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The Effect of Marketing Strategy and Medical Representative Relationships on the Achievement of Sales Targets through Doctors' Prescription Decisions in Indonesian Healthcare Services

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Abstract: This study aims to analyze the influence of marketing strategy and Medical Representative (MR) Relationships on The sales targets of ethical products at PT Bayer Indonesia, with doctor's prescribing Decisions as a mediating variable. The pharmaceutical industry possesses unique characteristics where doctors act as The primary decision-makers in drug utilization, making The role of The Medical Representative (MR) crucial. This research adopts a quantitative explanatory approach. Data were collected through surveys and analyzed using The Structural Equation Modeling - Partial Least Squares (SEM-PLS) method. The results indicate that marketing strategy and Medical Representative (MR) Relationships have a positive and significant impact on doctors' prescribing Decisions and The achievement of sales targets. Furthermore, The doctor's prescribing Decision is proven to be a significant mediating variable that bridges The influence of marketing strategy and MR Relationships on sales targets. These findings underscore that success in achieving sales targets in The pharmaceutical industry heavily depends on The effectiveness of marketing communication strategies and The quality of professional Relationships built by The field force with clinicians.

Keyword: Marketing Strategy, Medical Representative (MR) Relationship, Prescribing Decision, Sales Target, SEM-PLS.

INTRODUCTION

In the era of globalization, the pharmaceutical industry plays a strategic role in Indonesia's healthcare system, as its products are directly linked to both curative and preventive efforts. The growing demand for high-quality healthcare services has driven continuous expansion in the pharmaceutical market, making marketing a crucial function for achieving market penetration and sales growth. Unlike other industries, pharmaceutical marketing is not solely product-oriented but also relies heavily on effective communication with key

stakeholders, particularly physicians, who serve as the primary decision-makers in prescribing medications. A central element of pharmaceutical marketing is the role of Medical Representatives (MRs), who act as a bridge between pharmaceutical companies and healthcare professionals. Beyond product promotion, MRs are responsible for delivering evidence-based information, building long-term professional relationships, and ensuring that promoted products align with clinical needs. Their activities, categorized as personal selling, include routine visits, product presentations, scientific discussions, and relationship-building efforts. This direct interaction enables two-way communication that is not achievable through mass or digital marketing channels.

However, despite the recognized importance of MRs, challenges remain in optimizing marketing effectiveness and sales outcomes. In practice, the intensity of promotional activities does not always correspond to sales performance. Some MRs achieve high sales with fewer visits, while others with frequent visits fail to meet targets. This phenomenon suggests that effectiveness is influenced not only by the quantity of activities but also by the quality of communication, credibility of information, and strength of relationships with physicians. In the pharmaceutical context, relationships between MRs and physicians are built on professional trust rather than purely transactional interactions. Strong relationships allow MRs to better understand physicians' clinical needs and tailor their communication accordingly, which can lead to increased prescribing loyalty. Previous studies indicate that while visit frequency may positively influence prescribing behaviour, the relationship is not always linear, highlighting the importance of mediating factors such as relationship quality and communication effectiveness.

Despite extensive research on personal selling and relationship marketing, several gaps remain, particularly in the Indonesian pharmaceutical context. These include the lack of clarity regarding the causal mechanisms between MR marketing strategies and prescribing decisions, the mediating role of physicians' decisions in linking marketing efforts to sales outcomes, and the limited exploration of MR perspectives as frontline practitioners. Most existing studies focus on physicians, patients, or aggregated sales data, leaving the experiential insights of MRs underexplored. From a business perspective, understanding the relationship between marketing strategies, relationship quality, prescribing decisions, and sales performance is critical for improving return on investment (ROI) in marketing activities. Without such understanding, companies risk implementing suboptimal or ineffective promotional strategies.

This study aims to address these gaps by analyzing how marketing strategies and relationship quality of Medical Representatives influence physicians' prescribing decisions and, ultimately, sales target achievement. The research focuses on MR perspectives, examining both intermediate outcomes (prescription volume) and final outcomes (sales performance). It further investigates the mediating role of prescribing decisions and evaluates both direct and indirect effects of marketing strategies and relationship quality on sales outcomes. The findings of this study are expected to contribute theoretically to the development of personal selling and relationship marketing concepts in the pharmaceutical B2B context, and practically to provide insights for pharmaceutical companies and Medical Representatives in optimizing marketing effectiveness, improving relationship strategies, and achieving sustainable sales performance.

Marketing Strategy

Marketing strategy is a core concept in marketing that refers to the logic and approach used by firms to create customer value and achieve sustainable competitive advantage (Kotler & Keller, 2016). It encompasses a comprehensive and integrated plan that aligns company capabilities with customer needs and market dynamics, rather than merely focusing on promotion or sales activities. Classical frameworks such as the 7Ps product, price, place, promotion, people, process, and physical evidence illustrate the multidimensional nature of marketing strategy in both goods and service sectors. In addition, competitive strategy perspectives emphasize cost leadership, differentiation, and focus as key approaches to

achieving superior market positioning (Porter, 1985), while market-oriented capabilities such as market sensing, customer linking, and channel bonding further reinforce the importance of understanding and responding to customer needs (Day & Wensley, 1988).

In the pharmaceutical industry, marketing strategy becomes more complex due to high competition among similar products and the critical role of physicians as key decision-makers in prescribing drugs. Modern marketing perspectives highlight the integration of relational and digital approaches, where building trust and long-term engagement is as important as product promotion. Frameworks such as Marketing 4.0 emphasize customer journey stages from awareness to advocacy (Kotler, Kartajaya, & Setiawan, 2017), while purpose-driven strategy underscores the importance of aligning business goals with social and healthcare values (Kotler, 2021). Furthermore, digital marketing frameworks such as RACE (Reach, Act, Convert, Engage) demonstrate how companies must combine offline and online interactions to effectively influence stakeholder behavior in today's environment (Chaffey & Ellis-Chadwick, 2019).

A key component of marketing strategy in the pharmaceutical sector is personal selling, which is primarily carried out by Medical Representatives (MRs). Personal selling is considered one of the most effective forms of marketing communication because it enables direct, two-way interaction, allowing for tailored messaging and relationship building (Kotler & Keller, 2021). In practice, MRs engage in activities such as identifying target physicians, delivering product presentations, addressing objections, and maintaining follow-up relationships. Their role extends beyond selling to include building trust, providing scientific information, and gathering market intelligence (Churchill & Iacobucci, 2020). The effectiveness of this approach depends heavily on communication quality, product knowledge, and credibility, making MRs strategic actors who translate marketing strategies into real-world outcomes, influence prescribing decisions, and ultimately contribute to sustainable sales performance.

Relationship

Marketing strategy plays a crucial role in generating measurable marketing outputs such as sales growth, market expansion, and customer loyalty. In the pharmaceutical industry, these outputs are often reflected in the number of prescriptions written by physicians and the achievement of sales targets. Effective strategies implemented by Medical Representatives (MRs) shape physicians' perceptions of products, which subsequently influence prescribing decisions. As stated by Kotler and Keller (2021), a sound marketing strategy must not only define customer value but also drive tangible and measurable actions, including increased demand and sales performance. Furthermore, Churchill and Iacobucci (2020) emphasize that the effectiveness of direct promotion can be evaluated through conversion rates, meaning the extent to which promotional activities successfully translate into actual prescriptions and sales outcomes.

The relationship between marketing strategy and output is rarely driven by a single factor but rather by a synergistic combination of strategic elements. Relationship-based and personalized marketing approaches highlight that consistent interaction and strong connections with key stakeholders are essential for long-term success (Chaffey & Ellis-Chadwick, 2022). In this context, Relationship Marketing becomes a critical foundation, defined as efforts to establish, develop, and maintain long-term exchanges with customers (Morgan & Hunt, 1994). Central to this theory are trust and commitment, which determine the strength and sustainability of business relationships. Supporting this view, Grönroos (1997) argues that relationships are built through continuous interactions and communication, while Palmatier et al. (2006) identify trust, commitment, satisfaction, and relational norms as key drivers of loyalty and repeated behavior.

In the pharmaceutical setting, the relationship between MRs and physicians extends beyond transactional exchanges into a professional and strategic partnership. This relationship is characterized by long-term interaction, mutual benefit, and a strong foundation of trust, where

MRs act not only as sales representatives but also as providers of scientific information and professional support (Berry, 1983; Morgan & Hunt, 1994). High-quality relationships enhance physicians' perceptions of product value, strengthen brand preference, and foster loyalty, which ultimately influence prescribing decisions. Theoretical perspectives such as the Theory of Planned Behavior (Ajzen, 1991) and customer loyalty theory (Oliver, 1997) further explain that positive perceptions and satisfaction lead to stronger behavioral intentions and consistent product usage. Therefore, effective marketing strategies combined with strong relationship quality significantly contribute to improved prescribing behavior and sustainable sales performance.

Medical Representatives (MRs) are specialized marketing professionals in the pharmaceutical industry who act as a bridge between companies and healthcare providers, particularly physicians. Their role is primarily associated with personal selling, defined as direct, face-to-face communication aimed at influencing purchasing decisions (Kotler & Keller, 2016). In the pharmaceutical context, this activity goes beyond transactional selling, as MRs seek to influence physicians' prescribing behavior through scientific communication and professional interaction. Furthermore, their role aligns with Relationship Marketing, where long-term success depends on trust and commitment built through credibility, integrity, and consistent engagement (Morgan & Hunt, 1994). Key competencies of MRs include product knowledge, communication skills, relationship building, service orientation, and ethical conduct, all of which determine their effectiveness in influencing medical decisions.

In practice, MRs carry out a wide range of responsibilities, including conducting regular visits to healthcare facilities, delivering scientific presentations, distributing promotional materials, ensuring product availability, and maintaining follow-up communication with physicians. They also perform administrative and analytical tasks such as reporting activities, monitoring market developments, and providing feedback to the company (Kotler & Keller, 2021; Chaffey & Ellis-Chadwick, 2022). Their effectiveness is highly dependent on interpersonal communication, product expertise, and the ability to handle objections professionally (Churchill & Iacobucci, 2020). As a result, MRs function not only as sales personnel but also as educators, consultants, and sources of market intelligence, contributing directly to the implementation and refinement of marketing strategies.

Strategically, MRs play a critical role in translating marketing plans into real-world outcomes and influencing physicians' prescribing decisions, which ultimately impact sales performance (Kotler & Keller, 2021). However, they face various challenges, including high sales targets, competitive pressures, limited access to physicians, and rapid technological changes requiring digital adaptation (Churchill & Iacobucci, 2020; Chaffey & Ellis-Chadwick, 2022). Their performance is therefore evaluated through both quantitative indicators, such as prescription volume and sales achievement, and qualitative aspects, such as relationship quality and communication effectiveness (Kreitner & Kinicki, 2020; Fitriani & Rahmawati, 2021). To ensure sustainable performance, organizations must support MRs through continuous training, fair incentive systems, and structured evaluation processes, enabling them to function as strategic partners in achieving long-term marketing and business objectives.

Sales targets are a central concept in sales management, defined as managerial instruments used to direct, control, and evaluate sales activities in alignment with organizational objectives (Churchill, Ford, & Walker, 2000). They are multidimensional in nature, encompassing not only sales volume and revenue but also market share, customer acquisition, and customer retention. In modern perspectives, sales performance is not solely assessed based on outcomes but also on the behaviors and efforts of sales personnel, including commitment and relationship-building activities (Anderson & Oliver, 1987). Furthermore, long-term value creation has become increasingly important, where customer lifetime value and repeat transactions are prioritized over short-term sales gains (Rust, Zeithaml, & Lemon, 2000). This

highlights that effective sales targets should integrate both quantitative results and qualitative relationship indicators.

In practice, effective sales targets must be aligned with the stages of the customer journey, from initial engagement to long-term retention, rather than focusing solely on final sales outcomes (Cespedes, 2014). In relationship-driven industries such as pharmaceuticals, this alignment includes not only the number of prescriptions generated but also the depth of relationships with key customers, such as physicians, and the consistency of product usage (Piercy & Lane, 2009). Therefore, sales targets serve multiple functions in marketing management, including planning, control, evaluation, and motivation. Clear and measurable targets provide direction for sales personnel, enable performance monitoring, and act as a basis for incentives, thereby enhancing overall productivity and strategic alignment (Kreitner & Kinicki, 2020).

The achievement of sales targets is influenced by a combination of internal and external factors. Internally, elements such as salesperson competence, motivation, training, and organizational support play a significant role in determining performance outcomes (Robbins & Judge, 2021). Externally, market conditions, competition, regulatory environments, and customer responses also shape sales results. In the pharmaceutical context, physicians' prescribing behavior is a critical determinant, as positive perceptions and professional trust toward Medical Representatives can increase prescription frequency and contribute directly to sales achievement. Consequently, sales targets should be understood not merely as numerical goals, but as comprehensive performance indicators reflecting the effectiveness of marketing strategies, relationship quality, and market dynamics.

Medical Prescription decision-making by physicians represents a unique form of professional decision-making, where doctors act on behalf of patients in selecting appropriate medications. This process can be understood through the consumer decision-making framework, which involves stages such as need recognition, information search, evaluation of alternatives, decision, and post-decision evaluation (Engel, Blackwell, & Miniard, 1995). In the healthcare context, prescribing decisions are influenced by a combination of clinical considerations, scientific evidence, and external inputs, including interactions with Medical Representatives (MRs). The process encompasses several dimensions, including awareness of drug information, evaluation of therapeutic alternatives, product preference, the act of prescribing, and post-prescription evaluation based on patient outcomes.

Theoretical perspectives further explain that prescribing behavior is shaped by both rational and social factors. The Theory of Reasoned Action highlights the roles of attitudes and subjective norms in influencing decisions (Fishbein & Ajzen, 1975), while studies show that physicians are also affected by peer influence, clinical guidelines, and professional environments (Godin & Kok, 1996). Additionally, decision-making involves the integration of objective and subjective information, such as clinical data, personal experience, and promotional input from MRs (Anderson, 1981; Prosser et al., 2003). Dual-process theory suggests that physicians may rely on intuitive judgments for familiar treatments and analytical reasoning for new or complex cases (Kahneman, 2011; Croskerry, 2013). Behavioral insights further indicate that repeated exposure and subtle promotional cues can influence prescribing choices through mechanisms such as familiarity and cognitive bias (Thaler & Sunstein, 2008; Avorn, 2018).

In pharmaceutical marketing, the number of prescriptions is widely used as a key indicator of promotional effectiveness and serves as a mediating variable between marketing efforts and sales outcomes. Higher prescription volumes reflect successful conversion of promotional activities into actual product usage (Kotler & Keller, 2021), while empirical studies show that effective MR interactions can significantly increase prescription frequency (Fitriani & Rahmawati, 2021; Vancelik et al., 2020). As a mediating variable, prescription volume explains how marketing strategies influence sales performance by first affecting physicians'

prescribing behavior (Baron & Kenny, 1986). Therefore, in a business-to-business-to-consumer (B2B2C) context such as pharmaceuticals, prescription decisions are not only clinical outcomes but also critical indicators of marketing success and strategic alignment (Chaffey & Ellis-Chadwick, 2022).

Healthcare services refer to all activities carried out by qualified health professionals to maintain, improve, and restore individual or public health. These services encompass not only curative care but also preventive, diagnostic, rehabilitative, and educational efforts. The World Health Organization (WHO) defines healthcare services as organized activities aimed at improving quality of life through effective and equitable medical care. In Indonesia, the healthcare system is regulated to ensure accessibility, quality, and sustainability, and is structured into primary, secondary, and tertiary levels of care. This system includes a wide range of services such as clinical treatment, pharmaceutical distribution, laboratory testing, and other supporting services, reflecting the increasing complexity and technological advancement of modern healthcare.

Within this system, physicians play a central role as key decision-makers responsible for diagnosis, treatment planning, and prescribing medications. Their decisions are influenced by both internal factors, such as professional experience and clinical judgment, and external factors, including medical information and interactions with pharmaceutical representatives (Kotler & Keller, 2021). Trust is a critical determinant in this context, as effective communication and credible information can significantly influence prescribing behavior (Chaffey & Ellis-Chadwick, 2022). At the same time, the pharmaceutical industry contributes to the healthcare ecosystem by providing medications, conducting research and development, and supporting medical education. Through Medical Representatives (MRs), companies disseminate scientific information and facilitate collaboration with healthcare providers, thereby enhancing service quality and ensuring appropriate use of pharmaceutical products (Dutta et al., 2020).

Healthcare services also represent a strategic market for pharmaceutical promotion due to the unique structure of decision-making, where physicians—not patients—determine product usage. As a result, marketing activities must focus on professional engagement, scientific communication, and long-term relationship building (Kotler & Keller, 2021). However, such promotion is highly regulated and must adhere to strict ethical standards to protect patient safety and maintain professional integrity. Regulations emphasize that promotional activities must be accurate, evidence-based, and free from undue influence, while ethical marketing prioritizes transparency and public interest over short-term sales objectives (Chaffey & Ellis-Chadwick, 2022). Therefore, healthcare services function not only as a delivery system for medical care but also as a critical environment shaping the effectiveness and responsibility of pharmaceutical marketing strategies.

Healthcare services encompass all activities undertaken by qualified health professionals to maintain, improve, and restore health, including preventive, diagnostic, curative, rehabilitative, and educational efforts. The World Health Organization (WHO) defines healthcare services as organized actions aimed at enhancing quality of life through effective and equitable medical care. In Indonesia, the system is structured into primary, secondary, and tertiary levels to ensure accessibility, quality, and sustainability, supported by a wide range of services such as clinical treatment, pharmaceutical distribution, and laboratory testing. This reflects the growing complexity and technological advancement of modern healthcare systems.

Within this framework, physicians serve as the primary decision-makers responsible for diagnosis, treatment, and prescribing medications. Their decisions are shaped by internal factors such as clinical experience and professional judgment, as well as external influences including medical information and interactions with pharmaceutical representatives (Kotler & Keller, 2021). Trust plays a crucial role in this process, as credible communication significantly affects prescribing behavior (Chaffey & Ellis-Chadwick, 2022). Meanwhile, the

pharmaceutical industry contributes by providing medications, conducting research and development, and supporting medical education, with Medical Representatives facilitating the flow of scientific information and collaboration between companies and healthcare providers (Dutta et al., 2020).

Furthermore, healthcare services represent a strategic environment for pharmaceutical marketing, as physicians—rather than patients—determine product usage. Consequently, marketing efforts must emphasize professional engagement, evidence-based communication, and long-term relationship building (Kotler & Keller, 2021). However, these activities are strictly regulated to ensure ethical standards, patient safety, and professional integrity. Promotional practices must be accurate, transparent, and aligned with public interest, highlighting that healthcare services are not only a system for delivering care but also a critical context shaping the effectiveness and responsibility of pharmaceutical marketing strategies (Chaffey & Ellis-Chadwick, 2022).

METHOD

This study adopts a quantitative approach, which emphasizes objective measurement, numerical data, and statistical analysis to test predetermined hypotheses, as outlined by Santoso and Madiistriyatno (2021). The research design is explanatory, aiming to examine causal relationships among variables, specifically marketing strategy and Medical Representative (MR) relationships as independent variables, doctors' prescription decisions as a mediating variable, and sales targets as the dependent variable. By applying a deductive logic framework, the study not only describes phenomena but also empirically tests both direct and indirect effects among variables. The research was conducted between October and December 2025, involving MR respondents across various healthcare settings in Indonesia, including hospitals, clinics, and private practices.

The population consists of 50 Medical Representatives with experience at PT. Bayer Indonesia, selected through purposive sampling based on specific criteria such as minimum work experience, responsibility for doctor visits, and willingness to participate. Data collection was carried out באמצעות structured questionnaires using a Likert scale (1–5), complemented by literature studies from academic and industry sources. Operational definitions of variables were developed based on established theories, including marketing strategy dimensions from Kotler and Keller (2016), relationship constructs from Morgan and Hunt (1994), prescription decision processes from Engel et al. (1995), and sales target indicators from Churchill et al. (2000). These variables were measured through multiple indicators to ensure comprehensive and systematic analysis.

For data analysis, the study employs Structural Equation Modeling–Partial Least Squares (SEM-PLS), which is suitable for testing complex models with mediating variables and relatively small sample sizes (Hair et al., 2019). The analysis involves two main stages: evaluation of the measurement model (outer model) and the structural model (inner model). The outer model is assessed through convergent validity, discriminant validity, and reliability tests, ensuring that indicators accurately represent their constructs. The inner model evaluates the strength and significance of relationships using R-square values, predictive relevance (Q^2), and bootstrapping for hypothesis testing, following criteria proposed by Chin (1998). Additionally, mediation effects are examined using indirect effect analysis to determine whether prescription decisions function as partial or full mediators in linking marketing activities to sales target achievement.

RESULTS AND DISCUSSION

RESULT

The outer model testing was conducted to ensure that all indicators measuring marketing strategy, relationship, doctors' prescription decisions, and sales targets are both valid and

reliable. Convergent validity was evaluated using loading factor and Average Variance Extracted (AVE) values to confirm that each indicator appropriately represents its intended construct. Additionally, construct reliability was assessed through Cronbach's Alpha and Composite Reliability, demonstrating the internal consistency of each variable.

Furthermore, discriminant validity was examined using the Fornell-Larcker criterion, HTMT ratio, and cross-loading analysis to ensure that each construct is empirically distinct from others. Through these comprehensive tests, the measurement model was confirmed to have strong validity and reliability, indicating high data quality. As a result, the SEM-PLS analysis can be considered robust and capable of accurately explaining the relationships among the variables in the study.

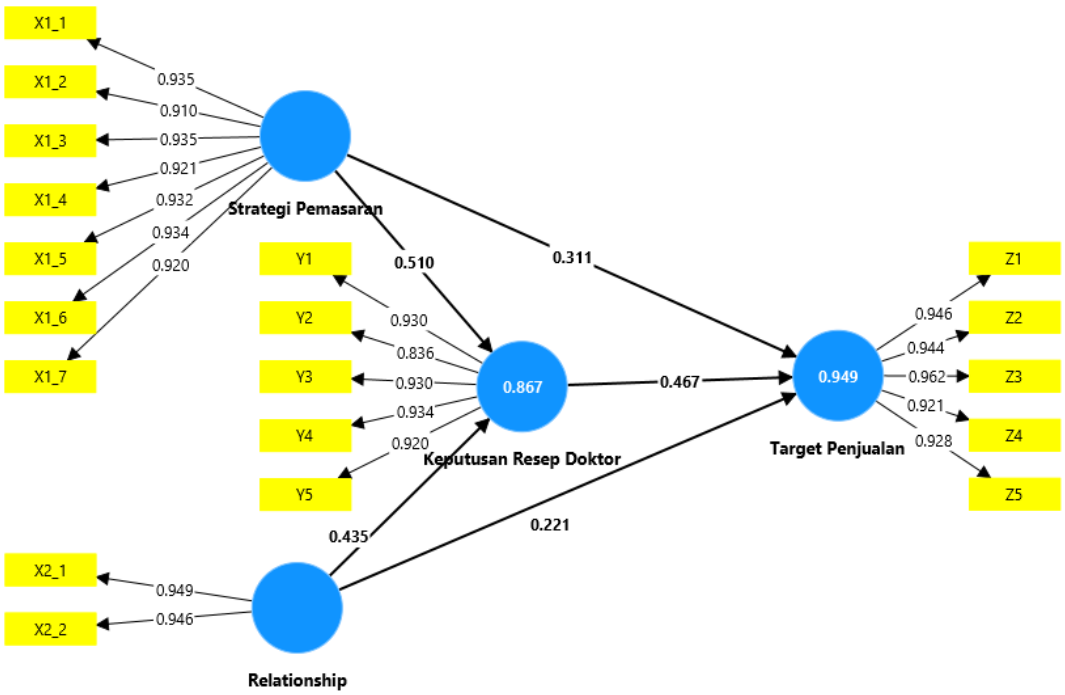

Figure 1. SEM PLS – Algorithm Model

Convergent Validity

Table 1. Validity Convergent Result

Variable	Indicator	*Outer loadings*	*Cut of Value*	AVE	*Cut of Value*	Convergent Validity
Marketing Strategy	X1_1	0,935	0,7	0,859	0,5	Valid
	X1_2	0,935	0,7			Valid
	X1_3	0,935	0,7			Valid
	X1_4	0,935	0,7			Valid
	X1_5	0,932	0,7			Valid
	X1_6	0,934	0,7			Valid
	X1_7	0,934	0,7			Valid
Relationship	X2_1	0,949	0,7	0,898	0,5	Valid
	X2_2	0,949	0,7			Valid
Prescription Decision	Y1	0,946	0,7	0,830	0,5	Valid
	Y2	0,930	0,7			Valid
	Y3	0,930	0,7			Valid
	Y4	0,934	0,7			Valid
	Y5	0,934	0,7			Valid
Sales Targets	Z1	0,946	0,7	0,884	0,5	Valid
	Z2	0,946	0,7			Valid

	Z3	0,962	0,7	Valid
	Z4	0,962	0,7	Valid
	Z5	0,928	0,7	Valid

Source: SmartPLS Result, 2025

The results presented in Table 1. indicate that the Marketing Strategy construct, measured by seven indicators, has an Average Variance Extracted (AVE) value of 0.859, with all indicator loading factors exceeding 0.7. Since all loading factors are above the required threshold and the AVE value is greater than 0.5, it can be concluded that all seven indicators are valid in measuring the Marketing Strategy construct. Furthermore, the Relationship construct, measured by two indicators, shows an AVE value of 0.898, with each indicator having a loading factor of 0.949, indicating that this construct also meets the criteria for convergent validity.

The Prescription Decision construct, measured by five indicators, has an AVE value of 0.830, with all loading factors above 0.7, confirming the validity of its indicators. Similarly, the Sales Target construct, measured by five indicators, demonstrates an AVE value of 0.884 and loading factors ranging from 0.928 to 0.962, reflecting strong measurement consistency. Since all constructs in this study have AVE values greater than 0.5 and loading factors above 0.7, it can be concluded that all indicators meet the required criteria for convergent validity. Therefore, in the subsequent analysis, all constructs will continue to be measured using the validated indicators.

Discriminant Validity

Table 2. Fornell–Larcker Test Results

	Prescription Decision	*Relationship*	Marketing Strategy	Sales Targets
Prescription Decision	0,911			
Relationship	0,915	0,947		
Marketing Strategy	0,919	0,941	0,927	
Sales Targets	0,955	0,941	0,948	0,940

Source: SmartPLS Result, 2025

The results of the discriminant validity test in Table 2. indicate that all constructs have square root AVE values greater than their correlations with other constructs. The Doctor's Prescription Decision construct has a square root AVE value of 0.911, with the highest correlation of 0.915 with the Relationship construct, suggesting that it meets the criteria for discriminant validity. Furthermore, the Relationship construct shows a square root AVE value of 0.947, with its highest correlation being 0.941 with Marketing Strategy, indicating good discriminant capability.

The Marketing Strategy construct has a square root AVE value of 0.927, with the highest correlation of 0.948 with Sales Target, which remains relatively comparable and acceptable. Meanwhile, the Sales Target construct has a square root AVE value of 0.940, with the highest correlation of 0.955 with Doctor's Prescription Decision, still within an acceptable statistical range. Overall, these findings demonstrate that each construct has sufficiently high square root AVE values compared to inter-construct correlations, indicating that each construct is able to distinguish itself well from others in the model. Therefore, it can be concluded that all constructs meet the discriminant validity criteria based on the Fornell-Larcker Criterion.

Tabel 3. HTMT

	Prescription Decision	*Relationship*	Marketing Strategy	Sales Targets
Prescription Decision				

Relationship	0,794		
Marketing Strategy	0,754	0,813	
Sales Targets	0,595	0,716	0,477

Source: SmartPLS Result, 2025

The results of the discriminant validity test in Table 5.3 show that all constructs in the research model have HTMT (Heterotrait-Monotrait Ratio) values below the recommended threshold of 0.90. Therefore, it can be concluded that all constructs in this model demonstrate adequate discriminant validity, meaning that each construct effectively measures a distinct concept as intended.

Overall, these findings reinforce the reliability of the measurement model used in this study, confirming that the constructs are empirically well differentiated and suitable for further analysis.

Tablel 4. Cross Loading

	Prescription Decision	*Relationship*	Marketing Strategy	Sales Targets
X1_1	0,876	0,884	0,935	0,887
X1_2	0,857	0,864	0,910	0,887
X1_3	0,868	0,892	0,935	0,880
X1_4	0,885	0,915	0,921	0,889
X1_5	0,809	0,833	0,932	0,883
X1_6	0,835	0,889	0,934	0,860
X1_7	0,830	0,821	0,920	0,864
X2_1	0,904	0,949	0,881	0,883
X2_2	0,828	0,946	0,902	0,900
Y1	0,930	0,821	0,841	0,893
Y2	0,836	0,705	0,720	0,766
Y3	0,930	0,916	0,892	0,917
Y4	0,934	0,877	0,866	0,877
Y5	0,920	0,830	0,854	0,887
Z1	0,883	0,916	0,884	0,946
Z2	0,898	0,873	0,891	0,944
Z3	0,921	0,887	0,909	0,962
Z4	0,910	0,860	0,875	0,921
Z5	0,876	0,885	0,897	0,928

Source: SmartPLS Result, 2025

The results of the discriminant validity test based on Cross Loading values indicate that each indicator has the highest loading on the construct it is intended to measure compared to other constructs. This demonstrates that each indicator is able to better represent its respective latent variable and that there is no overlap between constructs.

Therefore, all indicators in this study meet the required criteria for discriminant validity. It can be concluded that the measurement instrument has a strong ability to distinguish between the variables examined in the research.

Construct Reability

Table 5. Construct Reability

	Cronbach's Alpha	***Composite Reliability* (rho_c)**
Prescription Decision	0,948	0,960
Relationship	0,886	0,946
Marketing Strategy	0,973	0,977
Sales Target	0,967	0,974

Source: SmartPLS Result, 2025

The analysis results indicate that all constructs have Cronbach's Alpha and Composite Reliability (ρc) values greater than 0.70. This demonstrates that each construct in the research model meets the required criteria for construct reliability.

Therefore, the indicators used for each construct can be considered consistent and reliable in measuring the intended latent variables.

Inner Model

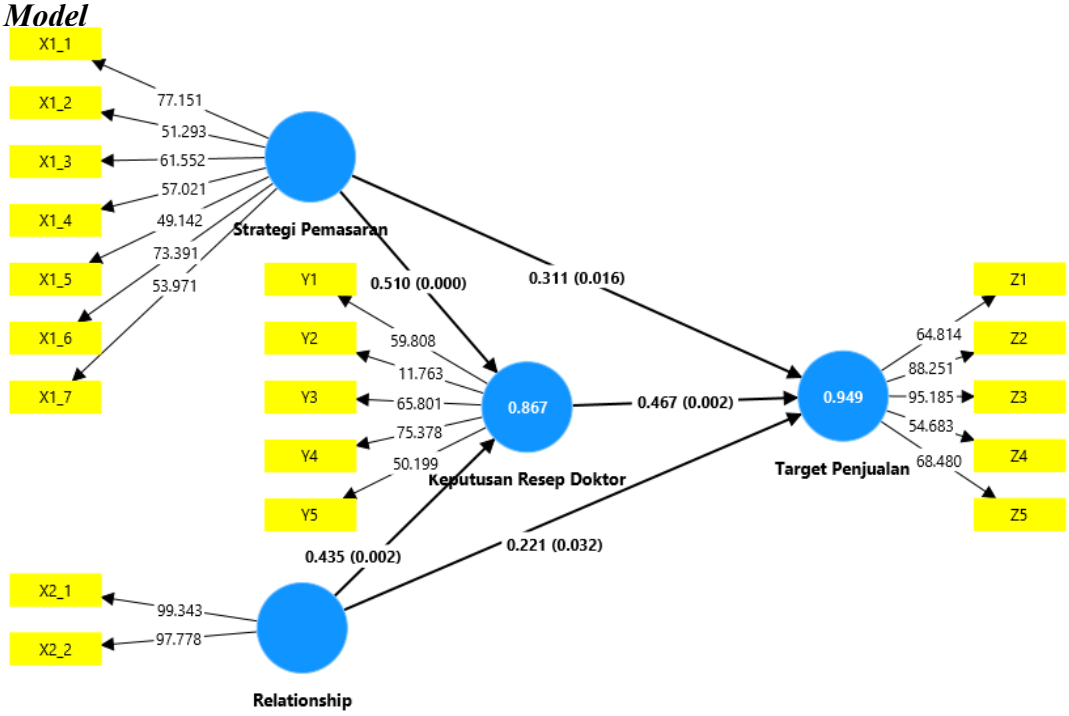

Figure 2. Inner Model

Goodness of Fit Model

Tabel 6. Goodness of Fit Model

	R-Square	*Q-Square*	SRMR
Prescription Decision	0,867	0,698	0,042
Sales Target	0,949	0,812	

Source: SmartPLS Result, 2025

The results of the goodness-of-fit test based on the R^2 values indicate that the Doctor's Prescription Decision construct has an R^2 value of 0.867, which falls into the strong category. This means that the exogenous variables are able to explain the variability of this construct very well. The Q^2 value of 0.698 is classified as having high predictive relevance, indicating that the model possesses strong predictive capability. Furthermore, the Sales Target construct has an R^2 value of 0.949, also categorized as strong, along with a Q^2 value of 0.812, which reflects very high predictive relevance and demonstrates the model's excellent predictive power for this endogenous variable.

Additionally, the SRMR value of 0.042 (less than 0.08) indicates that the model meets the criteria for a perfect fit. Based on these overall results, it can be concluded that the SEM-PLS model has a good level of goodness of fit and is well aligned with the analyzed data. Therefore, the model is appropriate and reliable for testing the relationships among variables in accordance with the research hypotheses.

Multicolinerity

Tabel 7. VIF Inner Model

	Prescription Decision	Relationship	Marketing Strategy	Sales Target
Prescription Decision				4,494
Relationship	1,681			1,098
Marketing Strategy	1,681			3,631
Sales Target				

Source: SmartPLS Result, 2025

The analysis results in Table 5.7 indicate that there is no high multicollinearity among the constructs in the research model. The highest Inner VIF value is 10.631, observed in the relationship between Marketing Strategy and Sales Target. Despite being the highest value, it is still considered acceptable and does not indicate a critical multicollinearity issue.

Therefore, it can be concluded that there is no significant multicollinearity problem among the constructs in the estimated SEM model. This implies that all variables can be used simultaneously in the structural analysis without causing estimation bias.

Effect Size

Table 8. Effect Size (f2)

	f-square
Prescription Decision -> Sales Target	0,565
Relationship -> Prescription Decision	0,163
Relationship -> Sales Target	0,094
Marketing Strategy -> Prescription Decision	0,225
Marketing Strategy -> Sales Target	0,177

Source: SmartPLS Result, 2025

Table.8 presents the effect size (f-square) of each variable on others within the research model. The f-square values range from 0.094 to 0.565, indicating varying levels of influence among the variables. The Marketing Strategy construct shows an effect size of 0.225 on Doctor's Prescription Decision, which is categorized as moderate, meaning that changes in marketing strategy have a fairly significant impact on prescription decisions. Similarly, the effect size between Relationship and Doctor's Prescription Decision is 0.163, also considered moderate, indicating that the relationship between Medical Representatives (MR) and doctors contributes meaningfully to influencing prescription decisions.

Meanwhile, the effect of Marketing Strategy on Sales Target has an f-square value of 0.177, which falls into the moderate category, suggesting that improvements in marketing strategy play a considerable role in achieving sales targets. In contrast, the effect of Relationship on Sales Target is 0.094, categorized as low, indicating that although there is an influence, its direct contribution is relatively small. The strongest effect in the model is observed in the relationship between Doctor's Prescription Decision and Sales Target, with an f-square value of 0.565, classified as high. This result highlights that prescription decisions have the most substantial impact on increasing sales targets compared to other constructs.

Direct Effect Testing

Table 9. Direct Effect Testing

	***Original Sample* (O)**	***T-Statistics* (O/STDEV)**	***P-Values***
Prescription Decision -> Sales Target	0,467	2,915	0,002
Relationship -> Prescription Decision	0,435	2,953	0,002
Relationship -> Sales Target	0,221	1,849	0,032

Marketing Strategy -> Prescription Decision	0,510	3,422	0,000
Marketing Strategy -> Sales Target	0,311	2,143	0,016

Source: SmartPLS Result, 2025

Based on the analysis results, the findings can be summarized as follows. First, Marketing Strategy has a significant positive effect on Doctor's Prescription Decision, with a P-value of 0.000 (< 0.05), a T-statistic of 3.422 (> 1.96), and a path coefficient of 0.510. This indicates that stronger marketing strategies lead to higher prescription decisions by doctors. Similarly, Relationship also has a significant positive effect on Doctor's Prescription Decision, with a P-value of 0.002, a T-statistic of 2.953, and a coefficient of 0.435, suggesting that better relationships between Medical Representatives (MR) and doctors contribute meaningfully to increased prescribing decisions.

Furthermore, Marketing Strategy has a significant positive effect on Sales Target, with a P-value of 0.016, a T-statistic of 2.143, and a coefficient of 0.311, indicating that improved marketing strategies directly enhance sales performance. Relationship also shows a positive effect on Sales Target, with a P-value of 0.032 and a coefficient of 0.221, although its influence is relatively weaker compared to other variables. This suggests that while professional relationships contribute to sales outcomes, their direct impact is more limited. Finally, Doctor's Prescription Decision has a significant positive effect on Sales Target, with a P-value of 0.002, a T-statistic of 2.915, and a coefficient of 0.467. This result highlights that prescription decisions are a key driver of sales performance. Overall, the findings demonstrate that both marketing strategy and relationship influence sales targets directly and indirectly, with prescription decisions acting as a critical mechanism in enhancing sales achievement.

Indirect Effect Testing

Table 10. Indirect Effect Testing

	***Original Sample* (O)**	***T-Statistics* (|O/STDEV|)**	***P-Values***
Relationship -> Prescription Decision -> Sales Target	0,203	1,807	0,035
Marketing Strategy -> Prescription Decision -> Sales Target	0,238	2,655	0,004

Source: SmartPLS Result, 2025

Relationship – Doctor's Prescription Decision – Sales Target

The results of the indirect effect test show that the influence of Relationship on Sales Target through Doctor's Prescription Decision is significant, with a P-value of 0.035 and a path coefficient of 0.203. Since the P-value is less than 0.05, it can be concluded that Doctor's Prescription Decision significantly mediates the relationship between Relationship and Sales Target. This indicates that improvements in Relationship will enhance doctors' prescription decisions, which in turn will lead to increased sales performance.

Marketing Strategy – Doctor's Prescription Decision – Sales Target

The results of the indirect effect test indicate that the influence of Marketing Strategy on Sales Target through Doctor's Prescription Decision is significant, with a P-value of 0.004 and a path coefficient of 0.238. As the P-value is below 0.05, it can be concluded that Doctor's Prescription Decision effectively mediates the effect of Marketing Strategy on Sales Target. This implies that stronger marketing strategies will improve doctors' prescription decisions, which subsequently contribute to higher sales outcomes.

Coefficient of Determination and Simultaneous Effect Testing

Table 11. Coefficient of Determination

Endogen (Y)	**Eksogen (X)**	**F Count (F Tabel)**	***R-Square***	***R-Square Adjusted***

Prescription Decision	1. Marketing Strategy 2. *Relationship*	75.378 (2.429)	0.867	0.860
Sales Target	1. Marketing Strategy 2. *Relationship* 3. Prescription Decision	95.185 (2.661)	0.949	0.943

Source: SmartPLS Result, 2025

The analysis results indicate that Marketing Strategy and Relationship simultaneously have a significant effect on Doctor's Prescription Decision, as evidenced by an F-statistic of 75.378, which is greater than the F-table value (2.429). The combined contribution of these exogenous variables to Doctor's Prescription Decision is reflected in an R-square value of 0.867, meaning that 86.7% of the variance in Doctor's Prescription Decision can be explained by Marketing Strategy and Relationship, while the remaining 13.3% is influenced by other factors not examined in this study.

Further analysis on the Sales Target variable shows that Marketing Strategy, Relationship, and Doctor's Prescription Decision simultaneously have a significant effect on Sales Target, indicated by an F-statistic of 95.185, which exceeds the F-table value (2.661). The R-square value of 0.949 suggests that 94.9% of the variance in Sales Target can be explained by these variables, while the remaining 5.1% is attributed to other factors outside the scope of this research.

Discussion

Research Hypothesis Testing

Table 12. Research Hypothesis Testing

Hypothesis	Path Coeff.	*T-Statistics*	*P-Value*	Result
H1: Marketing Strategy has a significant effect on Doctors' Prescription Decisions.	0,510	3,422	0,000	Accepted
H2: Relationship has a significant effect on Doctors' Prescription Decisions	0,435	2,953	0,002	Accepted
H3: Marketing Strategy has a significant effect on Sales Targets	0,311	2,143	0,016	Accepted
H4: Relationship has a significant effect on Sales Targets	0,221	1,849	0,032	Accepted
H5: Relationship has a significant effect on Sales Targets through Doctors' Prescription Decisions	0,203	1,807	0,035	Accepted
H6: Marketing Strategy has a significant effect on Sales Targets through Doctors' Prescription Decisions	0,238	2,655	0,004	Accepted
H7: Doctors' Prescription Decisions have a significant effect on Sales Targets.	0,467	2,915	0,002	Accepted

Source: SmartPLS Result, 2025

The hypothesis testing results in Table 5.12 indicate that all proposed hypotheses in this study are accepted. Hypothesis 1 is supported (P-Value = 0.000; path coefficient = 0.510),

confirming that marketing strategy has a significant effect on doctors' prescription decisions. This finding implies that improving prescription decisions can be achieved by enhancing the effectiveness of marketing strategies, consistent with the framework of Segmentation, Targeting, Positioning (STP) and the Marketing Mix (7P) proposed by Kotler and Keller (2016). Hypothesis 2 is also supported (P-Value = 0.002; path coefficient = 0.435), demonstrating that relationship quality significantly influences prescription decisions. This highlights the importance of strengthening interactions between Medical Representatives (MRs) and doctors, in line with the Commitment-Trust Theory of Relationship Marketing (Morgan & Hunt, 1994), which emphasizes trust and commitment as key drivers of professional decision-making.

Furthermore, Hypothesis 3 (P-Value = 0.016; path coefficient = 0.311) confirms that marketing strategy significantly affects sales targets, suggesting that more adaptive and customer-oriented strategies can improve sales performance (Kotler & Keller, 2016). Hypothesis 4 (P-Value = 0.032; path coefficient = 0.221) shows that relationship quality also has a significant direct effect on sales targets, reinforcing the importance of long-term professional relationships in achieving sales outcomes (Morgan & Hunt, 1994). Hypothesis 5 (P-Value = 0.035; path coefficient = 0.203) and Hypothesis 6 (P-Value = 0.004; path coefficient = 0.238) reveal that doctors' prescription decisions act as a significant mediating variable in the relationship between both relationship quality and marketing strategy with sales targets. These findings align with the Consumer Decision-Making Model (Engel, Blackwell, & Miniard, 1995) and the perspective of Churchill and Iacobucci (2020), which emphasize that sales outcomes are driven by behavioral responses and actual usage decisions.

Finally, Hypothesis 7 is supported (P-Value = 0.002; path coefficient = 0.467), indicating that doctors' prescription decisions have a significant impact on sales targets. This result underscores that in the pharmaceutical industry, sales performance is strongly determined by prescribing behavior rather than direct consumer purchase. As noted by Kotler and Keller (2016) as well as Churchill, Ford, and Walker (2000), effective marketing and sales performance are ultimately realized through the decisions of professional intermediaries such as physicians. Therefore, managerial efforts to improve sales targets should focus on strengthening marketing strategies, enhancing MR–doctor relationships, and supporting informed and confident prescribing decisions.

CONCLUSION

The findings of this study demonstrate that both marketing strategy and the quality of relationships between Medical Representatives (MRs) and doctors have a significant impact on doctors' prescription decisions and sales targets. An improvement in marketing strategy leads to an increase in prescription decisions and sales performance, while weaker strategies result in a decline in both outcomes. Similarly, strong professional relationships between MRs and doctors significantly enhance prescription decisions and sales targets, highlighting the importance of trust-based and continuous interaction in influencing clinical decision-making and market performance.

In addition, doctors' prescription decisions are proven to be a key determinant of sales targets. An increase in prescription decisions directly contributes to higher sales achievement, confirming that prescribing behavior is a critical driver of pharmaceutical sales performance. This indicates that efforts to improve sales outcomes should not only focus on marketing activities but also on influencing and supporting doctors' prescribing decisions through effective communication, service quality, and scientific information.

Furthermore, the study confirms that doctors' prescription decisions act as a significant mediating variable. Marketing strategies and MR–doctor relationships indirectly influence sales targets through their impact on prescription decisions. This means that stronger marketing efforts and better relationship quality enhance prescription decisions, which in turn lead to

higher sales targets. Therefore, improving sales performance in healthcare settings should be approached by strengthening marketing strategies and professional relationships, with a strategic focus on increasing doctors' prescription decisions as the key pathway to achieving optimal results.

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