

A Study of Marketing Strategies for Selected Pharmaceutical Companies for Type-2 Diabetes

Pritesh Shukla¹, Dr. Devendra Singh Verma²

Department of Mechanical Engineering

^{1,2} Institute of Engineering & Technology DAVV, Indore (M.P.), India

Abstract- *This paper reviews current marketing practices in the pharmaceutical sector and their impact on physician and customer behavior. This study provide a glance on to understand the present scenario of anti-diabetic drug market in India. It also highlight the different opportunities and challenges of this drug marketing in India.it reveals that how physician targeted promotion's adopted for anti-diabetic drugs and effect of customer relationship management.*

Keywords- CRM, Marketing Strategies, Pharmaceutical Marketing, Physician, type-2 diabetes.

I. INTRODUCTION

The statistics depicts the worldwide revenue of the pharmaceutical market from 2001-2013. In 2001, worldwide revenue was around 390.2 billion U.S dollars. Ten years later, the figure stood at almost one trillion U S dollars. The pharmaceutical industry is one of the major, most successful also rapidly growing industries worldwide. It contributes significantly to the economies of many countries all around the world, both as a major employer and as an export earner.

After china Indian pharmaceutical companies is fastest and biggest in the world. This industry rank 3rd in terms of volume and 14th in terms of value globally. In India, domestic pharmaceutical companies are growing at very fast rate, they became leaders in many therapies in domestic market as well as they became strong exporter of the drugs globally.

This study focuses on those drugs for which prescription is require from any healthcare professional/ doctor. Prescription-only drugs are those medicines that are listed in Schedules H and X of the Drug and Cosmetics rules. This study mainly focused on anti-diabetic drug for type-2 diabetes in India.

Globally, 4.6 million deaths are accounted due to diabetes. Diabetes stands in top-10 causes of disability worldwide. In 2011, the number of people with diabetes is estimated around 366 million and if no action takes place then, the predicted number of peoples with diabetes would be rise up to 552 million by 2030, or one adult out of ten. In every

seven second's someone somewhere dies from diabetes, which is around four million deaths in a year globally.

II. REVIEW OF LITERATURE

Saurabh Kumar Saxena [11], concluded that the current shift in the marketing strategy is work by multinational pharmaceutical Companies .It is now high-end (rather than adaptive) development that is being carried out by leading companies. And, increasingly, other companies are finding themselves competing against, or working with, new innovation-based companies. His study focuses on the processes and outcomes of globally distributed pharmaceutical companies. His article will present the changing marketing strategies when a pharm company shift from acute base to chronic therapy base. His research paper will also give an insight about shift in supply chain process and customer and end-customer perception which is the base of formulation of different marketing strategies.

In “Pharmaceutical marketing-time for change”-by Joan Buckley [5], provides reviews current marketing practices in the pharmaceutical sector, and their impact on consumer and doctor behavior. He identifies negative impacts which include misleading advertising, disease mongering and escalating costs. It argues the need to move from industry self-regulation to an independently monitored code of practice for pharmaceutical marketing.

“Pharmaceutical marketing in India” by SubbaraoChagmati [13], throws lights on Concept strategy cases has critically elaborated the pharmaceutical market in Indian Context. He had described the overviews of the Indian Pharmaceutical market with nine ‘p’ goes beyond mega and maxi marketing understanding nine p’s - product, Price, place, promotion, personal selling prescription, policy, power and public relation is Indeed critical for creating and extending successful strategies in pharmaceutical Marketing. He comments on his pharmaceutical promotion will be more challenging than Now, only innovative marketers with different strategies are likely to be the heir.

III. RESEARCH METHODOLOGY

In this study, data source used is secondary data which has collected from various published and unpublished journals, various articles available on various websites, textbooks and different popular journals to analyze the current scenario of the anti-diabetic Drug market.

IV. TRADITIONAL MARKETING STRATEGIES ADOPTED IN INDORE, INDIA

The Pharmaceutical companies traditionally adopting different marketing strategies:

- 1) Providing details of their product through Boucher's, journals, articles etc.
- 2) Giving gifts having logo that hold details of company.
- 3) Giving incentive schemes based on number of prescriptions.
- 4) By providing some donations or support for facilities used in offices i.e. fax machine, printers, etc.
- 5) Free sample of drugs to physicians.

The expenses on medical representative sales force of any pharmaceutical company comprises of anything ranging from 15% - 20% of annual product revenue.

For any new drug, launched in the medical market, an expensive and comprehensive global marketing campaign that involves the full range of marketing tools including Boucher's, sponsored articles, gifts, gimmicks and incentive schemes based on number of prescription, tutoring sessions, exhibition booths, free text and journals subscription, dedicated sales force and increasingly internet, etc. factors adopted by pharmaceutical company.

Selling a vast variety of drugs clearly lessen the dependence on discovery of new drug, but the cost which including development and marketing, needs to be watched from the smaller market to be economical. Pharmaceutical companies have to design their marketing strategy according to their drug. This study manly focusses on anti-diabetic drug which comes under prescription drug; sometimes referred as ethical drug.

Four main buying parties for prescription drugs are:-

- A. Prescriber: prescribing rights vary internationally and this category including physicians, health care professionals, pharmacists

- B. Influencer: This category includes hospitals, professors, nurses, etc.
- C. Consumer: Patient.
- D. Financer: they may be patient or partly patient, partly government institutes or third party, managed health care organizations, etc.

V. PHARMACEUTICAL MARKETING PROCESSES

The pharmaceutical companies are adopting various processes. In general, all drugs have to be promoted to customers. But for chronic disease drugs, i.e. anti-diabetic drugs, are only promoted to health care professionals, physicians, hospitals and organizational formulary committees. The drug marketing processes can be described by the model below in figure 1; which shows about the information flow from companies to physician.

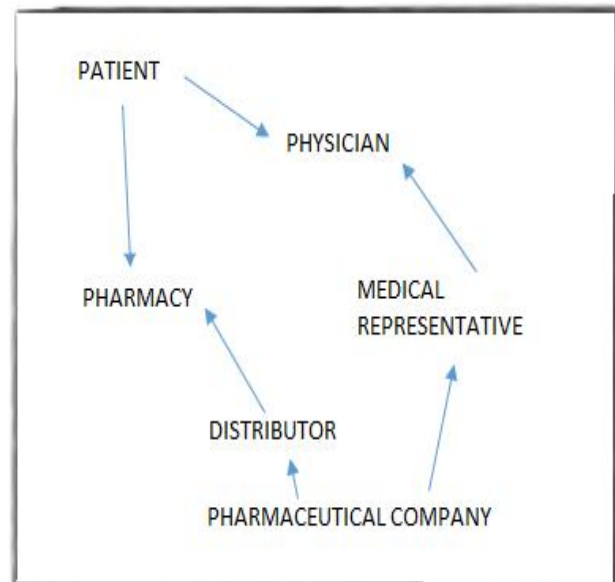


Figure 1. Pharmaceutical Marketing Processes for Physicians targeted promotions.

VI. PROMOTIONS TO PHYSICIANS AND HEALTH CARE PROFESSIONALS

Physician's targeted promotions have a greater significance on all aspects, both financially and in terms of total revenue outcomes. Komesaroff and Kerridge (2002) states that-"promotion and marketing to doctors makes up to a quartered to a third of annual budgets"..... totaling more than US\$11 billion each year in United States alone. There is no comprehensive figures available, but it is estimated that, of this, about US\$ 3 billion is spent on advertising and US\$5 billion on sales representatives, while expenditure per physician is estimated around to be over US\$8000. Such activities includes gifts, giving support to medical related activities, advertising, financial support for conferences, etc.

Why pharmaceutical companies spending so much on promotions related to physicians, because they see the physician as the gate keeper to the success for their drugs.

Physician's targeted promotions take variety of factors:

- 1) Gifts including free drugs samples, small stationary, etc.
- 2) Sponsorship such as travel to conferences and educational events.
- 3) The use of key opinion leaders such as medical educators, senior physicians, etc.
- 4) Sponsorship also includes funding for medical journals. Pharmaceutical companies uses medical journals to advertise their drugs and such journals subscription is given free of cost to physicians.

“ We doctors are shamelessly manipulated by drug companies in all sorts of ways... the method cover the whole spectrum from subliminal to brazen, from little pens that don't work to push reps” (Farrell 2000).

VII. CRM

Pharmaceutical companies have to work smarter to maintain their brand name in medical market. Therefore companies, comes to a conclusion that they cannot depends on only product or market focused, they have to focus customer relationship management (CRM) to grab complete information and understanding about their potential customer's. Those pharmaceutical companies, which implement CRM not only increases their efficiency of sales but also enhance their customer loyalty towards pharmaceutical company.

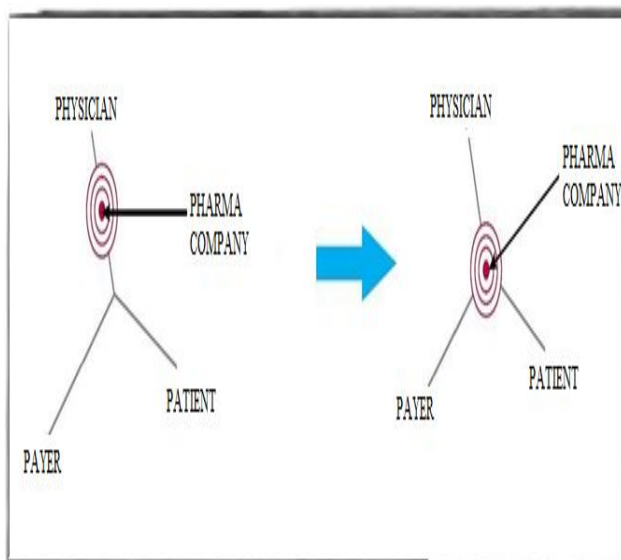


Figure 2. From a traditional model to new CRM mode

VIII. CONCLUSION

The economic influence of pharmaceutical industry is substantial in medical field. In this study, physicians-directed promotions and customer relationship management present the least harm to patients because, patients are spending more on expensive drugs and additional physicians visits, there remain possibility of undesired health issues. Now a day, pharmaceutical companies recruiting physicians or make some unethical professional relations with hospitals or managed health care organizations, possesses a greater risk because its extent totally depends on physician or hospital management morality. For pharmaceutical companies, it seem to increase the sophistication and awareness of the key promotional targets by increasing education about marketing. In general, customer awareness is difficult to achieve, the opportunity remain is to increase the knowledge base of those who have prescribing power's. Physicians have to make their decision during prescribing drugs.

IX. LIMITATIONS

The biggest problem in this marketing practices is getting unreliable data. Data is manipulated, physicians not making sound judgements about most effective drug or most effective treatment. Information provided by the drug stockiest and medical representatives is biased.

REFERENCES

- [1] Aditya Khajuria, Vijay Khajuria, "Impact of Pharmaceutical Marketing Communication Strategies on Prescription practices of Physicians"-Research journal of pharmaceutical, Biological and Chemical Science, ISSN 0975-8585, Vol-4, No.3, July-September 2013.
- [2] Dongsun Cao, Xiaomin He, "Statistical Analysis of Adverse Events in Randomized Clinical Trials Using SAS"- PharmaSUG - Paper SP07, 2011.
- [3] Dr. Neetu Sharma, "Marketing Strategy on Different Stages PLC" - International Journal of Marketing, Financial Services & Management Research - ISSN 2277-3622, Vol-2, No.3, March (2013).
- [4] Global Diabetes Plan (2011-2021)- International Diabetes Federation.
- [5] Irfan S Inamdar, Dr. Malhar J Kolhatkar, "Doctor's expectations from pharmaceutical products which will influence their prescription behavior" - National

- Monthly Referred Journal of Research in Commerce & Management, ISSN 2277-116, Vol-1, No.4, March 2011.
- [6] Joan Buckley, “Pharmaceutical marketing-time for change” -EJBO Electronic Journal of Business Ethics and Organizational Studies, ISSN 1239-2685, Vol-9, No.2, March 2004.
- [7] Maguire, “How direct to consumer advertising is putting the sequence on physicians” -American Society of Internal Medicine Observer, March 1999.
- [8] Marc States, Roger Green, “Understanding why Physicians choose a certain drug when treating a patient-What product attributes matter most” - National Monthly Referred Journal of Research in Commerce & Management July-September 2008.
- [9] Philip Kotler & Kevin Lane Keller (2006), Marketing Management, Pearson Edition.
- [10] RajendraNargundkar, Marketing Research, 2nd edition, Tata McGraw-Hill Publishing Compnay Limited, pp. 312 – 333, (2006)
- [11] Rajesh J. Oswal, Anand A. Deshmukh. ”A Study of Marketing Strategies Part 1: for Selected Pharmaceutical Medicine Adopted by Pharmaceutical Companies In and Around Pune Region” – International Journal of Marketing and Technology, ISSN 2249-1058, Vol-2, No.5, May 2012.
- [12] Saurabh Kumar Saxena, “A review of marketing strategies work by different pharmaceutical companies” downloaded at <http://www.iitk.ac.in/infocell/announce/convention/papers/Changing%20Playfield-06-Saurabh%20Kumar%20Saxena.pdf>
- [13] Stinebaugh, Craig and Gleen Sabin, “Better sampling Boosts the Bottom Line,” -Pharmaceutical Executive, March 2003.
- [14] SubbaraoChagmati “Pharmaceutical Marketing in India-concept strategy Cases” Pharma Book Syndicate, Hyderabad Published 2008.
- [15] V.S.Sheeja, M.V.Naveen, N.R.Prasad, “Role of E-Marketing in Pharmaceutical business”-An International Journal of Advances in Pharmaceutical Science, ISSN 2231-0541, Vol-2, No.3, March-June 2011.
- [16] Yu-ping Lee, Dr. Shih-I Cheng, Dr. Ching, “Use of the 4Ps Model to Examine Differences between Generic and Brand Marketing Strategies”- The Journal of Human Resource and Adult Learning ,Vol-4, No. 2, pp. 221-244, December 2008.
- [17] <http://ocw.jhsph.edu/courses/fundepiii/pdfs/lecture17.pdf>