. All factor loadings were over 0.5 with the exception of two which were below 0.5. Factor one consisted of nine items (1) conversant, (2) cost effectiveness, (3) safe usage, (4) Explanation, (5) scientific selling, (6) Positive attitude, (7) personal effort like literature, (8) long term relationship and (9) describing accurate product. Factor two, three, four and five consisted of one factor each, target reach, sample medicines, helping the customer and timely delivery of drugs respectively.

Table 2
Factor analysis – ASB representatives' response

Variable No.	Variable	Factor				
		1	2	3	4	5
Q42	Conversant	0.687				
Q48	Unchanged approach	0.741				
Q50	Frequency of visit	0.782				
Q1	Customer's needs		0.735			
Q2	Technique adaptation		0.582			
Q31	Time consciousness		0.705			
Q37	Clinical trials		0.500			
Q44	Flexible approach		0.682			
Q16	Customer's reaction			0.845		
Q21	Professional experience			0.730		
Q34	Cost consciousness			0.596		
Q28	Customer expertise				0.673	
Q40	Long term benefits					0.849

The next measurement was to examine the 10 job characteristics indicators. A principal component analysis with varimax rotations was undertaken (Table 4). Three very clear factors emerged. All factor loadings were over 0.5 with the exception of two which were below 0.5. Factor one consisted of four items (1) selling from beginning to end, (2) selling interval, (3) dealing the variety of products and (4) unique products. Factor two consisted of three factors, (1) freedom on decisions, (2) own approach and (3) empowerment. Factor three consisted of one factor sales figures towards sales performance.

Table 3
Factor analysis – COS representatives’ response

Variable No.	Variable	Factor				
		1	2	3	4	5
Q2	Convincing the customer	0.776				
Q7	Cost effectiveness	0.583				
Q12	Safe usage	0.490				
Q17	Explanation	0.703				
Q22	Scientific selling	0.631				
Q29	Positive attitude	0.655				
Q35	Personal effort like literature	0.504				
Q43	Long term relationship	0.795				
Q45	Describing accurate product	0.623				
Q41	Target reach		0.585			
Q38	Sample medicines			0.529		
Q47	Helping the customer				0.556	
Q26	Timely delivery of drugs					0.633

Table 4
Factor analysis – Job characteristics representatives’ response

Variable No.	Variable	Factor		
		1	2	3
Q13	Selling from beginning to end	0.769		
Q18	Selling interval	0.818		
Q23	Dealing with variety of products	0.599		
Q27	Unique products	0.512		
Q8	Freedom on decisions		0.699	
Q30	Own approach		0.736	
Q33	Empowerness		0.546	
Q36	Sales figures towards sales performance			0.561

The hypotheses were tested using regression analysis. Hypothesis 1, (H1) uses a single measure of target based sales performance as the dependant variables and the three individual measures adaptive selling behavior, customer oriented selling behavior and job characteristics as the independent variables. Table 5, reports the appropriate regression analysis. While support is shown for customer oriented selling behavior, job characteristics are not significant at 0.05, adaptive selling behavior is significant at 0.01. This analysis indicates that adaptive selling behavior is the most powerful predictor.

Table 5 Hypothesis #1 testing (N=136)

Source	df	F-value	Probability > F
Regression	3	10.087	0.000**
Residual	132		
Total	135	Adjusted R ² = 0.168	
Variable		Prob. > t Standardized Coefficients Unstandardized Coefficients	
(Constant)		Beta Std. Error B	
		0.0006 8.690.2311.584	
ASB		0.000**4.4640.4830.1280.571	
Customer Oriented Selling		0.250-1.156-0.1310.138-0.160	
Job Characteristics		0.3360.9660.0840.0980.095	

Limitations of the study

This study was limited by the two sales behaviors Adaptive selling behavior, Customer Oriented Selling. Other elements of the sales performance mix were not considered. The sales representatives in this study were responsible for reporting their own levels of sale performance levels. Controversy exists over the accuracy of self-report measures. This study was also done over a short period, and it did not allow for a larger

and more diverse sample of research participants. Thus, the sample can be considered subjective to small population of representatives in Tiruchirappalli. This study did have limitations due to different factors. While a small sample is acceptable if the group studied is not easily accessible, it is still limited by the narrow range of medical specialties that were interviewed. The sample consisted of medical representatives of top companies only, but it is feasible that the relations among these variables are quite different for medical representatives in other companies. It is possible that the relationship between personal characteristics and sales performance are linear only up to a certain point, after which may level off. A potential limitation of this research is the possibility that the results are not generalizable due to the particular sample used.

Suggestions

Medical Representatives are a valuable resource for their companies. It is important for Pharmaceutical companies to use them most effectively with physicians. Influencing physician prescription behaviour has always proven very difficult for pharmaceutical companies. Most often physicians are tightly pressed for time to spare on attending to sales calls from Medical Representatives and hence, Medical Representatives get only a few minutes of their time. Due to these time pressured situations, it is of ultimate importance to make sure that relationships are built with physicians with the altering of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation.. Moreover, it is important to develop focus groups of salespeoples to periodically review the process of evaluating the adaptive, customer oriented selling behaviours. This would mean that pharmaceutical companies should encourage their representatives to adapt their selling techniques to fit the doctor that they are selling towards.

Conclusion

The results of this study indicate that a salesperson’s selling behaviors positively related to outcomes such as sales performance. The implications of this finding suggest that salespeople should be concerned with developing and adopting selling skills to generate prescription for their products. Moreover, this article calls for the adoption of selling behaviors in selling presentations to greater success for sales numbers. The results also show that a salesperson’s selling behaviors significantly affect buyer perceptions of both salesperson expertise and loyalty to the relationship. Top management should urge Medical Representatives to adopt selling behaviors which contribute to the maintenance of long term relationship with key Prescribers.

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