

PROMOTIONAL STRATEGIES FOR INDIAN PHARMACEUTICAL COMPANIES IN THE ERA OF DIGITAL MARKETING

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Abstract

There is a need of medicines due to unhygienic conditions to target the rural market. So the communication through newspapers is not effective. The rural people mostly are not literate so effectively they would be communicated through campaigns, audio visuals, puppet show etc. The traditional promotion means mainly includes the selling personnel, the advertisement, and business promotion. Marketers must be very careful while choosing the mediums to be used for communication. Only 16% of the rural population has access to a vernacular newspaper. With these traditional promotions the rural consumers are familiar and comfortable for high impact product campaigns. Digital marketing strategy is also very popular source of information and Entertainment/ Advertisement on radio can also be a helpful tool for marketers. For this study, 400 marketers were selected in soliciting their responses.

Keywords: *selling personnel, business promotion, advertisement, digital marketing, promotional tools*

INTRODUCTION

The present study is concerned with Marketing Strategies of Pharmaceutical Industries in India. The marketing practices of these industries, problems faced by them in implementing the marketing strategies and measures needed to solve these problems, come under the purview of this study. The main focus is on the marketing strategies used by the various sectors in the area of production, promotion,

distribution and pricing. In a layman language the term strategy is a term related to 'warfare or a plan to win a war'. But in the business world it refers to plans relating to marketing, financing and manufacturing operations. Executives of different business organizations concentrate their efforts to win the biggest possible share of the targeted market. The field of strategy planning is much wider. It deals with the adjustment of controllable factors,

viz, production, physical distribution, promotion and pricing within the environment of uncontrollable factors, viz, competition, legal barriers, interference of different behaviours and scientific and technological differentiation marketing strategy serves as the base of a marketing plan. In an environment of competitive market, the success of every industry largely depends on how precisely it can understand the target consumers. Because, such an understanding is the sole means to translate the needs and wants of the prospective consumers into products or services.

4P'S OF MARKETING MIX

The marketing mix refers to the set of actions, or tactics, that a company uses to promote its brand or product in the market. A marketing expert named E. Jerome McCarthy created the Marketing 4Ps in the 1960s. The 4Ps make up a typical marketing mix - Price, Product, Promotion and Place. In simple words, it is about putting the right product or a combination thereof in the place, at the right time, and at the right price. The difficult part is doing this well, as you need to know every aspect of your business plan. As discussed before, the marketing mix is predominately associated with the 4P's of marketing, the 7P's of service marketing, and the 4 Cs theories developed in the 1990s. In essence, the marketing mix is the set of tactical marketing tools that could be controlled and combining everything the company can do to affect and meet the demand of target customers, which can be classified into four groups four P's: Product, Price, Place and

Promotion. Each "P" consists of various aspects that a company should do to enhance their company marketing influence. (Kotler 2008)

The post-sale service is one of the weakest links in present countryside marketing, compared with the city, which is insufficient in any aspect; and this cannot ensure the farmer's purchase benefit. But the farmer has psychology of, simultaneously; the countryside housing characteristic had decided the oral traditions are the main mode of information transmission. In view of this characteristic, the enterprise should strengthen the terminal construction, when sells and post-sale provides high quality service such as: consultation, explanation, operation and so on, then forms the good oral traditions, that forms the free advertisement dissemination net.

PATRIOTIC MARKETING STRATEGIES

Patriotic marketing involves the use of promotional strategies that convey a sense of national pride. When companies incorporate images and slogans designed to appeal to consumer patriotism into their marketing strategies, they are using patriotic marketing. This type of marketing can involve:

- Giving products patriotic names
- Designing packaging that features patriotic colors and images
- Military personnel and veterans are offered special benefits
- The use of domestic materials and manufacturing product should be emphasized.

- Many consumers allow their sense of national pride influence their purchasing habits in using patriotic messages in their marketing efforts. Those companies that share their values and organizations that demonstrate patriotism in their marketing efforts are often appealing to individuals with a strong sense of national pride.
- It is vital to maintain the proper tone to avoid sending inappropriate messages while using patriotic marketing strategies can be very effective. Improperly mixing humor with patriotic messages, for example, is a marketing blunder that can easily backfire. If we convey the proper measure of respect for country we're planning to utilize patriotic images in marketing messages.

MARKETING INNOVATION is the application of new method of marketing involving a significant change in product price, product place, promotion and product design. It aims at better customer need satisfaction, capturing new market, positioning product in market and customer's mind by increasing sales. A firm can use innovative marketing for new as well as existing product. Innovative marketing is the new method or strategy adopted by a firm for its product which is not previously used. Innovation mainly require 4 things.

1. An identified need
2. Competent people
3. Suitable technology
4. Financial support

However, before undergoing innovation process it is necessary to identify the need of customers and competent people using required technology along with financial support for R &D purpose. Organizational innovation is linked with organizational goal, business planning and market competitive strategy.

A marketing plan contains a list of specific actions required to successfully implement a specific marketing strategy. The basic marketing strategy is to attract customers by providing products or services at low cost and initially when customers develop habits to acquaint with the products or services then company increase their prices by selling additional, higher-margin products and services that enhance the consumer's interaction. Marketing strategies to reach marketing objectives serve as the fundamental foundation of marketing plans designed. It is important that these objectives have measurable results.

Through digital marketing and internet communication business firms are coordinating different marketing activities such as market research, product development, inform customers about product features, promotion, customer services, customer feedback and so on. It is used as a medium for communication and electronic commerce, it is to increase

or improve in value, quality and attractiveness of delivering customer benefits and better satisfaction, that is why digital marketing is more convenience and day by day increasing its popularity. Through websites, consumers evaluate service quality and make comparison in differentiating the right products.

The aim of present study was to evaluate the export marketing performance of pharmaceutical industries operating in India and develop marketing framework in the light of incentives provided by government with special focus on scheme like innovative up-gradation and integrated schemes and prevalent marketing practices adopted by them. The study was focused mainly on the industry possessing different strategies to develop an effective and efficient framework for pharmaceutical industries.

Literature lacks empirical studies based on marketing strategy and success of the firm in Indian scenario. Marketing strategies will be studied in detail for the pharmaceutical companies. The study will help other players in the segment to formulate the strategy for their products. Pharmaceutical companies' basic prescription generation comes from physicians who prescribe the drug based on various factors, which in detail are studied for the first time. The study has attempted to provide a methodology for measuring perceptual positioning in consumers and physicians mind with respect to pharmaceutical company. Studies exist on marketing practices of pharmaceutical MNCs and

certain Indian Pharma leaders. In one important study, marketing strategies of pharmaceutical firms located at Bangalore, Hyderabad, Mumbai and Delhi have been researched. No such study has been carried out in the M.P. The pharmaceutical industry is important for the economy of M.P with potential to generate growth and employment. Firms registered in M. P. have a special significance in terms of contribution to the states' revenue, employment and industrial development. It is essential to understand the market orientation, dynamism and preparedness of these firms to face the challenges of competition in order to examine their growth potential. The present study is the first descriptive study on the marketing practices of pharmaceutical companies registered in M.P and mark a beginning of future research in this area. The current study has tried to find out the promotional strategies of pharmaceutical companies by classifying them into three broad categories which are mentioned below: Large, Medium & Small Pharmaceutical Companies.

The study is a deliberate attempt to provide the significant information to the economists, planners, exporters and policy makers to develop a conducive environment with a realistic and sound policy, procedural and infrastructural support system, enabling Indian industries to take advantage of their core competencies to capture global competitive advantage. Hence the present study is a step towards probing of the problem and bottlenecks in the marketing sector and suggested the remedial measures to ensure

pharmaceutical industries shine in the global scenario in terms of their unique competitiveness. Moreover this would aid in bridging the gap between policy makers expectations and the demands to enhance competitiveness.

REVIEW OF LITERATURE

Manhattan, Research (2009) overviewed the latest consumer & physician digital health trends, explored digital market and shared helpful resources for staying upto date on the latest digital pharma news and information. Traditionally, pharmaceutical companies have deployed sales representatives armed with product information and freebies to promote products to doctors. But technology trends and changing media preferences are forcing pharmaceutical companies to reassess how they reach a build relationship with physicians. In the past, doctors were limited to offline materials like journals and references for accessing medical information and news. But today physicians have accessed to all the resources. They need to stay abreast of the latest knowledge in the field.

Dixit (2008) studied marketing strategies of Indian pharmaceutical companies under the WTO regime. He proved that marketing strategies of Indian pharmaceutical companies have changed after implementation of product patent regime in India. He found that introduction of new molecules is a preferred strategy because pharmaceutical companies in order to enhance their brand image want to introduce latest molecules so that they are seen as progressive R & D

focused companies.

SRCE

Kvesic, Dennis Z. (2008) reviewed the conventional and more novel approaches to managing and extending the lifecycle of pharmaceutical products. In the context of stringent marketing regulations and an increasingly competitive landscape, greater emphasis will need to be placed on when and how each phase of a product's lifecycle is managed in order to maximise return on investment. This paper describes each of the lifecycle management strategies currently practiced, when and how they might be used, and provides selected examples of implementation.

Zara Ladha in (2007) studied perceived difference between generic and branded drugs in terms of efficacy, willingness of people to pay for branded drugs and trust of people in doctor prescribed drugs. She also studied the importance of attributes like price, name, and doctor's prescription, past experience, advertisement and promotion. The conclusions were like the only influencing factor given more importance for prescription versus non-prescription medicines was that of physician's. Other factors like in store promotion, price, family/friend's, brand name and advertising play a significant role in purchase making. Current strategies in the pharmaceuticals industry have shown significant differences compared with the FMCG sector. In the choice of brand names, the basic naming strategies are the same, but the focus on them is different.

Neelamegham et., al., (2004) conducted a study to analyze the factors which motivate salesman employed in the pharmaceutical industry in India. The study was based on a sample of salesman taken from thirty pharmaceutical companies. The study revealed that despite the importance attached to personal selling, only a few firms in the industry devote the required attention towards training, development and motivation of their sales force. The findings showed that the need deficiency between the salesman’s aspiration level and their actual need satisfaction was highest in respect of three factors viz. prospects for promotions, feeling of self-esteem and opportunities for personal growth and self-development. The researchers suggest that sales administration should give more attention to these factors while designing the motivational programmes to improve the performance of their salesman.

OBJECTIVE OF THE STUDY

- To examine the impact of Promotional strategies on growth of Pharmaceutical Companies.

RESEARCH METHODOLOGY

Research Type: Descriptive Research.

Research Area: The study was carried out in major cities of M.P.

Universe: The unit of analysis was the chief executive officer/managing director or marketing/sales manager of pharmaceutical companies situated in M.P. state.

Sampling Unit: Total 400 respondents from 2 companies from large, 2 companies from medium and 2 companies from small companies constitute were our sample size. It is pointed out that limited financial resources at the researcher’s disposal could not permit or allow for a greater sample size.

Sampling Method: For the purpose of this research, convenience and purposive sampling has been used.

Statistical Tools: For the data analysis, Correlation & Regression were applied on SPSS 20.0 to study the impact of promotional tools on development of pharmaceutical products.

RESULTS ON HYPOTHESIS

H₀₁: There is no significant impact of promotional tools on the development of Pharmaceutical companies.

Table 1: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Dur bin-Watson
1	.915a	.838	.837	2.00322	.838	2054.865	1	398	.000	1.919

a. Predictors: (Constant), Promotional tools

b. Dependent Variable: Development

Above table shows the correlations and it is evident that Pearson's correlation coefficient between promotional tools and growth of pharmaceutical companies is 0.915 which is significant since the significant value (p-value) is less than 0.05. Therefore, we may conclude that there is significant association between promotional tools and growth of pharmaceutical companies. Furthermore, since the value of correlation coefficient r suggests a strong positive correlation, we can use a regression analysis to Model the relationship between the variables. Over all model summary shows the value of linear correlation coefficient $R=0.915$, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R^2 , the coefficient of determination is the squared value of the linear correlation coefficients. Adjusted $R^2=0.838$ is significant which shows that overall strength of association is noteworthy. The coefficient of determination R^2 is 0.838 therefore, 83.8% of the variation in growth in pharmaceutical companies is explained by the promotional strategies. Hence, it is concluded that the null hypothesis 'There is no significant impact of promotional tools on the development of Pharmaceutical companies' is not supported. It means that there is a significant impact of promotional tools on the development of pharmaceutical companies.

CONCLUSION

Based on the findings, it is expected that the price of medicines should be affordable by the general people so that they can also overcome their health problems. Doctors should prescribe the medicines which are easily available and affordable. There should no compromise between the medical representatives of pharmaceutical companies and the doctors or hospitals. This study also recommends that adequate information should be given to the employees of the pharmaceutical companies on the importance of any new strategy to minimize resistance. It also recommends that there is need to get good competitor information before implementing a change of strategy.

Promotional strategies should have a sound understanding of consumers' perceptions and preferences for particular products and how they differ across cultures. This understanding can help in targeting areas to promote and improve or amend their business perceptions so that customer demand can be increased.

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