



## A STUDY ON SALES FORCE MANAGEMENT OF PHARMACEUTICAL COMPANIES OF AHMEDABAD

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### 1 Introduction

According to Definition Committee of the American Marketing Association, Sales management is defined as "The planning, direction and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivating as these tasks apply to the personal sales force."

Sales force is responsible for the sale of products of a company and to add profit to the business operations and fulfil social obligations. Sales force should be hardworking, result oriented, well educated and competent to handle changing situations. Technical developments which are taking place at a rapid speed have made the task of sales force more challenging.

Successful sales force management means:

- The right organization and aggregation against product lines and geographies.
- The right strength and qualification.
- The right compensation and incentive system.

## 2. Literature Review

The subject is related to Marketing concept of the pharmaceutical industry. It covers not only the marketing management but also encompasses the human resources development (HRD). In both the disciplines there are number of books, periodicals available for reading both from overseas authors as well as Indian authors. Number of articles are also being published which deal with the various aspects of this subject.

"Sales personal serves as a company's personal link to the customers. It is the sales rep who brings back much needed information about the customers. Therefore, the company needs to carefully consider issues in sales force design- namely, the development of the sales force objectives, strategy, structure, size and compensation"( Kotler, Keller, Koshy, & Jha,2007)

"There will be at least three medical reps for every 10 doctors by 2020, triple the ratio from 2005,& "Sales representatives are getting crowded out of the doctors" chambers," especially in India"s largest cities", according to a report by consultant McKinsey. In contrast, "Sales force size and structure has to be linked directly with product performance. Companies are not maximizing their returns from detailing spend despite the continual focus to maintain high sales force numbers", According to A Datamonitor In-Depth Analysis Pharmaceutical Sales Forces Benchmarking sales force management by geographical market and product lifecycle( 2003).

It is essential that the sales force of the pharmaceutical company is well equipped, in terms of training, communication skills, product knowledge so that it can perform well.( Kumar, Nandi and Chada,2007). President and CEO of Omega Group LLC Thomas Borger, has quoted, " Pharmaceutical companies must take a lead in developing appropriate messaging for physician patient interactions, rather than leaving it to the ability of physicians to develop it based on their own understanding of the science."

## 3. Research Methodology

**Research Design:** Descriptive

**Secondary data:** From published articles, books, research reports, etc.

**Research Instrument:** Self administered questionnaire

**Sampling Plan**

**Sampling Unit:** Medical Representatives of various Pharmaceutical Companies of Ahmedabad

**Sample Size:** 50

**Sampling Method:** Judgemental Sampling

**Data Collection:**

The data were collected from the respondents using Self Administered questionnaire as an instrument.

**Data Analysis:**

For analysis descriptive statistics like frequency distribution and crosstabs are used.

### 3.1 Objectives of the study

- To study the Sales Force Management practice of various Pharmaceutical Companies of Ahmedabad.
- To examine relation between sales force management and high sales achievement.
- To find out the Satisfaction levels of the Medical Representatives of various Pharmaceutical Companies of Ahmedabad

### 3.2 Hypothesis

- Medical Representatives are satisfied with the current HR practice of the company .
- Current company has better growth prospect as compare to any other Pharmaceutical Company.

## 4. Data Analysis

### 4.1 Demographical Information of Respondents

**Table 4.1**

Particular	Frequency	Percentage
<b>Gender</b>		
Male	46	92.0
Female	4	8.0
<b>Total</b>	<b>50</b>	<b>100.0</b>
<b>Age</b>		
21-30	30	60.0
31-40	19	38.0

<b>41-50</b>	1	2.0
<b>Total</b>	<b>50</b>	<b>100.0</b>
<b>Yearly Income (in Rs.)</b>		
<b>1.8L-2.25L</b>	10	20.0
<b>2.25L-2.75L</b>	18	36.0
<b>2.75L-3.25L</b>	15	30.0
<b>3.5L-4.5L</b>	7	14.0
<b>Total</b>	<b>50</b>	<b>100.0</b>
<b>Education Qualification</b>		
<b>B.Sc.</b>	34	68.0
<b>B.Pharm</b>	13	26.0
<b>M.Pharm</b>	2	4.0
<b>MBA(Pharma)</b>	1	2.0
<b>Total</b>	<b>50</b>	<b>100.0</b>
<b>Recruitment Source</b>		
<b>Talent Referral</b>	37	74.0
<b>Recruitment Agencies</b>	9	18.0
<b>Online Portal</b>	4	8.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

## 4.2 Correlation Analysis

**Table 4.2**

### Co-relation between Training and Target Achievement

Correlations		Current Training	Targets
Current Training	Pearson Correlation	1	.673**
	Sig. (2-tailed)		.000
	N	50	50
Targets	Pearson Correlation	.673**	1
	Sig. (2-tailed)	.000	
	N	50	50

The above shows the correlation between Current technical training and easiness of achieving targets. The above table gives value of  $r=.673$  which indicates that there is a strong positive correlation between these two variables.

**Table 4.3**

**Correlation between Rewards system and Motivation**

Correlations		Motivation	Reward System
Motivation	Pearson Correlation	1	1.000**
	Sig. (2-tailed)		.000
	N	50	50
Reward System	Pearson Correlation	1.000**	1
	Sig. (2-tailed)	.000	
	N	50	50

The above shows the correlation between Reward System and Motivation for better performance. The above table gives value of  $r=1$  which indicates that there is a strongly positive correlation between these two variables.

**4.3 Hypothesis Testing**

1) Medical Representatives are satisfied with the current HR practice of the company.

**Table 4.4**

Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Current_Componstation	Male	46	2.13	.400	.059
	Female	4	2.25	.500	.250
Incentives	Male	46	3.26	.612	.090
	Female	4	3.50	.577	.289
P.A.	Male	46	2.57	.655	.097
	Female	4	2.50	.577	.289
Rewards_motivation	Male	46	2.57	.655	.097
	Female	4	2.50	.577	.289
Supervisor_help	Male	46	1.83	.643	.095
	Female	4	2.25	.500	.250

To test this Hypothesis, different parameters of Sales Force Management are taken. The above table shows the statistics about Mean and Std. Deviation for different groups.

**Table 4.5**

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Current_Composition	Equal variances assumed	.514	.477	-.563	48	.576	-.120	.212	-.547	.307
	Equal variances not assumed			-.465	3.343	.670	-.120	.257	-.892	.652
Incentives	Equal variances assumed	.008	.931	-.752	48	.456	-.239	.318	-.879	.400
	Equal variances not assumed			-.791	3.613	.478	-.239	.302	-1.116	.637
PA	Equal variances assumed	.346	.559	.192	48	.848	.065	.339	-.616	.747
	Equal variances not assumed			.214	3.706	.842	.065	.304	-.807	.937
Rewards_motivation	Equal variances assumed	.346	.559	.192	48	.848	.065	.339	-.616	.747
	Equal variances not assumed			.214	3.706	.842	.065	.304	-.807	.937
Supervisor_help	Equal variances assumed	.403	.529	-1.281	48	.207	-.424	.331	-1.090	.242
	Equal variances not assumed			-1.585	3.920	.189	-.424	.267	-1.172	.324

In the above table independent sample t test is calculated. The above table gives significance values which are greater than .05 (5% level of significance). It indicates that there is no evidence to accept alternative hypothesis and hence H0 is accepted and H1 is rejected. Thus we can say that there is no significance difference between and appropriate practice of Sales Force Management in Pharma companies.

2) Current company has better growth prospect as compare to any other Pharmaceutical Company.

**Table 4.6**

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Other_salary	Equal variances assumed	1.097	.300	.639	48	.526	.110	.173	-.237	.458
	Equal variances not assumed			.648	47.124	.520	.110	.170	-.232	.453
Other work Environment	Equal variances assumed	.699	.407	-1.027	48	.310	-.201	.196	-.595	.193
	Equal variances not assumed			-1.028	45.383	.309	-.201	.196	-.596	.193
Other_career	Equal variances assumed	4.654	.036	1.248	48	.218	.179	.143	-.109	.466
	Equal variances not assumed			1.283	47.983	.206	.179	.139	-.101	.458

In the above table independent sample t test is calculated. The above table gives significance values which are greater than .05 (5% level of significance). It indicates that there is no evidence to accept alternative hypothesis and hence H0 is accepted and H1 is rejected. Thus we can say that there is no significance difference between Income and Belief about better growth prospective in current company as compare to other Companies.

## 5. Major Findings & Conclusion

### 5.1 Findings

- The average joining of the Medical Representatives is 3 and half years, which means that pharma companies have high attrition rate.

- For the purpose of meeting a prospect, the data is mostly given by the company from database and thus there can be chances of success customer conversion. Apart from it, Reference from the doctor is also an important source.
- To make the business call effective, Medical Representatives always take appointment in prior with doctors or they meet doctors within the meeting time( a time decided by the doctor to meet different Medical Representatives)
- On an average 200-250 calls are made in a month; in which General Division Medical Representative makes 10-12 calls per day and Speciality Division Medical Representative makes 6-8 calls per day.
- As against so many calls in a month, the actual conversation ratio is on an average 8 customers conversation per Month. It can be seen that, the customer conversation ratio is relatively low, but as per industry trend it is fair enough.
- There are many reasons for non-conversion of customer like, "Missing Doctor", Less time for presentation, more competition in generic drugs.
- It is also found that Most of the Medical Representatives believes that the policy of pharma company is employee oriented.

## 5.2 Suggestions

From the research conducted, following suggestion can be provided to pharmaceutical companies of Ahmedabad/.

- There should be revision of travelling allowances as current allowances are relatively low.
- There should be change in the promotional scheme of company, where Medical Representatives are allowed to work within the same region.
- To prevent company from high turnover in the company,
  1. More motivation is needed.
  2. There is Need of Long Term HR Policies for Empowerment in the company.



3. The company should come up with Innovative HR Concepts.
- The company should focus on Untapped Rural Markets by the competitors for better growth. This will maximise the efficiency of the Medical Representatives.

## 6. Limitation of the study

- The research was conducted of Medical Representatives of companies and not of HR managers.
- The research includes only 50 respondents which is relatively small size for the purpose of the study.
- Only questionnaire was used to collect the data from respondents which may not in turn give exact information on the perception, motives and attitudes of the respondents while making the actual decision.

## 7. References

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