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# Paradigmatic CRM Approach: A Panacea to Sales Depression in Health Care Industry in Nigeria

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**Abstract**
In the health care business environment ranking, Nigeria is found towards the bottom of the table featuring fourteen key countries in the Middle East and Africa (MEA) region. While Nigeria continues to be considered one of the least attractive markets in the region, its potential beyond forecast period is relatively considerable, given the sheer population size and its high disease burden. Nigeria's healthcare market is forecast to grow to US$1.27 billion in 2012, thus more than doubling 2007 figure of US$596 million. Paradigmatic CRM Approach could be a panacea to the sales depression in Healthcare Industry in Nigeria, as it represents the most profound and exciting sales opportunities in businesses today. The regression factor score result of this study indicates satisfied significance effect of the independent variables of CRM at p = 0.05 level of significance and a corresponding value of F = 129.925. This suggests that cross-disciplinary teams should be established from the initiation of the planning stages for CRM that require IT and sales managers to work together as well as other functional players like marketing, accounting and sales support.
**Keywords:** Strategic Alliance; Competitive Environment; Salesforce Automation; Sales Volume Analysis; Interactive Marketing; Environmental Scanning; Strategic Window; Strategic Business Units.

## Introduction

The Nigeria pharmaceuticals and Health care report provides independent forecasts and competitive intelligence on Nigeria's pharmaceuticals and health care industry. Nigeria's drug market remains subdued due to readily available counterfeit drugs, poor health care infrasture and the limited spending power of citizens. The market was estimated to be worth US$ 278 million in 2007 and it should grow at around 5% year-on-year (y-o-y), reaching US$369 million by 2012. Despite the federal government's efforts to promote domestic manufacturing, Nigeria remains heavily reliant on imported pharmaceuticals. The National Drug Policy sets a target for 70% of the country's demand for drugs to be met by local industry. However, in 2007 BMI estimated that imports supplied 54% of the market. On the whole, domestic players do not appear ready to manufacture high-tech, so it was expected that imports would remain dominant. The domestic drug makers seem to be increasingly looking to diversify into consumer health products, most likely in response to the difficult operating environment in the core market. In January 2008, both fidson Health care and Neimeth Pharmaceuticals announced they were to launch consumer health lines. Neimeth revealed it would do this through two newly created subsidiaries – one concentrating on food and nutraceuticals, the other on herbal remedies (Kang, 2009: 28-34).

Health care, and in particular how to expand access, continues to be a hot topic throughout Africa, with a variety of solutions being pursued by national governments – Nigeria's solution being the National Health Insurance Scheme (NHIS). There are encouraging signs for private sector involvement in African health care after the World Bank's International Finance Corporation (IFC) unveiled a US $1 billion support package for the development of private health care on the continent. With the NHIS struggling in terms of participant members, BMI believes that increasingly popular health saving accounts (HSAs) can provide a solution for citizens unable to benefit from the NHIS-Particularly sector. In BMI's updated Business Environment Rankings, Nigeria remains in 13$^{th}$ place out of 14 Middle East and Africa (MEA) countries surveyed. Nigeria's score continues to be held down by a combination of low consumer spending power and a weak regulatory environment. Both of these factors should remain in play over the forecast period, making it unlikely that Nigeria will overtake Egypt, which is one place ahead. Nigeria's score in the country structure category is more promising, suggesting that there is potential market growth if the previously mentioned weaknesses can be remedied. Some of the Nigeria's pharmaceutical companies mentioned include the following: (i) Pfizer; (ii) Novartis; (iii) Sanofi-Aventis; (iv) Glaxo Smithkline (GSK); (v) Nigeria-German Chemicals

 

Plc. (NGC); (vi) Emzor; (vii) Fidson Health care; (viii) Archy; (ix) Neros pharmaceuticals; (x) Drugfield Pharmaceuticals Limited; (xi) Campharm products; and (xii) Tyonex.

CRM is a comprehensive business model for increasing revenues and profits by focusing on customers. Many companies are now adopting CRM as a mission-critical business strategy. These companies are redesigning internal and external business processes and associated information systems with them. Because the focus of CRM is aligning the organization's internal and external systems to be customer – centric, marketing as a discipline becomes a core contributor to the success of CRM by virtue of its disciplinary expertise on customers. Specifically, the salesforce is a group within most firms that can add substantial value to the success of this process. The salesforce can play a pivotal relationship management role.

More sophisticated approaches to data management are a key enabler of CRM. Yet, it is a serious mistake to consider CRM as a mere software. In fact, many pharmaceutical firms in Nigeria are struggling with their CRM initiatives probably because they have bought the sophisticated software, but do not have the culture, structure, leadership, or internal technical expertise to make the initiative successful. The biggest mistake is thinking that CRM is *owned* by the IT people simply because the process is software – driven. But if anyone should *own* CRM, it should be the customer contact team within a firm, which usually means the salesforce. Problems leading to CRM failure often are traced to organizational, not software, issues. A recent report from a conference board information group indicates that half of the companies' survey in North America and Europe suggest that lack of salesforce alignment is the leading difficulty in CRM implementation (Myers, 2008: 1173-1178). Salesforce have a key role to play in fostering successful relationships. They spend a large amount of time by themselves calling on customers and traveling between accounts. This means that most of the time they are away from any kind of support from their peers or leaders, and they often feel isolated and detached from their companies. Consequently, they usually could require more motivation than is needed for other jobs to reach the performance level management desires. Salespeople can also be fiercely independent. Particularly, very successful salespeople may balk at changing their customer approach substantively when their interests are not integrated into the system. This potential pitfall of CRM implementation, if not properly addressed, can be devastating to a firm financially, operationally, and culturally. As stated earlier that if a CRM system fails, the first place to look is not within the software but within the ranks of management. This gave rise to the importance of this study, which was to examine the impact of a salesforce motivation on effective implementation of a CRM strategy in the pharmaceutical and healthcare industry in Nigeria.

**Literature Search**

The earliest drugstores date back to the middle ages. The first known drugstore was opened by Arabian pharmacists in Baghdad in 754 AD, and many more soon began operating throughout the medieval Islamic world and eventually medieval Europe. By the nineteenth century, many of the drug stores in Europe and North America had eventually developed into larger pharmaceutical companies. Most of today's major pharmaceutical companies were founded in the late nineteenth and early twentieth centuries. Key discoveries of the 1920s and 1930s, such as insulin and penicillin, became mass-manufactured and distributed. Switzerland, Germany and Italy had particularly strong industries, with the UK, US, Belgium and Netherlands following suit. Legislation was enacted to test and approve drugs and to require appropriate labeling. Prescription and non-prescription drugs become legally distinguished from one another as the pharmaceutical industry matured. The industry got underway in earnest from the 1950s, due to the development of systematic scientific approaches, understanding of human biology (including DNA) and sophisticated manufacturing techniques (Robinson, 2008: 579-585).

Numerous new drugs were developed during the 1950s and mass-produced and marketed through the 1960s. These included the first oral contraceptive, "The Pill", cortisone, blood-pressure drugs and other heart medications. MAO inhibitors, chlorpromazine (Thorazine), Haldol (Haloperidol) and the tranquilizers ushered in the age of psychiatric medication. Valium (diazepam), discovered in 1960, was marketed from 1963 and rapidly became the most prescribed drug in history, prior to controversy over dependency and habituation. Attempts were made to increase regulation and to limit financial links between companies and prescribing physicians, including by the relatively new US FDA. Such calls increased in the 1960s after the thalidomide tragedy came to light, in which the use of a new tranquilizer in pregnant women caused severe birth defects. In 1964, the world medical Association issued its

 

Declaration of Helsinki, which set standards for clinical research and demanded that subjects give their informed consent before enrolling in an experiment. Pharmaceutical companies became required to prove efficacy in clinical trials before marketing drugs. Cancer drugs were a feature of the 1970s. From 1978, India took over as the primary centre of pharmaceutical production without patent protection (Sharfstein 2005: 27-29).

The industry remained relatively small scale until the 1970s when it began to expand at a greater rate. Legislation allowing for strong patents, to cover both the process of manufacture and the specific products came in force in most countries. By the mid-1980s, small biotechnology firms were struggling for survival, which led to the formation of mutually beneficial partnerships with large pharmaceutical companies and a host of corporate buyouts of the smaller firms. Pharmaceutical manufacturing became concentrated, with a few large companies holding a dominant position throughout the world and with a few companies producing medicines within each country. The pharmaceutical industry entered the 1980s pressured by economics and a host of new regulations, both safety and environmental, but also transformed by new DNA chemistries and new technologies for analysis and computation. Drugs for heart disease and for AIDS were a feature of the 1980s, involving challenges to regulatory bodies and a faster approval process. Managed care and Health Maintenance Organizations (HMOs) spread during the 1980s as part of an effort to contain rising medical costs, and the development of preventative and maintenance medications became more important. A new business atmosphere became institutionalized in the 1990s, characterized by mergers and takeovers, and by a dramatic increase in the use of contract research organizations for clinical development and even for basic R&D. The pharmaceutical industry confronted a new business climate and new regulations, born in part from dealing with world market forces and protests by activities in developing countries. Animal right activism was also a problem (Ray, 2003: 1182-1193).

Marketing changed dramatically in the 1990s, partly because of a new consumerism. The internet made possible the direct purchase of medicine by drug consumers and of raw materials by drug producers, transforming the nature of business. In the US, Direct-to-Consumer Advertising proliferated on radio and television because of new FDA regulations in 1997 that liberalized requirements for the presentation of risks. The new antidepressants, the SSRIs, notably fluoxetine (Prozac), rapidly became bestsellers and marketed for additional disorders. Drug development progressed from a hit-and-miss approach to rational drug discovery in both laboratory design and natural-product surveys. Demand for nutritional supplements and so-called alternative medicines created new opportunities and increased competition in the industry. Controversies emerged around adverse effects, notably regarding Vioxx in the US, and marketing tactics. Pharmaceutical companies became increasingly accused of disease mongering or over-medicalizing personal or social problems. There are now more than 200 major pharmaceutical companies, jointly said to be more profitable than almost any other industry, and employing more political lobbyists than any other industry. Advances in biotechnology and the human genome project promise ever more sophisticated, and possibly more individualized, medications (Tungaraz and Poole, 2007: 82-83).

Pharmaceutical companies commonly spend a large amount on advertising, marketing and lobbying. In the US, drug companies spend $19 billion a year on promotion. Advertising is common in health care journals as well as through more mainstream media routes. In some countries, notably the US, they are allowed to advertise direct to the general public. Pharmaceutical companies generally employ salespeople (often called “drug reps” or, an older term, “detail men”) to market directly and personally to physicians and other health care provider. In some countries, notably the US, pharmaceutical companies also employ lobbyists to influence politicians. Marketing of prescription drugs in the US is regulated by the Federal Prescription Drug Marketing Act of 1987. Physicians, physician assistants, and nurse practitioners are perhaps the most important players in pharmaceutical sales because they write the prescriptions that determine which drugs will be used by the patient. Influencing the physician is often seen as the key to prescription of pharmaceutical sales. A medium-sized pharmaceutical company might have a salesforce of 1000 representatives. The largest companies have tens of thousands of representatives. Currently, there are approximately 100,000 pharmaceutical sales reps in the United Sates lobbying some 120,000 pharmaceutical prescribers. The number doubled in the four years from 1999 to 2003. Drug companies spend $5 billion annually sending representatives to physicians’ offices. Pharmaceutical companies use the service of specialized health care marketing research companies to perform marketing research among physicians and other health care professionals (Moyniha, 2008: 1163; Myers, 2008: 1169-1172; Mackenzie, 2006: 27-35; Solenke, 2008: 22).

 

Private insurance or public health bodies (e.g. the NHS in the UK) decide which drugs to pay for, and restrict the drugs that can be prescribed through the use of formularies. Public and private insurers restrict the brands, types and number of drugs that they will cover. Not only can the insurer affect drug sales by including or excluding a particular drug from a formulary, they can affect sales by tiering or placing bureaucratic hurdles to prescribing certain drugs as well. In January 2006, the US government instituted a new public prescription drug plan through its medicare program known as Medicare Part D. This program engages private insurers to negotiate with pharmaceutical companies for the placement of drugs on tried formularies. Commercial stores and pharmacies are a major target of non-prescription sales and marketing for pharmaceutical companies. Since the 1980s new methods of marketing for prescription drugs to consumers have become important. Direct – to – consumer media advertising was legalized in the FDA Guidance for Industry on Consumer-Directed Broadcast Advertisements (Healy, 2007: 42-49).

There has been increasing controversy surrounding pharmaceutical marketing and influence. There have been accusations and findings of influence on doctors and other health professionals through drug reps, including the constant provision of marketing "gifts" and biased information to health professionals, highly prevalent advertising in journals and conferences; funding independent health care organizations and health promotion campaigns; lobbying physicians and politicians (more than any other industry in the US; sponsorship of medical schools or nurse trainings; sponsorship of continuing educational events, with influence on the curriculum; and hiring physicians as paid consultants on medical advisory boards. To help ensure the status quo on US, drug regulation and pricing, the pharmaceutical industry has thousands of lobbyists in Washington, DC that lobby congress and protect their interests. The pharmaceutical industry spent $855 million, more than any other industry, on lobbying activities from 1998 to 2006, according to the Non-partisan center for Public Integrity. Some advocacy groups, such as No Free Lunch, have criticized the effect of drug marketing to physicians because they say it biases physicians to prescribe the marketed drugs even when others might be cheaper or better for the patient. There have been related accusations of disease mongering (over-medicalizing) to expand the market for medications. An inaugural conference on that subject took place in Australia in 2006. A 2005 review by a special committee of the UK Government came to all the above conclusions in a European Union context, while also highlighting the contributions and needs of the industry (Wise, 2003: 1163:1170).

There is also huge concern about the influence of the pharmaceutical industry on the scientific process. Meta-analyses have shown that studies sponsored by pharmaceutical companies are several times more likely to report positive results, and if a drug company employee is involved (as is often the case, often multiple employees as co-authors and helped by contracted marketing companies) the effect is even larger. Influence has also extended to the training of doctors and nurses in medical schools, which is being fought (Uduji; 2006: 192-199). It has been argued that the design of the diagnostic and statistical manual of mental disorder and the expansion of the criteria represents an increasing medicalization of human nature, or "disease mongering", driven by drug company influence on psychiatry. The potential for direct conflict of interest has been raised, partly because roughly half the authors who selected and defined the DSM-IV psychiatric disorders had or previously had financial relationships with the pharmaceutical industry. The president of the organization that designs and publishes the DSM, the American Psychiatric Association, recently acknowledged that in general, American psychiatry has "allowed the biopsycho – social model to become the bio-bio-bio model" and routinely accepted "kick backs and bribes" from pharmaceutical companies (Moynihan and Cassels, 2005).

The role of pharmaceutical companies in the developing world is a matter of some debate, ranging from those highlighting the aid provided to the developing world, to those critical of the use of the poorest in human clinical trials, often without adequate protections, particularly in states lacking a strong rule of law. Other criticisms include an alleged reluctance of the industry to invest in treatments of diseases in less economically advanced countries, such as malaria; criticism for the price of patented AIDs medication, which could limit the rapeutic options for patients in the third world, where the most people have AIDs. In September 2008, the Open Source Drug Discovery Network Was launched in India to combat infectious diseases common to developing countries (Keng, 2009: 28-34).
**Market Leaders in Terms of Revenue:** The following is a list of the 20 largest pharmaceutical and biotech companies ranked by health care revenue as of 2007. Some companies (eg. Bayer, Johnson & Johnson and Procter &

 

Gamble) have additional revenue not included here. The phrase *Big Pharma* is often used to refer to companies with revenue in excess of $3 billion, and/or R & D Expenditure in excess of $500 million. Table 1 ranked the 20 largest pharmaceutical and biotech companies and follows:

**Table 1: 20 largest Pharmaceutical and Biotech companies**

| Rank | Company | Country | Revenues ($millions) | R & D ($Millions) | Net Income ($millions) | Employees |
|---|---|---|---|---|---|---|
| 1. | Novartis | Switzerland | 53,324 | 7,125 | 11,053 | 138,000 |
| 2. | Ptizer | USA | 48,371 | 7,599 | 19,337 | 122,200 |
| 3. | Bayer | Germany | 44,200 | 1,791 | 6,450 | 106,200 |
| 4. | Glaxosmithkline | UK | 42,813 | 6,373 | 10,135 | 106,000 |
| 5. | Johnson & Johnson | USA | 37,020 | 5,349 | 7,202 | 102,695 |
| 6. | Sanofi-Aventis | France | 35,645 | 5,565 | 5,033 | 100,735 |
| 7. | Hoffmann-La Roche | Switzerland | 33,547 | 5,258 | 7,318 | 100,289 |
| 8. | Astra Zeneca | UK/Sweden | 26,475 | 3,902 | 6,063 | 98,000 |
| 9. | Merck & Co. | USA | 22,636 | 4,783 | 4,434 | 74372 |
| 10. | Abbott Laboratories | USA | 22,476 | 2,255 | 1,717 | 66,800 |
| 11. | Wyeth | USA | 20,351 | 3,109 | 4,197 | 66,663 |
| 12. | Bristol-Myers Squibb | USA | 17,914 | 3,067 | 1,585 | 60,000 |
| 13. | Elililly & Company | USA | 15,691 | 3,129 | 2,663 | 50,060 |
| 14. | Amgen | USA | 14,268 | 3,366 | 2,950 | 48,000 |
| 15. | Boehringer Ingelheim | Germany | 13,284 | 1,977 | 2,163 | 43,000 |
| 16. | Schering-Plough | USA | 10,594 | 2,188 | 1,057 | 41,500 |
| 17. | Baxter International | USA | 10,378 | 614 | 1,397 | 38,428 |
| 18. | Taked a Pharmaceutical Co. | Japan | 10,284 | 1,620 | 2,870 | 15,000 |
| 19. | Genentech | USA | 9,284 | 1,773 | 2,113 | 33,500 |
| 20. | Procter & Gamble | USA | 8,964 | NA | 10,340 | 29,258 |

*Source:* Tungaraza, T (2008) "IMS Health Forecasts Growth for Global Pharmaceutical Market" *British Medical Journal*, Volume 36, issue 7400: 1193-1194.

**Market Leaders in Terms of Sales:** The top ten pharmaceutical companies by 2007 sales are shown in table 2.

**Table 2: Top Ten Pharmaceutical Companies**

| Rank | Company | Sales ($millions) | Growth (%) | Market share (%) | Headquarter Location |
|---|---|---|---|---|---|
| 1. | Pfizer | 45,983 | 2.1 | 7.3 | USA |
| 2. | Glaxo Smithkline | 37,034 | 9.7 | 5.9 | UK |
| 3. | Sanofi-Aventis | 35,638 | 5.0 | 5.7 | France |
| 4. | Novartis | 28,880 | 18.0 | 4.6 | Switzerland |
| 5. | Hoffmann-La Roche | 26.596 | 21.8 | 4.2 | Switzerland |
| 6. | Astra Zeneca | 25,741 | 10.5 | 4.1 | UK/Sweden |
| 7. | Johnson & Johnson | 23,267 | 4.2 | 3.7 | USA |
| 8. | Merck & Co. | 22,636 | 2.8 | 3.6 | USA |
| 9. | Wyeth | 15,683 | 2.4 | 2.5 | USA |
| 10. | Elililly & Company | 14,814 | 7.5 | 2.4 | USA |

*Source:* Myers, D (2008) "Changing the Face of Detailing by Motivating Physicians to see Pharmaceutical Sales Reps" *British Medical Journal*, volume 326, issue 7400: 1169.

 

**Research Method**

The target population of the study included the grand total (624), of the salesforce size of the top ten pharmaceutical and health care companies in Nigeria. These domestic drug makers constitute the population of the study. They formed the *Big Parmas* table below.

**Table 3 The *Big Pharmas* in Nigeria**

| Rank | Company | Senior sales Executives (Managers & above) | Sales Executives *(Drug Reps* & others) | Total salesforce size |
|---|---|---|---|---|
| 1. | Neimeth International Pharmaceuticals Plc. (Former Pfizer Product Plc.) Ikeja Industrial Estate, Lagos | 15 | 91 | 106 |
| 2. | Glaxo-Smithkline Plc. (Merger of Glaxo-Welcome and Smithkline Beecham Plc) Creek Road, Apapa, Lagos. | 11 | 87 | 98 |
| 3. | May and Baker Plc, Ikeja Industrial Estate, Lagos. | 9 | 65 | 74 |
| 4. | Evans Medical Plc. Agbara, Avenue. Ikeja Industrial Estate | 5 | 43 | 48 |
| 5. | Roche Nig. Ltd, Dopemu, Agege, Lagos. | 6 | 54 | 60 |
| 6. | SKG-Pharma Ltd, Oba Akran Avenue. Ikeja Industrial Estate. | 5 | 45 | 50 |
| 7. | Novartis Nig. Ltd. (Former Swiss Nigeria Chemical Company Ltd) Agege Motor Rd, Mushin, Lagos. | 5 | 43 | 48 |
| 8. | Emzor Pharmaceutical Industries Ltd. Aswani Market Road, Isolo, Lagos. | 5 | 38 | 43 |
| 9. | Ranbaxy Nig. Ltd, (Former Ranbaxy Laboratories Nig. Ltd.) Isolo Industrial Estate, Lagos | 4 | 37 | 41 |
| 10. | Fidson Health Care Plc Oregun, Industrial Estate, Lagos. | 4 | 34 | 38 |

*Source: Field Survey*

These drug Companies that constitute the population of the study, spend Millions of naira annually sending representatives to physician offices to stimulate sales. They spend millions of naira also on the service of specialized health care marketing research companies to perform marketing research among physicians and other health care professionals. The sample sizes were determined to be 244, using the Yamani (1964:280) formula, while the stratified sampling technique was used to ensure a fair representation of the ranked top ten pharmaceutical and health care companies in the ratio of 10: 9: 8: 7: 6: 5: 4: 3: 2: 1, using proportionality formula. The items were selected in the ratio of one senior sales executive to three sales executives from each company. This offered a good representation of all the segments in the population of the study. Each respondent from the stratum was selected in order of their years of experience in the sales job.

**Results and Discussion**

The second objective of this study was to examine if CRM strategy is effectively implemented in the pharmaceutical and health care industry in Nigeria. In order to get this information, the respondents were asked to rate the following factors of a CRM strategy as contained in table 4 based on the extent in which it is practiced by their organizations, in a scale of answers from 5 = very high to 1 = Not at all. The results obtained were judged based on the table of means of 3 as shown in table 4.3. It was hypothesized that CRM strategy is not effectively implemented in the pharmaceutical and health care industry in Nigeria.

 

**Table 4: Descriptive Statistics Showing Means Responses of Respondents on the Extent of CRM Practices in the Organizations.**

| S/N | Elements | Total | Minimum | Maximum | Mean | Std. Dev. | Remark |
|---|---|---|---|---|---|---|---|
| 1. | Acquires and captures customer data based on Interaction | 178 | 1 | 4 | 2.03 | .667 | Low |
| 2. | Uses of technology to store and integrate customer data | 178 | 1 | 4 | 2.29 | .873 | Low |
| 3. | Analyzes data for profitable/Unprofitable Segments | 178 | 1 | 4 | 2.02 | .863 | Low |
| 4. | Leverages and disseminates customer information through the organization. | 178 | 1 | 3 | 2.33 | .742 | Low |
| 5. | Customizes its product and service offering based on data generated through interactions between the customer and the organization. | 178 | 1 | 3 | 2.15 | .673 | Low |
| 6. | Centralizes and shares learned information from customers in order to enhance the relationship between customers and the organization. | 178 | 1 | 3 | 2.16 | .801 | Low |
| 7. | Delegates authority to solve customers' problem quickly- usually by the first person that the customer notifies regarding the problem. | 178 | 1 | 5 | 2.11 | .806 | Low |
| 8. | Operates a logistic system that reacts to, monitors, and controls the interaction between the customer and the organization. | 178 | 1 | 3 | 1.88 | .756 | Very Low |
| 9. | Uses web vehicles for communications between customers and the organization | 178 | 1 | 4 | 1.90 | .862 | Very Low |
| 10. | Operates a central repository for data from various functional areas of the organization that are stored and inventoried on a centralized computer system so that the information can be shared across all functional departments of the organization. | 178 | 1 | 4 | 2.15 | .951 | Low |
| 11. | Develops Product or service offerings customized for appropriate customer segment and then pricing and communicating these offerings for the purpose of enhancing customer relationships. | 178 | 1 | 4 | 2.31 | .795 | Low |
| 12. | Designs its program to optimize profitability, revenue, and customer satisfaction by focusing on highly defined and precise customer group. | 178 | 1 | 4 | 2.51 | .832 | Low |
| 13. | Mseca | 178 | 1.00 | 3.25 | 2.1522 | .56065 | Low |

*Source:* Analysis of Field Data, 2010

Table 4 shows the descriptive statistics indicating the mean responses of respondents on the extent of CRM practices in the pharmaceutical and health care industry in Nigeria. The results were obtained by judgment based on the means of 3 as observed in table 4.3. This implies that even though that many of the components underlying CRM system are evident in these organizations, yet they are not particularly effectively implemented, integrated and cross-functional. This suggests that what has changed in the environment to allow for the more integrated approach to customers represented by gadgets and equipments is technology. More sophisticated approaches to data management are key components and enablers a CRM strategy, yet it is a serious mistake to consider CRM as mere software. Consequently, many firms are struggling with their CRM initiatives precisely because they have bought the sophisticated software, but do not have the culture, structure, leadership, or internal technical expertise to make the initiative successful. Software solutions are just one component of a successful CRM initiative. Companies should

 

approach customer relationship management as a complete business strategy, in which people, processes and technology should be organized around delivering superior value to customer.

Nnabuko and Uduji (2008: 113-124) suggested some implementation qualities that successful CRM system should share: (i) CRM should be results driven. It is important that the firm decide on specific goals and benefits before attempting to implement a CRM strategy; (ii) CRM should be implemented from the top down. The CEO and senior-level executives must be committed to changing the firm to a new focus on customer; (iii) CRM requires investment in training. Firms do not nurture customer relationships, but their people do. Training must be company-wide so that everyone knows that the firm is transforming itself. Training must also upgrade the skill sets of employees so that they are able to handle new tools; (iv) they communicate effectively across functions. Effective CRM depends on cross-disciplinary teams that work together to solve customer problems. It shouldn't make any difference whether the customer interacts with the company directly through the salesforce, over the web, or indirectly through a reseller (or is accessing these entire channels simultaneously); (v) they are streamlined. A concentrated focus on the customers allows firms to weed out wasteful business practices. If any function or process does not help the firm better serve its customers, it probably is not necessary. Streamlining also eliminates the need for costly customization when it comes to creating software solutions; (vi) CRM implementation requires involvement of the end users in creation of software solutions. Input from employees, suppliers, distributors, and any other partner who will use the system is essential. It will not only ensure that the systems meet the needs of all those who will implement them, but will encourage everyone to support the transition to customer relationship managements; and (vii) they constantly seek improvement. By tracking and measuring results, firms are able to continuously improve relationships with customers. And once this groundwork has been laid, technology solutions drive the firms toward a clear understanding of each customer and his or her needs.

**Table 5: T-Test Showing Independent Sample Test.**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | 95% Confidence Interval of the Difference | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| acquires and captures customers data based on interaction | Equal variances assumed | 174.759 | .000 | -11.946 | 185 | .000 | -.711 | .059 | -.828 | -.593 |
| | Equal variances not assumed | | | -5.985 | 37.000 | .000 | -.711 | .119 | -.951 | -.470 |
| uses technology to store and integrate customer data | Equal variances assumed | 363.095 | .000 | -6.397 | 185 | .000 | -.447 | .070 | -.585 | -.309 |
| | Equal variances not assumed | | | -3.205 | 37.000 | .003 | -.447 | .140 | -.730 | -.165 |
| analyzes data for profitable/unprofitable segments | Equal variances assumed | 326.096 | .000 | -8.802 | 185 | .000 | -.632 | .072 | -.773 | -.490 |
| | Equal variances not assumed | | | -4.410 | 37.000 | .000 | -.632 | .143 | -.922 | -.341 |
| pass on information about the customer | Equal variances assumed | 439.231 | .000 | -9.505 | 185 | .000 | -.500 | .053 | -.604 | -.396 |
| | Equal variances not assumed | | | -4.762 | 37.000 | .000 | -.500 | .105 | -.713 | -.287 |
| customize is product and service offering | Equal variances assumed | 312.772 | .000 | -13.584 | 185 | .000 | -.684 | .050 | -.784 | -.585 |

 

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| based on data generated | Equal variances not assumed | | | -6.806 | 37.000 | .000 | -.684 | .101 | -.888 | -.481 |
| centralized and shares learned information from customer | Equal variances assumed | 517.226 | .000 | -12.719 | 185 | .000 | -.684 | .054 | -.790 | -.578 |
| | Equal variances not assumed | | | -6.372 | 37.000 | .000 | -.684 | .107 | -.902 | -.467 |
| delegates authority to solve customer | Equal variances assumed | 350.564 | .000 | -11.385 | 185 | .000 | -.711 | .062 | -.834 | -.587 |
| | Equal variances not assumed | | | -5.704 | 37.000 | .000 | -.711 | .125 | -.963 | -.458 |
| operetes a logistic system that react to monitors and controls | Equal variances assumed | 163.325 | .000 | -15.204 | 185 | .000 | -.974 | .064 | -1.100 | -.847 |
| | Equal variances not assumed | | | -7.617 | 37.000 | .000 | -.974 | .128 | -1.233 | -.715 |
| uses web vehicles for communication between customers | Equal variances assumed | 239.893 | .000 | -11.916 | 185 | .000 | -.895 | .075 | -1.043 | -.747 |
| | Equal variances not assumed | | | -5.970 | 37.000 | .000 | -.895 | .150 | -1.198 | -.591 |
| operates a central repository for data from various functional areas | Equal variances assumed | 402.436 | .000 | -8.377 | 185 | .000 | -.658 | .079 | -.813 | -.503 |
| | Equal variances not assumed | | | -4.197 | 37.000 | .000 | -.658 | .157 | -.976 | -.340 |
| develops product or service offerings customized | Equal variances assumed | 266.269 | .000 | -5.648 | 185 | .000 | -.342 | .061 | -.462 | -.223 |
| | Equal variances not assumed | | | -2.830 | 37.000 | .007 | -.342 | .121 | -.587 | -.097 |
| designs its program to optimize profitability | Equal variances assumed | 151.765 | .000 | -3.496 | 185 | .001 | -.211 | .060 | -.329 | -.092 |
| | Equal variances not assumed | | | -1.751 | 37.000 | .088 | -.211 | .120 | -.454 | .033 |
| Mseca | Equal variances assumed | 127.397 | .000 | -18.224 | 185 | .000 | -.62061 | .03405 | -.68780 | -.55343 |
| | Equal variances not assumed | | | -9.131 | 37.000 | .000 | -.62061 | .06797 | -.75834 | -.48289 |

*Source:* Analysis of Field Data, 2010

Data in table 5 shows that salesperson has a role to play in the stage of relationship expansion, which is marked by the opportunity to sell new products or increase the share of the account's business. Trust is developing, allowing the motivated salesperson to focus on identifying additional needs and recommending solutions. Several strategies, including generating repeat sales, cross-selling, and full-line selling, may be used to expand business with current accounts and move them toward loyalty and long-term commitment to the relationship. In some situations, the most appropriate strategy is to generate repeat orders, particularly for supply items and other operating needs. Generating repeat sales requires recognizing buying cycles and being present at buying time. Upgrading is convincing the buyer to use a higher-quality product or newer product and is similar to generating repeat sales. The buyer selects the upgrade because it meets needs better or more efficiently than did old product.

Selling the entire line of associated products is called full-line selling. Many pharmaceutical companies will try to get that foot in the door with any sale in order to prove their company's worth as a supplier. The hope is that the drug buyer will want to purchase the full line after trying the company out. Full-line selling is not the same as full-line

 

forcing, a practice used when a company has one top-selling product that it sells through distributors. Full-line forcing occurs when the pharmaceutical company forces distributors to carry the full line in order to be able to sell the top seller. Full-line selling is a sales strategy that involves leveraging the relationship in order to sell the entire line of products. Full-line forcing is a questionable sales tactic, one that got Neimeth Pharmaceutical a great deal of negative publicity when they tried to force their distributors into carrying all their product lines. In contrast, full-line selling is a legitimate method of strengthening the relationship. Cross-selling is similar to full-line selling but reflects selling products that may not be related. Cross-selling works best when the motivated salesperson can leverage the existing relationship with the drug buyer. Trust in the salesperson and the selling organization already exists, therefore the sale should not be as difficult if the proper needs exist. If the drug buying centre for the second product line changes greatly, cross-selling becomes more like the initial sale.

**Summary of the Major Findings**

The major findings of this study include the following:

1. Most of the health care firms in Nigeria are not result driven, and have not decided on specific goals and benefits before attempting to implement the CRM strategy.
2. The CEO and senior-level executives of these firms are not committed to changing the health care firms in Nigeria to a new focus on customers as the CRM are not implemented from the top down.
3. Training to upgrade the skill sets of employees are not companywide, as everyone does not know that the health care firms in Nigeria are transforming themselves.
4. The organizations do not communicate effectively across functions to solve customers' problems, as most of the firms don't depend on cross-disciplinary teams that work together.
5. Most of the health care firms in Nigeria are not streamlined, as they do not have a calculated focus on the customers that will allow the firms to weed out wasteful business practices that do not help them better serve their customers.
6. Some of the healthcare firms in Nigeria do not involve end users in creation of their software solutions, as input from employees, suppliers, distributors, and other partners that would use the system are not encouraged.
7. The health care firms in Nigeria, often do not constantly seek improved relationships with customers as they don't track and measure the result of their CRM strategy.

**Conclusion**

Based on the findings of this research, the following major conclusions are made:

1. It is important that health care firms in Nigeria decide before attempting to implement a CRM strategy to improve sales performance in the industry.
2. The CEO and senior-level executives must be committed to changing the firm to a new focus on customers to improve sales performance in the industry
3. Training must be companywide so that everyone knows that the firm is transforming itself to improve sales performance in the industry.
4. The firm must communicate effectively across functions to improve sales performance in the industry.
5. A concentrated focus on the customers allows firms to weed out wasteful business practices and improve sales performance in the industry.
6. Input from employees, suppliers, distributors, and any other partners who will use the systems is essential to improve sales performance in the industry.
7. By tracking and measuring results, health care firms are able to continually improve relationships with customers to improve sales performance in the industry.

**Recommendation**

Based on the findings and conclusions of this research, the following recommendations are made as the panacea to sales depression in the health care industry in Nigeria:

1. They should be result driven. It is important the firm decides on specific goals and benefits before attempting to implement a CRM strategy to improve sales

 

2. The investment in training and the training should be companywide so that everyone knows that the firm is transforming itself. Training should also be to upgrade the skill sets of employees so that they should be able to handle new tools.
3. They should communicate effectively across functions. It should not make any difference whether the customer interacts with the company directly through the sales force, over the web, or indirectly through a reseller or is even accessing all of these channels simultaneously.
4. They should streamline business practices, as concentrated focus on customers would allow focus to weed out wasteful business practices. And if any function or process does not help the firm better serve its customers, it is probably not necessary at all. Streamlining should enable the firms to eliminate the need for costly customization when it comes to creating software solution.
5. The paradigmatic CRM approach that can cure sales depression in the health care industry should be implemented from the top down. The CEO and other senior-level executives should be totally involved and committed to changing the firm to a new focus on customers.
6. Firms should involve end users in creation of software solutions. Input from employees, suppliers, distributors, and any other partners who will use the system is essential. Management should not only ensure that the systems meet the needs of all those who will implement them but should also encourage everyone to support the transition to customer relationship management approach.
7. Firms seeking to cure sales depression should constantly seek improvement in the business. And by tracking and measuring results of performances, firms should be able to continually improve relationships with customers.

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