



ETHICAL SALES BEHAVIOR AND ITS IMPACT ON CUSTOMER TRUST WITH A SPECIAL REFERENCE TO ALLOPATHIC PHARMACEUTICAL INDUSTRY: AN EMPIRICAL STUDY

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ABSTRACT

In this extremely competitive and globalised world, it is compulsory for a Pharmaceutical Company to be ethical for building a long-lasting relationship with the customers. This article portrays about the Impact of Ethical Sales Behaviour on Trust towards the Sales Person and Trust towards the Selling Firm. It also studied about the impact of Trust towards the Salesperson on Trust towards the Selling Firm. This article says that there is a positive impact on Ethical Sales behaviour towards Trust towards the Sales Person and Trust towards the Selling Firm. This article states that the Trust towards the Sales Person has a positive impact on Trust with the Selling Firm.

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INTRODUCTION

The sales and Ethics are two excellent domains which can be blended together for creating an extraordinary open door for research on multiple dimensions (Ferrell, Johnston, & Ferrell, 2007). Enhancing ethical behavior and sales representative execution keeps on being a huge worry in selling firms today, especially in light of huge focus towards customer relationship Management and Development. Fostering Ethical Leadership in the organization is mandatory for creating an ethical sales behavior (Schwepker, 2015). In this highly competitive world, ethical awareness among the customers is at it heights, Sales person's ethical sales behavior has now become a strong antecedent for creating Customer Trust and Loyalty (Alrubaiee, 2012). Ethical behavior in the business relationship setting implies behaviors on the part of the salesperson that boost the welfare of the Client/Customer. It is all about creating an enhanced high quality relationship with the customer (Román & Ruiz, 2005). There is neither an all around acknowledged meaning of business ethics, nor a standard measure that allows an individual or occasion to be consistently evaluated as Ethical or Unethical (Chen & Mau, 2009). A salesperson with Empathetical Behavior will create a positive impact on customer welfare and trust (Ahearne, Jelinek, & Jones, 2007). The salesperson's ethical behavior leads to higher customer satisfaction, trust and loyalty to the organization that the salesperson works for.

The front-line employees' ethical behaviors that notably cause customer trust, that is, they have to be honest and implement Unaggressive selling tactics to sell product/service (Román, 2003).

LITERATURE REVIEW

Ethical Sales Behaviour

Dealing with current selling environment is the most difficult and challenging task for any organization in the world. Ethical Behavior of the sales force is a big and hot topic to discuss now days. The impact of ethical selling behavior in creating customer trust is areas were all researchers are focusing on now days. There is severe pressure for salespersons in terms of company targets, creating credibility, trustworthiness, reliability, integrity and long lasting relationship with the customers were buyers with skeptic and resistance oriented market conditions (Evans, McFarland, Dietz, & Jaramillo, 2012). It is important that the organization, top level Managers, middle level managers and frontline managers should support the frontline employees to practice ethical sales behavior. Transparency is an important antecedent for ethical selling behavior (Cicala, Bush, Sherrell, & Deitz, 2014). The ethical salesperson behavior is absolutely identified with trust in the salesperson. The impacts of ethical salesperson behavior on buyer responsibility and buyer behavior are totally intervened by this trust. The ethical salesperson behavior is most persuasive in driving attractive asset based and social relationship returns, and minimum compelling in driving alluring monetary returns. The impacts

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of ethical salesperson behavior are directed by buyer age with the end goal that they turn out to be fundamentally stronger as buyer age increments (Hansen & Riggle, 2009).

Psychological ethical climate refers to an employee's perceptions of the ethical rules, policies, values, and behaviors in his or her work environment. Salespersons who are focused on giving predominant customers satisfaction and customer value report more prominent in creating good sales performance. By overseeing Ethics in the Sales Team through Psychological ethical climate in the organization will at last enhance salespersons' dedication to giving unrivaled customer value, which thus brings about enhanced salesperson execution. In this way, it creates the impression that restricted to urge salespersons to grasp a value oriented approach is by enhancing salespersons' psychological ethical climate. This ought to emphatically influence the selling firm's main concern through enhanced sales performance. A good salesperson should be Trusted Solution Provider (Schwepker, 2013). Over-harvesting a particular customer is having a negative impact on creating long lasting customer relationship. Over harvesting a customer itself is an unethical sales conduct; it dangers heading out customers who may stay away forever. In planning deals preparing programs, directors ought to underline that over harvesting is wrong for the business group in its lead with the customers (Ou, Shih, & Chen, 2015). Organization Climate which emphasize on Ethical values is an important antecedent that fosters ethical sales behavior. Code of conduct should be strictly followed (Ferrell, Johnston and Ferrell, 2007).

Research Objectives and Hypothesis

Objectives

1. To investigate about the impact of Ethical Sales Behaviour on Trust towards the sales person and trust towards the selling firm
2. To investigate about the relationship between Trust towards the salesperson and Trust towards the selling firm.

Research Hypothesis

- H1 Ethical Sales behavior is not having a positive impact on Trust towards the Salesperson.
- H2 Ethical Sales Behavior is not having a positive impact on trust towards the Selling Firm.
- H3 Trust towards the salesperson has no positive impact on Trust with the Selling Firm.

Sample and Procedure

The sample is the allopathic doctors; the customers of allopathic medicines as far as Medical Companies are concerned. The total samples taken are 107.

Analysis

RESULTS AND DISCUSSIONS

H1 Ethical Sales behavior is not having a positive impact on Trust towards the Salesperson

Table 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.512 ^a	.262	.255	.48070

a. Predictors: (Constant), Trust towards the sales person
b. Dependent Variable: Ethical sales behaviour

This model predicts ethical sales behavior. R denotes the correlation between predicted and observed ethical sales behavior. In our case, R = 0.51. Since this is an average correlation, which means model predicts ethical sales behavior. We find that the adjusted R² of our model is 0.255 with the R² = .262 that means that the linear regression explains 26.2% of the variance in the data.

Table 2

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	8.635	1	8.635	37.368	.000 ^b
Residual	24.262	105	.231		
Total	32.897	106			

a. Dependent Variable: Ethical sales behaviour
b. Predictors: (Constant), Trust towards the sales person

Since the p value is less than 0.05 we can assume that there an impact of ethical sales on trust towards the salesperson.ie. We reject null hypothesis.

Table 3

Coefficients					
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta		
(Constant)	1.056	.183		5.759	.000
1 Trust towards the sales person	.530	.087	.512	6.113	.000

a. Dependent Variable: Ethical sales behaviour

We find that our linear regression analysis estimates the linear regression function to be Ethical Sales Behaviour (y) = 1.056+ .530(trust towards sales person.)

H2 Ethical Sales Behavior is not having a positive impact on trust towards the Selling Firm

Table 4

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392 ^a	.154	.146	.51495

a. Predictors: (Constant), Trust towards the selling firm
b. Dependent Variable: Ethical sales behaviour

This model predicts ethical sales behavior. R denotes the correlation between predicted and observed ethical sales behavior. In our case, R = 0.15. which hardly predicts ethical sales behavior. We find that the adjusted R² of our model is 0.154 with the R² = .146 that means that the linear regression explains 14.6% of the variance in the data.

Table 5

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5.054	1	5.054	19.060	.000 ^b
Residual	27.843	105	.265		
Total	32.897	106			

a. Dependent Variable: Ethical sales behaviour
b. Predictors: (Constant), Trust towards the selling firm

Since the p value is less than 0.05 we can assume that there an impact of ethical sales on trust towards trust towards the selling firm. i.e. We reject null hypothesis.

Table 6

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.461	.163		8.948	.000
1 Trust towards the selling firm	.354	.081	.392	4.366	.000

a. Dependent Variable: Ethical sales behaviour

We find that our linear regression analysis estimates the linear regression function to be Ethical Sales Behaviour(y) = 1.461+ .354(trust towards selling firm.)

H3 Trust towards the salesperson has no positive impact on Trust with the Selling Firm

Table 7

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.552 ^a	.305	.298	.45139

a. Predictors: (Constant), Trust towards the selling firm
b. Dependent Variable: Trust towards the sales person

This model predicts ethical sales behavior. R denotes the correlation between predicted and observed trust towards sales person. In our case, R = 0.552. which predicts trust towards sales person. We find that the adjusted R² of our model is 0.298 with the R² = .305 that means that the linear regression explains 30.5% of the variance in the data.

Table 8

ANOVA				
Model	Sum of Squares	df	Mean Square	F
1 Regression	9.372	1	9.372	45.996
Residual	21.394	105	.204	
Total	30.766	106		

a. Dependent Variable: Trust towards the sales person
b. Predictors: (Constant), Trust towards the selling firm

Table 9

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.122	.143		7.840	.000
1 Trust towards the selling firm	.483	.071	.552	6.782	.000

a. Dependent Variable: Trust towards the sales person

We find that our linear regression analysis estimates the linear regression function to be Trust towards sales person(y) = 1.122+ .483(trust towards selling firm).

Managerial Implications

This study indicates that Ethical Sales behavior is having a positive impact on Trust towards the Sales Person and Trust towards the Selling Firm. For implementing Ethical sales Behaviour, Top Management is responsible for creating an Ethical climate inside the organization. The top management is responsible for implementing Ethical Code of Conduct and they are responsible for giving training to employees at all levels. The Top Management is responsible for maintaining a proper system for addressing Ethical Violations at all levels of Management. Creating Customer Satisfaction and Customer Delight is the most important thing to retain customers in this highly competitive world. For that creating Customer Trust is

really important. It is mandatory to all Medical Representatives, Area Sales Managers, Regional Sales Managers, Zonal Sales Managers, Product Managers, VP Sales and CEO’s to practice Ethical Sales Behavior to create Customer Trust. In Pharmaceutical Marketing, the trust towards the sales person is really important as far as Customers are concerned. The trust towards the salesperson has a huge impact on Trust towards the Selling Firm. So it’s mandatory for all Pharmaceutical companies to practice Ethical Sales Behaviour at all levels of Management especially with Medical Representatives and Area Managers (Frontline Manager) who are having direct interaction with the customers.

CONCLUSION

For creating competitive advantage in this highly globalised world, it is mandatory to be Ethical. In Allopathic Pharmaceutical Industry, Customer – Salesperson interaction process plays a crucial role. Sales persons do plays an important role in creating trust towards the selling firm. For developing a positive attitude in the customer towards the selling firm, Sales person’s behaviour do plays an important role. So the salespersons approaching a Doctor (Customer) should maintain a good Ethical Sales Behaviour to create a long lasting relationship through Trust. Ethical Selling Behaviour leads to build great long lasting Customer-Salesperson relationship. We believe that this article will be a torch bearer to impart ethical sales behaviour in all Pharmaceutical Companies to create a huge Brand Image in this highly competitive world.

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