
Marketing Strategies of Pharmaceutical Companies in Punjab*

India, the largest democracy in the world, has one of the vibrant, dynamic and low cost pharmaceutical industry with strong scientific and technological basis among the developing countries. The pharmaceutical industry has grown at about 8-9% annually. The Indian pharmaceutical industry is highly fragmented with about 24,000 companies - big, medium and small. Out of these, around 300 are in the organized sector, 15,000 are in the small-scale sector and the remaining being very small are without any economies of scale. The industry in India has grown rapidly due to a lenient patent regime and low cost manufacturing structure. The liberalization and globalization has thrown open number of challenges and opportunities for pharmaceutical companies. The marketing research plays a vital role to tackle these challenges posing threat to pharmaceutical companies already operating in the country. The pharmaceutical marketing research provides wider scope for brand perception, molecular perception, segment study, price related study, distribution related study, physicians prescribing patterns etc.

In this research work, an attempt has been made to study the marketing mix strategies of pharmaceutical companies. The most basic marketing mix tool is product which stands for the firms tangible offer to the marketing including the product quality, design features, branding and packaging, competitors product awareness etc. The introduction of new products combined with the quality care and handling of older products with new concepts may be developed into an overall strategy of product marketing. The recent pharmaceutical pricing decisions have reflected emotional and short-term thinking. The study examined the prevailing pricing strategies among the pharmaceutical companies. The supply chain of pharmaceutical industry is quite complex and most effective one. The product has

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to reach to the customer within a short span of time. The promotional strategy of pharmaceutical companies comprises of promoting products to physicians through medical representatives. Due to immense competition among companies, the 4ps of marketing mix are exhausted. Thus, to provide competitive advantages, implementation of CRM strategies has become effective in managing the customers. An attempt has been made in this research to study the role of CRM strategies in improving the marketing performance of pharmaceutical industry.

The study is based on the empirical survey of respondents based at Punjab State. The sample of study includes physicians, retailers, wholesaler-chemists and field force of pharmaceutical companies under study. The physicians, retailers and wholesalers were taken to analyse their perception as to marketing mix strategies of pharmaceutical companies. For surveying the research, stratified random sampling design has been chosen. This study was based on marketing practices of five fastest growing pharmaceutical companies, i.e., Glaxo SmithKline Pharmaceuticals, Sun Pharmaceuticals, Emcure Pharmaceuticals, Aristo Pharmaceuticals, Nicholas Piramal Pharmaceuticals (based on the IMS- Market Feedback Report Jan.-June 2003). The fastest growing companies are based on the absolute growth, i.e., the actual rupee value increase over the same period last year.

The findings revealed that out of various changes taken place in product mix of companies, new product launches (mean 1.50) and addition of brands (mean 1.64) are among top. Further, the analysis of variance reflects the F-values for new product launches and addition of brands which are 33.372** and 15.819** respectively, that means there exists significant difference in responses of companies.

The analysis of promotional mix strategy indicates that the personal selling (avg. mean 1.04) is considered as the most effective sale promotion media for pharmaceutical industry. The personal selling is given back up by other forms of advertising which include the advertising through journals, magazines and posters.

The analysis further revealed that companies offer drug samples (mean 1.60) and medical literature (mean 1.73) to physicians on priority, so as to increase sales volume. The other important promotional inputs taken into consideration are organising seminars/workshops (mean 1.80) to provide continued medical education to physicians. The analysis of variance depicts the F-values of 12.479** and 29.251** for drug samples and medical literature indicating a significant variation in responses.

The study indicates the number of attributes influencing retailers to substitute drugs. These are quality of drug, pricing, retailers profitability, product

availability and visits of field force. Out of these, the product availability at retail counter (avg. mean 1.75) followed by profitability (avg. mean 1.97) of retailer put influential effect on substitution behaviour of retailer.

The physicians prescribing behaviour was found to be highly influenced by the quality of product followed by visits of medical representatives, medical literature, brand name, follow up by managers and presentation skills of representatives.

SUGGESTIONS

1. The positioning strategies of pharmaceutical products must be focused on parameters like safety profile of molecule, product features and benefits, generic name, pricing and quality of product and uniqueness of product.
2. The pharmaceutical products are associated with the health of individuals, thus, companies must take care of quality of the product while framing product related strategies. Furthermore, the quality of the product is also responsible for building the long lasting image of the company.
3. The other factors companies must consider while framing product strategies, are analysing competitor's products, changes in product mix and branding & packaging. The pharmaceutical companies must emphasise on new product launches, addition of brands and providing newer concepts to existing products to sustain in the market.
4. The companies should come up with super specialty divisions to cater the needs of physicians as with changing trend the physicians started practice according to their specialty.
5. The pharmaceutical companies must keep competitive pricing for their products to sustain competitive advantage in the market.
6. The product must be thoroughly available in retail outlets before launching. The sales team must analyse the availability of stocks at retailers and wholesaler shelves time to time. The non-availability of drug at retailers and wholesalers level negatively affects the prescribing behaviour of physician.
7. The personal order booking by representatives plays an important role in making the availability of product at retailers counter.
8. The substitution of brands at retailer level could be avoided by offering incentives to retailers.
9. The companies must take care of factors influencing the physicians drug choices. The important ones are quality of products, pricing of product, visits of medical representatives, brand name, drug samples, follow up by managers and presentation skills of medical representatives.