

## A STUDY OF PHARMACEUTICAL MARKETING STRATEGIES WITH SPECIAL REFERENCE TO PHARMACEUTICAL INDUSTRIES IN INDIA

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### ABSTRACT

*In India Pharmaceutical companies are striving to create their own presence by developing new API (Active Pharmaceutical Ingredient) or designing new Drug formulation or by designing different Pharmaceutical Marketing strategies to cater to the huge market of around 1.35 Cr population which are very diverse in nature and it should be served so systematically with minimising wastage of medicines to accelerate the production and R&D for Pharma companies. Government of India is assisting lot of new initiatives to promote this new innovation in to pharma market. In this research paper the more emphasis is given on marketing strategies devised by pharmaceutical Companies in Indian Pharma Market which are different for different pharma Products 1.Branded medicine 2. OTC (Over the counter Medicines) 3. Generic medicines (India is one of the leading exporter of generic medicine to rest of the World). Marketing strategies for Branded medicines are different than that of OTC Products and OTC Marketing strategies are different than that of generic Pharma products. Different Pharma companies have devised different marketing strategies for same segment of product to cater very diverse population of India they are like (Social media marketing via Facebook Page. YouTube, LinkedIn, twitter and many more).The findings of this paper are Pharma industries in India has adopted*

*traditional as well as modern marketing strategies which includes recent trends data analytic reports to analyse demand for the pharma product in future. In India for Branded medicines physicians are decision maker to purchase the medicines. For other products Generic and OTC (over the counter Product) different instrument of Advertisement and promotional tools are contributing a lot to increase sales of thee products In this paper marketing mix of pharma product and other aspects has been studied with reference to Indian pharma Industries. This research paper provides us an overview of the role of marketing strategies to Identify, Create, communicate and deliver the required input in nation's healthcare to stand India fit and healthy.*

**KEYWORDS:** Indian Pharma Industries, Pharmaceutical Marketing Strategies, Marketing Mix of Pharma Products.

### INTRODUCTION: INDIAN PHARMACEUTICAL INDUSTRY:

Currently India's cost of production is nearly 33 per cent lower than that of the US. The cost of setting up a production plant in India is 40 per cent lower than in Western countries. It is found higher, around 50 to 55 % in western countries as per previous studies and research reports.India has the 2nd largest number of USFDA-approved manufacturing

plants outside the US India has 2,633 FDA-approved drug products. India has over 546 USFDA-approved company sites, the highest number outside the US. Per capita sales of pharmaceuticals expanded at a CAGR of 17.6 per cent to US\$ 33 in 2016. Economic prosperity would improve affordability for generic drugs in the market & improve per capita sales of pharmaceuticals in India.

**Note: CAGR - Compound Annual Growth Rate**  
**Source: BMI**

**1.1 Introduction:** The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, and it accounts for 20 per cent in the volume terms and 1.4 per cent in value terms of the Global Pharmaceutical Industry as per a report by Equity Master. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented.

**Market Size:** Indian pharmaceutical sector is estimated to account for 3.1 – 3.6 per cent of the global pharmaceutical industry in value terms and 10 per cent in volume terms. It is expected to grow to US\$100 billion by 2025. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun Singh, Indian Ambassador to the US. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues). The sector is expected to generate 58,000 additional job opportunities by the year 2025. \*Indian companies received 304 Abbreviated New Drug Application (ANDA) approvals from the US Food and Drug Administration (USFDA) in 2017. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

**Government Initiatives:** Some of the initiatives taken by the government to promote the pharmaceutical sector in India are as follows:

- The Government of India is planning to set up an electronic platform to regulate online pharmacies under a new policy, in order to stop any misuse due to easy availability.
- The government introduced mechanisms such as the Drug Price Control Order and the National Pharmaceutical Pricing Authority to deal with the issue of affordability and availability of medicines. Exchange Rate Used: INR 1 = US\$ 0.015 as on January 4, 2018

*References: Consolidated FDI Policy, Department of Industrial Policy & Promotion (DIPP), Press Information Bureau (PIB), Media Reports, Pharmaceuticals Export Promotion Council*

*Note: \* - According to IIMR University, Jaipur; # - According to a report by Care Ratings.*

- (PDF) PHARMACEUTICAL MARKETING IN INDIA: A MACROSCOPIC VIEW. Available from: [https://www.researchgate.net/publication/237645485\\_PHARMACEUTICAL\\_MARKETING\\_IN\\_INDIA\\_A\\_MACROSCOPIC\\_VIEW](https://www.researchgate.net/publication/237645485_PHARMACEUTICAL_MARKETING_IN_INDIA_A_MACROSCOPIC_VIEW) [accessed Sep 20 2018].

**Theoretical Background: Marketing Strategies of Pharmaceutical Industries**

**Marketing Strategy:** -A marketing strategy is a business's overall game plan for reaching people and turning them into customers of the product or service that the business provides. The marketing strategy of a company contains the company's value proposition, key marketing messages, information on the target customer and other high-level elements.

Source:

<https://www.investopedia.com/terms/m/marketing-strategy.asp#ixzz5RjA0sAtE>. 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 pharma company.

❖ **Types Of Pharmaceutical Marketing Strategies**

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

- Generic marketing strategy
  - Branded marketing strategy
  - PCD or franchise marketing
  - OTC (over the counter products) marketing
  - Focus on the brand
  - Stakeholder engagement
  - Transparency
  - Customer engagement
  - Endorsement strategy
  - General Marketing strategies
1. Decision Area Strategies.

2. Strategies for Market leader.  
3. Strategies for New and Switched Pharmaceutical Products

- Marketing strategies and PLC's
1. Product Life cycle Analysis.
  - Marketing Mix Of Pharmaceutical Products (4P's)
    1. Pricing Strategies
    2. Advertisement and promotional Strategies.
  - Basics marketing strategies
    1. Undifferentiated strategy
    2. Differentiated strategy.
    3. Concentrated strategy

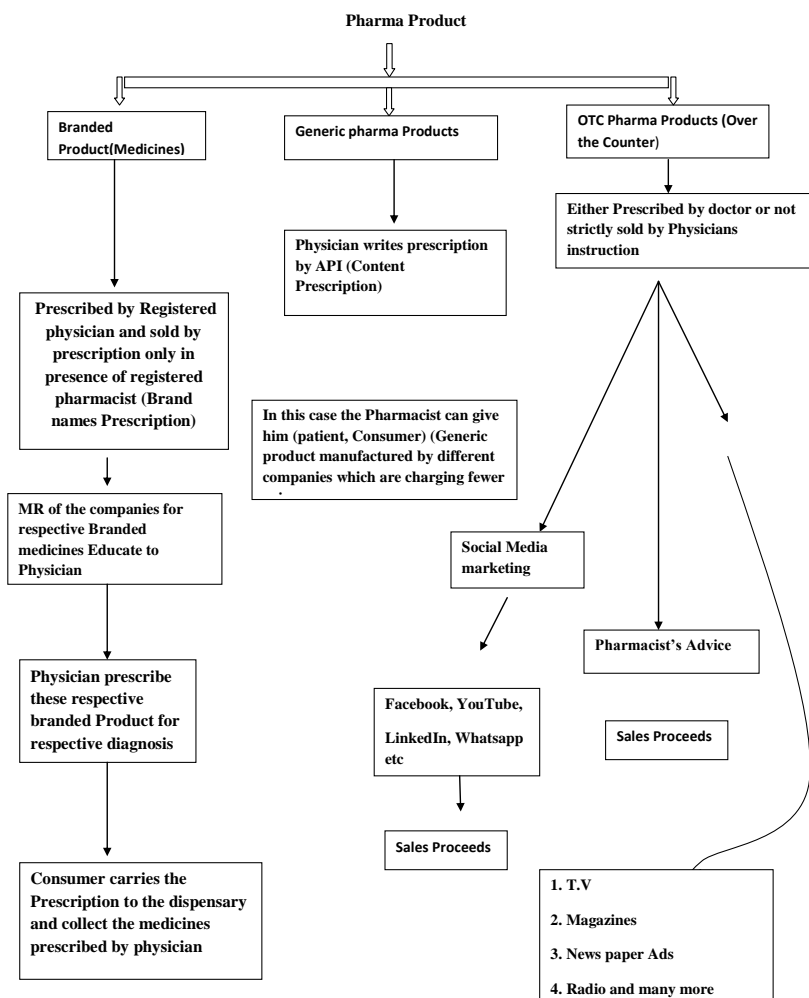
**Pharmaceutical Marketing:-** sometimes called Medico-marketing or Pharma Marketing in some countries, is the business of Advertising OR otherwise promoting the sales of Pharmaceuticals or drug

**Pharma Marketing Mix:-**

<b>Product</b>	<b>Price</b>
<ol style="list-style-type: none"> <li>1. Which needs and want does a customer have today and will be to prepare in future?</li> <li>2. Which API or feature in New formulation meet the need of customer</li> <li>3. How ,when ,and where will the product be used</li> <li>4. Form of delivery and dosage</li> <li>5. Name</li> <li>6. Brand</li> <li>7. Differentiate versus competitors? USPs?</li> </ol>	<ol style="list-style-type: none"> <li>1. Value to the Consumer?</li> <li>2. Is the customer price sensitive?</li> <li>3. Possible to get reimbursement?</li> <li>4. Price structure to the distributor, wholesalers, and dealer and consumer /Patient?</li> <li>5. Price comparison to competitors.</li> </ol>

Place	Promotions
<ol style="list-style-type: none"> <li>1. Where will the product be found?</li> <li>2. Access to the right distribution channel?</li> <li>3. Needs for sales force?</li> <li>4. What do the competitor do, what can be learned from that in order to differentiate</li> <li>5. Online availability as per prescriptions?</li> <li>6. Home delivery if available?</li> </ol>	<ol style="list-style-type: none"> <li>1. When, where and How to get across the marketing messages to the target Market?</li> <li>2. Which channels should be use to communicate the message.</li> <li>3. What do the competitors do?</li> <li>4. Right mix of ATL and BTL</li> <li>5. Is Social media required to come across the consumer</li> <li>6. By giving free samples to the physician to penetrate market</li> </ol>

**CONCEPTUAL FRAMEWORK OF PHARMACEUTICAL MARKETING**



Source: -<https://yourstory.com/2017/07/pharma-marketing-strategies-for-startup/>  
 Source: -<http://www.progressivelifecare.com/pharmaceutical-marketing-strategies-india/>

## 1.2 Literature Review:

1.A Comparative Analysis of Attitudes Held by Pharmaceutical Representatives and Physicians R. Stephen Parker DBA & Charles E. Pettijohn DBA.

- A variety of promotional strategies have been used to stimulate *sales* of *pharmaceutical* drugs. Traditionally, push techniques have been the predominant means used to encourage *physicians* to prescribe drugs and thus increase *sales*. Recently, the traditional push strategy has been supplemented by a pull strategy.
- 2. Evaluation of marketing strategy: A perspective from pharmaceuticals industry in Bangladesh.
- Pharmaceutical industry is one of the leading export earning sectors in Bangladesh. The economy is mostly depended on export earning since it facilitates the increase in export earning of the country. Every people in the society suffer from several diseases and need medicine for come round from diseases
- 3. A study of change in marketing strategies of Indian pharmaceutical companies under the WTO regime.
- A study of change in marketing strategies of Indian pharmaceutical companies under the WTO regime. ... The Indian Pharmaceutical Industry is today undergoing lot of changes after the introduction of Product patent in India. Pharmaceutical companies are changing their marketing strategies to meet the new competitive environment
- 4. Promotional methods used by representatives of drug companies: A prospective survey in general practice.
- Promotional methods used by representatives of drug companies: A prospective survey in general practice Leaflets (68%), suggestions on how to improve therapy for a specific patient registered with the practice (53%), drug samples (48%), and gifts (36%) were the most frequently used marketing techniques.
- 5. Sales and Marketing Strategies in the Pharmaceutical Industry (Posted by Simon Wentworth on June 30, 2014.

- The impact of legislative changes, economic turmoil and an increase in competition from generics and biosimilars is forcing change in the pharmaceutical industry. In an increasingly crowded marketplace.

## RESEARCH METHODOLOGY:

1. The research is based on secondary data
  - a. Secondary data has been collected from various website, Books, Research paper, Research Journals, Magazines, reports of WTO Indian Drug Manufacturing associations.
  - b. Indian pharmaceutical Associations.
  - c. Confederation of Indian Pharmaceutical associations.
  - d. WHO.
  - e. Reports published on internet.
  - f. Company's website of top 5 leading pharma companies across Indian pharma market.
  - g. Departments of pharmaceutics Govt.Of India.
  - h. CPSC Department of Pharmaceutics.
2. Literature review has done for marketing strategies of the pharma Industries across the Indian Pharma market.
3. Pharmaceutical Marketing for all categories of the products has been taken in to consideration.

## FINDINGS:

Marketing strategies adopted by Indian pharmaceutical industries are as follows

- There are a wide range of various pharmaceutical marketing strategies you are able to choose from in order to attract the attention of prescribing physicians. Remember that marketing is the set of activities associated with creating value for society at large.

### **Strategy 1. Don't Neglect Your Social Media Presence.**

Content is crucial for attracting the attention of your prospects. Content is what drives engagements: make sure that you strike the right balance between being overly promotional and publishing content that the viewer wants to see. As one of the newer pharmaceutical marketing tactics to be used

by drug manufacturers, social media is often used to get attention online. Because many physicians use social media to market their practices, there is a high chance they will be checking social media. Patients also get information online about treatments for their health conditions, so be sure to address both audiences in your drug's social media campaigns.

### **Strategy 2. Be Sure To Build Relationships**

Good relationships with physicians are a key aspect of being a successful pharmaceutical marketer. The reason is that physicians want to prescribe pharmaceutical products from sales reps that they know and trust. Physicians feel a sense of responsibility to their patients.

### **Strategy 3. Free Samples**

Physicians whom receive free samples of the product are more likely to prescribe it. The reason is that they are able to hand these out directly to their patients, whom will be able to try your product for free without risk. This is one of the more traditional methods of pharma marketing, and it is quite effective in being able to reach a large number of people. This can walk a fine line between ethics, as many health care networks ban doctors from taking samples. While effective, it pays to do this in a responsible manner so your reputation doesn't come into question.

### **Strategy 4. Using Technology.**

Physicians tend to be early adopters of new technologies. Healthcare is a profession which requires people to continually update their ways of doing business and their practices. Physicians were the first to use PDAs when they came out many years ago, followed by Smartphone and tablets. Pharmaceutical reps have always wanted to spend time with physicians in person, but many have decided that with new technology there are other ways of interacting with doctors.

### **Strategy 5. Have Quality Website Content.**

Make sure that the drug's website has all of the content that a prescribing physician or a patient would need. It should explain the benefits of the drug, recommended dosages, clinical trial data, safety, risks, and more. The site should be easy to navigate, and you should also have a system in place for capturing a person's email address. The website is the primary customer communication tool for the drug, so it should be a good landing page for customers.

### **Strategy 6. Break the Rules with Guerrilla Marketing.**

It always pays to think creatively when you are looking at your marketing tactics. Guerrilla marketing happens in unexpected ways. Sometimes, a pharma marketing expert might directly target their competitors in some unexpected way. Many companies see this as being a great method for being able to stand out from the crowd. This is also one of the more risky forms of pharma marketing because you are challenging the norms.

### **Strategy 7. Connect With Customers Emotionally**

One idea for reaching new clients as a pharmaceutical marketing firm is to create a meaningful experience that connects with customers emotionally. If you are working on campaigns for an antidepressant drug, you may want to think about using a mobile app campaign that encourages people to share their feelings. This might require a little bit of B2C outreach, but the truth is that you will be able to reach more people.

### **Strategy 8. Reach Physicians through Online Communities**

One often overlooked tactic is to reach physicians via online communities. Because physicians are early adopters of technology, they are always looking for new ways to connect with other professionals. These communities are the perfect place to reach these physicians directly. You can have conversations with physicians and patients

alike to learn more about what they are looking to hear.

#### **Strategy 9. Create Visual Aids for Physicians**

Remember that there is value in having visual aids for physicians to use in their offices. If you have an attractive educational poster, you will be able to have something of value that you can present to physicians' offices. Potential customers will see the value that you can provide and will want to connect with you.

#### **Strategy 10. Participate in Conferences and Events**

Physicians always want to learn more about their profession. One place where you can reach these individuals is at a professional conference. This is a great chance for you to interact with physicians directly and get feedback. With feedback, you can tune your marketing message to be more desirable by an audience of physicians.

#### **CONCLUSION:**

In this research paper the Marketing strategy of Pharmaceutical industry in India has been discussed. The study imparts different strategies to be implemented in today dynamic Pharma market to achieve the sales target and to fulfil the need of nation by understanding what should be served, in which dosage form and at what dose it should be administered. For this, government of India is taking lot of initiatives to promote basic drugs required at all the level of society by developing systematic supply chain and logistics. The research Paper talks about different marketing strategy which has been adapted by Pharmaceutical industry in India along with that, how it has been changing to grab the market every year to fulfil the nation's healthcare need. The study also encompasses and the products of Pharma which include 1. Branded medicine, 2. OTC (Over the counter pharma products) and Generic products and the strategies.

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- iii. Dimitris Dogramatzis 'Pharmaceutical Marketing: A Practical Guide' CRC Press; 1 edition (October 1, 2001).
- iv. Mickey Smith 'Pharmaceutical Marketing: Strategy and cases Pharmaceutical product press an imprint of Howarth press, INC, Newyork, London, Sydney