

A Study of Marketing Strategies of Pharmaceutical Industry in India

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Abstract: Indian pharmaceutical industry is growing with leaps and bound. The growth in Indian pharmaceutical companies is not only in terms of market capitalization but its affordability and availability is also appreciable. Modern day's pharmaceutical businesses are very complex. Earlier the businesses were using easy marketing tactics to meet the needs of market. Medical products could easily build their brand status. Building brand trust, attracting purchase, creating brand affect and brand loyalty was easier. Marketing and branding revolve around media, message repetitions, recall value and creativity.

In present study the Indian pharmaceuticals companies' branding techniques have been studied. It is never possible to observe the impact in general and about all the branding techniques used by companies. The study is based on a survey of 500 respondents. We have taken four hypotheses related to the issue. For the testing of hypothesis correlation (r) and multiple correlation coefficient(R) is calculated. Further we have mentioned the other findings that we came across while study that can contribute to the marketing of pharmaceutical products.

Keywords: Pharmaceutical Industry, Medicine Branding, Brand recognition

I. Introduction

Pharmaceutical business is the universal business known as the fastest growing industry. In Pharmaceutical industry, especially the Pharmaceutical marketing practices are essential for Doctors, Pharmaceutical Companies, Retailers and Wholesalers, Medicine consumers, and Government. Marketing and branding of product is making people aware about the medicine brands. Branding efforts are resulting in brand recognition which is turning into brand recommendation by doctors. Doctors prescribe more of that brand which familiar and have an established brand value. This research paper is an effort to estimate the impact and correlation of

different branding activities on brand recognition and prescription of medicines. Based on a survey of 500 doctors, it is found that personal selling, availability and distribution and customer education (e-marketing) play important role in brand recognition and prescription of medicines.

II. REVIEW OF LITERATURE

For present study researcher has collected and evaluated studies related to research in three parts:

1. Studies related to Pharmaceutical Industry
2. Studies related to Branding and factors affecting purchase behaviour
3. Research Papers on Impact of Medical Literature on Physician Prescribing Behaviour

Lisa Barbadora (2015), Stan Bernar (2014), ParthaAnbil, Shiraz Hasan & Sanjay Bajpai (2014) and several others have contributed in the studies related to pharmaceutical industries. Kadam, et. al., (2012), Kulkarni and Belgaonkar (2012), Shahzad Khan (2011) and several others have contributed on the studies related to branding and purchase behaviour. Donna Kelly & Michael Gibbons (2008), Herbert Jack Rotfeld (2005) and Brian Smith (2009) made some meaningful contribution in Impact of Medical Literature on Physician Prescribing Behaviour.

The researcher has found following research gap:

1. Lack studies on branding of pharmaceuticals product with respect to doctors' prescription.
2. Celebrity endorsement is more common brand building tool; there appeared a need to examine this tool with respect to pharmaceutical industry.
3. Researches have been done about distribution but associations of distribution and availability with doctors' prescription have not been done.
4. Role of educating customer have been increased in previous few years, present research tries to fill the research gap in the same aspect.

III. HYPOTHESES

1. Brand recommendation and recognition does not have significant relation with personal selling.
2. Brand recommendation and recognition does not have significant relation with Availability and distribution.

3. Brand recommendation and recognition does not have significant relation with Customer education (e-marketing)
4. Brand recommendation and recognition does not have significant relation with celebrity endorsement

IV. METHODOLOGY

Present study consider doctors as respondents. Doctors are the population for present research. Sampling size based on confidence interval for statistics is used to decide sampling size. Standard deviation of Population is unknown so we have used proportion formula.

$$\begin{aligned}n &= p (1-p) (Z/E)^2 \\n &= 0.50 (1-0.50) (1.96/0.05)^2 \\&= 0.50 (0.50) (39.2)^2 \\&= 0.50 (0.50) (1536.64) \\&= 384.16\end{aligned}$$

The sample size with formula comes 384.16. As researcher cannot take a part of sample, so updating to nearest integer, minimum sample size will be 385. As the sample location includes different cities nearby Lucknow and researcher has to visit each location five times so the researcher raised the sample size up to 500. A tool with Cronbach Alpha value 0.870 with 20 questions is used. Present study is a part to whole data collected with the help of a valid and reliable tool. Variables considered in the study were Brand recommendation and recognitions, Personal selling, Availability and distribution, Customer education or open access content (e-marketing) and Role of celebrity.

V. RESULTS

Modern day's pharmaceutical businesses are very complex. Earlier the businesses were using easy marketing tactics to meet the needs of market. Medical products could easily build their brand status. Building brand trust, attracting purchase, creating brand effect and brand loyalty was easier. Marketing and branding revolve around media, message repetitions, recall value and creativity. Correlation between brand recommendation and recognition and personal selling is 0.593. It shows that Brand recommendation and recognition have significant relation with personal selling. So, hypothesis 01 is rejected and it can be said that, "Brand recommendation and recognition have significant relation with personal selling."

Correlation between brand recommendation and recognition and Availability and distribution is 0.408. It shows that Brand recommendation and recognition have significant relation with Availability and distribution. So, hypothesis 2 is rejected and it can be said that, “Brand recommendation and recognition have significant relation with Availability and distribution.”

Correlation between brand recommendation and recognition and Customer education (e-marketing) is 0.538. It shows that Brand recommendation and recognition have significant relation with Customer education (e-marketing). So, hypothesis 3 is rejected Availability and distribution and Customer education (e-marketing).

The correlation value is positive and but the value is 0.091, which is considered as poor correlation. So, it could be said that, “Brand recommendation and recognition does not have significant relation with celebrity endorsement” so hypothesis 4 is accepted.

Table 1: Regression Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.661 ^a	.437	.433	2.71279
a. Predictors: (Constant), Availability_and_distribution, Celebrity_Endorsement, Customer_education_e_marketing, Personal_selling				

The regression model summary in Table 1 shows that the model with nine predictor variables explains 43.3 % (Adjusted R Square= .433) variance of Brand recommendation and recognition Y. Any model with Adjusted R Square value .400 and above is moderately acceptable. Multiple correlation coefficient (R) value is 0.661, which shows that all the factors explained in the model are highly correlated. This supports the hypotheses testing results.

VI. FINDINGS OF THE STUDY

In present study the Indian pharmaceuticals companies’ branding techniques have been studied. It is never possible to observe the impact in general and about all the branding techniques used by companies. This education about medicine brands (Branding Efforts) is beneficial but at the same time it creates a threat of Self-medication. Self-medication is an alarming sign for our society. Self medication with over the counter (OTC) drugs may lead to adverse drug reactions, drug-drug interactions, skin problems, hypersensitivity reactions, allergy and even death. Several studies show that self-medication is a global phenomenon. Self-medication can be prevented by

increasing awareness in society that the prescription is concern of doctors and consumer education and branding of medicines are not for self-medication.

The correlations among the variables are positive. It can be said that the CelebrityEndorsement is going to increase Brand recognition of medicines. But the value of correlation is too small that the impact does not take the worth of making it. It is recommendable that companies should focus on other aspects of brand building in pharmaceutical products. It can be said that Brand recommendation and recognition does not have significant relation with celebrity endorsement.

The vampire effect in Pharmaceutical endorsement

Vampire effect is, when celebrities are very famous and they overshadow the brand. Very intense celebrity image often creates great image in the mind of viewers. Sometime the viewer only retains the appearance of celebrity and don't retain the brand.

Medicines are not useful unless someone is sick. In such condition the use of celebrity in the advertisement will only increase the cost of advertisement. Viewers will only retain the celebrity and possibly skip the product.

Changing images of celebrities:

Celebrity often loses their impact on masses. In recent times Hardik Pandya, a young cricketer, has faced same issue. Due to his appearance and indecent comments against women in a TV show he put himself in controversy. Advertisements endorsed by him have been removed from media. Celebrity gets associated with the products. If they lose their impact on people the product will also suffer.

Another cricketer Yuvraj Singh endorsed in Revital health supplements advertisements. In the coming years he suffered from cancer that may be from unknown cause. But due to this product contained a great lose.

Contrast between celebrity image and brand image:

Celebrities have certain characteristics so does the brand. It is very important for the success of endorsement that celebrity must match the product. Now a day's pharmaceutical companies are endorsing celebrities for their promotion. It is very important that features of medicines must match the nature of celebrity. It seems bit difficult to match such curative features in a person as

a medicine. In such case the role of celebrities in the advertisement of pharmaceutical product becomes almost impossible.

Mismatch of celebrity endorsement and celebrity personal consumption:

Celebrities are often found using other than the endorsed brand. In such circumstances the endorsements may be worthless and may lose the goodwill of the product.

Most of the cricketer celebrities get their treatments outside India. In such case if they promote any pain relief medicine on TV, people will hardly accept it.

Shilpa Shetty, a well-known celebrity for her fitness diet and yoga, promotes Volini a pain relief medicine. Priyanka Chopra another celebrity promotes Cipla, the advertisement is indirect advertisement where the celebrity just aware the masses about the use of asthma inhalers and on the screen Cipla is mentioned throughout the advertisement. Cipla makes asthma inhalers and by this advertisement they build their brand.

Rohit Sharma, present ODI Indian cricket team Vice-Captain appears in Nasivion advertisement. It is a medicine that helps in nasal congestion as a decongestant spray. Virat Kohli, present captain of Indian cricket team in all format, appear in advertisement of different variants of Vicks i.e. tablet and inhaler.

Here the very idea is that the appearance of these celebrities may have impact on people but real target chunk is doctors. Actual practice in medical field is that patients must consult the doctor than only take medicines. On the one hand these medicine branding efforts are making the people to fall in the pit of self-medication on the other hand the real target group i.e. doctors might have least effect by them. It is difficult to believe any doctor recommend a medicine to a patient just because a celebrity appeared in the advertisement of it.

BRANDING OF PHARMACEUTICAL COMPANIES

A. Debates against the Branding of Medicines

The use of self-medication is highly prevalent in the community. Self-medication can be defined as obtaining and consuming one (or more) drug(s) without the advice of a physician either for diagnosis, prescription or surveillance of treatment. The major reasons of self-medications are:

- Lack of immediate access to doctors

- High consultancy fee
- Fear of being put through unnecessary tests
- Lack of time
- Increased access to internet
- Increased medicines advertisements with celebrity endorsement
- Increased brand education by pharmaceuticals companies

When we study the reasons of the self-medication we find that the increased brand awareness is making people to do it. After watching a 30 seconds advertisement on television they become equivalent to a doctor with several years of study. The effects of self-medications are:

- Incorrect diagnosis
- Delay in medical advice
- Adverse reaction
- Permanent loss or damage
- Allergic issues
- Death too is possible in some cases

So, it could be said that the branding of medicine must be avoided and it must be narrowed to target only Regular Medical Practitioners (RMP) and doctors only.

B. Debates in favor of Branding of the Medicines

Caveat emptor

Under the principle of caveat emptor, the buyer could not recover damages from the seller for defects on the property that rendered the property unfit for ordinary purposes. The only exception was if the seller actively concealed latent defects or otherwise made material misrepresentations amounting to fraud. Thus, we can say that customer education in the form of branding by pharmaceutical companies are not only required but also desired. A patient has all right to know about the medicines and these branding efforts are just a contribution to that.

Branding of medicines and Placebo effect:

Placebo effect is also called the placebo response. It is a remarkable phenomenon in which a placebo -- a fake treatment, an inactive substance like sugar, distilled water, or saline solution --

can sometimes improve a patient's condition simply because the person has the expectation that it will be helpful. Expectation plays a potent role in the placebo effect. The more a person believes they are going to benefit from a treatment, the more likely it is that they will experience a benefit.

To separate out this power of positive thinking and some other variables from a drug's true medical benefits, companies seeking governmental approval of a new treatment often use placebo-controlled drug studies. If patients on the new drug fare significantly better than those taking placebo, the study helps support the conclusion that the medicine is effective.

The power of positive thinking is not a new subject. The Talmud, the ancient compendium of rabbinical thought, states that: "Where there is hope, there is life." And hope is positive expectation, by another name. The scientific study of the placebo effect is usually dated to the pioneering paper published in 1955 on "The Powerful Placebo" by the anesthesiologist Henry K. Beecher (1904-1976). Beecher concluded that, across the 26 studies he analyzed, an average of 32% of patients responded to placebo.

With help of the belief of patient's medicine can cure more than earlier. Branding of medicine can play pivot role in treatment. If a patient believes that the medicines are brand and it is going to help him surely it will help. Often branded medicines are costlier. "Costlier is better" is another ideology in the mind of consumers makes the branding efforts important in the cases of medicines.

There are intense debates whether branding of product must be done or not, if done in what ways it should be done? The researcher has confined the research area to the use of celebrity in the branding of medicines.

With the help of previous researches and content analysis of different pharmaceutical company's profile researcher has found following branding tactic used by pharmaceutical companies.

1. Broad strategies: These are mergers, acquisitions and amalgamation etc. These are not so often. These are taken by high level managements and board of directors meeting.

2. Use of celebrities: These are most common practices in healthcare and body building segments.

3. Control on marketing mix: pharmaceutical companies are using intense sales force to increase their reach. They focus on availability and distributions of product. If the product is not available for a longer time in the market all branding efforts will perish and another product may occupy the brand image. This type of branding efforts also involve pricing decision etc.

4. Living in the product category: Johnson and Johnson set the best example of this branding effort. They excel in baby care segment and built their brand image.

5. Name close to generic: Products like Pacimol 650 by Ipca laboratories Pvt. Ltd. have easily captured the market. It was so because they have used the generic formulation of Paracetamol as their product name.

VII. CONCLUSION

The present research affects different dimensions of society. Cosmetic companies, marketers, entrepreneurs and students of business studies are foremost benefited group. Products' attributes as the key point of selling, to involving celebrities, today it's mainly about how well a company manages to educate consumers about the personal values, benefits and quality of a product. It's about being less transactional and more personal. Brands need to provide tools to help consumers validate the individual fit of a product or service for their individual situation.

The research hypothesis suggests that the brand image of the medicine cannot be built by celebrity endorsement. It takes much more to make a medicine brand. The use of celebrity in pharmaceuticals field will increase the cost of promotion mix which will not be good in long run. Companies must focus on other accolades of brand building. Even the legal complexities will reduce the scope of applicability of celebrity endorsements as there are medicines that cannot be sold without prescription.

Though all the goodness of branding of medicines, self-medication is an alarming sign for society. Self-medication must be prevented with the help of clear objectives of branding efforts of medicine. The promotional activities of medicines must also inform the consumer about the importance of medical prescription and disadvantages of self-medication.

The research can be concluded by considering the fact that doctor's perspective is highly positive on branding strategies of Indian pharmaceutical companies in the context of brand recognition and prescriptions. The significance of present study can be understood as follows:

a) Pharma companies:

Pharma companies can use the findings of the study to improve their marketing campaigns. Knowledge about pharmaceutical marketing and branding is empathic if the study is applied to marketing efforts.

b) Marketers:

Marketers are not only confined to the knowledge about pharmaceutical marketing and branding but they can use this research for their purposes. Though present study is in the context with knowledge about pharmaceutical marketing and branding but its applicability is in all marketing domains.

c) Entrepreneurs:

Starting a venture is difficult as well as easiest task. If all the home work is done in regards of production, supply chain and marketing it is an easy task. Entrepreneurs can access the literature of present research to better equip themselves with knowledge about pharmaceutical marketing and branding tools.

d) Students of business studies:

Students of business studies are very dynamic and versatile. They are supposed to be armored with all the academic knowledge to cope up with the forthcoming challenges of business world. Students can enhance their knowledge about pharmaceutical marketing and branding with the help of the literature of present research.

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