



**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**DEPARTMENT OF MARKETING MANAGEMENT**

**FACTORS AFFECTING ADAPTIVE SELLING BEHAVIOR: EMPIRICAL  
EVIDENCES FROM THE PHARMACEUTICAL INDUSTRY IN  
ETHIOPIA**

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**ADDIS ABABA**  
**ETHIOPIA**

# **APPROVAL**

**ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE**

**DEPARTMENT OF MARKETING MANAGEMENT**

**GRADUATE PROGRAM UNIT**

## **FACTORS AFFECTING ADAPTIVE SELLING BEHAVIOR: EMPIRICAL EVIDENCES FROM THE PHARMACEUTICAL INDUSTRY IN ETHIOPIA**

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## DECLARATION

I, Anania Tassew, hereby declare that the thesis entitled “factors affecting adaptive selling behavior: empirical evidences from the pharmaceutical industry in Ethiopia” is the outcome of my own effort and study with the guidance of my advisor Mulugeta Gebre-Medhin (Ph.D) and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any diploma or degree in this University or any other University.

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Date: May 2018

## **STATEMENT OF CERTIFICATION**

This is to certify that Anania Tassew has carried out his research work titled “factors affecting adaptive selling behavior: empirical evidences from the pharmaceutical industry in Ethiopia” in partial fulfillment of the requirement for the award of Master of Arts in Marketing Management at Addis Ababa University School of Commerce. This paper is an original work of him and has not been submitted to any Diploma or Degree in any college or University.

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Mulugeta Gebre-Medhin (PhD)

(Advisor)

May, 2018

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# CONTENTS

DECLARATION .....	II
STATEMENT OF CERTIFICATION.....	III
ACKNOWLEDGEMENTS .....	IV
CONTENTS.....	V
LIST OF TABLES .....	VIII
LIST OF FIGURES .....	VIII
ACRONYMS .....	IX
ABSTRACT.....	X
CHAPTER ONE: INTRODUCTION .....	1
1.1. Background of the Study.....	1
1.2. Statement of Problem.....	4
1.3. Research Question .....	5
1.4. Research Objectives.....	6
1.5. Significance of the Study .....	7
1.6. Scope of the Study .....	7
1.7. Limitation of the Study .....	8
1.8. Definition of Terms.....	8
1.9. Organization of the Study .....	9
CHAPTER TWO: LITERATURE REVIEW .....	10
2.1. Theoretical Framework .....	10
2.1.1. Adaptive Selling Behavior .....	10
2.1.2. Adaptive Selling in the Pharmaceutical Industry .....	11
2.1.3. Factors Affecting Adaptive Selling Behavior .....	12
2.2. Empirical Review.....	17

2.3.	Conceptual Frame Work .....	20
2.3.1.	Conceptual Model .....	20
2.3.2.	Hypothesis.....	21
CHAPTER THREE: METHODOLOGY .....		24
3.1.	Description of the Study Area.....	24
3.2.	Research Approach .....	24
3.3.	Research Design.....	25
3.4.	Population and Sample.....	25
3.5.	Data Sources and Types .....	26
3.6.	Data Collection Procedures.....	26
3.7.	Reliability and Validity .....	27
3.7.1.	Validity .....	27
3.7.2.	Reliability.....	27
3.8.	Ethical Consideration.....	28
3.9.	Data Analysis .....	28
CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS .....		29
4.1.	Analysis of the Response Rate.....	29
4.1.1.	Data Coding .....	29
4.1.2.	Response Rate.....	30
4.2.	Respondents Profile .....	30
4.3.	Reliability Tests .....	32
4.4.	Descriptive Analysis of Variables.....	33
4.5.	Correlation analysis .....	35
4.6.	Assumption Testing for Regression Analysis.....	36
4.6.1.	Multi – Collinearity.....	37

4.6.2.	Linearity .....	37
4.6.3.	Normality of the Error Term Distribution.....	38
4.7.	Regression Analysis.....	40
4.8.	Overall Outcome of the Research Hypothesis .....	45
4.9.	Discussion .....	46
CHAPTER FIVE: CONCLUSIONS, AND RECOMMENDATIONS .....		48
5.1.	Summary of Major Findings .....	48
5.2.	Conclusion .....	49
5.3.	Recommendations.....	51
5.4.	Limitations and Direction for Future Research.....	53
Reference .....		54
Appendix – Questionnaire		

## **LIST OF TABLES**

Table 1: A summary of empirical studies related to factors affecting ASB .....	19
Table 2: Gender of the respondents .....	30
Table 3: Age of the respondents .....	31
Table 4: Educational status of the respondents .....	31
Table 5: Sales experience of the respondents .....	31
Table 6: Current employer of the respondents .....	32
Table 7: Reliability test result of the variables .....	33
Table 8: Descriptive statistics of the variables.....	34
Table 9: Correlation between the variables.....	35
Table 10: Multi-collinearity test of VIF and Tolerance .....	37
Table 11: Skewness and Kurtosis .....	39
Table 12: Model summary .....	41
Table 13: ANOVA.....	41
Table 14: Regression analysis of independent and dependent variable.....	42
Table 15: Research hypothesis summary .....	45

## **LIST OF FIGURES**

Figure 1: Conceptual model of factors affecting adaptive selling behavior .....	21
Figure 2: Scatter Plot.....	38
Figure 3: Normal P-P Plot.....	39
Figure 4: Histogram .....	40

## **ACRONYMS**

ASB:	Adaptive Selling Behavior
GSK:	Glaxo Smith Klein
MSD:	Merck Sharp and Dohme
FMHACA:	Food, Medicine and Health Care Administration and Control Authority of Ethiopia
SD:	Strongly Disagree
SA:	Strongly Agree
FDRE:	Federal Democratic Republic of Ethiopia
MOH:	Ministry of Health
MOI:	Ministry of Health
USA:	United States of America
UK:	United Kingdom
SPSS:	Statistical Package for Social Science
VIF:	Variance Inflation Factors

## **ABSTRACT**

*The effects of different factors on adaptive selling behavior of salespersons have been frequently studied in the marketing literature. However, most of the studies were conducted in the developed world. Given the role that different cultural environments may play, the assumed relationships among the constructs need to be studied in different cultural contexts. The objective of this study was to examine the effect of pharmaceutical salespersons' knowledge structure, sales experience, emphatic ability, cue perception ability, learning orientation and intrinsic motivation on their adaptive selling behavior in a different cultural environment from prior studies. Using structured questionnaire, data were collected from Ethiopian pharmaceutical sales representatives, specifically in Addis Ababa city, to examine the hypothesized relationships. For the purpose of analyzing the obtained data inferential statistics were used. Results indicated that emphatic ability has the most positive significant effect on ASB among other variables. Also Cue perception ability, knowledge structure and learning orientation found to have significant positive effect on adaptive selling behavior. The result also indicated that sales experience was insignificant with respect to adaptive selling behavior. The researcher also finds the combined effect of these variables on ASB for the first time. Among factors affecting ASB emphatic ability, cue perception ability, learning orientation, knowledge structure and sales experience explain 66.8% the variance in ASB. Based on findings the researcher suggested that pharmaceutical companies likewise should consider ongoing strategies that enhance emphatic ability, cue perception ability, knowledge structure and learning orientation of their salespersons to enhance ASB of their salespersons.*

### **Keywords:**

*Adaptive selling behavior, emphatic ability, cue perception ability, learning orientation, intrinsic motivation, knowledge structure and sales experience.*

# CHAPTER ONE

## INTRODUCTION

This chapter discusses the background of the study which is the foundation for this study, also includes the statement of the problem, research questions, objectives, significance, scope and limitation of the study.

### **1.1. Background of the Study**

In the last three decades, the interest of academic researchers in the area of sales management expanded from motivational studies to studying the selling process. In this regard, there is more emphasis on improving the interaction between the salesperson and the customer during the sales interview (Weitz, 1981). The cost of personal selling is becoming very high with an average cost of making sales call is \$210. But costs ranged from \$50 to \$500 (Mack, 2014). This led managers to seek greater knowledge of factors influencing productivity. Therefore, better understanding of the selling process and the interaction between salespersons and the customer during sales call occupy the attention of practicing sales managers and scholars (Mack, 2014).

During sales call interaction between the salesperson and the customer, the salesperson may use different selling presentation techniques for different customers. Sales practitioners and researchers have recognized that “one-size-fits-all” selling strategies may not be appropriate for all customers (Kaynak et al., 2016). In recent literatures, the concept of adaptive selling behavior or ‘ASB’ is widely studied and attracted the interest of significant practitioners. In general, adaptive selling behavior enables salespersons to tailor their sales messages according to customers’ needs, expectations, preferences and sales situation. More specifically, adaptive selling involves understanding the selling situation and altering sales behavior in response to customers’ expressed needs and wants (Weitz et al., 1986).

There are many studies conducted for the last three decades on ASB since weitz (1981) first conceptualized it. Many of the studies focused on the relationship between ASB and sales performance. There are some studies which try to examine different factors that affect the practice of adaptive selling. Knowledge and motivation are the first to be examined as a factor

that affects ASB by Weitz et al. (1986). In other studies experience, intrinsic motivation, learning orientation, skills, emphatic ability and cue perception ability are reported to be positively related to ASB (Román and Iacobucci, 2009; Giacobbe et al., 2006; Park and Holloway, 2003).

This study was conducted in the pharmaceutical industry. As pharmaceutical companies currently are focusing on their marketing activities, ASB is becoming the integral part of pharmaceutical selling. Pharmaceutical industry is highly competitive because there are a number of competing products availed by different manufacturers for similar uses and these manufacturers need to persuade the medical professionals to prescribe their products. Their marketing efforts mainly focus on informing the physicians and pharmacists about new and existing products and provide the necessary information about their uses. Among several other marketing activities, the single most effective way pharmaceutical companies can convince physicians to prescribe their specific drugs has been the use of pharmaceutical sales representatives (Creyer and Hrsistodoulakis, 1998). The pharmaceutical industry, hence, has a long history of using personal selling.

In the pharmaceutical industry, the sales task is not to close the sale but to persuade the customer to specify the seller's products. For example, pharmaceutical sales representatives calling on doctors cannot make a direct sale since the doctor does not buy drugs personally, but prescribes (specifies) them for patients. Sales representatives provide physicians with important data (such as composition of the drug, side effects, and proper dosage) and the physicians depend on such information due to rapid changes taking place in the field. At the same time, sales representatives get feedback from the physicians about a drug's use (Parsons and Abeele, 1998). Moreover, sales representatives' success also depends on the relationships they have built with the physicians (Andaleeb and Tallman, 1996). In this context, sales representatives assist the decision-making process of physicians while at the same time they try to build long-term relationships with the physicians. Hence, adaptive selling become an interest to pharmaceutical marketers in developing and maintaining successful relationships and grate sales outcome (Andaleeb and Tallman, 1996). Weilbaker (1991) in his study of the relationship between ASB and sales performance involving pharmaceutical sales representatives reported the importance of ASB for pharmaceutical sales representatives.

According to Federal Democratic Republic of Ethiopia Ministry of Health and Ministry of Industry (2015) publication ‘The National Strategy and Plan of Action for Pharmaceutical Manufacturing Development in Ethiopia’, the annual pharmaceutical market in Ethiopia is estimated to be worth US\$ 400 to US\$ 500 million and growing at the rate of 25% per annum. ‘A 2012 estimate by Frost & Sullivan also suggests that the Ethiopian pharmaceutical market could witness growth rates of “slightly over 14%” to reach an approximate value of just under US\$ 1 billion by 2018’ (FDRE MOH and MOI, 2015). The growth of this industry is encouraging international pharmaceutical companies to invest and open representative offices in Ethiopia, as evidenced by the activities of Cadila, Julphar, GSK, Sandoz and Hikma Pharmaceuticals.

There are approximately 200 importers of pharmaceutical products and medical consumables in Ethiopia. The local industry comprises 22 pharmaceutical and medical supplies manufacturers, with 9 involved directly in the manufacture of pharmaceutical products. Local manufacturers have limited product portfolios and are thought to be able to supply only 90 of the more than 380 products on the national essential medicines list (FDRE MOH and MOI, 2015).

The private market is supplied majorly by the products which are being imported from different companies from different continents. Some of the companies which bring their products to Ethiopia include: GSK (England), MSD (USA), Astra Zenneca (UK), Sanofi Aventis (France), Aurobindo (India), Cadilla (India), Bilim (Turkey), Remedica (Cyprus) and Etc. (Andualem and Kafil 1995). There is a high competition between these companies to have a maximum market share from the overall market, which necessitates the focus on their marketing strategies.

Pharmaceutical companies in Ethiopia are forced to promote their products to their customers due to the growing competition. Only those drugs registered by the Authority shall be promoted through registered pharmaceutical representatives. The advertising of pharmaceutical products in Ethiopia is directed to health care professionals only (Food, Medicine and Health care Control Proclamation No.661/2009). Therefore, this study focused on examining the factors affecting ASB in the Ethiopian pharmaceutical industry.

## **1.2. Statement of Problem**

The behavior that the salesperson exhibits during sales presentation become important for salesperson effectiveness and attracts the interest of significant practitioners and researchers in the area of personal selling. During sales interaction between the salesperson and the customer, the salesperson may use different presentation for different customer. The use of different sales presentation across and during customer interaction is called adaptive selling behavior (Weitz et al., 1986).

A significant number of studies over the past 26 years have been investigated the relationship between adaptive selling behavior and a number of personal selling variables including salespersons' characteristics and abilities, situational variables, and multiple measures of sales performance. However, most published empirical studies on adaptive selling have thus far been based on studies in the United States of America and other developed Western nations (Kaynak et al., 2016). Rapid globalization, greater regional economic integration and the emergence of many new global organizations forced companies to develop and sustain competitive advantage both in domestic and international markets and better sales force management in different environments.

Also, these necessitated management to focus on the implementation of selling strategies in different international environments (Anderson, 1996). Consequently, understanding whether selling theories and constructs mainly developed in advanced economies of the West would apply to countries that are different economically, politically, and culturally can be valuable to both marketers as well as researchers (Kaynak et al., 2016). Most studies neglect that factors influencing adaptive selling behavior in the developed nations have also the same influence in developing nations. The current knowledge is especially limited to the importance and value of adaptive selling behavior of salespersons in developing countries economy and cultures (Park & Deitz, 2006).

There has been an effort made to examine this gap in the area. Kaynak et al. (2016) conducted cross-country/cultural comparison of the role of adaptive selling and customer orientation on salesperson performance in two distinct markets of Finland and Macau. But still the study

countries are relatively very different from developing countries like Ethiopia culturally as well as economically and the study addresses only the relationship between ASB and salesperson performance, not the factors determining ASB.

Many studies on this area suggested the need for further research to examine the complex link between adaptive selling behavior and a number of personal selling variables including salespersons' characteristics and abilities, situational variables, and sales performance in different context. Therefore, the researcher developed an interest to examine factors that influence adaptive selling behavior, which are determined by the salesperson (intrinsic motivation, cue perception ability, emphatic ability, experience, knowledge and learning orientation), in the pharmaceutical market of Ethiopia which is different from prior researches in terms of the unique cultural and economic environment. To the extent of the researcher knowledge, there is virtually no study that examines this link in the Ethiopian Context of the pharmaceutical industry.

Therefore, the study was aimed to investigate the factors that affect adaptive selling behavior and the extent of their effect in the context of the pharmaceutical industry in Addis Ababa, Ethiopia.

### **1.3. Research Question**

The main question in this research was:

- What factors, which are determined by the salespersons, affect adaptive selling behavior and to what extent they affect ASB?

The specific research questions for this study were:

- Does relationships between the determinants of ASB (experience, knowledge, intrinsic motivation, learning orientation, emphatic ability and cue perception ability) and adaptive selling behavior exists?
- To what extent does the salespersons' experience affect adaptive selling behavior?
- To what extent does the salespersons' knowledge structure affect adaptive selling behavior?
- To what extent does the salespersons' intrinsic motivation affect adaptive selling behavior?

- To what extent does the salespersons' learning orientation affect adaptive selling behavior?
- To what extent does the salespersons' empathic ability affect adaptive selling behavior?
- To what extent does the salespersons' cue perception ability affect adaptive selling behavior?

#### **1.4. Research Objectives**

The general objective of the current study was to investigate factors that determine pharmaceutical salespersons' adaptive selling behavior and the extent of their influence in the pharmaceutical industry of Ethiopia.

The specific objectives of this study are:

- To investigate the existence of relationships between the determinants of ASB (experience, knowledge, intrinsic motivation, learning orientation, emphatic ability and cue perception ability) and adaptive selling behavior.
- To examine the effect of the salespersons' experience on adaptive selling behavior.
- To examine the effect of the salespersons' knowledge on adaptive selling behavior.
- To examine the effect of the salespersons' intrinsic motivation on adaptive selling behavior.
- To examine the effect of the salespersons' learning orientation on adaptive selling behavior.
- To examine the effect of the salespersons' empathic ability on adaptive selling behavior.
- To examine the effect of the salespersons' cue perception ability on adaptive selling behavior.

### **1.5. Significance of the Study**

This study has an important contribution to the sales literature by explaining factors that determine the practice of adaptive selling in a developing country. There are different political, cultural, and business practices to the nations in prior studies. According to Herche et al. (1996), the thoughtful application of existing approaches to sales research in other countries should enrich the marketing literature, build richer theory, and allow the validation of the influence of environmental variables on personal selling. Also this study may certainly provide baseline information about the extent of effect of the salespersons' abilities, intrinsic motivation, learning orientation, knowledge structure and experience on adaptive selling behavior in the pharmaceutical industry.

Therefore, the result of this study can contribute significantly to the marketing literatures in the area of personal selling because there are very limited studies in this context, and provide a managerial implication in the management of salespersons and in implementing selling strategies across cultural and national boundaries, hence influencing management decision making process. It could also contribute to academics as reference in indicating factors governing the practice of adaptive selling, which can be determined by the salesperson, in the pharmaceutical industry of Ethiopia.

### **1.6. Scope of the Study**

The scope of this study is restricted to investigating factors that determine adaptive selling behavior of pharmaceutical sales representatives only, in the capital city of Ethiopia, Addis Ababa. This study focused on the pharmaceutical industry only. The study considered the antecedents of adaptive selling behavior which are theoretically thought to have an influence on ASB, specifically: intrinsic motivation, cue perception ability, emphatic ability, experience, knowledge and learning orientation. The researcher included only the above listed variables which determined by the salesperson from literatures.

According to Jobber and Lancaster (2009), there are three main types of selling job according to the nature of the selling task: order-takers, order-creators and order getters. In this study, order creators (pharmaceutical sales representatives) were considered as the study population.

Additionally only pharmaceuticals sales representative who have a direct employment to the manufacturer is participated. Explanatory quantitative research using cross-sectional survey design used for this study.

### **1.7. Limitation of the Study**

The first limitation was that this study was limited to the context of the Ethiopian pharmaceutical industry and as such the findings will not be uncritically generalized to pharmaceutical industry contexts in other national and cultural environments. The other limitation of the study was that, the existence of limited empirical evidences on the subject matter. The measures in this study was based on self – evaluation of the respondents. Therefore, the researcher foresees that there may be some danger of upward bias in the salespersons self-evaluation.

### **1.8. Definition of Terms**

- **Adaptive selling behavior:** is defined as “the altering of sales behavior during a customer interaction or across customer interaction based on perceived information about the nature of the selling situation” (Weitz et al., 1986).
- **Selling process:** The selling process is the series of steps followed by a salesperson while selling a product. It has seven steps: prospecting, pre-approach, approach, presentation, handling objections, closing and follow-up. It involves interaction of salespersons and customers (Kotler and Armstrong, 2012).
- **Order Creators:** also they are called missionary salespeople are one type of salespeople who do not directly receive orders since they talk to specifiers rather than buyers. In other words they create the order rather than receiving orders. (Jobber and Lancaster, 2009)
- **Pharmaceutical Sales Representatives:** are salespersons specific to the pharmaceutical industry. For this study both (pharmaceutical sales representatives and salespersons) are used interchangeably.

## **1.9. Organization of the Study**

- Chapter one which provides the background information about the study topic, the research problem and research questions, research objective, scope of the study, significance of the study, limitations of the study, definition terms and organization of the study.
- Chapter two, a comprehensive literature review on adaptive selling behavior and the determinants were undertaken. Based on theoretical review and empirical studies the formulated hypotheses and the developed conceptual framework were present.
- Chapter three encompasses the overall research methodology.
- Chapter four summarizes the study's context, including data presentation, analysis, and discussion.
- Finally chapter five presents summary of findings, conclusions, recommendations, and limitation and future research avenues are presented.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This chapter presents review of literature that forms the basis of this study. Moreover, it discusses different factors influencing adaptive selling. The chapter builds on theoretical definitions and empirical reviews of past studies that have been done which helps to construct the conceptual framework.

#### **2.1. Theoretical Framework**

##### **2.1.1. Adaptive Selling Behavior**

Adaptive selling is conceptualized as the process a salesperson goes through to gather information about the selling situation and use this information to develop unique sales presentations designed to meet the needs of the customer (Spiro and Weitz, 1990). Weitz et al. (1986) defined adaptive selling as ‘the alteration of sales behaviors during a customer interaction or across customer interactions based on perceived information about the nature of the selling situation’. Weitz (1981) argued that salesperson have unique opportunities to adapt to their customers in the process of presenting their products/services in a most appealing manner.

Further, salesperson can observe their customer’s reactions to a given sales strategy and make rapid strategy adjustment. An extreme case of ASB would be to use a unique sales presentation for each customer, whereas ASB will not be present if salespeople use the same presentation for all customers (Spiro and Weitz, 1990). The adaptive selling framework proposes that the proper use of an adaptive selling strategy can be critical to a salespersons’ effectiveness (Porter, 1998).

Today, adaptive selling has become the new approach for businesses to reach out to their customers. Adaptive selling is a custom approach for directing sales to certain consumers, based on their likes and dislikes. ‘Adapting to customers entails focusing on their individual needs and preferences’ (Franke and Park, 2006). In the current sales industry, many businesses are moving towards finding that ‘unique fit’ to bring their customers into their sales promotion. While it may seem to make a salesperson to sacrifice short-term sales, Adaptive selling helps to maintain

customer satisfactions, increase the probability of future sales and developing of long term relation (Porter et al., 2003).

Perceived information of the salesperson about the nature of the selling situation and the customer is the basis for adaptive selling behavior (Boorom et al., 1998). Customers vary with respect to their personality, communication style, behavior, thought processes and approaches to decision making. When salespeople can understand the customer, the selling situation and adapt their sales approach accordingly, they can increase their chances of a successful sales outcome (Porter et al., 2003).

The benefits of ASB are likely to outweigh the costs of gathering and responding to information under particular circumstances, such as when the salesperson has the necessary resources, when buying tasks are complex and may result in large orders, and when customer relationships have little conflict and are expected to continue in the future (Abed and Haghghi, 2009). However, even simple adaptations in sales interactions, such as reactions to questions, comments, body language, and so on, may improve rapport and reduce objections (Spiro and Weitz, 1990). Accordingly, researches largely concluded that ASB improves salesperson performance regardless of the circumstances.

The adaptive nature of the selling process hinges on a salesperson's ability to gather information about the sales interaction, effectively design and transmit a sales message that is appropriate for the customer, and then gather feedback from the customer to determine if the sales message has been effective. Thus, advanced communication skills are necessary to use an adaptive selling strategy effectively (Abed and Haghghi, 2009). Literatures mostly discussed selling situations and salesperson traits as factors that influence adaptive selling behavior. Salespersons' traits that determine the practice of adaptive selling as identified by different researchers are discussed in detail in this chapter.

### **2.1.2. Adaptive Selling in the Pharmaceutical Industry**

The trend of pharmaceutical companies is moving more towards adaptive selling techniques. Specifically ASB is associated with the pharmaceutical industry due to the unique nature of personal selling strategy of the industry. Of a great example to this is Eli Lilly, the biggest

innovative pharmaceutical company in United States of America, which moved to adaptive selling methods with their pharmaceutical sales representatives. In addition to Eli Lilly, some 18 of the top 40 drug makers have reorganized their sales forces to reduce duplication. For many companies the shift to adaptive selling has forced the industry to reduce its' sales jobs by large percentages, like AstraZeneca's reduction by 24%. GSK and Merck & Co. are also asking their representatives to switch from making forceful, tightly scripted sales pitches to acting more like a resource supporting physicians' treatment (Rockoff, 2012). The relational marketing strategies take fewer representatives because of the personal relationship built with the doctor. The move from quick-paced scripted sales routines is slowly leaving many pharmaceutical companies, and the relational adaptive approach is infiltrating many companies (Kristin, 2013).

### **2.1.3. Factors Affecting Adaptive Selling Behavior**

In most of the literatures in the area of personal selling different factors are identified to affect ASB. Among those situational influences, customer type, antecedents of ASB and the salespersons' personality traits are mostly related to ASB in different study (Spiro and Weitz, 1990; Giacobbe et al., 2006). Spiro and Weitz (1990) argued that the salespersons' personality traits (Empathy, being an opener, locus of control, androgyny and self-monitoring) and antecedents of ASB (experience, intrinsic motivation and management style) are the most determinant of ASB.

#### **A. Situational Influence**

Effective selling occurs when the salesperson incorporates the appropriate blend of structure and flexibility based on broad situational characteristics, including the heterogeneity of customers' needs, product characteristics, and time pressure (Jolson, 1989). Porter et al. (2003) were the first to empirically test the moderating effect of the selling situation encountered by a salesperson on the relationship between ASB and sales performance. Their findings show that there is an increasingly positive relationship between these two variables depending upon the specific buying task.

Giacobbe et al (2006) argued adaptive selling is useful in all sale situations, but is essential in three specific types of sales situations:

- When the sales situation is complex and the seller has many alternatives to offer the buyer.
- When the customers are diverse, with varying needs.
- When the sales relationship is expected to produce future profit opportunities.

In today's global economy, most salespersons will encounter these sales situations on a daily basis. It is therefore imperative that they adopt an adaptive selling approach and continually learn how to perfect this approach.

### **B. Salespersons' Traits**

In addition to situational factors, different traits of the salesperson are expected to relate to ASB. Weitz et al. (1986) proposed that the salespersons' information acquisition skills and abilities, along with their levels of categorical and declarative knowledge, should influence the motivation or intention to practice adaptive selling and moderate adaptive selling effectiveness. Most ASB literatures suggest that salespersons' traits are the most determinant of ASB and the following specific traits of the salespersons thought to influence ASB for this study.

#### **✓ Knowledge**

Anderson (1982) defines three stages of knowledge development. In the first stage, knowledge is represented propositionally or as facts. This stage is referred to as the declarative stage. The second stage, referred to as knowledge compilation, is a gradual process by which knowledge is converted from declarative to procedural form so that it can be applied directly to generate behavior. In the final, procedural, stage knowledge is fine-tuned so that it will apply more appropriately and efficiently. Witz et al. (1986) proposes in their study on knowledge and ASB 'the effectiveness of adaptive selling increases with the level of procedural knowledge possessed by salespersons'.

According to Spiro and Weitz (1990) broadened knowledge base enables the seller to identify a wider variety of selling contexts, thereby enhancing the practice of adaptive selling. In addition knowledge enables sellers to feel more confident about their own abilities to adapt and become more assured that their ASB will improve sales performance and increase their intentions to sell adaptively. Also, besides aiding the practice of adaptive selling, knowledge enables the

salesperson to build self-confidence, better satisfy customers' needs, and gain buyers' trust (Weitz et al., 1998).

Theoretically, sellers become more efficient and effective at adaptation as their ability to categorize customers and situations improves commensurate with developments in their knowledge. Studies in this area suggests that to practice adaptive selling effectively, salespersons need an elaborate knowledge structure of sales situations, sales behaviors, and contingencies that link specific behaviors to situations (Weitz et al., 1998). Not only knowledge, salespeople need to be skillful to utilize this knowledge in collecting information about customers so that they can relate knowledge acquired in previous sales situations to the interaction in which they are currently engaged (Giacobbe et al., 2006).

#### ✓ **Empathic Ability**

Spiro and Weitz (1990) define empathy as 'the reaction of individuals to the observed experiences of other individuals' and claim that empathic ability is directly related to ASB. Empathic ability shows the ability of salespersons to spontaneously adopt the perspective of their customers through intellectual apprehension of their mental state or condition, thereby generating a genuine feeling of concern toward the customer (Giacobbe et al, 2006). Salespersons with greater empathic ability are able to place themselves psychologically and emotionally in the position of the customer. Such salespersons would have a greater appreciation of their customers' needs and be in a better position to tailor their sales presentations to the customers with they are interacting which results in improving their adaptive selling effectiveness (Weitz, 1979).

#### ✓ **Cue Perception Ability**

It is suggested and supported that successful salespersons may be more aware of nonverbal signals and be better able to interpret them than their less successful counterparts. Weilbaker (1990) suggests that diverse cue perception ability is a necessary condition for effective adaptive selling. According to Lennox and Wolfe (1984) cue perception ability 'sensitivity to the expressive behavior of others' is related to adaptive selling behavior. Well understanding and interpreting of verbal and non-verbal cues of the customers allows the salesperson to tailor their

messages. Porter and Inks (2000) suggest that high "attributional complex" sellers are better able to assess customer's cues, which influence their pre-disposition to practice ASB.

### **C. Antecedents of Adaptive Selling Behavior**

In the study of adaptive selling conceptualization by Spiro and Weitz (1990) knowledge gained through experience, a motivation to acquire knowledge and skills developed based on an intrinsic interest are proposed as antecedents of adaptive selling. Park and Holloway (2003) argued that learning orientation is also one of the antecedents to affect ASB. Therefore; experience, intrinsic motivation and learning orientation are discussed as antecedents of adaptive selling.

#### **✓ Sales Experience**

Experienced salespeople are more confident and spend less mental capacity on perceptual tasks, thus will more effectively engage in adaptive selling (Weitz et al., 1986). Based on research in the field of social cognition, these authors express that sellers who engage in ASB (perhaps due to intrinsic benefits, behavioral modeling, supervisory directives, etc.) learn experientially from the outcomes of different sales approaches employed in varied contexts. That is, 'the salesperson assays the current situation relative to their recollections of prior sales encounters and then acts in a way thought to be most likely to lead to a sale' (Morgan and Stoltman, 1990). Through experience, salespeople improve their skills and develop more comprehensive knowledge of the product they are selling, customer types and selling strategies. This knowledge base facilitates the recognition of a variety of selling situations and thus enhances the effectiveness of adaptive selling. With experience they are better at customer qualification, prediction of the customer's future behavior, product recommendation and having more effective selling approaches (Giacobbe et al., 2006).

'The original concept of adaptive selling behavior draws on skills and knowledge of selling situations, customer types, and selling strategies that increase with experience' (Franke and Park, 2006; Spiro & Weitz, 1990). As salespersons gain more and varied sales experiences, their knowledge structures, which contain an integration of selling events, outcomes, customer and contextual characteristics, and seller and buyer behaviors, is expected to be enriched. Through experience, salespersons improve their skills and develop more elaborate knowledge of selling

situations, customer types, and selling strategies (Weitz et al., 1986). Adaptive selling requires crucial knowledge and sales skills which are reflected in accumulated experiences.

### ✓ **Intrinsic Motivation**

Motivation is generally defined as a psychological state that stimulates a person to engage in particular behaviors or make particular choices (Brown and Peterson, 1994). Whereas extrinsic motivation reflects the extent to which salespersons treat their work as a means for obtaining external rewards, such as money, recognition, and promotion, in contrast, intrinsic motivation drives salespersons to work for rewards that are intrinsically appealing (Tyagi, 1982). Examples of such intrinsic rewards include pride, sense of accomplishment, satisfaction, and enjoyment. Intrinsically motivated salespersons find their sales work inherently interesting and rewarding (Spiro and Weitz, 1990).

Salespersons who are intrinsically motivated gain a sense of pride, accomplishment, satisfaction and enjoyment from their achievements at work. The strongest performers are usually salespeople with high intrinsic motivation. This is because intrinsically motivated salespersons strive to improve their job performance, try new tactics with customers and seek out greater job responsibilities, training and feedback, all of which result in an increased performance (Román and Iacobucci, 2009). To practice adaptive selling salespersons should possess the intrinsic motivation and interest to explain and understand the behavior of their customer(s) (Spiro and Weitz, 1990). In addition, salespersons must recognize and then be motivated to alter sales presentations across selling situations. Thus, through motivation, the practice of adaptive selling improves the salesperson's knowledge structure which in turn enables the salesperson to make appropriate adaptation (Weitz et al., 1986).

### ✓ **Learning Orientation**

Learning orientation is very important in the development of effective sales behavior. Sujan et al. (1994) suggests that salespersons can peruse the goals of learning how to do their job better and of demonstrating their sales abilities to others at the same time. Further, learning orientation is raised by positive and negative feedback. Salespersons, who are curious, actively seek to learn

from their environment and continually improve their performance based on previous experience and acquired knowledge, are more effective at adaptive selling than those who do not. This is because they are more willing to accept failures as a natural part of learning and have a belief that if they fail, they would learn something about the customer and selling in general (Park and Holloway, 2003). They will, therefore, recover and learn from an unsuccessful transaction faster than those who are not learning-oriented. This contributes to their ability to excel at adaptive selling (Schwepker, 2003).

## **2.2. Empirical Review**

Since Weitz (1981) first conceptualized the concept of ASB, a number of studies have examined ASB and its relation to different antecedents and outcomes. Subsequent to the original work Spiro and Weitz (1990) various researchers have employed their proposed conceptualizations and measurement to test the relationship between ASB and its proposed determinants. As mentioned in the scope of this study the researcher focuses on the influence of factors on ASB that are determined by the salesperson. Therefore, the result of different prior empirical studies on the relationship between factors affecting ASB (intrinsic motivation, learning orientation, emphatic ability, cue perception ability, knowledge and selling experience) and ASB are presented in this section.

Spiro and Weitz (1990) are the first to examine determinants of ASB by using data collected from 288 salespersons from a major medical diagnostic equipment and supply company. They identify self-monitoring, androgyny, empathy, openers, intrinsic motivation, locus of control and experience as a variable to affect ASB. Although, their findings revealed that only intrinsic motivation and empathy were significantly correlated, expected correlations with the rest of the variables were absent or weak. Also Jaramillo et al. (2007) showed that adaptive selling is positively influenced by intrinsic motivation. More recently Román and Iacobucci (2009) were showed the existence of significant relationship between intrinsic motivation and ASB from their study by using data from a total 210 salespersons and customers.

For instance study which involves 306 salespersons by Siguaw (1993), effort, functional flexibility, education level, sales experience, role conflict and organizational commitment are

tested to have a relationship with ASB. From their findings only effort, functional flexibility and sales experience were positively related to ASB. Also Robinson et al. (2002) identified a direct significant positive relationship between sales experience and ASB from their study which involves 1042 randomly selected salespersons. In the same year Shoemaker and Johlke (2002) were showed the existence of the relationship between sales experience and ASB in a separated study. However, in another three different studies (Levy and Sharma (1994), Tanner (1994) and Bodkin and Stevenson (1993)) findings showed that there is no significant relationship between sales experience and ASB.

In a study by Sujana et al. (1994), they examine the relationship between learning orientation and 'working smart' (ASB) by collecting data from a sample of 190 salespersons in eight industries. They reported that learning orientation is positively related to ASB. Also Park and Holloway (2003) reported the existence of a direct relationship between learning orientation and ASB. Rapp et al. (2006) were examined the influence of knowledge on ASB and concluded ASB influenced by knowledge structure of the salesperson. In a relatively more recent study by Giacobbe et al. (2006), cue perception ability of the salespersons was proposed to influence ASB. Their result was showed cue perception ability significantly positively related to ASB. Recently Limbu et al. (2016) was examined the relationship between empathic ability of the salesperson and ASB, they reported a significant positive relationship between these variables. Table 1 depicts the summary of different empirical evidences on the relationship between the factors and ASB.

**Table 1: A summary of empirical studies related to factors affecting ASB**

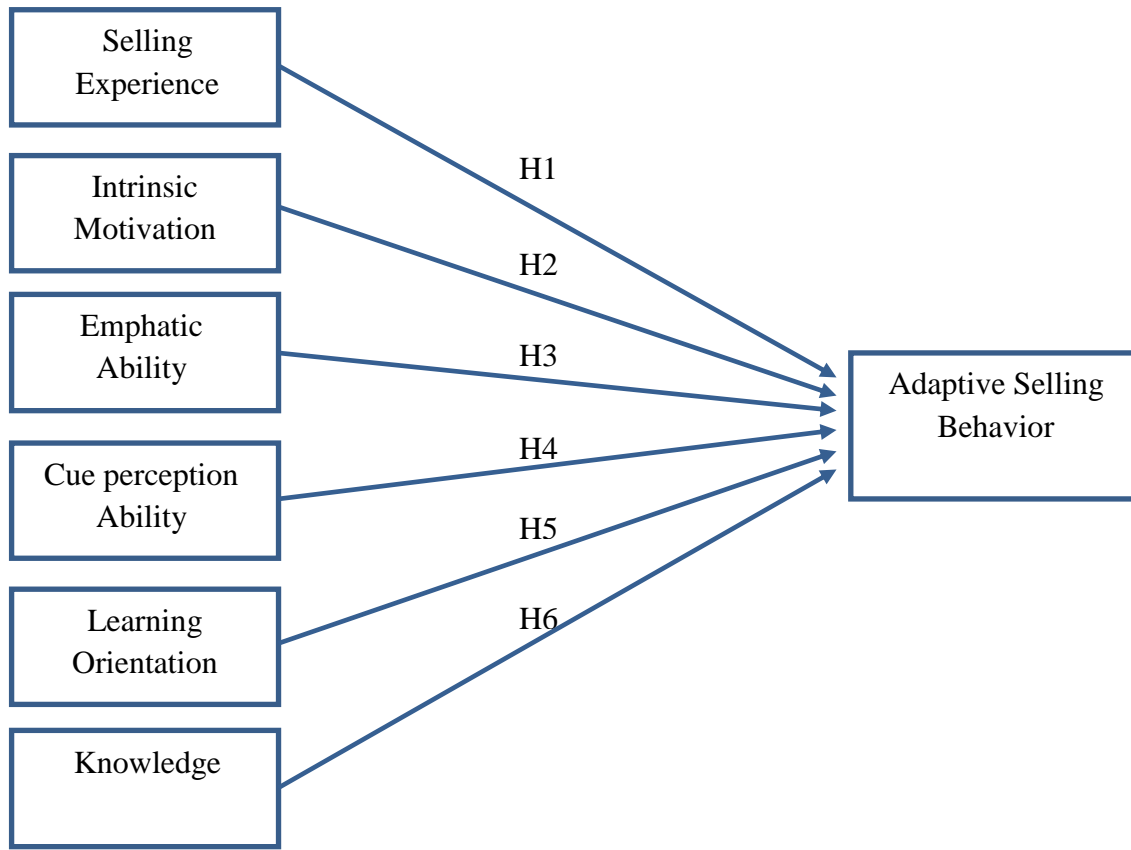
<b>Author(s)</b>	<b>Hypothesized Relationship</b>	<b>Results (Positive Relationship)</b>
Spiro and Weitz (1990)	Empathy, intrinsic motivation and experience → ASB items	Some were significant and some were not significant.
Goolsby et al. (1992)	Three adaptiveness traits → sales performance	Some significant some not significant
Bodkin and Stevenson (1993)	Salesperson experience → ASB	No relationship existed
Siguaw (1993)	education level and sales experience → ASB	Significant
Sujan, Weitz, and Kumar (1994)	Learning orientation → “Working Smart” (ASB)	Significant
Tanner (1994)	Training level → ASB Experience → ASB	No relationship existed
Levy and Sharma (1994)	experience and education → ASB	No relationship existed
Dion, Easterling, and Javalgi (1997)	Gender difference → ASB	No relationship existed
Eppler et al. (1998)	Salespersons’ self-monitoring trait → ASB	Significant
Boorum et al. (1998)	Interaction involvement → ASB	Significant
Porter and Inks (2000)	Attributional complexity → ASB	Significant
Bush et al. (2001)	Intercultural disposition and ASB → sales performance perceived intercultural communication competence	Significant
Shoemaker and Johlke (2002)	Sales training → ASB Sales experience → ASB	Significant

<b>Author(s)</b>	<b>Hypothesized Relationship</b>	<b>Results (Positive Relationship)</b>
Robinson et al. (2002)	Sales experience → ASB	Significant
Park and Holloway (2003)	Learning Orientation → ASB	Significant
Giacobbe et al. (2006)	Emphatic ability → ASB Cue perception ability → ASB Sales experience → ASB	Significant
Rapp et al. (2006)	Knowledge → ASB Sales experience → ASB	Knowledge - Significant Sales experience – not Significant
Jaramillo et al. (2007)	Intrinsic motivation → ASB	Significant
Román and Iacobucci (2009)	Intrinsic motivation → ASB	Significant
Limbu et al. (2016)	Empathy → ASB	Significant

## **2.3. Conceptual Frame Work**

### **2.3.1. Conceptual Model**

In the above theoretical definitions and empirical relationship tests, the researcher tried to mention how different characteristics of the salesperson lead to ASB. Based on these sources the behaviors that enhance adaptability potential such as salespersons' abilities, intrinsic motivation, knowledge, learning orientation and experience are selected in order to create a more tangible and useful conceptual framework of factor influencing adaptive selling. The researcher constructs his own conceptual model, based on the above theoretical literatures and empirical reviews from the independent variables (intrinsic motivation, learning orientation, emphatic ability, cue perception ability, knowledge and sales experience) and the dependent variable (adaptive selling behavior). Figure 1 depicts the expected relationships among independent variables and dependent variable.



**Figure 1: Conceptual model**

Source: Own, based on Giacobbe et al. (2006).

### 2.3.2. Hypothesis

#### ✓ Experience and ASB

Experienced salespersons might be better in analyzing and understanding customer needs and identifying ways to satisfy those needs. Also they are likely to adapt their sales presentation to the unique need of their customers. Empirically, using a shortened version of the ADAPTS scale, Robinson et al. (2002) also found ASB to be significantly positively correlated with sales experience. Therefore, the following is hypothesized:

**H1:** Sales experience has a positive significant effect on adaptive selling behavior.

### ✓ **Intrinsic Motivation and ASB**

Intrinsic motivation lead to adaptive selling because adaptive selling requires behavioral changes aimed at creatively modifying service offers to meet diverse customer needs. Intrinsically motivated salespersons will try new tactics that they believe may suit the customer and situation better. Accordingly, intrinsic motivation positively affects the extent to which the selling behaviors themselves are adaptive in the sales encounter. Empirically, Jaramillo et al. (2007) concluded intrinsic motivation is positively related to adaptive selling behavior. Therefore, the following is hypothesized:

**H2:** Salespersons intrinsic motivation has a positive significant effect on adaptive selling behavior.

### ✓ **Empathic Ability and ASB**

Salespersons those are able to understand the perspective of the customer and have empathic concern for their situation can easily engage in adaptive selling. Because empathic ability allows the salespersons to place themselves psychologically and emotionally in the position of the customer which leads to understanding the customer tailor their message accordingly. Spiro and Weitz (1990) did find that empathic ability (perspective taking and empathic concern) is positively related to ASB. Therefore, the following relationship is hypothesized:

**H3:** Salespersons empathic ability has a positive significant effect on adaptive selling behavior.

### ✓ **Cue Perception Ability and ASB**

During sales interaction with customers salespersons who understand verbal and non – verbal cues are able to tailor their message therefore; diverse cue perception ability is a necessary condition for effective adaptive selling. Porter and Inks (2000) suggest that salespersons with high cue perception ability are better able to assess customer’s cues, which influence their pre-disposition to practice ASB.

**H4:** Salespersons cue perception ability has a positive significant effect on adaptive selling behavior.

✓ **Learning Orientation and ASB**

From prior studies results confirm that a learning orientation increases a salesperson's willingness to change sales strategy and to practice adaptive sales. Learning oriented salespersons are faster to learn from their unsuccessful transactions, this contributes to their ability to excel at adaptive selling (Schwepker, 2003).

**H5:** Salespersons learning orientation has a positive significant effect on adaptive selling behavior.

✓ **Knowledge and ASB**

The availability of a large number of sales situation categories allows more precise classification of sales situations and sales approaches and thus results in the retrieval of a more appropriate sales strategy for the given situation. The effectiveness of adaptive selling increases with the degree to which salespersons have hierarchically organized knowledge structure. According to Rapp et al. (2006), knowledge structure of the salesperson is positively related to ASB. Therefore, the following is hypothesized:

**H6:** Salespersons knowledge structure has a positive significant effect on adaptive selling behavior.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1. Description of the Study Area**

The study was conducted in Addis Ababa on pharmaceutical sales representatives who work in domestic and foreign pharmaceutical companies. Addis Ababa is a capital city of Ethiopia and the largest city. Addis Ababa is selected because; most of foreign and domestic pharmaceutical companies selling offices are situated and operate in Addis Ababa. The researcher believes that the results obtained from Addis Ababa will express the Ethiopian context.

#### **3.2. Research Approach**

According to Saunders et al. (2009) there are two types of research approaches: the deductive approach, in which one develops a theory and hypothesis and design a research strategy to test the hypothesis and the inductive approach, in which one would collect data and develop theory as a result of the data analysis. The research approach of this study was a deductive approach. The hypotheses and conceptual frameworks that are expressed in operational terms were tested by the collection of quantitative data and analysis in order to take advantage of more statistical tests.

Research can be classified as qualitative research and quantitative research when the issue at hand is the approaches to be employed in conducting research. In qualitative research data are often in the form of descriptions, not numbers. Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute (Kotharia, 2004).

As a result to realize the relationship between the study variables, the researcher is interested to use quantitative research method because the standard and advised measurement scales for the variables of this study adapted from prior researches is constructed based on quantitative measurement. Moreover, a quantitative approach was seen as more appropriate for the purpose

of this study because that way a fuller image of the relationship between independent variables and dependent variable could be achieved through quantitative data.

### **3.3. Research Design**

The research designs applied in this study is explanatory research using cross-sectional survey design. Research can be classified as descriptive, causal, exploratory and explanatory depending on the specific purpose that the research tries to address. The explanatory research is ideal to describe the characteristics of the variables and at the same time investigate the relationship between variables (Malhotra, et al., 2007). Therefore, to investigate the relationship between independent variables (intrinsic motivation, learning orientation, emphatic ability, cue perception ability, knowledge and sales experience) and the dependent variable (adaptive selling behavior) of this study, explanatory research design is appropriate.

### **3.4. Population and Sample**

The participants for this study were 115 pharmaceutical sales representatives employed in pharmaceutical companies in Ethiopia. The rationale for selecting pharmaceutical sales representatives as sample for the study is based on the fact that they use various interpersonal skills such as empathy and nonverbal communication to overcome many of the unique challenges they face. Pharmaceutical sales representatives interact in a high customer contact environment in which the use of such skills is expected to drive their success.

The total number for the population of this particular study was obtained from Food, Medicine and Healthcare Administration and Control Authority of Ethiopia (FMHACA), which has the authority to register professionals in the pharmaceutical sector, through direct interview of the officers. According to the medical profession license and registration department of FMHACA, the total number of registered pharmaceutical sales representatives in Addis Ababa currently is 115. Therefore, the total number of population for this particular study was 115.

According Kotharia (2004), the sample must be of an optimum size, it should neither be excessively large nor too small. Technically, the sample size should be large enough to give a confidence interval of desired width and as such the size of the sample must be chosen by some

logical process before sample is taken from the universe. The larger the samples size the lower the likely error in generalizing to the population. The researcher decided to take the whole population as study participants due to the limited number of the study population.

According to Kotharia (2004), a complete enumeration of all items in the ‘population’ is known as a census survey. ‘Occasionally, it may be possible to collect and analyze data from every possible case or group member; this is termed a census’ (Saunders et al., 2009). In this study census survey was used in which data was collected from the whole population of the study.

### **3.5. Data Sources and Types**

This research will be carried out with primary sources of data that are obtained from questionnaire survey on pharmaceutical sales representatives who work in different domestic and foreign pharmaceutical companies in Addis Ababa. Primary sources of data is appropriate to empirically test the relationship between independent variables and dependent variable this study because primary sources of data is obtained through direct observation of the phenomena.

### **3.6. Data Collection Procedures**

The means of data collection used for this research is through distribution of questionnaires disseminated to pharmaceutical sales representatives who work in selected pharmaceutical companies which have a representative office in Addis Ababa. The questionnaire was constructed in English using existing constructs in the literature derived from prior researches with similar contexts and adapted to the working environment and cultural context of the study area. The measurement instrument for this study was constructed based on the original ADAPTS scale developed by Spiro and Weitz (1990).

The questionnaires were administered to pharmaceutical sales representatives. Prior to final administration, the survey pretested once more using a small sample of sales representatives from the companies that agree to participate in the study. Participants were informed of the main objective of the study, and were also presented with a written definition of keywords to build a shared concept. They were encouraged to respond sincerely to all the questions in the questionnaire and were assured of absolute anonymity. The final questionnaire accompanied by a

cover letter, encouraging salespersons participation in the study and ensuring confidentiality of their responses. The study respondents were accessed through pharmaceutical companies where they work. Data was collected in March and April 2018.

### **3.7. Reliability and Validity**

#### **3.7.1. Validity**

In order to maintain construct validity of the research instrument, the researcher adopted most of the items from previously tested measures applied in other prior researches. For the sake of content validity, the instrument was checked by my advisor. Moreover, the researcher conducted a pilot test of the questionnaire on selected pharmaceutical salespersons from the study participants. 20 pharmaceutical sales representatives were participated in the pilot test. The pilot test is conducted between December 15 – 25, 2018. Based on a pilot test, the researcher could manage to check whether the items in the questionnaire properly address the research questions or not. The test also helped to check whether the statements of questionnaire are understandable or not by the respondents. As a result, the researcher take a corrective measures on the basis of the pilot test response.

#### **3.7.2. Reliability**

Reliability is one of the major criteria for evaluating research instruments. According to Saunders et al. (2009), reliability measures the internal consistency of the model and refers to the extent to which the data collection techniques or analysis procedures will yield consistent findings. Reliability estimates the internal consistency of the measurement or simply, the degree to which an instrument measures the same way each time it is used under the same conditions with the same subjects (Kotharia, 2004).

The most common technique used in the literature to assess reliability is to use cronbach's alpha. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct". Construct is the hypothetical variable that is being measured (Hatcher, 1994). Field (2005) notes that although the generally accepted value of 0.8 is appropriate for cognitive tests such as intelligence tests. For ability tests a cut-off point of 0.7 is more suitable. In this study Cronbach's alpha was used to test the reliability of the measures. The

data obtained is feed to the SPSS version 20.0 and individual variables measurement scales are analyzed by reliability test for and a Cronbach's alpha value is obtained for each variable.

### **3.8. Ethical Consideration**

Any source that were quoted as essential parts of the study were cited, which means; acknowledging the authors and researchers of books and articles is an obligation. Official letters of cooperation from Addis Ababa University School of Commerce Department of Marketing was provided to all selected pharmaceutical companies representative office to get permission in the process of conducting the study. Also it was provided to FMHACA to obtain population data. Written consent was also be secured from each study participant on voluntary basis prior to data collection. In the structured questionnaire, there were no questions that required exposing the identity of the study participant and the data collected in relation to the factors affecting adaptive selling behavior was treated confidentially. The raw data will not be made available to third party without permission from study participants.

### **3.9. Data Analysis**

Data collected through structured questionnaire analyzed by organizing responses in their order of answering research questions. With regard to data analysis, this study utilized inferential statistics such as regression analysis and correlation analysis. Correlation analysis and multiple linear regression analysis were used to test the hypothesis and to measure the strength of the association between the independent variables (intrinsic motivation, cue perception ability, emphatic ability, experience, knowledge structure and learning orientation) and the dependent variable (adaptive selling behavior). These methods of analysis were chosen because it attempts to show the relationships between the variables and the prediction power of the independent variables on the dependent variable of this study.

## **CHAPTER FOUR**

### **DATA PRESENTATION AND ANALYSIS**

This chapter presents the data, the analysis and discussion of the research findings including: the sample and response rate, descriptive statistics, reliability test, correlation, assumption testing for regression analysis, the regression analysis, hypothesis testing and the discussion.

The purpose of the study was to examine the factors that affect adaptive selling behavior in the pharmaceutical industry of Ethiopia. For this purpose 115 questionnaires were distributed to medical sales representative who works for foreign and local pharmaceutical companies in Addis Ababa. The collected data analysis was made with the help of Statistical Package for Social Science (SPSS v. 20). The demographic profile of the study sample has been described using descriptive statistics. To test hypothesis and achieve the study objectives, different inferential statistics were applied. Cronbach's alpha was used to test goodness and reliability of the measure. Multiple linear regressions were also applied to test hypotheses and achieve the study's objective that focused on examining the factors affecting adaptive selling behavior.

#### **4.1. Analysis of the Response Rate**

##### **4.1.1. Data Coding**

Coding is the process of assigning a numerical score or other character symbol to previously edited data". (Zikmund et al. 2010). After the data file was checked and adjusted, the coding phase was followed. Consequently, the demographic characteristics of the respondents were coded first. They include male coded as 1 and female coded as 2; in the case of age 1(18-30), 2(31-40), 3(41-50) and 4(above 51); in the case of educational level 1 first degree and 2 second degree; in the case of current employer of the participants 1 foreign company and 2 domestic company, and finally in the case of experience 1(<1 Years), 2(1 – 3 Years), 3(3 – 5 Years), 4(5 – 10 Years) and 5(10+ Years) .

The second part of the questionnaire which dealt with the variables; intrinsic motivation, cue perception ability, emphatic ability, experience, knowledge structure, learning orientation and

adaptive selling behavior; were coded with a five point Licker scale. Strongly disagree was coded as 1, disagree was coded as 2, neutral was coded as 3, agree was coded as 4, and strongly agree was coded as 5.

#### 4.1.2. Response Rate

In order to make the collected data suitable for the analysis, all questionnaires were screened to be complete. All unreturned questionnaire and returned incomplete questionnaires were considered as errors and removed from the survey data. Out of the 115 distributed questionnaires 111 were returned and 4 questionnaires were not returned. The collected questionnaires were checked for errors and 1 incomplete questionnaire was identified and discarded. Out of the 111 collected questionnaires, 110 were found to be usable and used for final analysis. Therefore, 95.6% response rate had been obtained.

#### 4.2. Respondents Profile

In this section the demographic characteristics of the respondents are summarized, which includes: gender, age, education level, sales experience and current employer of the respondents. These variables help to identify the background of the respondents.

**Table 2: Gender of the respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
Male	78	70.9
Female	32	29.1
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey data (2018)

As shown in Table 2 There were marginally more male respondents than female. 70.9% of the respondents were found to be male and the remaining 29.1% of the respondents were female.

**Table 3: Age of the respondents**

Age range	Frequency	Percent
18-30	31	28.2
31-40	66	60.0
41-50	12	10.9
above 50	1	0.9
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey data (2018)

Table 3 shows the age distribution of the respondents. Age distribution showed 28.2% of the respondents were 18-30 years old, 60% were 31-40 years old, 10.9% were 41-50 years old, and the rest 0.9% were above 50 years old. Most of the respondents involved in the study were from 18--40 years old. This showed the participants are more of young adults.

**Table 4: Educational status of the respondents**

Education status	Frequency	Percent
First Degree	94	85.5
Second Degree	16	14.5
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey data (2018)

Table 4 revealed that among the represented 85.5% were with educational status of first degree and 14.5% were with educational status of second degree.

**Table 5: Sales experience of the respondents**

Sales Experience	Frequency	Percent
Less than 1 Year	12	10.9
1-3 Years	34	30.9
3-5 Years	43	39.1
5-10 Years	19	17.3
10+ Years	2	1.8
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey data (2018)

As showed in table 5 above 10.9% of the respondents were with the sales experience of less than 1 year, 30.9% were with 1-3 years of experience, 39.1% were with 3-5 years of experience, 17.3% were with 3-5 years of experience and 1.8% was with more than 10 years of experience. From the above data 89.1% of the respondents have more than 1 year of experience, and therefore the researcher believes that the data obtained provide a good result.

**Table 6: Current employer of the respondents**

<b>Current Employer</b>	<b>Frequency</b>	<b>Percent</b>
Foreign Company	78	70.9
Domestic Company	32	29.1
<b>Total</b>	<b>110</b>	<b>100.0</b>

Source: Survey data (2018)

Table 6 indicates where the respondents are currently working, whether they are working in foreign based company or domestic company. Among the participants, 70.9% were working in foreign based companies which have representative offices in Addis Ababa and the rest 29.1% were working in domestic companies. This revealed most sales representatives work for foreign based pharmaceutical companies.

### **4.3. Reliability Tests**

Reliability is one of the major criteria for evaluating research instruments. Reliability measures the internal consistency of the model. According to Malhotra, et al. (2007), reliability is the extent to which a measurement reproduces consistent results when the process of measurement is repeated. Cronbach's alpha is a widely used measure of reliability, and for this research it was run using SPSS version 20.0 and all of the scales used for this study were found to be reliable as their alpha values were higher than 0.7 as shown in table 7 except the scale developed for intrinsic motivation.

Nunnally (1994) suggests that an alpha of 0.70 or greater should be considered acceptable, coefficient alpha lower than 0.7 indicates the items perform poorly in capturing the constructed measure. In this study the scale developed for measuring intrinsic motivation was with an alpha

value of 0.637 which is less than the acceptable value of 0.7. Therefore, intrinsic motivation was not considered for further analysis. The Cronbach's alpha of each scale for the data is presented below in table 7.

**Table 7: Reliability test result of the variables**

<b>S.N</b>	<b>Variables</b>	<b>Number of Items</b>	<b>Cronbach's Alpha Values</b>
1.	Knowledge Structure	6	0.828
2.	Sales Experience	6	0.790
3.	Emphatic Ability	6	0.708
4.	Cue Perception Ability	6	0.757
5.	Learning Orientation	6	0.724
6.	Intrinsic Motivation	6	0.637
7.	Adaptive Selling Behavior	7	0.731
8.	Overall Variables	43	0.924

Source: Survey data (2018)

#### **4.4. Descriptive Analysis of Variables**

The descriptive analysis is used to look at the data collected and described that information. The table below presented the mean and the standard deviation of the independent variables and the dependent variable from respondents' observation. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation gives the idea about the dispersion of the values of a variable from its mean value.

**Table 8: Descriptive statistics of the variables**

<b>Variables</b>	<b>Mean</b>	<b>Std. Deviation</b>
Knowledge Structure	3.8636	0.77656
Sales Experience	4.2273	0.58387
Empathic Ability	4.0227	0.57712
Cue Perception Ability	3.9273	0.71407
Learning Orientation	3.9879	0.61526
Adaptive Selling Behavior	4.1065	0.53642

Source: Survey data (2018)

The mean and standard deviation for knowledge structure were 3.86 & 0.77 respectively for 110 numbers of observations. This means that most of the respondents agreed that they have a good knowledge of their job. Relative to the other independent variables intrinsic motivation has the lowest mean and the highest standard deviation. This shows that on average the respondents response were somewhat different regarding intrinsic motivation.

- The mean and standard deviation of the sales experience were 4.23 & 0.58 respectively for 110 numbers of observations. This shows that sales experience has the highest mean and the lowest standard deviation among the independent variables and these shows the respondents more agreed that sales experience can influence their expertise.
- The mean and standard deviation of empathic ability were 4.02 & 0.57 respectively for 110 numbers of observations. This also means that most of the respondents agreed they have empathic ability.

- The mean and standard deviation of cue perception ability were 3.92 & 0.71 respectively for 110 numbers of observations. This means that the respondents more of agreed they have cue perception ability.
- The mean and standard deviation of learning orientation were 3.98 & 0.61 respectively for 110 numbers of observations. This means that on average the respondents agreed that they are learning oriented.

#### 4.5. Correlation analysis

The data obtained from the observation for the independent and the dependent variables by using liker scale (1-SD, to 5-SA) on the questionnaire were fed to the SPSS software version 20.00, to process the correlation analysis. Based on the observed data, the following bivariate correlation analysis was made and presented in table 9.

**Table 9: Correlation between the variables**

Variables		Knowledge	Experience	Empathic Ability	Cue Perception Ability	Learning Orientation	Adaptive Selling Behavior
<b>Knowledge Structure</b>	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	110					
<b>Sales Experience</b>	Pearson Correlation	.267**	1				
	Sig. (2-tailed)	.005					
	N	110	110				
<b>Empathic Ability</b>	Pearson Correlation	.486**	.310**	1			
	Sig. (2-tailed)	.000	.001				
	N	110	110	110			
<b>Cue Perception Ability</b>	Pearson Correlation	.472**	.507**	.610**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	110	110	110	110		
<b>Learning Orientation</b>	Pearson Correlation	.458**	.421**	.551**	.676**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	110	110	110	110	110	
<b>Adaptive Selling Behavior</b>	Pearson Correlation	.562**	.384**	.731**	.685**	.637**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	110	110	110	110	110	110

\*\* . Correlation is significant at the 0.01 level (2-tailed)

Source: Survey data (2018)

Pearson correlation test was conducted to know the degree of relationship between the independent variables (knowledge structure, experience, emphatic ability, cue perception ability, learning orientation and intrinsic motivation) and the dependent variable (adaptive selling behavior). In addition, the correlation between independent variable is also made. As the results of the correlation between the independent variables shown in table 9 none of the independent variables had correlations of 0.70 or greater. As it is indicated in the table, there is a positive relationship between the independent variables and the dependent variable within the range of 0.384 to 0.731; all are significant at  $p < 0.001$  level. In other words:

- Knowledge structure and adaptive selling behavior have positive relationship ( $r = 0.562$  with  $p < 0.01$ );
- Sales experience and adaptive selling behavior have positive relationship ( $r = 0.384$  with  $p < 0.01$ );
- Empathic ability and adaptive selling behavior have positive relationship ( $r = 0.731$  with  $p < 0.01$ );
- Cue perception ability and adaptive selling behavior have positive relationship ( $r = 0.685$  with  $p < 0.01$ );
- Learning orientation and adaptive selling behavior have positive relationship ( $r = 0.637$  with  $p < 0.01$ ).

#### **4.6. Assumption Testing for Regression Analysis**

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that the researcher has obtained the best results (Hair et al., 1998). There are many assumptions to consider but the researcher focused on the major ones that are easily tested with SPSS. The assumptions for multiple linear regression include the following: the relationship between each of the predictor variables and the dependent variable is linear (linearity), the error or residual is normally distributed (Normality) and the predictors are uncorrelated each other (multi - collinearity).

#### 4.6.1. Multi - Collinearity

The multi - collinearity among the variables was measured to determine if any correlation existed among the independent variables. If independent variables are correlated, there is likely a redundant measure in the regression equation. Correlations were examined by means of the bivariate correlation measure in SPSS. None of the independent variables had correlations of 0.70 or greater, which would have inferred collinearity (Tabachnick & Fidell, 1996). In addition, the multi - collinearity in this study was checked using the Tolerance and VIF value. If tolerance value closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is not multi - collinearity between independent variable in the regression model (Pallant, 2011). As it is showed in table 10, all independent variables have a Tolerance value greater than 0.01 and VIF value less than 10. Therefore, there was no multi-collinearity exists in this case.

**Table 10: Multi-collinearity test of VIF and Tolerance**

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Knowledge Structure	.697	1.435
Sales Experience	.731	1.367
Empathic ability	.556	1.798
Cue perception ability	.408	2.452
Learning orientation	.492	2.031

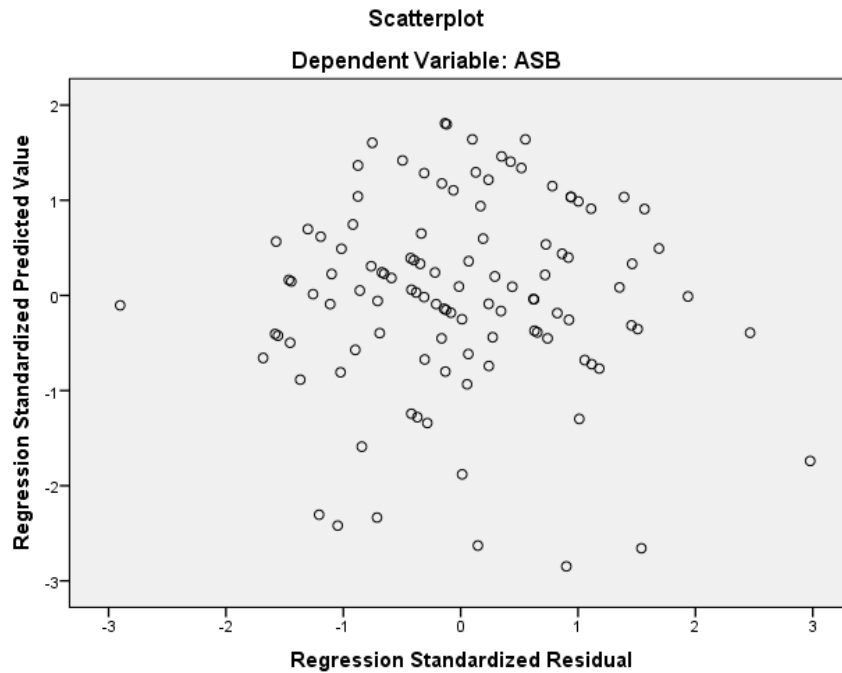
a. Dependent Variable: Adaptive Selling Behavior

Source: Survey data (2018)

#### 4.6.2. Linearity

The linearity of the relationship between the dependent and independent variable represent the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable(s) (Hoekstra et al., 2014). The

scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected from figure 2.



**Figure 2: Scatter Plot**

#### **4.6.3. Normality of the Error Term Distribution**

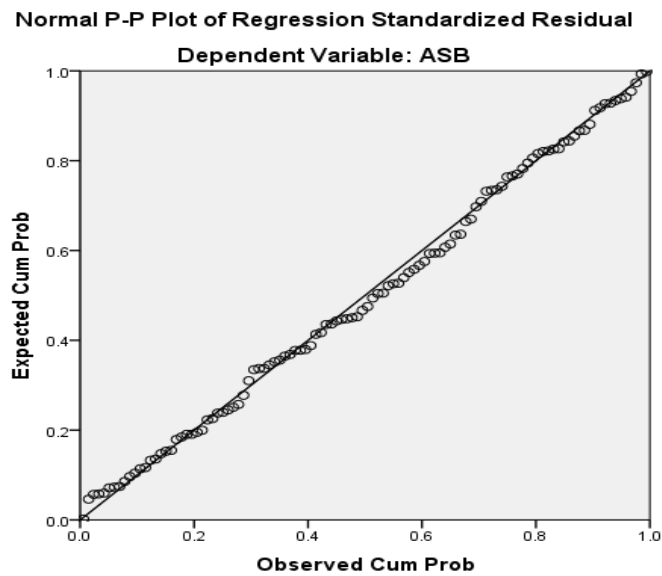
Screening data for assessing the normalization of variables is a critical step in multivariate analysis (Hair, 2010). Normality refers to the shape of a normal distribution of the matrix variable (Robert, 2006). For variables with normal distribution, the values of skewness and kurtosis are zero, and any value other than zero indicated deviation from normality (Hair, 2010). In addition, a check for normality of the error term is conducted by a visual examination of the normal probability plots of the residuals. The normality probability plots were plotted to assess normality. The P-P plots showed in figure 3 were approximately a straight line instead of a curve. The skewness value provides an indication of the symmetry of the distribution. The index of skewness takes the value zero for a symmetrical distribution. A positive skewness value indicates right skew while a negative value indicate left skew (Tabachnick and Fidell, 2001). The result of histogram in figure 4 showed a little left skew.

The kurtosis index measures the extent to which the peak of a unimodal frequency distribution departs from the shape of normal distribution. A value of zero corresponds to a normal distribution; positive values indicate a distribution that is more pointed than a normal distribution and a negative value a flatter distribution ((Landau and Brian, 2004)). As shown in table 11 below, all items show close to normal distribution considering the criteria proposed by George and Mallery (2010) of Skewness and kurtosis values between -2 and 2. Therefore, the data used in this study was normally distributed.

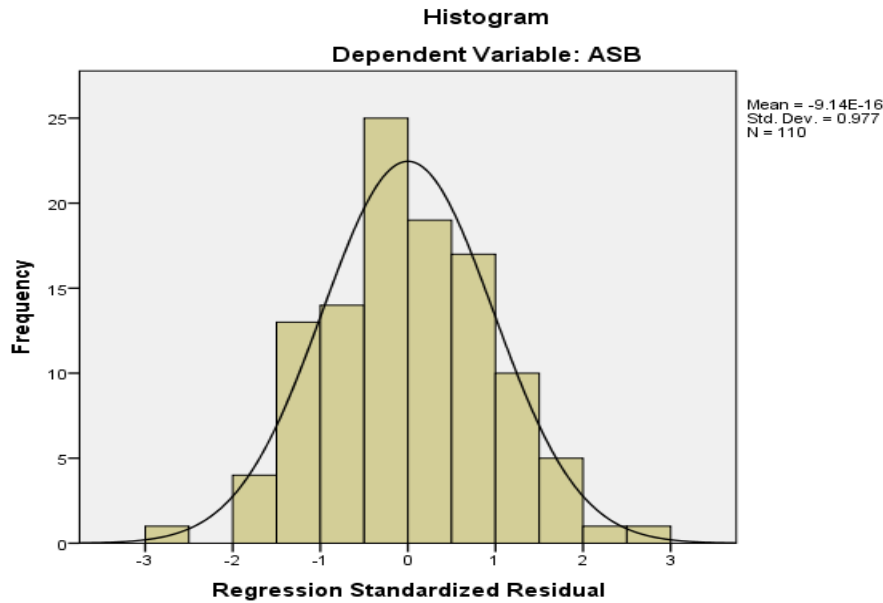
**Table 11: Skewness and Kurtosis**

Descriptive Statistics					
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Knowledge Structure	110	-0.761	0.230	0.370	0.457
Experience	110	-0.432	0.230	-0.598	0.457
Empathic Ability	110	-0.415	0.230	-0.455	0.457
Cue Perception Ability	110	-0.899	0.230	1.382	0.457
Learning Orientation	110	-0.882	0.230	1.342	0.457
Adaptive Selling	110	-0.409	0.230	-0.236	0.457
Valid N (listwise)	110				

Source: Survey data (2018)



**Figure 3: Normal P-P Plot** Source: Survey data (2018)



**Figure 4: Histogram** Source: Survey data (2018)

Thus, according to the above diagnosis information presented in all the three tests there are no significant data problems that violate the assumptions of multiple linear regression.

#### **4.7. Multiple Linear Regression Analysis**

To meet the objective of the study multiple linear regression analysis is applied by running the obtained observation data on SPSS version 20.0. Multiple linear regression is a method of analysis for assessing the strength of the relationship between each of a set of explanatory variables (Landau and Brian, 2004). In this study regression was conducted in order to determine the explanatory power of the independent variables (cue perception ability, emphatic ability, experience, knowledge structure and learning orientation) in the variance of the dependent variable (adaptive selling behavior). Adjusted R square was used to measure the percentage of variance in the dependent variable explained by the independent variables. From the multiple linear regression analysis, the standard regression coefficient (beta weight) was also determined to compare the relative effect of each independent variable had on the variability of the overall adaptive selling behavior.

**Table 12: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.817 <sup>a</sup>	0.668	0.652	0.31636

a. Predictors: (Constant), Knowledge, Experience, Empathic ability, Learning orientation and Cue perception ability

Source: Survey data (2018)

When overall adaptive selling behavior was regressed on the five independent variable (knowledge structure, experience, empathic ability, cue perception ability and learning orientation), the independent variables contribute to statistically significant level  $p$ -value  $< 0.001$ . The multiple correlation coefficient  $R = 0.817$  indicates that there is a strong correlation between the observed ASB and those predicted by the regression model. In terms of variability in observed ASB accounted for by the fitted model, this amounts to a proportion of  $R^2 = 0.668$ , or 66.8% showed in table 12. Since by definition  $R^2$  will increase when further terms are added to the model even if these do not explain variability in the population, the adjusted  $R^2$  is an attempt at improved estimation of  $R^2$  in the population (Landau and Brian, 2004). Use of this adjusted measure leads to a revised estimate that 65.2% of the variability in ASB in the population can be explained by the six explanatory variables. The other variables that were not considered in this study explain about 34.8% of the variability of adaptive selling behavior in the population.

**Table 13: ANOVA**

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.956	5	4.191	41.876	.000 <sup>b</sup>
	Residual	10.409	104	.100		
	Total	31.365	109			

a. Dependent Variable: Adaptive Selling behavior

b. Predictors: (Constant), Knowledge Structure, Experience, Empathic ability, Learning orientation, Cue perception ability

Source: Survey data (2018)

The “ANOVA” table provides an F-test for the null hypothesis that none of the explanatory variables are related to adaptive selling behavior, or in other words, that  $R^2$  is zero (Landau and Brian, 2004). Here the researcher can clearly reject this null hypothesis ( $F(4.191) = 41.876$ ,  $p < 0.001$ ), and so conclude that at least one of knowledge structure, experience, empathic ability, learning orientation and cue perception ability is related to adaptive selling behavior.

**Table 14: Regression analysis of independent and dependent variable**

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.766	.278		2.757	.007
Knowledge Structure	.119	.047	.173	2.551	.012
Experience	.023	.061	.025	.375	.708
Empathic Ability	.378	.070	.407	5.370	.000
Cue Perception Ability	.171	.066	.228	2.576	.011
Learning Orientation	.148	.070	.170	2.109	.037

a. Dependent Variable: Adaptive selling behavior

Source: Survey data (2018)

The result of standardized regression coefficient (Beta weight) showed in table 14 for knowledge structure, experience, empathic ability, cue perception ability and learning orientation were 0.173, 0.025, 0.407, 0.228 and 0.17 respectively. The significance levels for all independent variables were less than to 0.05 (5%) except for experience which is 0.708. The multiple linear regression analysis result revealed that there is a positive significant relationship between the independent variables and dependent variable excluding experience from the independent variables. Since, coefficients of the predictor variables were statistically at less than five percent

level of significance for the four independent variables (knowledge structure, empathic ability, cue perception ability and learning orientation).

The  $\beta$  - value tells us about the relationship between ASB and each predictor. If the value is positive we can tell that there is positive relationship between the predictor and the outcome, whereas a negative coefficient represents negative relationship. For these data, all the five predictors had a positive  $\beta$  - value, which indicates positive relationship. Therefore, the hypotheses for the four variables were confirmed as knowledge structure, empathic ability, cue perception ability and learning orientation of the salesperson showed a positively significant effect on adaptive selling behavior of the salespersons, while sales experience were insignificant.

The standardized beta value tells us the number of standard deviations that the outcome will change as a result of one standard deviation change in the predictor. The standard deviation units are directly comparable; therefore, they provide better insight in to the importance of a predictor in the model (Landau and Brian, 2004). From the findings of standardized coefficient (beta), empathic ability was at the first place of importance to affect adaptive selling behavior. The standardized beta for empathic ability was 0.407; this indicates that this variable has relatively a strong degree of importance to practice adaptive selling technique than others. Cue perception ability ranked at the second place with a standardized beta 0.228, knowledge structure at the third place with a standardized beta 0.173, learning orientation at the fourth place with a standardized beta 0.17 and sales experience placed at the last place with a standardized beta 0.025 to have a positive effect on adaptive selling behavior.

The specified regression equation takes the following form

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$
$$= \alpha + \beta_1 (KS) + \beta_2 (E) + \beta_3 (EA) + \beta_4 (CPA) + \beta_5 (LO)$$

Where:

Y = Adaptive Selling Behavior (ASB)

KS= Knowledge Structure

E = Experience

EA = Empathic Ability

CPA = Cue Perception Ability

LO= Learning Orientation

$\beta_1, \beta_2, \beta_3, \beta_4,$  and  $\beta_5$  = The Regression standardized coefficient of each variable

Therefore the regression equation for this study derives as:

$$Y = 0.766 + 0.173 \text{ KS} + 0.025 \text{ E} + 0.407 \text{ EA} + 0.228 \text{ CPA} + 0.17 \text{ LO}$$

From the Multiple Linear Regression equation, the interpretation as follows:

- The constant 0.766 shows the effect of knowledge, experience, empathic ability, cue perception ability, learning orientation and intrinsic motivation on adaptive selling behavior. It means that, in a condition where all independent variables are constant (zero), adaptive selling behavior as dependent variable is predicted to be 0.766.
- In condition where other variables are constant, if knowledge structure increases by one unit of standard deviation adaptive selling behavior is predicted to be increased by 0.173 of standard deviation.
- In condition where other variables are constant if experience increases by one standard deviation, adaptive selling behavior is predicted to be increased by 0.025 of standard deviation.

- In condition where other variables are constant if empathic ability increases by one standard deviation, adaptive selling behavior is predicted to be increased by 0.407 of standard deviation.
- In condition where other variables are constant if cue perception ability increases by one standard deviation, adaptive selling behavior is predicted to be increased by 0.228 of standard deviation.
- In condition where other variables are constant if learning orientation increases by one standard deviation, adaptive selling behavior is predicted to be increased by 0.17 of standard deviation.

#### 4.8. Overall Outcome of the Research Hypothesis

The regression analysis has enabled the researcher to examine the six hypotheses and the subsequent relationship of the independent variables to ASB (the dependent variable in the equation). Through careful examination including successive runs, support has been found to accept four of the proposed hypotheses. A summary of each of the hypotheses listed in table 15.

**Table 15: Research hypothesis summary**

Hypothesis	Result	Reason
<b>H1:</b> Sales experience has a significant positive effect on ASB	Not Confirmed	$\beta = 0.025, p > 0.05$
<b>H3:</b> Salespersons' emphatic ability has significant positive effect on ASB.	Confirmed	$\beta = 0.407, p < 0.05$
<b>H4:</b> Salespersons' cue perception ability has significant positive effect on ASB.	Confirmed	$\beta = 0.228, p < 0.05$
<b>H5:</b> Salespersons' learning orientation has significant positive effect on ASB.	Confirmed	$\beta = 0.170, p < 0.05$
<b>H6:</b> Salespersons' knowledge structure has significant positive effect on ASB.	Confirmed	$\beta = 0.173, p < 0.05$

Source: Survey data (2018)

## 4.9. Discussion`

This study examined factors affecting ASB of pharmaceutical salespersons in the context of Ethiopia. Using well-established measurement scales, the researcher replicated and tested the role of pharmaceutical salespersons' knowledge structure, experience, empathic ability, learning orientation and cue perception ability on their ASB. The results of this study indicated similar findings with most of the conclusions drawn by prior researchers and provided additional support to the relationships found among these constructs by researchers in Western markets. Table 4.6 shows most sales representatives work for foreign based pharmaceutical companies. The companies may use different marketing strategies in Ethiopia that were used in different nations. Consequently, understanding whether selling theories and constructs mainly developed in advanced economies of the West would apply to countries that are different economically, politically, and culturally can be very important for those companies (Kaynak et al., 2016). The result of this study revealed this.

The result of this study revealed empathic ability of the salesperson is found to be very important indicator of adaptive selling behavior of the salesperson. A recent previous study by Limbu et al. (2016) showed a positive significant effect of emphatic ability on ASB. Emphatic ability allows the salespersons to place themselves psychologically and emotionally in the position of the customer which leads to understanding the customer and tailor their message accordingly. In this study empathic ability is found to have the most positive significant effect on ASB among to other variables. Therefore, the result of this study on the relationship between empathic ability and ASB is consistent with the previous studies conducted in the developed nation.

Furthermore, cue perception ability was also found to have a significant positive effect on ASB. Porter and Inks (2000) argued that salespersons with high cue perception ability are better able to assess customer's cues, which influence their pre-disposition to practice ASB. Giacobbe et al. (2006) empirically tested this relationship and found that cue perception ability has a positive significant effect on ASB. Also this study found a support for the relationship between knowledge structure and ASB. Knowledge is found to have a positive significant effect on ASB.

Rapp et al. (2006) also found the same result regarding the effect of knowledge on ASB. The consistency of result with previous studies also found regarding cue perception ability.

The study result showed learning orientation is also an important indicator of ASB. Learning orientation is found to have a positive significant effect on salespersons' ASB. This result was similar to prior studies regarding relationship between learning orientation and ASB. Sujan et al (1994) and Park and Holloway (2003) studied the relationship between learning orientation and ASB and they both found a positive significant relationship.

The researcher found that there is insignificant relationship exists between salespersons' experience and ASB. Results of prior studies were inconsistent. Rapp et al. (2006) found insignificant relationship between experience and ASB. In contrary, the study result of Giacobbe et al. (2006) revealed that experience has a positive significant effect on ASB. According to this study, a salespersons' experience is found to have positive insignificant effect on ASB. The researcher believes that there may be a contextual difference regarding the relationship between sales experience and ASB as the result found in the different contexts were inconsistent.

Most of the results of this study showed similarity with prior studies conducted in different nations which have a different cultural, economic and demographic background from the study country. Some of the results were inconsistent with prior study results. The findings reinforce the consistently positive relationship between the independent variables and the dependent variable in these culturally, economically and demographically different environments except one independent variable, i.e. sales experience.

## CHAPTER FIVE

### CONCLUSIONS, AND RECOMMENDATIONS

This chapter presents the major findings of the study, conclusions, recommendations, limitations and direction for future research. Accordingly, the first section of this chapter described the findings of the study that present a brief summary, and the conclusion drawn from it, followed by the next section covering the recommendations, limitations and highlights of the direction for future studies.

#### 5.1. Summary of Major Findings

The majority of the participants in this study were male (70.9 %), and most of them aged between 18-40 years (88.2%). Majority (84.5%) of them were first degree holders, while the rest were master's degree holders. About 70.9 % of them were employed in foreign pharmaceutical companies. Most of the participants were between 1-5 years of selling experience pharmaceuticals (70%).

The correlation analysis had shown that, the six independent variables (knowledge structure, experience, emphatic ability, cue perception ability and learning orientation) have strong correlation with the dependent variable (adaptive selling behavior) at 0.01 p-value 2-tailed, by scoring a Pearson Correlation Coefficient "R-value" of 0.562\*\*, 0.384\*\*, 0.731\*\*, 0.685\*\* and 0.637\*\*respectively.

From regression analysis of five independent variables with the adaptive selling behavior, all independent variables contribute to statistically significant at p-value < 0.05. The score of the coefficient correlation determination ( $R^2$ ) was 0.668 which means 66.8%. In this study, the Beta weight score indicated that the effect of emphatic ability is greater than that of the other independent variables. The specified regression equation for this study is as follows:

$$Y = 0.355 + 0.173 \text{ KS} + 0.025 \text{ E} + 0.407 \text{ EA} + 0.228 \text{ CPA} + 0.17 \text{ LO}$$

## 5.2. Conclusion

The purpose of this study was to examine factors affecting adaptive selling behavior in the pharmaceutical industry of Ethiopia. Adaptive selling technique is an important element of personal selling. Selling is considered as a key element for any successful business. Most previous researchers find out that adaptive selling behavior is an important determinant of sales performance. Thus, adaptive selling behavior becomes a crucial part of personal selling. A number of empirical researches identified profound relationship among different factors and adaptive selling behavior. Six factors that affect adaptive selling behavior of salespersons were formulated from a survey of the adaptive selling behavior literatures. These factors are: empathic ability, knowledge structure, experience, learning orientation, cue perception ability and intrinsic motivation.

The researcher undertook the appropriate scientific study with the objective to examine the effect of these factors on adaptive selling behavior. Knowledge structure, experience, empathic ability, learning orientation and cue perception ability were tested to determine if they made any contribution to the explained variance of adaptive selling behavior. Based on this, the following conclusions are drawn out of the research findings of this study. Intrinsic motivation was not tested as the scale developed failed to meet the reliability test cronbach's alpha value of  $<0.7$ .

According to the  $R^2$  value, the factors considered in this study contribute much to the adaptive selling behavior of pharmaceutical sales representatives. 66.8% and 65.2% of the variability of overall adaptive selling behavior is explained by five of the determinants of ASB considered in this study for the sample and population respectively. The researcher believes rest 33.2% of the variability of overall ASB may be explained by situational variable which are discussed in chapter two of this study and other factors.

The study found that all the independent variables, except sales experience, have significant effect on adaptive selling behavior. Each one has its unique contribution and effect on the adaptive selling behavior of the salespersons. The results of this study found support for four of the hypotheses. Empathic ability, cue perception ability, knowledge structure and learning

orientation are the main driver of adaptive selling behavior. One of the hypotheses is not supported regarding sales experience.

Each of the variables had varying effects on the ASB (dependent variable), with the empathic ability of the salesperson providing the greatest contribution for adaptive selling behavior of the salesperson followed by cue perception ability, knowledge structure and learning orientation. This shows the importance of these factors for exhibiting an adaptive selling behavior by salespersons during sales contact with customers. In addition, the finding shows empathic ability is the most relevant in adapting sales presentation for salespersons who works in selling organizations. It is especially important for sales personnel who work in a high-contact context and interact with professionals such as physicians, pharmacists and other organizational buyers as they have limited time to listen and respond to standardized sales presentations.

Adaptive selling behavior is proportionately depends and goes with the salespersons' emphatic ability and cue perception ability at most, learning orientation and knowledge structure moderately and sales experience at the least. Therefore, from this result one can conclude that, when the salesperson exhibit higher emphatic ability, cue perception ability, learning orientation and knowledge structure, it will lead to higher adaptive selling behavior of the salesperson.

The findings reinforce the consistently positive relationship between the independent variables (emphatic ability, cue perception ability, experience, knowledge, and learning orientation) and the dependent variable (adaptive selling behavior) in a culturally different environment from prior researches. 70.9% of the study participants were working for foreign based companies. Therefore, the researcher proposes that adaptive selling practices in industrialized nations have seemingly made inroads into the Ethiopian pharmaceutical industry. This transformation occurred possibly through the sales training programs and managerial coaching and mentoring activities from foreign based companies.

### 5.3. Recommendations

Listed below are several practical implications that can be drawn from the findings of the study for pharmaceutical selling companies that incorporate adaptive selling strategy in their personal selling strategy.

- Based on the results of this study, the researcher suggested that pharmaceutical companies likewise should consider ongoing strategies that enhance empathic ability, cue perception ability, knowledge structure and learning orientation of their salespersons to increase ASB of their salespersons for successful sales outcomes.
- Managers and human resource departments should consider these characteristics as important traits that need to be reinforced through training, supervision and mentoring programs. Possession of these characteristics may be desired of both new and seasoned sales representatives to enhance ASB.
- From the findings, empathic ability is the most relevant in displaying an ASB by salespersons. Thus, for pharmaceuticals selling organization, the greater emphasis may be placed on recruiting and selecting salespersons with strong empathic ability as those traits are likely to help them adapt their selling approaches.
- In addition, training packages should highlight suitable and relevant forms of empathy. Besides training, sales force evaluation should include supervisory climate and evaluation process that encourages the practice of desired empathic selling; most importantly, sales managers should support any programs that improve desired levels of empathy to the greater outcome ASB.
- The result revealed that cue perception ability is the second important factor to affect ASB. Accordingly, managers should train salespersons to be efficient and effective situational monitors; having a set of superior listening skills is necessary but not sufficient. Improving salespersons' sensitivities to the expressive behaviors of their customers and to the physical cues of the exchange environment are also critical.

- Salespersons must be trained to modify their presentations smoothly and convincingly and in a direction consistent with available situational cues. Training programs that provide salespeople with simulated selling contexts (real-time interactive, virtual reality) or provide opportunities for reviewing and critiquing sales activities made in such texts could be very effective.
- The findings underscore the need for early assessment of the level of empathic and cue perception ability possessed by potential salespersons at the time of hiring, as salespersons with these abilities demonstrate a higher ASB. Existing empathic ability and cue perception ability of the salespersons can be identified early on, using a variety of approaches such as observational methods, role-playing techniques or by using survey measures.
- As knowledge has a positive significant effect on ASB, managers should make every effort to provide detailed information to the sales force about company expectations, knowledge of products, selling techniques, customer requirements and performance appraisal methods to enhance knowledge structure of their salespersons.
- Further, based on the significant relationship between learning orientation and ASB, when recruiting and hiring potential salespeople, managers should consider their potential for learning orientation. They likewise should consider ongoing strategies that enhance learning orientation and ASB in order to increase performance and job satisfaction over time. Learning orientation may be achieved through both the personal characteristics of the salesperson as well as through structured training program.
- Lastly, Companies those implement adaptive selling strategy should create an environment that experienced salespersons train less experienced salespersons on which customer traits to observe, how to recognize those traits and which selling strategies might be most appropriate for specific customer categories. In addition, managers and human resource departments should not consider only selling experience at the time of recruitment because experience has less impact on ASB.

#### **5.4. Limitations and Direction for Future Research**

It is important to reflect on some of the limitations of this study. First, it was conducted using a sample from a single industry (pharmaceutical) and region (Addis Ababa). Its generalization to other sales situations or industries in this market is limited, particularly because the pharmaceutical industry in Ethiopia is dominated by multinational organizations whose organizational culture and salespersons training methods could have resulted in a sales force that shows similar behaviors to their Western counterparts. Future studies should select personal selling environments that are more isolated from globalization to see the potential effects of cultural factors on their ASB.

Second, while the researcher has obtained a reasonable sample size, the findings should be reinforced using additional studies. Future researchers may wish to broaden the number and type of industries as well as the characteristics of the salespersons included in the study. Third, the researcher examined only factors that affects ASB which determined by the salespersons. Future researches should consider situational factors which are not considered in this study.

Fourth, the scale developed for intrinsic motivation (one of the independent variables) failed to meet the reliability test and rejected from further analysis in this study. Future researchers may wish to develop and add additional items to the scale and examine its effect on ASB. Finally, similar to other studies, the researcher used self-reported measures of the variables. Therefore, the researcher foresees that there may be some danger of upward bias in the salespersons self-evaluation. Future studies should incorporate additional measures of the variables.

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## Appendix – Questionnaire

**Addis Ababa University**

**School of Commerce**

**Department of Marketing Management**

Dear respondent,

My name is Anania Tassew. Currently I am conducting a study for the partial fulfillment of the degree of masters of art in Marketing Management.

The aim of this study is to examine “*Factors affecting Adaptive Selling Behavior: Empirical Evidences from the Pharmaceutical Industry in Ethiopia*”. Moreover the aim of this questionnaire is to collect data on the above-mentioned research topic. The information you will provide is for academic purpose only and will be treated with strict confidentiality. I kindly request you to provide the required information to the best of your understanding by filling out the questionnaire.

I am very thankful for your cooperation in advance.

**N.B.** This questionnaire consists of three sections. Please ensure your response to all the questions.

### **I. General information**

Please tick “√” the appropriate box by choosing the option which represents your answer.

#### **A. Gender**

Male

Female

#### **B. Age**

18-30

31-40

41-50

Above 51

### C. Educational Status

First Degree

Second Degree

### D. Work Experience

Less than 1 Years

1 – 3 Years

3 – 5 Years

5 – 10 Years

10+ Years

### E. Current Employer

Foreign Company

Domestic Company

## II. Determinants of Adaptive Selling Behavior

Please circle the answer which *MOSTLY* matches your opinion on the five points of Likert scale where: 1 - Strongly Disagree (SD), 2 – Disagree (D), 3 - Neutral (N), 4 – Agree (A) and 5 - Strongly Agree (SA)

S.N	Items	Point of Scale				
		SD	D	N	A	SA
<b>Knowledge</b>						
1	I believe that I have significant information about my customer's behavior.	1	2	3	4	5
2	I have the ability to categorize my customers based on their social style.	1	2	3	4	5
3	My knowledge is enriched with different selling events.	1	2	3	4	5
4	I have sufficient knowledge about the product I sell.	1	2	3	4	5
5	I am very confident that I have sufficient knowledge about different selling strategies.	1	2	3	4	5
6	I can easily retrieve the information I have and adjust the amount of information or facts I present to the customer.	1	2	3	4	5

S.N	Items	Point of Scale				
		SD	D	N	A	SA
<b>Experience</b>						
7	My selling experience enables me to gain a clearer understanding of my work.	1	2	3	4	5
8	My experience helped me to develop different selling skills.	1	2	3	4	5
9	My experience increases my ability to easily understand customers' traits.	1	2	3	4	5
10	My confidence during interacting with customers increases with my experience.	1	2	3	4	5
11	I learned experientially from the outcomes of different sales approaches employed in varied contexts throughout my experience.	1	2	3	4	5
<b>Empathic Ability</b>						
12	I have the ability to identify how things look from each customer's perspective.	1	2	3	4	5
13	Putting myself in the customers position to see things from his or her perspective is something that is often a bit difficult for me.	1	2	3	4	5
14	I am nearly always able to look at my customer's side of a disagreement before I make my next move.	1	2	3	4	5
15	I am often able to think of my customer as a good friend.	1	2	3	4	5
16	I am able to personally care about my customers a great deal.	1	2	3	4	5
17	If a customer indicates that a serious problem exists, it is easy for me to feel like I really want to help.	1	2	3	4	5

S.N	Items	Point of Scale				
		SD	D	N	A	SA
<b>Cue Perception Ability</b>						
18	Patiently listening to what a customer is telling me is something I am able to do with little difficulty.	1	2	3	4	5
19	Compared to other sellers, I am able to listen more effectively to what the customer says.	1	2	3	4	5
20	My ability to listen attentively when a customer is explaining something is very strong.	1	2	3	4	5
21	I seem to have a strong sense that enables me to identify my customer's true mood	1	2	3	4	5
22	If something is troubling customers, I can identify it by just watching their expressions and behaviors.	1	2	3	4	5
<b>Learning Orientation</b>						
23	Making a tough sale is very satisfying.	1	2	3	4	5
24	An important part of being a good salesperson is continually improving your sales skills.	1	2	3	4	5
25	Making mistakes when selling is just part of the learning process.	1	2	3	4	5
26	It is important for me to learn from each selling experience I have.	1	2	3	4	5
27	I am always learning something new about my customers.	1	2	3	4	5
28	It is worth spending a great deal of time learning new approaches for dealing with customers.	1	2	3	4	5
<b>Intrinsic Motivation</b>						
29	When I perform well, I know it is because of my own desire to achieve.	1	2	3	4	5
30	I do not need a reason to sell; I sell because I want to.	1	2	3	4	5

S.N	Items	Point of Scale				
		SD	D	N	A	SA
31	Becoming successful in sales is something that I want to do for myself.	1	2	3	4	5
32	If I were independently wealthy, I would still sell for the challenge of it.	1	2	3	4	5
33	I wish I did not have to retire someday so I could always continue selling for the pleasure of it.	1	2	3	4	5
34	I sell because I cherish the feeling of performing a useful service.	1	2	3	4	5

### III. Adaptive Selling Behavior

S.N	Items	Point of Scale				
		SD	D	N	A	SA
<b>Adaptive Selling Behavior</b>						
37	I am very flexible in the selling approach (presentation) I use.	1	2	3	4	5
38	I can easily use a wide variety of selling approaches (presentation).	1	2	3	4	5
39	I do not use a set (same presentation for all customers) sales approach.	1	2	3	4	5
40	I vary my sales style from situation to situation.	1	2	3	4	5
41	I treat all of my buyers pretty much differently.	1	2	3	4	5
42	I like to experiment with different sales approaches (Presentation).	1	2	3	4	5
43	I change my approach (sales presentation) from one customer to another.	1	2	3	4	5