

**A STUDY OF MARKETING STRATEGIES PART 1: FOR SELECTED
PHARMACEUTICAL MEDICINE ADOPTED BY PHARMACEUTICAL
COMPANIES IN AND AROUND PUNE REGION**

Rajesh J. Oswal*

Anand A. Deshmukh*

Abstract:

This paper of current marketing practices in the pharmaceutical sector, examining Medical Representative, Drug Stores, Doctors and Consumer-oriented promotions. It presents examples of marketing practices and their impact on consumer and doctor behavior. It identifies negative impacts of these practices which include misleading advertising, disease mongering and escalating costs. It goes on to argue the need for an independently-monitored code of practice for marketers in the pharmaceutical sector and a greater degree of consumer education for both end-users and those prescribing drugs.

Their role of Indian Pharmaceutical industry is focusing on the sales, marketing and distribution of their blockbuster drugs, they also came to exert more discipline on the drug discovery and development process. In present research report we prepared quaternaries and circulate in and around Pune region for existing anti-diabetic drugs.

Keywords Marketing Strategies, Quaternaries, Pharmaceutical Marketing

* Department of Management, Tilak Maharashtra Vidyapeeth, Pune 411 037 Maharashtra, India.

Introduction:

Indian Pharmaceutical industry is growing at a very fast rate and contributing to the national economy. This particular study is intended to review the past performance of the Pharmaceutical industry and also to provide some recommendations for future strategies. The overall conclusion emerges that the right marketing strategy for any Pharmaceutical company would be to build on proven strategic marketing principles, along with a focus on changing customer behavior¹.

Patients can play a significant role in the prescribing decision, especially for certain types of therapies under certain healthcare systems. Granted, patients often defer to their physicians when considering therapeutic options, but with the increase in 'lifestyle' products, the broader availability of health information and direct-to-patient marketing initiatives, patients increasingly express a preference for a particular therapy. In certain markets (e.g., the US), patients also have a direct financial incentive to guide their drug decisions, as cost-sharing requirements can result in higher costs for certain therapeutic options^{2,3}.

Traditional Pharmaceutical Marketing Strategies adopted in Pune, India:

The pharmaceutical companies traditionally adopt different marketing strategies for promoting their products as²

1. Giving drugs as free samples to doctors;
2. Providing details of their products through journal articles or opinion leaders;
3. Gifts that hold the company logo or details of one or multiple drugs; and
4. Sponsoring continuing medical education.

Pharmaceutical representatives, also popularly known as medical representatives, are the major pharmaceutical marketing strategy for marketing drugs directly to the physicians. Typically, the expense of this sales force of any pharmaceutical company comprises anything ranging from 15-20% of annual product revenues.

Each major new drug is launched with a comprehensive and expensive global marketing campaign that involves the full range of marketing tools including media advertising,

comprehensive information packs, special events for doctors, conference presentations, dedicated sales forces and increasingly the Internet³.

Selling a broad range of drugs clearly lessens dependence on the discovery of new blockbusters, but development and marketing costs need to be watched for the smaller markets to be economic. While large pharmaceutical companies have sought survival in larger enterprises, these agglomeration tendencies has not stopped other firms using a discovery breakthrough to 'chance their arm' at developing a blockbuster of their own, ultimately perhaps through a marketing alliance with a global pharma. An area where scale delivers clear advantage is in sales and marketing. Sales per representative typically rise with company size. Marketing absorbs 35% of revenues, larger than R&D and its efficiency can have a major impact on company value. Typically the manufacturer sold the drugs to a wholesaler which distributed the drug to retail pharmacies. In this relationship the doctor had a pretty much unfettered ability to prescribe drugs as he saw fit. Traditionally he has been the focus of marketing campaigns⁴.

Pharma Marketing Process and its Challenges⁵

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.

Use of medical representatives for marketing products to physicians and to exert some influence over others in the hierarchy of decision makers has been a time-tested tradition. Typically, sales force expense comprises an estimated 15 percent to 20 percent of annual product revenues, the largest line item on the balance sheet. Despite this other expense, the industry is still plagued with some very serious strategic and operational level issues⁶.

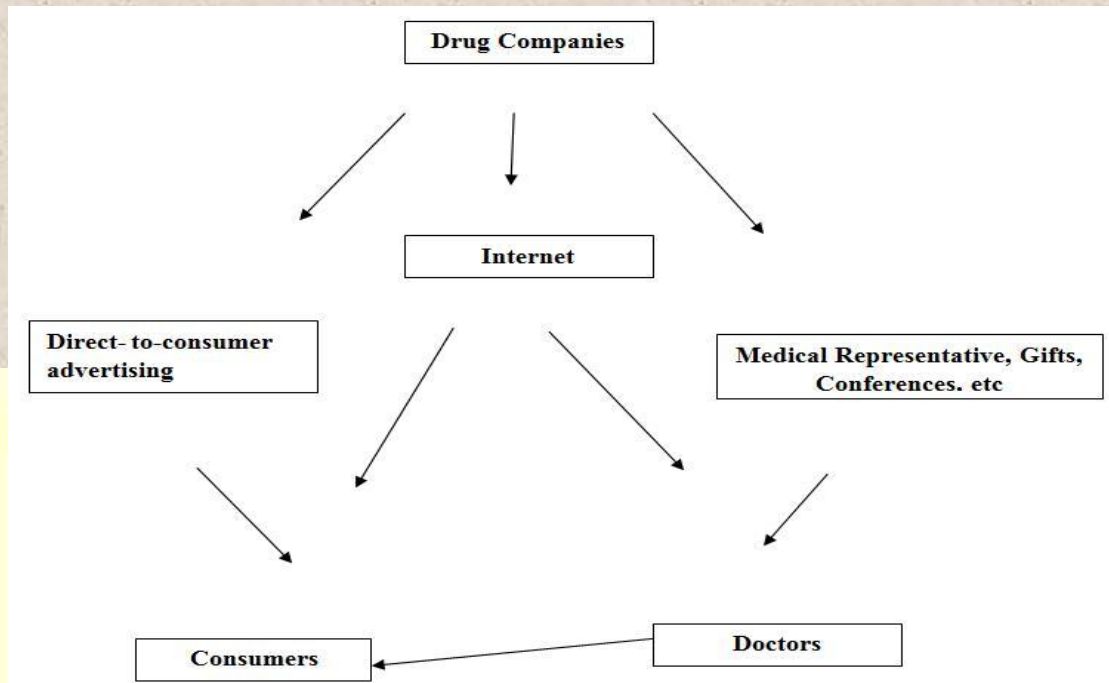


Figure 1. Pharmaceutical marketing process⁷

Direct to consumer advertising⁸:

The direct-to-consumer pharmaceutical marketing landscape was much more straightforward ten years ago. Taking a simple view, splashy TV and print campaigns raised awareness of major conditions and increased demand for big name drugs. But the consumer shift to new media and technology, especially for health and pharmaceutical information, is transforming the game. And while there are plenty of examples of innovative digital campaigns in pharma, the reality is that pharmaceutical marketing is struggling to keep up with the media preferences of today's healthcare consumer. There's a learning curve associated with the evolution of any marketing model, and pharmaceutical marketers have the added challenge of complying with strict regulatory guidelines and managing public and media scrutiny of DTC advertising. This paper will review some of the factors that are pushing new media and technology to the forefront of pharmaceutical marketing and outline some of the overarching consumer trends and key takeaways from this year's Cybercitizen Health.

Pharma Research's Cybercitizen Health is an in-depth, syndicated market research study and strategic advisory service focused on how consumers use media and technology for health

information and its impact on treatment and product decisions. Our team guides clients in using the key data and analysis to enact better informed marketing strategies.

CRM and Market Competition⁹:

In a tough competitive market reeling under global recession, companies must work smarter while maintaining the same level of resource. As a result, pharmaceutical companies are gradually realizing that they can no longer afford to be only product or market focused. Hence they have to focus now on customer relationship management (CRM) and gain a complete understanding of their current and potential customers. Companies, which implement CRM, not only increase the efficiency of their sales and marketing efforts, but also enhance their customers experience and loyalty towards the pharmaceutical company. Pharmaceutical companies in India, to give a sustainable competitive edge are also going to meet some additional challenges including¹⁰: (i) Patients influencing doctors. prescriptions; (ii) Cost-effectiveness of the brand of drugs; (iii) Guarding against unethical dispensing of medicines at chemists level which bypass the physician.s decision on specific brand of drugs (the whole purpose of it)¹¹.



Fig 2. From a traditional model where doctors had almost all power, pharma must now operate in model where Payers and Patients have a considerable weight and influence in the decision making process¹².

Methods of controlling public expenditure on pharmaceuticals can be divided into two basic groups¹³:

1. Methods focused on the pharmaceutical supply side:

- directly controlled prices of individual products;
- reference prices, where prices are set based on the prices of the same or
- similar products on reference markets;
- average pricing;
- curbing the margins of wholesale and retail pharmacies; and
- positive and negative drug lists (where the payer, i.e. the state, defines
- which drugs are to be dispensed at the cost of the healthcare system)¹⁴.

2. Methods focused on the pharmaceutical demand side:

- patient co-payment levels when purchasing drugs;
- advice and guidelines for prescribing physicians and limited budgets; and
- even
- parallel imports; and
- moving drugs from the ethical to the OTC product category¹⁵.

Singh, Surendar^{16,17} in their article have focused upon the strategies used by small and medium scale pharma companies to meet the challenges of the patent regime. The larger companies like Ranbaxy and Cipla etc. were preparing for the new patent regime since 1995 onwards, however the small and medium scale pharma companies did not make much of an effort and now realizing that their topline and bottomline are going to be impacted because of product patent they have devised few strategies: Toll Manufacturing, Bottom fishing, In-licensing, Niche plays and contract manufacturing. The article is based on interviews with top executives of small and medium Pharma companies who have implemented with success the above mentioned strategies.

Agrawal, Thakkar^{16,18} have examined the strategies adopted by different strategies adopted by different companies to survive the phase of patent expiration. The authors suggest that companies should not increase the prices when the patent is about to expire, rather if the marketing strategies are well planned the costs involved in product development can be recovered even after the expiry of the patent. Companies need to have a combination of product

modification, promotional and pricing strategies to save a company from losing market share on a patent expired product.

Saranga, Phani^{16,19} have found out that there is evidence that there appears to be a direct relationship between internal efficiencies and higher growth. They have concluded that irrespective of the growth strategies adopted by the individual firms, internal efficiencies will have a higher probability of survival and growth. Thus the internal efficiencies would help firms in the Indian Pharma Industry to overcome any new challenges arising out of the change in patent process from the year 2005.

Conclusion:

The pharmaceutical industry’s economic influence on the medical field is substantial. Of the marketing tactics discussed in this study, physicians-targeted promotions and direct-to-consumer advertising present the least potential harm to patients because, although there is the possibility of being exposed to unnecessary health risks, the quality of patient care generally remains the same, only patient’s end up spending more on expensive drugs and extra doctor visits. Pharmaceutical companies’ unethical recruiting of doctors potentially poses a greater risk, the extent of which depends on the individual doctor’s morality. The greatest harm that could come from this marketing practice is the reporting of unreliable data, either because of researchers conflict of interests or the manipulation of data; ethical doctors cannot make sound judgments about the most effective treatments for their patients if the information that they receive is skewed. Should this trend continue, patients could end up suffering from unreliable or even dangerous treatments and drug therapies?

So we prepare quaternaries on anti-diabetic drugs and circulated in Pune, Maharashtra area. The format of quaternaries as by following way:

Quaternary for Consumer:

Sr. No.	Question with Probable Answer (Consumer)			
1	One Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime

2	One Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
3	Different Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
4	Different Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
5	How do you currently receive information on new drugs?			
	1. Company Representative	2. Booklets & Brochures	3. Internet, Books & Journals	4. All these source
6	Do you believe patients are currently getting good quality drugs at reasonable prices?			
	1. Yes	2. No	3.	4.
7	Do you believe patients are currently getting good quality drugs at reasonable time?			
	1. Yes	2. No	3.	4.
8	Frequency of Visits to Physicians			
	1. Once per week or more often	2. Once every three to four weeks	3. Once every 4 or 5 months	4. Once every 6 months/ twice per year
9	How frequently would you purchase a prescribed medication?			
	1. Every time	2. Sometime	3. Often	4. Never
10	Are you familiar with the term 'generic medication'? When you visit to your physician do ask you for a specific type drug, innovator or Generic?			
	1. Yes	2. No	3. Never heard of the term	4. Innovator or generic
11	Do you have access to the Internet? Do you searching information of drugs on internet?			
	1. Yes	2. No	3. Sometime	4. Never
12	Do you feel safe in transactions with this store?			
	1. Yes	2. No	3. Sometime	4. Never
13	Do you have any affiliation/business relationship with any of the following?			
	1. Pharmacist	2. Wholesalers	3. Retailer	4. Physicians
14	Do physician check medicines every time after prescribing			

	1. Yes	2. No	3. Sometime	4. Never
15	Are you currently taking medications of any kind?			
	1. Yes	2. No	3. -----	4. -----

Quaternary for Drug Store:

Sr. No.	Question with Probable Answer (Drug Store)			
1	One Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
2	One Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
3	Different Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
4	Different Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
5	How do you currently receive information on new drugs?			
	1. Company Representative	2. Booklets & Brochures	3. Internet, Books & Journals	4. All these source
6	Does this pharmacy have any affiliation/business relationship with any of the following?			
	1. Manufacturers	2. Wholesalers	3. Physicians	4. Other (specify):
7	Approximately how many prescriptions do you dispense on a typical weekday (Monday to Friday) at this pharmacy?			
	1. 20	2. 30	3. 50	4. specify
8	When patients visit the pharmacy, do they ask for a specific type (innovator or generic) of drug?			
	1. Yes	2. No	3. Always	4. None
9	To whom do you normally communicate information on changes in the availability of a prescription drug?			
	1. Wholesalers	2. Competing Retailers	3. Employees	4. Customers
10	Do any of the wholesalers of pharmaceuticals require contractual arrangements?			
	1. Yes	2. No	3. Might be	4. None
11	Do you think there is a need for Indians to have greater access to reasonably priced,			

	effective prescription drugs?			
	1. Yes	2. No	3. Other Please Specify.....	4.
12	Employees in this store have the knowledge to answer customers' questions			
	1. Yes	2. No	3.	4.
14	This store provides plenty of convenient parking for customers			
	1. Yes	2. No	3. Sometimes	4.
15	Do you believe consumers are currently getting good quality drugs at reasonable prices?			
	1. Yes	2. No	3.	4.

Quaternary for Medical Representative:

Sr. No.	Question with Probable Answer (M.R.)			
1	One Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
2	One Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
3	Different Company should use marketing strategy for One Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
4	Different Company should use marketing strategy for Different Product - -			
	1. One strategy	2. Different Strategy	3. Both Strategy	4. Any Strategy anytime
5	How do you currently receive information on new drugs?			
	1. Company Representative	2. Booklets & Brochures	3. Internet, Books & Journals	4. All these source
6	How you are arranging appointments with doctors, pharmacists and hospital medical teams?			
	1. Pre-arranged appointments	2. Regular	3. Calling	4. Any other
7	How you are planning your work scheduled?			
	1. Daily	2. Weekly	3. Monthly	4.
8	Every year you are achieving annual sales targets			

	1. Yes	2. No	3. Sometimes	4.
9	You are regularly attending regularly attending company meetings, technical data presentations and briefings?			
	1. Yes	2. No	3. Sometimes	4.
10	How you monitoring competitor activity and competitors' products?			
	1. By meeting with sales manager	2. By advertisement	3. By meeting with physician	4.
11	You are selling			
	1. Particular area drugs	2. All drugs mfg. by your company	3. Specific drugs	4.
12	When you are visit to physician do they ask you for a specific type drug, innovator or Generic?			
	1. Always	2. Often	3. Sometimes.	4. Never
13	From which of the following company do you selling drugs?			
	1. Pfizer	2. Dr. Reddy`s	3. Cipla	4. Glaxo Smithkline or any other.....
14	Do you think awareness regarding generic drug should be created for the physician?			
	1. Yes	2. No	3. Might be	4. None
15	Which Company gives you more margin on the product?			
	1. National	2. Multinational	3. Regional	4.

Quaternary for Physician or Doctors:

Sr. No.	Question with Probable Answer (Physician or Doctors)			
1	One Company should use marketing strategy for One Product - -			
	1.One strategy	2.Different Strategy	3. Both Strategy	4. Any Strategy anytime
2	One Company should use marketing strategy for Different Product - -			
	1.One strategy	2.Different Strategy	3. Both Strategy	4. Any Strategy anytime
3	Different Company should use marketing strategy for One Product - -			
	1.One strategy	2.Different Strategy	3. Both Strategy	4. Any Strategy anytime
4	Different Company should use marketing strategy for Different Product - -			
	1.One strategy	2.Different Strategy	3. Both Strategy	4. Any Strategy anytime

5	How do you currently receive information on new drugs?			
	1. Company Representative	2. Booklets & Brochures	3. Internet, Books & Journals	4. All these source
6	Do you believe patients are currently getting good quality drugs at reasonable prices?			
	1. Yes	2. No	3.	4.
7	Do you believe patients are currently getting good quality drugs at reasonable time?			
	1. Yes	2. No	3.	4.
8	Have you ever felt it necessary to prescribe a drug which was not on the list but it would be more appropriate?			
	1. Always	2. Often	3. Sometimes.	4. Never
9	Before writing a prescription do you ask the patient if they are aware about that product/medicine?			
	1. Always	2. Often	3. Sometimes.	4. Never
10	When your patients visit you do they ask you for a specific type drug, innovator or Generic?			
	1. Always	2. Often	3. Sometimes.	4. Never
11	Out of every ten Company's Strategies you see, on average, how many would you say facilitate for a Specific drug?			
	1.	2.	3.	4.
12	Out of every ten Specific Drugs you see, on average, how many would you say facilitate for prescribing without any repeated marketing?			
	1.	2.	3.	4.
13	Out of every ten patients you see, on average, how many would you say you ask for a specific drug?			
	1.	2.	3.	4.
14	What is the average number of patients you see on a typical weekday (Monday to Friday)?			
	1. 50	2. 100	3. 150	4. Specify
15	Do you feel that there should be a fix strategies guideline for Pharma Marketing?			
	1. Yes	2. No	3. Somemes	4. Can't say

Discussion:

A product with a poor strategy is doomed to fail long before the main investments are made. Lack of a clear vision, poor life cycle planning and/or positioning within the portfolio and competing products will provide significant barriers to success. To achieve optimum returns, early planning across functions and geographies is a major step to a successful launch. For individual countries, the launch team, staffed with the right resources, must commit to at least two years' preparation. Lack of dedicated program management resources specifically at tier two pharmaceutical companies often contributes to planning and coordination problems. Result from our questionnaires will be helpful for pharmaceutical companies to improve cell of their products within limited time with large price.

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