Salesperson’s Behaviour and its relationship with Customer Trust and Customer Value with reference to Pharmaceutical Selling

Arun G¹, Manojkrishnan C G*², Madhu R³
¹Providence School of Business, Chengannur, Kerala, India
²TKM Institute of Management, Kollam Dt, Kerala, India
³MSN Institute of Management, Kollam Dt, Kerala.

ABSTRACT

In the global business, to make a business a thriving one, customer trust and to value the customer has become a significant factor. In an enterprise, the lion’s share of the business is, Customer – Salesperson interaction. This creates an enduring Customer Trust and Customer Value. For building up an uplifting frame of mind in the customer towards the selling firm, salesperson’s conduct plays a significant role. This study spots on, which type of salesperson behaviour can create customer trust and customer value. For developing a positive attitude in the customer towards the selling firm, salesperson’s behaviour plays an important role. Research Investigating Antecedents and outcomes of Customer Trust and Customer Value are limited. In this research, Customer is the Allopathy doctors and Consumer is the Patients. Previously existing researches on customer trust and customer value particularly in an industry were close to personal selling do assume a fundamental job and had less researches directed by taking Sales rep’s (Salesperson) behaviour as an antecedent. This examination finds that selling orientation and unethical selling is having a contrary association with trust towards the salesperson. It additionally demonstrates that; Customer Orientation and Adaptive selling conduct is having a critical constructive association with trust towards the salesperson. This examination additionally finds that there is a noteworthy connection between trust towards the salesperson and trust towards the selling firm. This investigation additionally finds that, Customer Value is having a huge connection between Trust towards the Salesperson and Trust towards the Selling Firm.

INTRODUCTION

One of the most important phenomenon in Marketing is Customer Trust and Customer Value. In Pharmaceutical Industry of India, the major Marketing Technique used is Personnel selling. So, in this study customer trust and customer value relationship is measured by taking Salespersons behaviour as an Antecedent. In Pharmaceutical Industry, Doctors are the Customers and patients are the consumers. As far a Pharmaceutical industry is concerned, they are marketing their product to Doctors. Researchers conducted this study in Allopathic Doctors treating Diabetics in South Kerala. The Selling Behaviours can be classified into Adaptive selling behaviours,
Sales Oriented and Customer Oriented Behaviours (SOCO) and Unethical selling behaviour.

Customer Management is going through humongous change in the last so many years. It is all about treating customers as true assets. It is all about implementing, managing and maintaining customer relationship strategies Kumar et al. (2006). If a company wants to create a leading edge in this highly transforming and competing business world, Customer Trust and Customer Value. Majority of the industries Customer – salesperson interaction does play a pivotal role in creating Customer Trust and Customer Value. Salesperson’s Behaviour at the time of interaction with the customers do play an important role in creating trust towards the salesperson and trust towards the selling firm (Madupalli, 2007). Nowadays, companies are facing cut-throat competition, in which case creating customer value are really important (Conti, 2013).

There are only limited researches in the area of Customer Trust and Customer Value (Gupta et al., 2004; Rust et al., 2004). There are only very less researches conducted on customer trust and customer value on the basis of Salesperson’s Behaviour as an antecedent. Here the salesperson is Medical Sales Representative and the customers are doctors (Gupta and Lehmann, 2003). The Indian Pharmaceutical Industries is setting high targets for the Medical Sales Representatives, so their performance under high pressure is a major issue. It will ultimately reflect in Customer – Salesperson Interaction process. There are only limited researches in the Pharmaceutical Industry with reference to Customer Trust and customer value. This study will give an insight about, which type of Salesperson’s Behaviour is best suitable for creating Customer Trust and Customer Value (Keränen and Jalkala, 2014).

Objectives of the study
To identify which type of Salespersons Behaviour create Customer Trust and Customer Value.

To identify which type of Salesperson’s Behaviour should be practiced to create customer trust and customer Value.

Theoretical Framework and Hypothesis
According to Figure 1 the “Trust and Value model with reference to Salesperson’s Behaviour” is built on three variables i.e., Salesperson Behaviour, Customer Trust and Customer Value. The Salesperson’s Behaviour is classified into Selling Oriented - Customer Oriented, Adaptive selling and Unethical Selling Behaviour. The Customer Trust is classified into Trust towards the Salesperson and Trust towards the Selling Firm. The dependent variable of this study is Customer Value.

The relationship between Selling Oriented Behaviour and its relationship with Customer Trust and Customer Value
In selling oriented behaviour, the salesperson’s main objective is to achieve target rather than understanding the needs and wants of the customer. They will never give importance to find a proper solution to the problems faced by the customer (Dunlap et al., 1988). Because of not satisfying the needs and wants of the customers, the selling orientated behaviour is having a negative relationship towards Customer Trust and Customer value (Boles et al., 2001). Selling orientated approach is a traditional approach. Salesperson put lot of pressure to customers, even if the products don’t meet the needs and wants of the customers. Sometimes selling orientation will work; the customer might buy a product which might not be suitable to them. Then the customer will never comeback for repurchase and will lose trust towards the sales person and selling firm and will finally affect customer value (Goad and Jaramillo, 2014).

H1
Selling Orientation behaviour of the salesperson is having a negative relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

The relationship between Customer Oriented Behaviour and its relationship with Customer Trust and Customer Value
Salespersons who practice Customer Orientation will give more importance to Customer Benefits and Customer Satisfaction / delight (Dunlap et al., 1988). Practicing Customer Orientation Behaviour by the Salesperson is a simple reflection of Marketing Concept. Customer Oriented concept is having a positive relationship with Customer Trust and Customer Value (Boles et al., 2001). If a salesperson wants to satisfy or delight customers, it is mandatory to identify the needs and wants of the customers; then only they can meet or positively go beyond the expectations of the customers (Chen et al., 2017). If the immediate supervisor and management is giving good support to the salesperson, the creativity level goes up which leads to Customer Orientation (Williams, 1998).

H2
Customer Orientation behaviour of the salesperson is having a positive relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.
Figure 1: Trust and Value model with reference to Salesperson’s Behaviour.

Figure 2: Two Mediation Effect of Selling Orientation, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.
Table 1: Two Mediation ABC Indirect Effect with P value of Selling Orientation, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>A x B x C Indirect Effect</th>
<th>Lower</th>
<th>Upper</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>A x B x C</td>
<td>-0.245</td>
<td>-0.306</td>
<td>-0.186</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 2: Two Mediation ABC Indirect Effect with P value of Customer Orientation, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>A x B x C Indirect Effect</th>
<th>Lower</th>
<th>Upper</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>A x B x C</td>
<td>0.349</td>
<td>0.276</td>
<td>0.422</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 3: Two Mediation ABC Indirect Effect with P value of Adaptive Selling, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>A x B x C Indirect Effect</th>
<th>Lower</th>
<th>Upper</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>A x B x C</td>
<td>0.269</td>
<td>0.201</td>
<td>0.336</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 4: Two Mediation ABC Indirect Effect with P value of Unethical Selling, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>A x B x C Indirect Effect</th>
<th>Lower</th>
<th>Upper</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>A x B x C</td>
<td>-0.116</td>
<td>-0.170</td>
<td>-0.072</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source: Primary Data

Figure 3: Two Mediation Effect of Customer Orientation, Trust towards the salesperson, Trust towards the Selling Firm and Customer Value.
The relationship between Adaptive Selling Behaviour and its relationship with Customer Trust and Customer Value

Adaptive selling behaviour is all about changing selling tactics in a sales encounter to meet the customer needs and wants by proper solutions to the customer problems (Sujan et al., 1988). In different selling situations of a salesperson a salesperson has to use diverse selling situations and selling approaches, that's what is called as Adaptive Selling Behaviour (Rapp et al., 2006). Salespersons who practice Adaptive Selling Behaviour can create customer trust and customer value (Baptista, 2014). If customer feels suspicious about adaptive selling; the customer will check the authenticity (Hilton et al., 1993).

H3

Adaptive Selling behaviour of the salesperson is having a positive relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

The relationship between Unethical Selling Behaviour and its relationship with Customer Trust and Customer Value

If a salesperson lies about the product or service, exaggerate about the product or service, giving wrong information about the product or service and about the competitors, confusing the customer using technical jargons and selling a product which is not according to the needs and wants are considered as Unethical Selling Behaviour. These unethical selling behaviour activities of the salesperson during the sales encounter will create a negative relationship with Customer trust and customer value (Robertson and Anderson, 1993; Román and Munuera, 2005). An Interpersonal Influence Perspective indicates that, if a salesperson is not properly supervised, chances for doing an unethical selling practice by him will be on the higher side (Román and Ruiz, 2005; Román, 2003).
paper titled “Ethical Issues in Insurance Marketing in India: The Policy Holders’ View” says that, when the competition got increased, the unethical practices also increased simultaneously. The customer will lose credibility and trust if there is no straightforwardness and transparency about the offering by the selling firm (Talwar and Ali, 2016).

### H4

Unethical Selling behaviour of the salesperson is having a negative relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

#### Research Methodology

This research study is to find which type of salesperson behaviour should be practiced to create customer trust and customer value. Here the data collection method is survey using questionnaire; a pretest of data collection instrument will be performed before they use for the final research purpose. We can say that, in this research design “Structured or well thought out instrument” is used. There will be well thought out Sample design suitable to the study. The data collected will be processed and analyzed. Advanced decisions about operational procedures are there. The layout of the report is also well planned. The main advantage is that researcher can minimize the risk of bias and maximization of the reliability of the Evidence collected. In this study, researcher aims to conduct different statistical test to determine the reliability and validity of relationship between the dependent and independent variables in the conceptual frame work. So, we can say that this study is descriptive in nature.

The population of the study is “Allopathic Doctors treating Diabetics” and “Diabetic Patients”. The geographical area of the study is South Kerala. The population is known i.e., 652 allopathic doctors treating diabetics in South Kerala according to the Doctor’s List of Cipla’s and Eris’s Cardiac & Diabetic Segment. Another population is “Diabetic patients treated by allopathic doctors treating diabetics”, which is unknown. Cipla and Eris are popular Cardiac Diabetic pharmaceutical drugs producing and marketing company which has an all India operation. The doctors with different specializations who can give allopathic treatment to Diabetics are Md, Md Diabetology, Md Dm Cardiology, Md Dm Endocrinology, Md Dm Nephrology and Md Dm Neuro.

According to (Hair et al., 2014) in their book Multivariate Data Analysis, It has been pointed out that; the Minimum Sample size required is 150, when the model is having eight construct or less and the modest commonalities 0.5 and in the situation where there is no Under-identified Constructs. According to Krejcie and Morgan table, when the population is less than or equal to 650, the sample size recommended is 242 and for population unknown, the sample size recommended is 385 with the degree of accuracy expressed a 0.5 (Krejcie and Morgan, 1970). According to (Crimp and Wright, 1995), any sample size between 30 and 500 is suitable and appropriate for applying research methods. The sample size fixed for allopathic doctors treating Diabetics is 200. For getting 200 samples, the researcher distributed 300 questionnaires. The number of questionnaires selected for Analysis is 252. The total Missing Values are 29, Outliers found was 8 and the total numbers of no responses was 11.

In our study, Judgmental sampling is used. Judgmental sampling can also be referred as purposeful sampling. This is because judgment sampling is used in cases where the knowledge of an authority can selects a more representative sample, which in turn yield more accurate results than if other probability sampling techniques were used.

#### Path analysis

Path analysis is used to evaluate the presumed causal relations (direct and indirect) among several variables, generally indicators. However, latent variables are possibly used in a path analysis. If you incorporate latent variables, path analysis becomes a "structural equation model". In such a model, you add (in addition the the structural model containing the inter-variable effects) measurement models for each latent variable. In these measurement models, each latent variable is connected to one, two or more indicators that are presumably caused by the latent variable. The full model tries to explain the covariance between all observed variables (indicators) by the full set of paths connecting these.

Latent variable is a variable which caused responses for several observed variables, in other words it is a non observable variable which can be indicated by another observable variables, when you start use latent variables then it called structural equation model.

#### Results

##### Two Mediation Analyses through ABC Indirect Effect

To test the two mediation effect between the salesperson’s behaviour and customer value with two mediating constructs such as “Trust towards the sales person” and “Trust towards the Selling Firm” with reference to James Gaskin.

Researcher tested the two mediation effect using Bootstrap Analyses. Boot Strap Analyses is used to test the presence of an indirect effect in a hypothet-
Selling Orientation behaviour of the salesperson is having a negative relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

According to Figure 2, the exogenous construct is Selling Orientation behaviour, the first mediator is “trust towards the salesperson” the second mediator is “trust towards the selling firm” and the endogenous Construct is “Customer Value”. The relationship between Selling Orientation and trust towards the salesperson is estimated as “A”, the relationship between Trust towards the sales person and trust towards the selling firm is estimated as “B” and the relationship between trust towards the selling firm and customer value is estimated as C. Table 1 shows that the estimated value of ABC Indirect Effect is -0.245 with a P value 0.001 which is less than the maximum recommended value of 0.05. Hence, we can say that H1 is accepted i.e., Selling Orientation behaviour of the salesperson is having a negative relationship with trust towards the sales person, trust towards the selling firm and customer value.

H2
Customer Orientation behaviour of the salesperson is having a positive relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

According to Figure 3, the exogenous construct is Customer Orientation behaviour, the first mediator is “trust towards the salesperson”, the second mediator is “trust towards the selling firm” and the endogenous construct “Customer Value”. The relationship between Customer Orientation and trust towards the salesperson is estimated as “A”, the relationship between Trust towards the sales person and trust towards the selling firm is estimated as “B” and the relationship between trust towards the selling firm and customer value is estimated as C. Table 2 shows that the estimated value of ABC Indirect Effect is 0.349 with a P value 0.001 which is less than the maximum recommended value of 0.05. Hence, we can say that H2 is accepted, i.e., Customer Orientation behaviour of the salesperson is having a positive relationship with trust towards the sales person, trust towards the selling firm and customer value.

H3
Adaptive Selling Behaviour of the salesperson is having a positive relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

According to Figure 4, the exogenous construct is Adaptive Selling behaviour, the first mediator is “trust towards the salesperson” and the second mediator is “trust towards the selling firm” and the endogenous construct is “Customer Value”. The relationship between adaptive selling and trust towards the salesperson is estimated as “A”, the relationship between Trust towards the sales person and trust towards the selling firm is estimated as “B” and the relationship between trust towards the selling firm and customer value is estimated as C. Table 3 shows that the estimated value of ABC Indirect Effect is 0.269 with a P value 0.001 which is less than the maximum recommended value of 0.05. Hence, we can say that H3 is accepted i.e., Adaptive Selling behaviour of the salesperson is having a positive relationship with trust towards the sales person, trust towards the selling firm and customer value.

H4
Unethical Selling Behaviour of the salesperson is having a negative relationship with Trust towards the Sales Person, Trust towards the Selling Firm and Customer Value.

According to Figure 5, the exogenous construct is Unethical Selling behaviour, the first mediator is “trust towards the salesperson” and the second mediator is “trust towards the selling firm” and the endogenous construct is “Customer Value”. The relationship between unethical selling and trust towards the salesperson is estimated as “A”, the relationship between Trust towards the sales person and trust towards the selling firm is estimated as “B” and the relationship between trust towards the selling firm and customer value is estimated as C. Table ?? shows that the estimated value of ABC Indirect Effect is -0.116 with a P value 0.001 which is less than the maximum recommended value of 0.05. Hence, we can say that H4 is accepted i.e., unethical Selling behaviour of the salesperson is having a negative relationship with trust towards the sales person, trust towards the selling firm and customer value.
person, trust towards the selling firm and customer value.

Discussion, implications and future research directions

This article portrays which type of salesperson behaviour can create customer trust and customer value. This study is important because there are only a few studies on Customer Trust and Customer Value by taking Salesperson behaviour as an antecedent. There are only less studies focusing on drivers of mistrust and the negative drivers of trust (Swan et al., 1999). The study’s findings are based on the responses from the customer i.e., Doctors. From this study we can understand that, Selling Orientation behaviour of the salesperson is having a negative relationship with trust towards the sales person, trust towards the selling firm and customer value. This study portrays about how selling orientation is creating a negative attitude about the salesperson in the mind of the customer which ultimately negatively reflects in Customer Trust and Customer Value. Our research study is acting as a torch bearer in identifying best salesperson behaviour in creating customer trust and customer value. Customer Oriented Behaviour of the salesperson is having a positive relationship with customer and Customer Value. Adaptive selling Behaviour is having a positive relationship with Customer Trust and Customer Value. Adaptive Selling Behaviour is positively related to Customer Trust when the Selling Behaviour of the salesperson is less or moderate and Unethical Behaviour is null (Guenzi et al., 2016). Unethical selling behaviour is having a negative relationship with Customer trust and customer value.

The salesperson approaching doctors should never practice Selling Orientation; they should first understand the needs and wants of the customers first, salespersons should give importance to the satisfaction of the customer rather than selling the product, the salespersons are not supposed to exaggerate about the product offered by the selling firm, the salespersons are not supposed to pressurize the customer for a product which is not suitable to him/her. The salespersons should practice Customer Orientation for creating trust and value in pharmaceutical industry. The salesperson should identify the needs and wants of the customers before approaching and detailing the product to the customer. The salespersons should give adequate solution to the needs and wants of the customer. The salespersons approaching the customers should give preference to the customer’s interest rather than convincing him to purchase a product that is not required for him. The salesperson should have adequate product knowledge to help the customer to choose the product that is suitable to his needs and wants.

The salespersons can also practice Adaptive Selling Behaviour to create Customer Trust and Value. The salesperson should be flexible enough to handle any situations in buyer-seller interactions. They are supposed to develop diverse selling styles in different selling situations. The adaptability is one of the most important ability required for a salesperson for facing diverse selling situations.

The salespersons should never practice Unethical selling behaviour. It is unethical selling behavior if a salesperson attempts to answer the queries of the customer without proper product knowledge. It is equivalent to give wrong information intentionally. Lying about competitors is also treated as unethical. Intentionally using ambiguous language is also treated as unethical selling behaviour. These practices should be avoided while creating Trust and Value.

The salesperson should be honest, reliable, trustworthy and dependable for creating Trust with the Salesperson. For creating Trust with the selling firm, the companies should give genuine information about the products, the customers should feel trustworthy towards the organization, the pharmaceutical companies are supposed to treat like elite customers and the pharmaceutical company should give importance to the welfare of the customers. For improving Customer Value, quality of the medicine provided by the pharmaceutical companies are really important, the efficacy of the medicine is also very much important, freely availability of the Medicine in the retail shops is also important and the company should give importance in creating emotional bond with the company.

CONCLUSIONS

From the research we conducted, it's evident that in Pharmaceutical industry; for creating customer trust and customer value salespersons do an important role. If a customer wants to repurchase a product long lasting customer relationship is important. In that context salesperson's interaction with the customers do an important role. The model put forwarded by the researchers says that the salesperson behaviour create trust towards the salesperson, trust towards the salesperson creates trust towards the selling firm and finally trust towards the selling firm leads to customer value. For a pharmaceutical company, the customer value is created by creating an emotional attachment with the company and their products by should quality products with reasonable price, all medicines should be freely
available in all medical retail shops and the customers (Doctors) should feel proud of prescribing the concerned company medicines. For creating an emotional bonding with the companies, the salesperson’s behaviour does play a significant role. For creating trust and Value in Pharmaceutical industry, Salesperson do play an important role especially in the contest of Buyer-Seller relationships. This research thoroughly suggests that the sales managers should really invest on building Customer Trust and Customer Value. The Trust towards the salesperson and the trust towards the selling firm are really significant in creating Customer Value.

The present research was conducted on a smaller sample of Allopathic Doctors treating in Diabetic specialty in South Kerala only, which is limited in size; further research can be conducted on a larger sample including doctors from other specialties on a large sample including doctors from other regions. This kind of study can be conducted on Doctors practicing in Ayurvedic and Homeopathic specialty. In the present investigation interview method and projective techniques could be considered, besides using the Questionnaire for Data Collection to validate the results for present investigation.

**Funding Support**

None

**Conflict of Interest**

None

**REFERENCES**


