

Strategic Pharmaceutical Marketing and Sustainable Development of some Selected Pharmaceutical Companies

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ABSTRACT

The study aims at investigating the strategic Pharmaceutical Marketing and Sustainable Development of some selected Pharmaceutical Companies in Aurangabad. The specific objectives are to study promotions imputes and activities, the strategies, related to products, pricing, place, used in selected pharmaceutical companies for Physicians and trade, to explore the prescription of physicians, trade and pharmaceutical companies towards these promotion inputs to investigate the influence of drug promotion and prescribing behaviors of Physician. The study follows a descriptive research design. In order to survive in this highly competitive global market place, it is essential to have integrated marketing communication plan in place. Having a knowledge about the various type of pharmaceutical markets that exist in the world. The study focuses on the processes and outcome of strategic marketing of some selected pharmaceutical, SMEs and outcome of companies in new patent regime. Pharmaceutical SMEs monitored the consumer education and physicians prescribing medicines. This paper of strategic marketing and sustainable development of some selected pharmaceutical SMEs present the marketing practices, role of M.R. s physicians and drug stores and consumers these companies manufacture almost every type of medicine right from headache pills of antibiotics, cardiac medicines. The regulatory mechanism exists in the pharmaceutical SMEs also helpful to improve their commitment to their stock holders towards long-terms sustainable development.

Keywords: Strategic marketing, patent regime, pharmaceutical marketing, small and medium scale industries (SMEs), sustainable development.

INTRODUCTION:

Pharmaceutical industries develop producers and market drugs licensed for use of medicines. The pharmaceutical SMEs deals in generic and brand medicines. The pharmaceutical industry started in India 1901 with the establishment of Bengal chemical and pharmaceutical works due to the pioneering efforts of PC Ray. The domestic pharmaceutical market witnessed a slowdown in the ongoing financial year owing to the Government efforts to make medicines affordable. The impact of this can be seen in the industries SMEs financial as well. The SMEs reported poor sales performance for two consecutive quarters ended expenses risen by 5.4 percent during the financial year 2017-18. India's drug export grow at a CAGR of 11.9 percent. This growth was backed by large number of drugs going off patent rise in the number of drug development approvals and excess of new market. The drug export reverse with ongoing financial year on account of the lighting of regulatory mechanism by various countries. Price erosion in the US market and economic crises in the emerging markets. The drug imports declined this was on account of withdrawal of customer duty exemption on a total of 71 drugs by the Government, This moves aimed at reducing the dependence on drug import and to encourage the local drug promotion. It is also important that foreign trade data relevant for modern system of medicines was not available.

The main objective of national pharmaceutical pricing policy 2012 was to insure availability of required essential medicine at reasonable prices small and medium scale pharmaceutical companies to play a leading role in the market. Government has approved the cluster development programmed for pharmaceutical SMEs. The scheme of financing common facility centers at bulk drugs parks develop by the government. To encourage the productivity and research in bulk drug formation. The main objective is to reduce the cost of production by 22-25 percent and affordability in domestic market. The domestic market, formulation market and emerging trends. Pharma marketing have been studying by considering the life style disease profile in Maharashtra with its marketing and selling expenses. The pharmaceutical industries SMEs facing problem of declining research, development and productivity. The budget of pharmaceutical SMEs increasing over the year. Among the other challenges face by the companies with respect to research and development are post marketing products withdrawal and late stage failure in the pipeline. As per the survey, the formulation part market was increasing and at the same time recalls of the prescriptions in the generic medicine to increase domestic market may increase due to disease Maharashtra profile undergo changes in future increasing opportunities are likely to come up in certain reputed segments. The rising incidence of the lifestyle diseases have lead to the strong growth of the cardiovascular, central nervous system and anti diabetes segments. Apart from reporting growth rates this segments are also attractive for the pharmaceutical SMEs in Maharashtra. The demand of the product in Maharashtra is increasing. More over most of the pharmaceutical companies are concentrating on rural areas where access of doctors is limited. Some SMEs manufacturing its product for other companies pharmaceutical SMEs in Maharashtra and their sustainable development goals have provided common frame work innovation, investments in marketing and global value chains. India is a global hotspot for A.M.R (anti microbial resistance) which is becoming one of the greatest threats to, modern medicine. The contribution of the SMEs sectors, in terms of its economic and social impact is phenomenal the sector will not receive the due credit in the area of financial assistance. SMEs sector need adequate funding to maintain the competitive advantage at the domestic and international level. The pharmaceutical SMEs are the backbone of any developing economy improves their commitment towards long- term sustainable development.

LITERATURE REVIEW:

In Maharashtra, the concentration of bulk drugs and formulation units has been observed in place like Mumbai, Thane, Raigad etc. Some small scale industries export bulk drugs to observe India is a net exporter of bulk drugs as over 50% of the drug production is exported. The Government has release pharmaceutical policies 2002 which aims to provide incentives to research base the pharmaceutical companies to increase the indigenous research and capability for cost effective quality production and export by reducing barrier to trade. The price control have been brought down sustainability from the current level 40%. The policy is aimed to promote new investment into the pharmaceutical industry and encourage the introduction of new technology and new drugs. The pharmaceutical companies in India shows growth in western Maharashtra and Mumbai, Pune as well as Aurangabad belt due to strong marketing network and infrastructure facility these facility are provided by Government of Maharashtra to remove the imbalances in the SMEs growth by giving extra tax benefits. Every company aims to increase their business and profitability hence their tries create the competitive advantage through formulation of marketing strategies. Every pharma company is having a different sale cycles either of monthly bases, bi monthly or quarterly basis. The broad classification of marketing pharmaceutical strategies are -1) Promotional strategies 2) Defence strategies Sohi *et al.* (2004) The pharmaceutical SMEs use medical representatives, advertising journals and mailers, patients and retailers. Communication is a part of strategies. (Bhangle 2008), (Bansal and Sanjay Das 2005) highlighted the unethical practices made by the medical practitioners which include the activities of medical representatives, and to provide the gift and samples to the physician as well as medical education and promotional tries. Pharmaceutical drugs manufacturers employees the variety of promotional technique (Michael *et al*) marketing research in pharmaceutical companies is not only collecting the statistical data of sales from the physicians prescription behavior of medical practitioners (Green 2007). Medical representatives are the backbone of the pharmaceutical companies. They make the bridge between pharmaceutical companies and doctors. Girdharwal (2007) and according to George (2008). Medical practitioners looks for evidence base academic detailing which will add their in to knowledge with latest development of drug discovery. The successful marketing requires astute understanding of the market Chauwdhary (2009) and Keche and Wankhede (2010) . Some SMEs applying strategies of big brands or companies regarding pricing policy (2010).

The promotional marketing strategies employed by pharmaceutical companies are successful through getting prescription from doctors by influencing those Hong *et al.* (2008). E-Marketing strategies may be helpful to the pharmaceutical marketing in information age Kumar (2010). Expenses of Indian pharmaceutical companies in overseas market is related with the need and to improve their competitiveness in the global market Kale (2005). The physician's drugs promotion done by medical representative Sahu and Dube (2010). Maharashtra is an

integral part of the overall civics society involving a vision for facilitating Maharashtra's transformation into and economically strong , technological vital and ethical sound leader economic, social and environmental sustainability though innovation a productivity and skill enhancement in the recent years. Small and medium scale pharmaceutical companies improves their commitment towards long terms and sustainable development SMEs contribute about 8% of the country GDP, 45% of the manufactured output and 40% of the total export.

OBJECTIVE OF THE STUDY:

- i) To determine the effect of demographic factors of some SMEs in Aurangabad.
- ii) To analyze the problems in marketing strategies of some selected pharmaceutical companies in Aurangabad.
- iii) To study the changing patterns in the marketing strategies.
- iv) To visualize future of marketing strategies and sustainable development of selected SMEs. In Aurangabad.
- v) To find out the effectiveness of different marketing strategies and the ways for SMEs to succeed globally.

NEED OF THE STUDY:

The pharmaceutical SMEs largely depend upon their sales field force for generation of business from the doctor's of that area. The pharmaceutical SMEs are approaching to their customers as health care cost rising , attempts at standardizing, prescribing of generics, low cost medicine that are perceived to be more cost effective in total. In some SMEs there also has been a shift research and development towards more specialize and niche products. Some pharmaceutical SMEs is trying to adopt competitive marketing strategies so to create strategic advantage over the competitors and also influences on doctors prescriptions. The pharmaceutical SMEs faces multiple social and environmental changes to its sustainable growth access to health care and affordable medicines remains a challenge at the bottom of the pyramids. The present study also help to understand what strategies implemented by SMEs making them to earned more profit. The gap in marketing strategies is adopted by SMEs which is pulling their performance in Aurangabad.

METHODOLOGY:

This study is related to the strategic marketing and its benefits to the pharmaceutical industries for selecting the sample study the researcher has collected the data from Maratha chamber of commerce library and obtained the list of the small and medium scale pharmaceutical company in Aurangabad. As it was seen from the list in Aurangabad has many SMEs. The study was carried out for the city and its adjacent areas. The secondary data is obtained from the books, magazines, journal newspaper clippings. Google scholars, Emerald, Scopus and different websites from the internet. Random sampling is done this type of study is selected purposefully to understand the strategic marketing related to some selected SMEs. Two medium scale and one small scale pharmaceutical company is selected from Aurangabad area.

FINDINGS AND DISCUSSION:

Pharmaceutical marketing sometimes called medico-marketing or pharmaceutical marketing in some countries is the business of advertising or otherwise promoting the sale of pharmaceutical product or drugs. The Indian pharmaceutical industry consist of approximately 10,500 units most of which are in small sector 300-400 of these fall in the medium to large sector. It is estimated 36.5 percent share is contributed by the top 10 manufactures. The medium scale domestic companies in fact have been the drivers growth contributing 75% of domestic sales and over 90% of exports total numbers of unit generate revenue of more than Rs. 500 crores large number of pharmaceutical units in Aurangabad are of small and medium scale nature which primarily supply to the large units while sharing sustainable practices is crucial to the relationship between a company and its suppliers. The Government should also take steps to help and encourage the smallest units in their endeavor towards sustainable development contract manufacturing is also a growing elements in the pharmaceutical industry with India emerging as a global player in the pharma market, it will have to comply with globally accepted standards. Regularly mechanism exist in Aurangabad small and medium scale companies is improving their commitments to their stack holders towards long term and sustainable development.

Sustainable Development of the SEMs:

The authorities control drug in the state of manufacture have strictly laid out mandate, there is no programmer and policies in the place to assist the SMEs in the pharmaceutical sector to grow into sustainable business unit that are able to meet the competitive standards sets by domestic and global players. The interest based on subsidy scheme at the rate

of about 1 crore per unit of assistance to be implemented in partnership with IDBI/SIDBI for upgrading SMEs to W.H.O (world health organization) and GMP manufacturing standard of capitalize on the generics opportunity. Assistance for standard higher than WHO – GMP to select pharmaceutical SMEs to build the competitiveness of very high standards for high value product, the innovation technical grants and up gradation growth and sustainable growth and sustainable development the SME sector would need competitive advantage at the domestic and international level.

Strategic Marketing:

The marketing strategies in pharmaceutical SMEs is a type of direct marketing targeted SMEs ,to highly qualified set of customers. Hence the marketing strategies required to be designed very carefully, which should be convincing and resulting the form of prescription from the targeted doctors the 4 P's marketing mix are used by the pharmaceutical SMEs are. Every selected company appointed their MRs, sales managers who actually work in the field. They identify the desired set of doctors. More the number of doctors prescribing the promoted brands more will be the sales. Hence every SMEs formulated a competitive strategies which will then to influence maximum number of doctors for prescriptions & ultimately achieving higher sales targets.

The selected pharmaceutical SMEs formulated in relation to 4 P's of marketing mix such as product related strategies mankind pharmaceutical company different sales strategies adopted by the mankind in the industry is that, no single sales force is given primary target is achieved. Rather company has its plan that if the MR's are kept free from the presence of sales target and given strategic promotional inputs they will perform better than what is expected. 4 – 5 MR's are working for Aurangabad city and interior town district, company follow many marketing strategies such as related to promotion company organizes product knowledge refreshment programs once in a year at exotic location for cheerful stay and learning company lesser visual contains all necessary information related to brand name, molecule name, technologies used efficiency and safety of wages out of 200 doctors 30 doctors are planned for high gifts of RS. 3000/- and 100 doctors are targeted for less value gifts Rs 300-500 limited sponsorship also provided to the doctors purchase the medical books and small equipment's. Mankind pharmaceutical companies also follows the strategies related to pricing regular skims to chemist offering 10 to 20 percent schemes on purchase of 10 strips. Company also use the strategies related to place to ensure availability of products at every leading chemist shop nearest to the doctors for convenience of the patients.

In Aurangabad pharmaceutical company FDC Ltd. appointed 4 MRs per division they identify a list of the doctors. Company achieving its target by applying various marketing strategies such as promotional strategies, organizes strategies meetings once in 3 months i.e. 4 cycles meetings in one year. For strategic planning and Discussion Company provide gift to the 10 potential doctors of Rs 2500. And other prescribing doctors of Rs 300 to 500 once in every 3 months. Company also launched new product once in 3 months and introduces 4-5 new brands in one year during launch company distribute small inputs like pens, prescription pad and sometimes high value gifts, Pharmaceutical companies does not emphasize on clinical data rather promote on cost, economy to take the share from the high cost brands. FDC Ltd pharmaceutical companies also know to market their products quite economically as compare to the leading brands. The strategy of company resulted as very successful to get sales from city as well as deep interior doctors. Including the consultancy while treating economical patients. This company takes the advantage of a bulk Orders Company also emphasizes the availability of production all counters through three level channel of distribution.

The another small scale pharmaceutical laboratory situated in Aurangabad is Galpha laboratory. This laboratory has vision to gain sustain sales and growth along with higher profit and to emerge as leading domestic pharmaceutical formulating company, company has wide range of product in fourth generation antibiotics corticosteroids, analgesics ante-peptic, vitamins etc. company has 600 field staff and having different set of doctors in M R's list. M R's working more than two years will have a list of 125 doctors the average target of each M R ranges between Rs. 0.60 to 1.40 Lacs per month while the secondary sales is Rs 0.50-1.0 Lacs. Various strategies which companies achieving its target are promotion, products pricing and place related strategies. Galpha laboratories provides product knowledge training program once in a year before beginning of financial year. Soft skill training also provide by the Galpha laboratories. Company also uses visual aids for brand communication with doctors the marketing strategies of Galpha Laboratories related to promotional inputs in which 50 doctors has to be given the high value of gifts and not a single doctor is plan for low value sponsorship in any form is not given to the doctors. This company introduces 2 brands once in a year company implemented pre-launch activities no clinical reference while introduction of small inputs like pen, prescription pad etc. given the doctors company never given high value gifts to the doctors. This company is small scale company provide schemes to retailers as well as wholesalers on specific and bulk quantity purchase company also ensure old as well as new products availability in the market and design availability information cards for doctors as well as retailers.

CONCLUSION:

Marketing strategies are related to 4 p's of marketing mix are studied for selected small and medium scale pharmaceutical companies in Aurangabad 2 companies of which are medium scale Mankind pharmaceutical and FDC Ltd. and one company Galpha laboratories are small scale company. Before implementation of product patent Act (2005) domestic pharmaceutical companies were enjoying profit by marketing brand by copying and with minor modification in the patented drugs. This was giving the large profit to some SME s selected for the study but diverted there companies from indigenous innovations and investment in Research and Development. Marketing strategies are the decisions taken by the company for promotion of the sales of the product. The researcher found that the companies selected for the studies operating in Aurangabad. It is found that, depending upon various factors related to companies volume of business strategy position in the market, the strategies are different which were depend upon the competitive effectiveness in the marketing strategies. The companies like FDC Ltd, Mankind pharmaceuticals and Galpha laboratories are getting the differential responses from their customers and hence further profitability and growth of these companies are also varying.

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