A Study on Marketing of Pharmaceutical Products in Chennai

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Introduction

The pharmaceutical industry is the world’s largest industry due to worldwide revenues of approximately US$2.8 trillion. Pharmaceutical industry has seen major changes in the recent years that place new demands on payers, providers and manufacturers. Customers now demand the same choice and convenience from pharmaceutical industry that they find in other segment.

Pharmaceutical companies typically direct their marketing efforts toward physicians and, as of late, directly to patients (consumers). The marketing efforts directed at physicians comprise personal selling through sales representatives (detailing); sampling (provision of drugs at no cost); physician meetings and events; and advertisements in medical journals. Since 1997, a change in the legal environment that allowed direct-to-consumer advertising (DTCA) has resulted in a 350 per cent increase in expenditures for such advertising between 1996 and 2008. However, the biggest chunk of marketing expenditure is directed toward detailing. Historically, detailing has been the pharmaceutical industry’s primary promotional instrument.

Nowadays, more than 60 per cent of the marketing costs of pharmaceutical enterprises account for the communication with physicians. The role of physicians in deciding the therapy is still dominant, but in some areas (OTC market, patient groups) patients have more and more power to choose between the products. Other important target customers are the pharmacists, hospitals, wholesalers, governmental forces and so on. Governments try to stop the rapidly growing medical expenditures, so affordable drugs have competitive advantage over the ‘only’ effective drugs.

Under the pressure of these new challenges pharmaceutical marketing has to focus not only on the traditional target customers (physicians, patients), but on other customers, stakeholders as well, already in the development phase of a new drug. Pharmaceutical marketing has become a multidimensional task, which integrates Key Account Management, Service Marketing, Economical Marketing and Political Marketing in order to be sure that the new product will be successful. It contributes to the actuality of the topic that not only in the pharmaceutical market, but generally the capital of partnership becomes more valuable. With this background, the present research study is attempted to study on marketing of pharmaceutical products in Chennai with the following specific objectives:
Objectives
1. To describe the role of the different marketing channels and consumers, both during the prescription processes well as after.
2. To analyze the new product development process inside the firm followed by the factors that influence new product adoption by physicians.
3. To examine the roles and effectiveness of marketing instruments in the pharmaceuticals industry.
4. To evaluate the competitive strategies followed by different companies and their performance.

Hypothesis
1. There is no significant difference among the different consumers’ segmentations.
2. There is no significance among marketing strategies followed by different firms.
3. There is a significant difference between the competitive strategies and their performance.
4. There are the constraints that significantly influence the direct marketing of pharmaceutical products.

Research Design
The sampling unit of this study is the expert group consisted of country managers, sales managers, marketing managers of pharmaceutical companies and pharmaceutical distributors and consumers. The present study gathers the opinions of an expert group, which consisted of representative managers and industry executives. The total sample respondents of 600 at various levels are selected by adopting proportionate random sampling technique and the data and information are collected through pre-tested interview schedule in Chennai city. In the final stage, this study combined the expert group’s opinions, and interviewed each expert again to gather individual results for the carrying out the research.

Statistical Technique
The data and information collected would be analyzed by using different marketing research techniques like, Descriptive Statistics, Multiple-Regression Analysis, Cluster Analysis, Chi-Square Test and Constrains Analysis based on the nature and availability of data and information.

Pilot Study
The pilot study was conducted for 60 customers of pharmaceutical products and the data and information was analyzed by using various statistical techniques.

Results and Discussions

1. Factor Influencing the purchase Decision
The distribution of factors influencing the purchase decisions of pharmaceutical products was analyzed and the results are presented in Table 1.

Table-1. Distribution of Factors Influencing the Purchase Decision of Pharmaceutical Products by the Consumers

<table>
<thead>
<tr>
<th>Influencer</th>
<th>Frequency</th>
<th>Per Cent</th>
<th>Chi Square Value</th>
<th>Sig</th>
</tr>
</thead>
</table>

814
Earlier prescription from a doctor 45 75.00
Friends / Relatives 04 6.67
Advertisements 03 5.00
Product Trail 03 5.00
Self 02 3.33
Medical Shops 03 5.00
Total 60 100.00

From the table, it is clear that about 75.00 per cent consumers’ purchase decision of the pharmaceutical products is influenced by earlier prescription from a doctor followed by friends / relatives (6.67 per cent), advertisements, product trail and medical shops (5.00 percent) and self (3.33 per cent). The Chi-square value of 0.07 is significant at five per cent level indicating that there is a significant difference in factors influencing consumers’ purchase decision of the pharmaceutical products.

2. Brand Features of Pharmaceutical Products
The brand features of Pharmaceutical products purchased by the consumers were analyzed and the results are presented in Table 2.

<table>
<thead>
<tr>
<th>Brand Features</th>
<th>Frequency</th>
<th>Per Cent</th>
<th>Chi Square Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficacy</td>
<td>52</td>
<td>86.70</td>
<td>0.05</td>
<td>0.04</td>
</tr>
<tr>
<td>Brand Name</td>
<td>02</td>
<td>3.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pricing</td>
<td>03</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctors advice</td>
<td>03</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>100.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the results, it is observed that about 86.70 per cent of consumers select the pharmaceutical products based on efficacy followed by pricing and doctor’s advice (5.00 per cent) and brand name (3.30 per cent). The Chi-square of 0.05 is significant at five per cent level indicating that there is a significant difference in brand features of pharmaceutical products purchased by the consumers.

3. Primary Intention to Visit Drug Store

The primary intention to visit drug store to purchase either branded or generic pharmaceutical products by the consumers was analyzed and the results are presented in Table 3.

<table>
<thead>
<tr>
<th>Primary Intention to Purchase Branded or Generic Products</th>
<th>Frequency</th>
<th>Per Cent</th>
<th>Chi Square Value</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branded Products</td>
<td>46</td>
<td>76.70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Generic Products | 14 | 23.30 | 0.02 | 0.03
--- | --- | --- | --- | ---
Total | 60 | 100.00 | --- | ---

**Conclusion**

The results show that about 76.60 per cent of consumers’ primary intention to visit drug store to purchase only branded pharmaceutical products, while the rest of 23.30 per cent consumers’ primary intention to visit drug store to purchase generic pharmaceutical products. The Chi-square value of 0.02 is significant at five per cent level indicating that there is a significant difference in consumers’ primary intention to visit drug store to purchase branded pharmaceutical products and remaining 23.30 per cent consumers’ primary intention to visit drug store to purchase generic pharmaceutical products also.

**Reference**
