Chapter - V

Summary and Conclusion

5.1. INTRODUCTION

Measuring the sales force effectiveness has remained highly interesting topic of the researchers. The term ‘effectiveness’ is measured through different factors, which influence the sales persons’ field performance. These factors comprises like namely, specific objective based outcomes, skill sets controlling the sales persons’ behavior, performance results in terms of sales units/volume, revenue generated, profitability, new accounts created, etc. These patterns are categorized as interpersonal skills, salesmanship skills and technical skills. The continuous measurement of sales force effectiveness provide better clarity about the sales persons’ efficiency level in the dynamic business environment. In addition, it facilitates in identifying and training the right sales person for the job. To meet the sales targets, address the competition and ensure the sustainability for long term, the measurement of sales person's effectiveness is inevitable features of business.

5.2 STATEMENT OF THE RESEARCH PROBLEM:

During the recent economic downturn, organizations struggle to improve their productivity to remain competitive, among rising industrial sales calls costs and declining consumer interest in taking buying decisions. According to Ryans and Weinberg (1981), the rising costs of maintaining a sales force has been a concern for most of the sales managers in today’s increasingly competitive markets. In many industrial firms, direct selling costs account for almost half of all marketing expenses. Therefore, sales managers have the crucial responsibility to make sure that their sales force contributes to the organization’s objectives effectively and efficiently. By defining these attributes, sales organizations can identify what is needed for the new levels of sales performance.

The medical sales professionals are working for a highly organized sector. The products are highly scientific in nature to be targeted for a professional customer group. The industry is highly competitive and the sales executives have to upgrade their product and industry knowledge continues cycle. The pharmaceutical sales people have to meet and influence the physicians, pharmacists, medical shops and hospitals for their
sales targets. The pharma sales job includes the gathering and analysis of data. The segmentation the customers based on their purchase potentiality and making adequate number of meetings with the customers as one of their primary jobs in the sales field.

The regular pharma sales job includes the syndicated services, customized services, face-to-face meeting with customers, request for prescription of drugs, delivering the samples, maintain the relationships with various selling points and track the delivery of prescription of drugs to the physicians or the other purchasers, etc. Since the pharma sales people were engaged the above listed various activities, the role of the manager and the organization has to take steps to choose the suitable persons and focus to retain them for a longer period. The ultimate outcome of this activity is to improve the effectiveness of the organization and its performance in the competitive environment.

The characteristics and sales effectiveness of a salesperson is being identified in highly important to sustain in the competitive scenario. The important research issue is, whether proper guidance is given to the sales person in question? If so, is it giving the required output in the form performance? If performance is exposed, is it possible to identify the important factors which might have improved or enhanced his performance? The other pertinent situation is performance of a sales person also involves how far he suites himself to the current style and requirement of the buyer, i.e., whether he is making himself adaptive to the prevailing situation in the market. Whether it shows in his performance?

As the pharma industry is highly organized, technical, scientific and high competitive in nature, Identify the sales persons’ skills sets may lead for better clarity in designing the more accurate the required skill sets related to various specialized products. Therefore, the study aims to a degree to investigate the competencies required for front line sales force performance. It is believed that this study will add some effective inputs to understand the selling strategies required for better sales performance.

The understanding of the skill sets of the sales force can help the individuals and team performance. This research focus to find out the necessary skills required for the better performance of the front line sales force who are engaged in selling branded pharmaceutical products. Further, it adds a clear insight to the pharmaceutical sales
managers about the priorities of the skill sets for success of their field sales force. As the functions of the pharma sales representatives could be categorized under the three broad spectrums such as interpersonal skill sets, salesmanship skill sets and technical skill sets. The study focused to found out the factors which are influencing the sales executives’ success from the aspects of interpersonal skills, salesmanship skills and technical skills. As per the respondents self assessment about themselves, the identified factors are highly important of the success of the sales executives.

To execute the research on measuring the pharmaceutical sales force effectiveness, the researcher assumed the following assumptions. The respondents in this study were agreed to engage in the study; The respondents to this survey could use personal perception to construct out the competencies needed for sales effectiveness in his job; The instrument designed for the study was an appropriate assessment tool for determining competencies required for sales force effectiveness; and the identified and rated attributes were in suitable form for use in developing a competency model for frontline sales people in pharmaceutical industry performance improvement.

5.3 OBJECTIVES

The research problem identified through the literature survey was put to a different set of situation to bring out the real pattern of effectiveness among the sales people. For this field scan, focused objectives were structured. The aim of the study could be summarized as, first to identify the attributes that are assumed to be essential for sales people of pharmaceutical industry, second enlightening the insight of the respondents towards the identified attributes, third is to disclose the factors responsible for sales and lastly, the present study tries to recommend a model for enforcing efficiency amongst the sales force in the selected industry.

5.4 HYPOTHESIS

To answer the above objectives, the present study framed six hypotheses that are to be proved through selected statistical tools.

Increase in sales force efficiency is only because of high salesmanship skills forms the first hypothesis, followed by technical skills influencing sales force efficacy. In
addition, the study also tested that interpersonal skills, training programmes attended have positive influence on efficiency of these sales team. Person with high interpersonal skills are having larger field experience and people with more industry experience possess good technical skills also formed a part of hypotheses for this research.

5.5 METHODOLOGY

The study is based on descriptive design as it tries to find out the behaviour of the respondents and their skill sets, which would have affected the sales of the company. Field survey method was adopted in collecting the primary data. A sample of 352 respondents was randomly selected for the survey. The population of the industry considered was approximately 19,000 field members. Simple Percentage analyses were used to bring out the distribution of various socio-economic profiles of the respondents. This percentage method was utilized in constructing cross-tabulation to estimate the two-way cross analysis of selected variables. Relationship between the selected variables was analysed through Chi-square test. Factor identification and was estimated with the help of Factor Analysis. These factors are then taken as separate variables in the multiple regression equations. Simple least square method was used to bring out the influencing level of each variable. Two features which are considered as important for setting up the required equation were used as both dependent and independent variables interchangeably, viz, different skill sets and the sales effectiveness.

5.6 SUMMARY OF THE RESULTS:

The major findings of the analysis are as follows:

5.6.1 PERCENTAGE ANALYSIS:

Summarizing the results of percentage analysis, it is found that all the sales persons who participated as respondents for the study are men; no women sales persons are involved in this study. Most of the respondents are between 25 to 36 years. There are 77.3 percent Under Graduates and 52.8 percent unmarried men. Out of the total respondents, 18.8 percent of the respondents are continuing their job with the same organization for five years. It was also identified that 81.2 percent sales people switched their jobs within the span of five years duration, 86.5 percent of respondents are having
minimum one year experience and 52 respondents are having experience in more than 3 organizations. This can be interpreted as the industry has high sales force turnover and the sales persons keep looking for better opportunities. This may be a great challenge for the organizations to retain the smart sales persons.

In 2010 and 2011, more than one training program has been attended by 16.7 percent and 16 percent respectively. This might be due to the intensive competition and product portfolio they wanted to ensure their sustainability in the market in terms of improving their market share. Most of the respondents received minimum recognition from their organization in all the three years. Compared with the year 2009 and 2010, they received minimum of one and maximum of two recognitions from their companies in 2011. In the years 2010 and 2011, 97.9 to 98.5 percent of the respondents achieved 100 and more than 100 percent sales target. This shows that most of the field sales persons achieved their targets in terms of value. The non achievers of 100 percentages have drastically fallen down in year 2010 and 2011 compared to 2009 (18.7 percent). In the year 2010 and 2011, among the 352 respondents, on an average 75.1 percent created minimum of one and maximum of five new accounts respectively in their territories.

5.6.2 FACTOR ANALYSIS:

The summary of factor analysis is as follows:

5.6.2.1 Interpersonal skills:

The Interpersonal skill set had 24 components for testing the consistency of the respondents. A final 16 components were able to give an alpha value of 0.762, which is higher than the set value of 0.60. Of these 16 items, five variables have a high factor loading on factor one, named as ‘Listening Skills’. The second factor consisted of three variables, which were named as ‘Optimism’. The third factor ‘Empathy’ got support from three factors and the fourth factor was renamed as ‘Buyer/Seller relationship’. Lastly the study extracted the fifth factor and was named as ‘Perceptive Observation’.
5.6.2.2 Salesmanship Skills:

The salesmanship skill set with 28 components, were reduced to 17 components. Among the identified 17 variables, six variables have a high factor loading which were named as ‘Consultative Selling’. The term ‘Sales person cues and Communication style’ has been created with five variables. Similarly, the third factor ‘Adaptability’ and fourth factor ‘Negotiation’ had been created from four and two components respectively.

5.6.2.3 Technical Skills:

In the technical skills, two components were dropped and 16 were retained as it has a high value of 0.923. There are four items with high eigen value of 7.044 renamed as ‘Customer/Product Knowledge’. In the same process, the second identified factor was ‘Competitive Strength’ evolved from four variables. In continuation, ‘Client Evaluation’ was created from four components. Finally, the fourth factor was identified with two components and named as ‘Organizational Knowledge’.

5.6.3 MULTIPLE REGRESSIONS:

To estimate the influence of the selected skills sets viz., Interpersonal skills; salesmanship skills and technical skills on sales force effectiveness, the OLS method was adopted. The extracted factors from the above three skill were treated as both depended and independent variable as the case requirements.

The listening skills (b=0.15, t=2.90) in 2010 and sales target (b= 0.14, t = 2.53) in 2011; Optimism (b= -0.11, t= -2.07), buyer-seller relationship (b=0.12, t=2.17) and perceptive observations (b= -0.10, t= -1.90) were the most influencing components of interpersonal skill sets. The respondents indicated such skill sets contributed as a part in their success career. The ‘empathy’ as an interpersonal skill set did not had any influence on the sales target of 2009, 2010 and 2011. The study also identified the above-mentioned interpersonal skill set has no influence with a sales person’s professional experience. The listening skill (b= -0.188, t= -2.471) in year 2011 and empathy (b=0.174, t=2.289) in year 2009 were shown as the most influencing factors of a pharmaceutical person’s recognition in their own organization. Therefore, the listening and empathy skills have a greater influence on a pharmaceutical front line sales person’s recognition from this organization.
The adaptability (b=.176, t=2.253) and negotiation (b=.210, t=3.406) were identified as important salesmanship skills which had a significant influence from total years experience put in same industry and the number of organizations worked to date respectively. Apart from this, it has been identified that there is no significant relationship with above mentioned salesmanship skills and sales targets. It is also found that sales training program had no significant influence on the skill sets of consultative selling, and sales person cues and communication style. The skill sets such as adaptability (b=-.143, t=-2.244) and negotiation (b=-.129, t=-2.022) were turned out to be important skills which had an effect from sales trainings.

The consultative selling (b=-.261, t=-3.468) sales persons cues and communication style (-.144, t=1.903) adaptability skill (b=.134, t=2.348) and negotiation (b=.176, t=3.118) has shown that there is a strong influence from recognition received from their organization. Hence, the front line branded pharmaceutical products sales person with the mentioned salesmanship skills may be recognized faster than others in their professional career did. The technical skill sets of the pharmaceutical sales force shown as greater influence with competitive strength (b=.230, t=3.750) client evaluation (b=-.174, t=-2.805) and organization knowledge (b=-.128, t=-2.059) were the highly influencing factors compared with the total number of organization worked till date and the present organization experience on the effectiveness of the sales force.

The competitive strength (b=-.155, t=-2.460) has been found out as a significant association with sales trainings attended by sales persons. In addition, understanding the customers/ product knowledge (b=-.168, t=-2.245) in year 2009 and year 2010 (b=-.157, b=-2.789) has a significant role on an individual’s recognition by their organization. Detailed information about their customers and products has shown a significant factor for organization recognitions.

5.6.4 CHI-SQUARE ANALYSIS:

The demographic factors such as age and educational qualification have been found to possess a clear association with the sales targets and new accounts developed. The young sales people with minimum educational qualification are highly target oriented than other sales people.
The selected three variables such as work experience in present company, total years of experience with pharma industry and total number of organizations worked till date showed that skill sets of sales person improves significantly due to his past and present experience which together help him to push higher sales to create and maintain the new accounts that are added. Thus, it can be concluded that the professional experience is leading for achieving greater sales performance.

5.7 PROVING THE OBJECTIVES

a) All the three skill sets were analyzed and found that the first objective was met as it showed that these three variables did have a positive effect on sales person efficacy.

b) All the factors that were extracted in the three skills were found to be important attributes which improved the sales effectiveness.

c) The components such as Sales target, various working experience of the sales person, new accounts created by the sales person, the number of sales training attended and the recognition received were found to be important causes for bringing in the efficiency in the sales team.

d) The attributes from the interpersonal skill sets, salesmanship skill sets and technical skill sets has considered as significant in front line sales force effectiveness. The identified factors were converted to ‘sales force effectiveness model’ for the frontline pharma sales people.

5.8 TESTING THE HYPOTHESIS:

H1: Higher the salesmanship skills, greater level of sales force effectiveness

The ‘adaptability’ and ‘negotiation skill’ as salesmanship skills has direct influence in the sales force effectiveness. This has been proved by considering the sales persons total industry experience. The factors such as ‘consultative selling’, ‘sales person cues and communication style’, ‘adaptability’ and ‘negotiation skill’ are the significant skill sets for recognition from the organization. As the two aspects identified the above mentioned salesmanship skills sets for greater level of sales force effectiveness. Therefore, it can be concluded that mentioned hypothesis has been proved.
**H2: Higher the technical skills, greater the level of sales force effectiveness**

The OLS method identified the skill set ‘competitive strength’ shown a significant association with greater sales forces effectiveness. Similarly, the sales persons identified the ‘customer/product knowledge’ plays a significant factor in technical skill sets to get recognition from the organizations. By the technical factors such as knowledge about the competitive strength and the customer/product knowledge, a sales person leads for the greater sales force effectiveness.

**H3: Higher the interpersonal skills, greater the level of sales force effectiveness**

The ordinary least square estimation on interpersonal skills with the sales force effectiveness found that the skill sets such as listening skills, optimism, buyer seller relationship and perceptive observation were significant influence on their explanatory power in relation with achievement of sales targets. The identified skill sets proved this hypothesis as higher the interpersonal skills greater the level of sales force effectiveness.

**H4: More the number of trainings, higher are the level of sales person performance**

From the OLS method, the salesmanship skills as consultative selling, sales person cues and communication style, adaptability and negotiation has been identified with significant influence with the sales training programs conducted by the organizations. Likewise, the technical skill set ‘competitive strength’ has shown positive association with the more number of sales training attended by the sales persons. So, the hypothesis 4, more the number of trainings attended by the sales persons have higher the level of sales force performance has been proved in association with salesmanship skill and technical skills.

**H5: Higher the interpersonal skills, higher the field experience**

The skill sets ‘listening’ and ‘buyer and seller relationship’ has a greater association with the total industry experience. The professional experience of a sales person influenced with higher level of interpersonal skill. The hypothesis 5 also proved as higher the level of field experience leads for greater interpersonal skills.
H6: Higher the industry experience, higher level of technical skills

The OLS estimation table indicated that the technical skill sets such as understanding the ‘competitive strength’, ‘client evaluation’ and ‘organization knowledge’ is important skill sets, which has the greater impact in sales person’s professional experience. Similar to the other mentioned hypothesis, this hypothesis also was proved.

5.9 CONCLUSION

Sales force effectiveness of a company depends on the efficiency of the sales people involved in meeting the customers. This efficiency is not inherited by these people, but are gained and sharpened by the amount of effort put by these executives. This effort again is a cause of some skills which may be inherited or gained. Various studies had found that some specified skill sets are prerequisite for the sales people to perform well in the market. These skills are also found among the executives of a pharmaceutical company. The present study had traced three such skills as important for better performance. The study explored this among the samples selected and found that, all the three skills – Interpersonal skills, Salesmanship skills and Technical skills – are playing an important role in enhancing the effectiveness among the pharmaceutical sales force.

Through a simple statistical analysis, the study found that “Listening” and “Buyer/Seller relationship” are significant interpersonal skills that influences the sales performance. In the salesmanship skills, it was found that “Sales man cues & Communication style” are significant contributors for having an impact on the sales people performance. Likewise, “Customer/product Knowledge and Competitive Strength” which forms a part of the technical skills plays a significant role in enhancing the sales force of a company. Considering the study as a base and the pharmaceutical managers can design an appropriate sales force team and provide the most needed training program which focus on specialization will help the sales force as well as organizational sales effectiveness.

The study, hence suggests that a pharmaceutical company has to impart and look for this skill sets to improve their sales. Training and proper recognition for those sales executives who possess this skills are imminent for Sales force effectiveness in Indian conditions.
5.10 RECOMMENDED SALES FORCE EFFECTIVENESS (SFE) MODEL:

The identification of suitable sales force effectiveness model that could serve as an initiative to improve the sales force effectiveness in pharmaceutical industry. As the purpose of the study is to recognize the significant components from various skill sets which lead the pharma sales persons’ greater performance. The evolved components from the interpersonal skill sets, salesmanship skill sets and technical skill sets considered as significant factors for sales person’s success. The same has been transformed as a sales force effectiveness model for the frontline pharma sales people.

The study found that Listening, Buyer/Seller relationship, Perceptive observation and Empathy are the most important components under the category of Inter personal skills. The factors such as Consultative selling, Sales person cues and Communication, Adaptability and Negotiations were identified as significant components in Salesmanship skill set. Likewise, Customer/Product knowledge, Competitive knowledge and Client evaluation factors has been evolved as vital factors for Technical skill set.

In selection, training and performance evaluation of the front line pharma sales executives, adopting the mentioned components from the skill sets may lead the pharma organizations with greater sales performance. This could help the pharma managers to understand the need and provide appropriate sales training to their sales team. This may lead saving not only the cost but also maximum achievement of their sales targets, which is highly needed in the competitive Indian branded pharma business environment.
5.11 SCOPE FOR FURTHER RESEARCH

There are greater scopes for this study which further can be expanded with different motives. The scope of this study can be identified by extending the same to the other segments of the pharmaceutical industry. For example, purely on multinational organizations, Indian based multinationals, surgical markets, diagnostic segment, medical equipments, etc. Similarly, comparison of the two different pharmaceutical segments’ sales force effectiveness level can be measured. To suit the pharmaceutical sales persons jobs’ requirements, the study conducted by focusing on interpersonal skill sets, salesmanship skills and technical skills. Furthermore, depth of the sales force skills can be measured by adding additional dimensions of the sales skill sets. Another dimension of this study can be conducted in the areas like key accounts management (KAM) and Institutional business. The scope of the study can be conducted by extending exclusively for Tier I, II and III cities as these markets are completely different nature in consumptions and exposure of the pharmaceutical products.