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Indian Pharmaceutical Industry: Strategy and Challenges

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Abstract – The current trends in the marketing strategy are work by international pharmaceutical corporation .It is currently high-end development that is being carried out by leading companies. And, increasingly, other companies are finding themselves competing against, or working with, new innovation-based companies. My study focuses on the processes and outcomes of globally distributed pharmaceutical companies.

Keywords: Pharmaceutical, Industry, Strategy

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INTRODUCTION

The pharmaceutical industry is the world's largest industry due to worldwide revenues of approximately US$2.8 trillion. Pharma industry has seeb major changes in the recent years that place new demands on payers, providers and manufacturers. Customers now demand the same choice and convenience from pharma industry that they find in other segment. Indian Pharmaceutical Industry is poised for high consistent growth over the next few years, driven by a multitude of factors. Top Indian Companies like Ranbaxy, DRL CIPLA and Dabur have already established their presence.

REVIEW OF LITERATURE:

The pharmaceutical industry is worthy of special consideration also for another, complementary, reason. The technology operated by the pharmaceutical industry – the chemical and industrial processes through which medicines are produced, packaged, and shipped – seems to fit the constant returns to scale hypothesis almost perfectly. That is, the cost of shipping the ten millionth container of medicine is about the same as that of shipping the first. In most of continental Europe, until recent years, only the process of producing a drug could be patented, so once a drug was discovered, a second firm could also produce it provided they found a different way of doing so. The rationale behind process versus product patents is given by the German Association of the Chemical Industry in a memoire to the Reichstag [1]. They point out that the same chemical product can be obtained by different processes and methods and even starting from initially different materials and components. Hence, there is social value in patenting a new process, as it rewards the innovator without preventing further innovation. There is negative social value in patenting a specific product, as this would exclude all other from producing it, even though different processes [2].

PHARMA MARKETING PROCESS AND ITS CHALLENGES:

While many pharmaceutical companies have successfully deployed a plethora of strategies to target the various customer types, recent business and customer trends are creating new challenges and opportunities for increasing profitability. In the pharmaceutical and healthcare industries, a complex web of decision-makers determines the nature of the transaction (prescription) for which direct customer of pharma industry (doctor) is responsible. Essentially, the end-user (patient) consumes a product and pays the cost. Indian Patent Act From 1972 till 2005, Indian drug manufacture was governed by the Patent Act of 1970 which refused to grant a patent for a product, thus encouraging drug companies to produce generic drugs through reverse engineering, unmindful of their patenting elsewhere. In 2005, India was obligated to allow product patents in accordance with Trade-Related Agreement on Intellectual Property Rights (TRIPS); but making effective use of the permitted flexibilities, the new system protects the interests of generic manufacturers as well as patients. The Indian patent regime does not permit ever-greening, that is patenting of minor changes in existing drugs. At the same time, patent laws continue to provide for compulsory licensing of vital new drugs on payment of royalty. It is noteworthy that the Indian pharma patent policy came about because of successful lobbying by the Indian pharma companies (led by Hamied) and not due to a top-down decision [3]. In 2008, the multinational pharma major Bayer won an

Indian patent for Nexavar, a kidney cancer drug. On 9 March 2012, the Controller of Patents, Mumbai, granted the first-ever compulsory license to Hyderabad-based Company Natco to make 'a generic version' of Bayer's Nexavar. In March 2013, India's Intellectual Property Appellate Board (IPAB) upheld the grant of compulsory license to produce and market Nexavar by paying Bayer a 6% royalty. The decision noted that Bayer had not made Nexavar 'reasonably affordable'. Bayer sold the drug in India at a whopping US$ 5500 for a month's dose. Natco's version would cost US$ 175. Cipla, which has been selling generic Nexavar in India for years prior to the Natco license, promptly cut the price of its product by 75%, making it available at US$ 130 for a monthly dose. Indian Pharmaceutical Industry has Exciting Opportunities in Post- TRIPS period. Indian companies are increasing their rate of DMF filings every quarter. Indian generic players are also increasing their participation in the advanced markets, particularly the US. ANDA filings with USFDA are also increasing in Post- TRIPS period (Gupta (2007). The study by (Dhar & Gopakumar, 2006) provides analysis to indicate the performance of the firms in the Indian pharmaceutical industry and the changes in the patent regime necessitated by the Agreement on TRIPS.

CONCLUSION:

There can be a variety of ways throughout which a commerce association can attain success in the market, but all those ways can be includes into as above, then it can be rightly said that it revolves specifically around three parties or more; the triangular linkages or the relationship between these three parties decide the success and breakdown of business organization. In this paper we found that In the medium to long run, the domestic pharmaceutical market will be largely driven by the increasing prevalence of chronic segment.

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