

Study on Impact of Marketing Strategies of Pharmacy Companies on Customers: A Case Study in Ahmednagar Region

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Abstract – *In this study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the OTC segment. This study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the measurement of brand strategy. This study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the development of new products. This study is that it does not show the impact of measuring advertising effectiveness in ethical pharmaceutical marketing but only highlights the calculation of brand equity. Local, small and medium, companies dominate the Indian pharmaceutical industry with significant contribution to the national drug production and employment. They play an important role in enhancing domestic technological capabilities in drugs production and have been instrumental in keeping drugs prices affordable for the Indian populace in remote rural areas. This rise of small firms in this sector has been facilitated by a set of strategic government policies implemented in the past decades like adoption of a process patent regime, relaxation granted from price control and industrial licensing requirement, reservation of items for exclusive production and preference in government procurement, etc.*

Keywords:- Marketing, Pharmacy, Customer, Ahmednagar

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1. INTRODUCTION

Given the fact that we remain in the infancy period of pharmaceutical marketing, the lack of literature in this field is not unforeseen. On the other hand, the quality of pharmaceutical marketing is significantly different from other types such as consumer marketing. This is mainly due to the differences in the nature of pharmaceutical products and the industrial atmosphere of pharmaceuticals, which have specific differences from that of other consuming goods. These deviations root in their particular regulatory restrictions, operational stage, and the health care environment. Therefore, from a theoretical perspective, this field can be considered as a subset of marketing science, sharing general principles, and holding specific individual inter-industry considerations at the same time (1).

This study consists of three main sections. In the first section, viewpoints on export marketing and internationalization have been studied. Definitions, history, and various approaches have been included. The export marketing and readiness assessment theories, views, and relevant models and issues have

been reviewed in the second part in order to elaborate differences among current models and their applicability in pharmaceutical companies. This is followed by the final part that signifies the characteristics and special aspects of the pharmaceutical marketing environment with the objective of developing.

The impact of legislative changes, economic turmoil and an increase in competition from generics and bio-similar is forcing change in the pharmaceutical industry. In an increasingly crowded marketplace, there is pressure to ensure that sales force effectiveness is maximized, and the correct sales and marketing strategy implemented [2].

The success factors that determine an effective sales and marketing strategy depend on the area of practice. It is important to draw a distinction between traditional physician or prescriber visits, and more senior level market access discussions with payers and healthcare providers. The most effective strategy to pursue will depend on what kind of audience is being targeted [3].

Sales reps conducting pharmacy or hospital visits have traditionally focused on free samples, with pharmaceutical companies spending billions of dollars per year on this technique. Another potentially expensive approach has been gifting: courting clients with expenses-paid trips, meals and the like. This sales strategy is additionally under fire in many countries from legislative changes making this kind of activity illegal.

With economic restraint a dominant factor, big pharmacy is eager to find more cost-effective ways to convince physicians of the value of their products, and this is where technology can come in. Mobile sales platforms allow for a smoother interaction with physicians, and the interactive approach can be carried through to social media forms of e-detailing. Platforms of this kind offer a new level of sales integration, with customer relationship management, presentation tools and analytics-based closed loop marketing all in one place [4].

A different toolkit is needed when it comes to senior-level discussions with payers, key opinion leaders, budget holders or formulary decision makers. Scattershot mass market sales techniques are ineffective because every stakeholder requires a tailored approach. While mobile platforms are a promising avenue, generic and relatively low cost sales apps are not able to integrate the complex evidence on health economic value and health outcomes upon which the success of such discussions hinges [5].

Base Case is an app building platform for market access professionals eager to benefit from the technological innovations of tablet-based marketing, but wary that their arguments will lose force or credibility when presented in this way.

Value communication apps that are created specifically around the health economic evidence relevant to a particular product and client can be built and accessed on multiple devices such as the ipads or a laptop. Crucially at a time of cost-restraint, pharmaceutical companies are able to develop and adapt these tools in-house, saving time and money [6].

2. MARKETING STRATEGIES OF PHARMACEUTICAL INDUSTRIES

Pharmaceutical Marketing Strategies: An assortment of limited time methodologies has been utilized to fortify offers of pharmaceutical medications. Customarily, push methods have been the transcendent means used to urge doctors to endorse medications and along these lines increment deals. As of late, the customary push procedure has been supplemented by a drawing technique.

The pharmaceutical market is not quite the same as different markets in each angle. In Pharmaceutical market you can't approach your immediate client i.e.

understanding. You need to advertise your items to Doctors. Specialists are the essential client to all Pharmaceutical Companies whether it is a Generic Company or Branded (So called Ethical) Company or PCD pharmacy company [7].

What are the requirements for Pharmaceutical Marketing?

India is developing as the worldwide center for contract research and assembling administrations because of its ease leverage and world class quality norms. The presentation of item patent got some major changes techniques of pcd pharmacy companies, with the center moving more towards Research and Development. The significant income to the pharmaceutical industry has been increased through fares. Pharmaceutical items are trading to more than 200 nations around the globe. In this manner Pharmaceutical Marketing Strategies makes a difference [9]:

- To have a sound rivalry
- To expand the client learning
- To have a superior client relationship
- To lessen the underlying advancement costs.

Types of Pharmaceutical Marketing Strategies

Diverse sort of business sectors and distinctive sorts of methods for work is trailed by pcd pharmacy companies. Indeed, even there is a contrast in considering – essential clients.

Generic Marketing

Stockiest or retail counter is an essential client. There is almost no focus toward Doctors and Patients in their promoting system or method. Low edge advertising sort, however, the exchange is done in mass. Mass obtaining repays edges.

Branded Marketing

Specialists are the matter of prime concern. Pharmacy organizations the main target is to recommend its image from specialists. There is little fixation require for patients and merchants. Scientific expert is the additional matter of concern since they can substitute your image with a comparable item. That is the fundamental purpose of substantial cost for marked items since they don't consider the patient's viewpoint in it.

PCD or Franchise Marketing

In pcd/establishment showcasing, Pharmacy Franchise gatherings or merchants are prime focused on groups of onlookers. Organizations

showcase system move around franchisee. PCD Pharmacy Franchises costs depend on generation cost of medication.

OTC (Over the Counter Products) Marketing

Each other sort of advertising pcd pharmacy Companies take after is OTC i.e. over the counter items. Not all pharmacy items can't be advanced by along these lines, yet beautifiers or torment or skin arrangements – basically be advanced as OTC items by organizations. Showcasing methodology, for the most part, includes notice and advancements – as different divisions organization does.

The objective of this thesis is to design a marketing strategy plan for Ahmednagar Pharmaceutical Companies in the medicinal market. The ideal outcome of this thesis is to design a marketing strategy plan to help the case company become a successful manufactory and strengthen the brand image.

Qualitative and quantitative research methods are used in this dissertation research. A single case study is utilized as a research technique. A questionnaire and the interview are the major information sources of the empirical data for the research.

The theoretical framework aims to find knowledge for compiling the main elements of the marketing strategy plan in this thesis. An internal analysis, PESTLE analysis and SWOT analysis are also presented in this thesis.

The result of the thesis is design a marketing strategy plan for the Ahmednagar Pharmaceutical Companies. This marketing strategy plan is based on the internal and external analyses of the case company.

“Marketing is the process of planning and executing the conception, pricing, promotions, distribution of ideas, goods and services to create exchange that satisfy the individuals and organization objectives”.

The objective of an organization can be achieved by satisfying the objectives of the customer. The customers are in search of goods and services that would satisfy their needs. Marketing helps to identify needs of the customers and to create and deliver such goods.

Marketing is a business function that identifies unfulfilled needs and wants to measure their magnitude, determines what targets the markets for the organization, decides appropriate products and programs to serve the markets and calls upon everyone in the organization to think and to serve the customers.

Marketing is an important function of every business unit. Focus of the entire organization is on customers

and how to ensure customer satisfaction. Customer support is essential for survival and growth of every business organization. It can be said, business is nothing but marketing, and if a firm excels in marketing, its business objectives are achieved. Marketing is much more than just promotion and advertising. In fact marketing is a basic part of the business operation¹.

Marketing is concerned with customer satisfaction; it is not just selling or advertising. Marketing and management guru P.F.Ducker has rightly said “Marketing is so basic that it cannot be considered as a separate function”. It is the whole business seen from the point of view of its final result the customers' point of view. The products do not determine business success; it is determined by the customers.

Marketing of services means marketing of something, which is intangible. In general, marketing principles and techniques are applicable to marketing services too. Marketing strategy for goods is based on five important elements i.e. Product, Price, Promotion, Place and People. They are traditional marketing mixes, consideration of which is necessary in delivering of goods.

As per the model of Parshuram the marketing of services has three areas. (1) External of traditional marketing, (2) Internal Marketing and (3) Interactive Marketing.

Internal marketing means the service providers must be effectively trained and motivated. The customers of Interactive Marketing should contact the employees as well as the support personnel to work as a team to provide customer satisfaction. Interactive marketing means that the quality of perceived services is highly dependent on the interaction quality of buyers or sellers².

External marketing means marketing to the ultimate customers. The traditional 5 P's i.e. Product, Price, Promotion, Place and People are quite relevant in the practice of the external marketing.

These are the basic marketing mixes in distribution of goods. The Internal marketing means initiating the acts of marketing inside the organization. The concept of marketing should be developed and applied inside the organization and more particularly on the employees. Thereafter it can be successfully implemented externally. If internal customers i.e. staff of the organization is convinced of marketing, such convinced staff finds no difficulty in convincing the external or ultimate customers. The interactive marketing is concerned with marketing good impression during interaction with the customers.

Pharmacy marketing means marketing of services and products of the pharmacy companies to the customers namely doctors, chemists in particulars,

and the public in general, through different distribution channels. The pharmacy marketing must be customer oriented. Organization should always strive hard to create and innovate new life saving products for the changing disease-pattern and the requirements of their customers from time to time. The aggregate functions are directed to provide quality products to cure diseases more efficiently and effectively than the competitors, in consonance with the organization objectives. The multinationals and professional Indian companies have effective marketing strategies whereas small companies are not that efficient to provide good marketing services.

The pharmaceutical companies are expanding their strength through advanced technology and marketing abilities. The dominant question which is bothering the minds of top management personnel today is how to improve customer services and build competitive advantages, because products are the same but the battle ground is "Services".

Small companies and the Public Sector Units (PSUs) are experiencing the heat of the competition from the Multi National Companies (MNCs). It has become inevitable for the PSUs & the unorganized companies to adopt marketing approaches in their functioning to become competitive.

Most of the Indian companies have designed their own strategy for competition with the MNCs. The products served by most of the companies are similar. The Companies have less scope to compete on product-strength. Most of the pharmacy units including the PSUs have to design their competitive strategy for better quality of services.

Competition, exclusively on the basis of product feature and price, would be difficult. Competition is possible on the basis of better services such as product- mixes, price charges etc.

The companies cannot succeed, without excelling in their services, such as availability of quality research molecules as per the need of different segments of the diseases.

The distance between middle and rich classes of the Indian society is increasing drastically. According to the class of society, the modes of diseases are also changing because of the different job profiles of the Indian people. The middle class people expect instant relief and comfort in services because they have less tolerance. The changing profile of the customers has changed the market environment.

3. RELATED WORK

In [1] Pharmaceutical marketing can be defined, "as a process by which market for pharmacy care is actualized. It encompasses all the activities carried out by various individuals or organizations to actualize markets for pharmacy care." The actualization of

markets for pharmacy care indicates that all activities involved in anticipating, enlarging, facilitating, and competing or removing gaps in pharmacy care are within the scope of the field of pharmaceutical marketing. In other words pharmaceutical marketing is not a static passive process but a dynamic active process.

In [2] Pharmaceutical marketing is marketing of pharmaceutical formulations or fine chemicals into the market." In other words pharmaceutical marketing is the branch dealing with marketing of pharmaceutical areas like manufacturing, sale, distribution, isolation, identification, action and reactions of drugs with analysis and development of new drugs.

In [3] has depicted various issues like marketing functions, R&D, Government Policies, etc in-terms of pharmaceutical market in India. The designed structure needs to be further updated in varying degree to examine various issues and growth perspective in Indian Pharmaceutical market."

In [4] further elaborated the Indian pharmaceutical industry in terms of regulatory environments, imports, and exports trends etc. from theoretical angle. Also it is very true that practical approach towards Indian Pharmaceutical marketing helps to draw concrete conclusions and suggest the measure to explore newer marketing opportunities and minimize the risk to sustain in highly competitive environment and preserve marketing ethics.

In [5] a pharmaceutical company focuses on the core areas of pharmaceutical marketing to achieve their sales objectives. Thus, strategies and policies made them a brand leader in its therapeutic category and these strategies are framed according the thrust areas

In [6] Market targeting means that a complete profile of the different segments has been developed for the market by a marketer. The role of market targeting is used to select target markets and then choose available methods for the organization."

In [7] described that It is time to a company decide which target markets need to be focused after targeting the market. The first activity is to identify the market size, growth and segment attractiveness. In addition, helping the greatest segment may earn the less potential profit than helping the right target market with relative resources needed. The most attractive ones are not always the greatest.

In[8] defines positioning as the act of designing the company affairs so, of at it occupies distinct and valued position in the consumers relative to competition products. Product positioning is obviously based on the inherent, core product attributes, as well the augmented attributes that the company has decided to package with the product.

Furthermore, product positioning is influenced by the official approval of the relevant local regulatory authorities. In most cases, however, the approved product indication allows use of the product by various medical specialties or by patients suffering from a variety of similar pathological states.

4. RESEARCH METHOD

4.1 Research Design:

The research design constitutes the blueprint for the collection, measurement & analysis of data. As this research involves, "An Analytical Study of Changing Marketing Scenario in Prescription-based Medicines and its Impact on Stakeholders in Ahmednagar District" (2001-2010) therefore, the research design is essentially a Descriptive as well as Exploratory Research types.

It is a Descriptive kind of research as it describes the changes occurred in the marketing scenario of prescription-based medicines as well as it involves studying the impacts of changing marketing scenario in prescription-based medicines on different stakeholders in Ahmednagar district in the last decade.

The research is also of Exploratory in nature as it tries to get detailed insights about expectations of Stakeholders from Pharma companies and also explores the probable future marketing trends in prescription-based medicines in Ahmadabad.

4.2 Data Collection:

The data for the research study was collected through following sources –

1. Primary Data:

The primary data has been collected from following stakeholders having at least ten years of experience in the field of prescription medicines from Ahmednagar district using personal interviews and schedules with the help of four structured Questionnaires from –

1. Allopathic Practicing Doctors,
2. Chemists,
3. Stockists, and
4. Medical Representatives & Managers.

2. Secondary Data: Secondary data was collected from-

1. Journals of Marketing Management and Commerce,

2. Magazines like Pharma Bizz, Express Pharma Pulse, Pharma Chronicle, etc.
3. Newspapers like Economic Times, Business Standard & other local papers
4. Pharmaceutical Marketing, Marketing Management & Research books, etc.
5. Internet websites related to Pharma industry, Govt. of Ahmadabad websites, etc.
6. Ph.D. Thesis related to pharmaceutical marketing, etc.

3. Sampling Design:

- i. **Universe:** All allopathic Doctors, Chemists, Stockists, Medical Representatives and Managers working in Ahmednagar district having ten years of experience in healthcare or Pharma industry.
- ii. **Sampling Frame:** The list of all allopathic Doctors, Chemists, Stockists, Medical Representatives and Managers in Ahmednagar district having ten years of experience in healthcare or Pharma industry.
- iii. **Sampling Element:** Every allopathic Doctor, Chemist, Stockist, MR and Manager working in Ahmednagar district having ten years of experience in healthcare or Pharma industry.
- iv. **Sampling Unit:** Every town in Ahmednagar district having allopathic Doctors, Chemists, Stockists, Medical Representatives and Managers.
- v. **Sampling Method:** The respondents were selected by Simple Random & Purposive Sampling Method from Ahmednagar District.
- vi. **Sample Size:** i) Doctors-190, ii) Chemists-95, iii) Stockists-30, iv) MRs and Managers-95. **Total Sample Size is - 410.**

4.3 Research Instrument:

The data collection was done using personal interviews and schedules from selected Stakeholders using 4 different pre-coded and structured questionnaires prepared for- i) Doctors, ii) Chemists, iii) Stockists and iv) MRs & Managers.

4.4 Data Analysis:

Before conducting data analysis, data preparation was done using editing & coding. Close-ended responses were first coded and quantified; then all of

the responses are tabulated and analysed. After the data was collected by the methods above, it was systematically analysed. This was done by writing all the key things in a systematic order, as is done in a questionnaire designing. After viewing the key themes, the views and answers were written down. Then different responses were studied and analysed for each question.

For the analysis and interpretation of data following tools and methods are used:

- Coding, tabulation, classification, percentage & average and graphs / pie-charts.

The responses of open ended questions were categorized in to groups and then analysed systematically correlating with the objectives and the hypotheses.

5. RESULTS AND DISCUSSION

This section will focus on analysis and interpretation of data collected by the researcher for this study. Data analysis involves process of editing and reducing accumulated data to a manageable size, developing summaries, looking for patterns, and applying statistical techniques. It helps the researcher to obtain answers to research questions and to test the hypotheses. The purpose of interpreting the data is to reduce it to an intelligible and interpretable form so that the relations of research problems can be studied and tested, and conclusions are drawn.

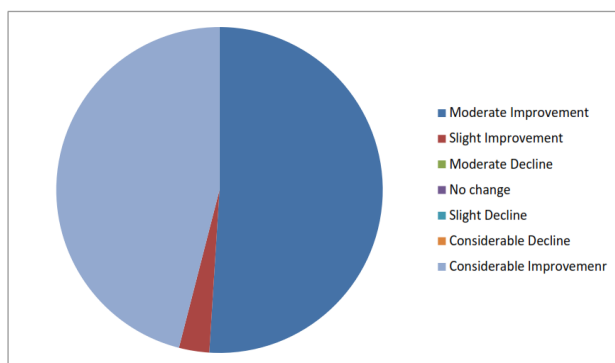


Fig.1. Change in Packaging of Medicines

From above graph, it is clearly observed that majority of, i.e. 51% Doctors have responded that there is moderate improvement, 46% Doctors replied that there is considerable improvement and remaining 3% Doctors replied that there is slight improvement in packaging of medicines in the last decade, in Ahmednagar district. None of the Doctors has responded that there is decline in packaging of medicines in the last decade. Overall, 100% Doctors have replied that there is improvement in packaging of prescription-based medicines in the last decade, in Ahmednagar district.

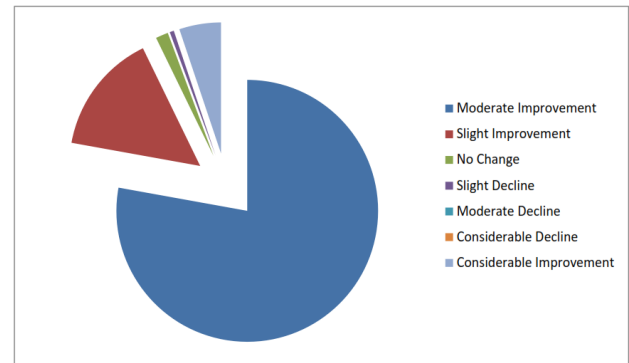


Fig.2. Change in Patient's Compliance

From above graph, it is noted that majority of, i.e. 51% Doctors have responded that there is moderate improvement, 29% Doctors have replied that there is slight improvement and 10% Doctors replied that there is considerable improvement in services to patients. On the other hand, 3% Doctors have replied that there is no change and only 2% Doctors replied that there is slight decline in services to patients, in the last decade, in Ahmednagar district. Overall, 94% Doctors have replied that there is improvement in services to patients in the last decade, in Ahmednagar district.

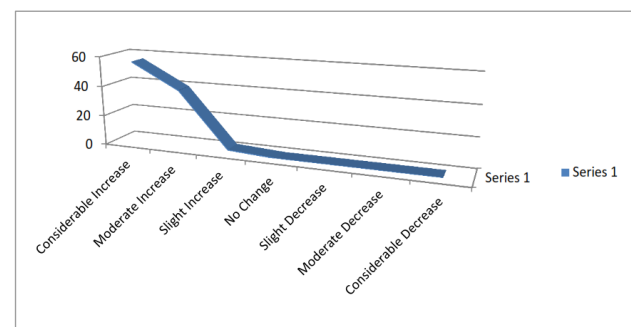


Fig.3. Changes in Pharmacy Marketing Approach from Ethical to Unethical

From above graph, it is noted that majority of, i.e. 56% Doctors have responded that there is considerable increase, 39% Doctors have replied that there is moderate increase, and 2% Doctors replied that there is slight increase in unethical approach of pharmacy marketing, in the last decade, in Ahmednagar district. None of the Doctors has responded that there is decrease in unethical approach of pharmacy marketing, in the last decade, in Ahmednagar district. Overall, 97% Doctors have replied that there is increase in unethical approach of pharmacy companies marketing prescription-based medicines, in Ahmednagar district, in the last decade. From above table and graph, it is noticed that majority of, i.e. 55% Doctors have responded that there is moderate improvement in cure rate of patients, 38% Doctors have replied that there is considerable improvement, 6% Doctors replied that there is slight improvement, whereas, 1% Doctors replied that there is no impact on cure rate of patients, in the last decade, in Ahmednagar district.

Overall, 99% Doctors have replied that there is improvement in cure rate of patients, in the last decade.

6. CONCLUSION

This study is associated with analysis of changing marketing scenario in pharmacy industry dealing with prescription-based medicines in Ahmednagar district. It comprised of analysis of various changes occurred in the marketing scenario of prescription-based medicines. The study further involved review of impact of changing marketing scenario on different Stakeholders in Ahmednagar district. The researcher also made an attempt to know the expectations of these Stakeholders from pharmacy companies. Finally, the researcher tried to speculate the future marketing trends in prescription-based medicines with the help of Stakeholder's perceptions as well as pharmacy industry expert's predictions. Though the study is confined to Ahmednagar district, the conclusions and the recommendations may found to be useful in similar situations prevailing in other cities in Maharashtra and in India too. This chapter aims to give an outline of the precise attempts, in terms of at what extent the objectives of the present study have been accomplished and whether the hypotheses are proved to be true or not. The researcher has made best possible efforts to summarize overall outcomes of this research study based on systematically collected data and the data analysis done in the previous chapter. Further, the researcher has also proposed recommendations for improvements in pharmacy marketing scenario, in prescription-based medicines.

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