

Pharmaceutical Marketing: A Literature Review

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ABSTRACT

Marketing is the essence businesses and the business fraternity globally have accepted this norm of marketing the products effectively in order to achieve desired results. One of the premier and global Industry is Pharmaceutical Industry. It has a wide range of scope right from over the counter (OTC) products to life savings drugs to medical equipments. So much so that Medical Education at large includes a separate section as Pharmaceutical Education and this premium education experiences builds the base for Pharma Product manufacturing. Getting across these products to the Market requires essential skills and hence it signifies the efforts of Pharmaceutical Marketing. As against the Marketing of general product, Pharma Marketing involves further more essentialities as it belongs to the category of useful & needy products but not desired products as one never plans in general to buy a medicine or medical equipment unless prescribed or advised under medical care. This factor poses the massive challenge in the field of Pharmaceutical marketing.

The Review paper attempts to understand the essence & concept of Pharmaceutical Marketing. It further aims to massively review the existing literature on Pharmaceutical Marketing and present the inferences. This conceptual study is completed with the help of Secondary data. It encompasses the thoughts of authors & researchers who have contributed to the Pharmaceutical Marketing domain. The Review has been categorised into studies of Marketing Mix, Consumer Behaviour towards Pharma Products, Green Marketing approach and execution of Pharma Marketing. The Papers & literature reviewed have been selected on Author's convenience & judgement, which may result in the limitation for study and the inferences presented may be indicative rather exhaustive.

Keywords-- Marketing, Pharmaceutical Marketing, Consumer Behaviour, Green Marketing, OTC Products

I. INTRODUCTION

“Marketing builds Trust- Pharma Industry may need Trust building more than any other Industry”.

- Anonymous

Marketing is a process that aims to meet the needs of individuals and groups while making a profit. It is a social and management process that eventually helps to realise the objectives of the Organisation. Marketing is the process of delivering a product to a specific client for mutual benefit. This is true in pharmaceutical marketing as well. It all comes down to writing a

prescription for your product. The consumer is the only difference between marketing of other products and marketing of pharmaceuticals. In other types of product marketing, the user of the product is referred to as the consumer or customer. In Pharma marketing, however, the consumer is a physician or a group of physicians who direct end users to purchase pharmaceutical items. As a result, the doctor who writes the prescription will be considered when establishing marketing strategies. As a reason, pharmaceutical marketing efforts are concentrated on persuading and teaching doctors about your products.

India's pharmaceutical market is the third largest in terms of volume and the thirteenth largest in terms of value. India is the world's top provider of generic pharmaceuticals, accounting for roughly 20% of global exports in terms of volume. Over the previous decade, the global pharmaceutical business has seen significant transformations. Pharmaceutical firms face additional hurdles as a result of greater globalisation, increased competition, and the battle for worldwide market dominance. The entire pharmaceutical sector is consolidating as a result of rapid globalisation. The innovation in the sector has kept industry on toes and the Industry in itself is positioned at a place where Innovations can only be the key factor for survival. Pharma Marketing is the decider for Organisations in the Pharma Industry. The Nature of Marketing the Pharma products certainly differs from the regular Marketing however the domain remains the same i.e., Need recognition and serving the solution.

II. OBJECTIVES OF THE STUDY

1. To understand the essence & concept of Pharmaceutical Marketing.
2. To review the existing literature on Pharmaceutical Marketing and present the inferences.

III. RESEARCH METHODOLOGY & PROCESS

Pharmaceutical Marketing – A Literature Review is a conceptual paper conducted massively by the help of Secondary data. The study aims understand the essence & concept of Pharmaceutical Marketing. It further aims to review the existing literature on

Pharmaceutical Marketing and present the inferences. The inferences gathered through the study reflect the learning through review of existing literature & represent the Pharmaceutical Industry at large. The Papers & literature reviewed have been selected on Author's

convenience & judgement, which may result in the limitation for study and the inferences presented may be indicative rather exhaustive. This may turn out to be the limitation of the study and the inferences gathered are indicative in nature rather exhaustive.

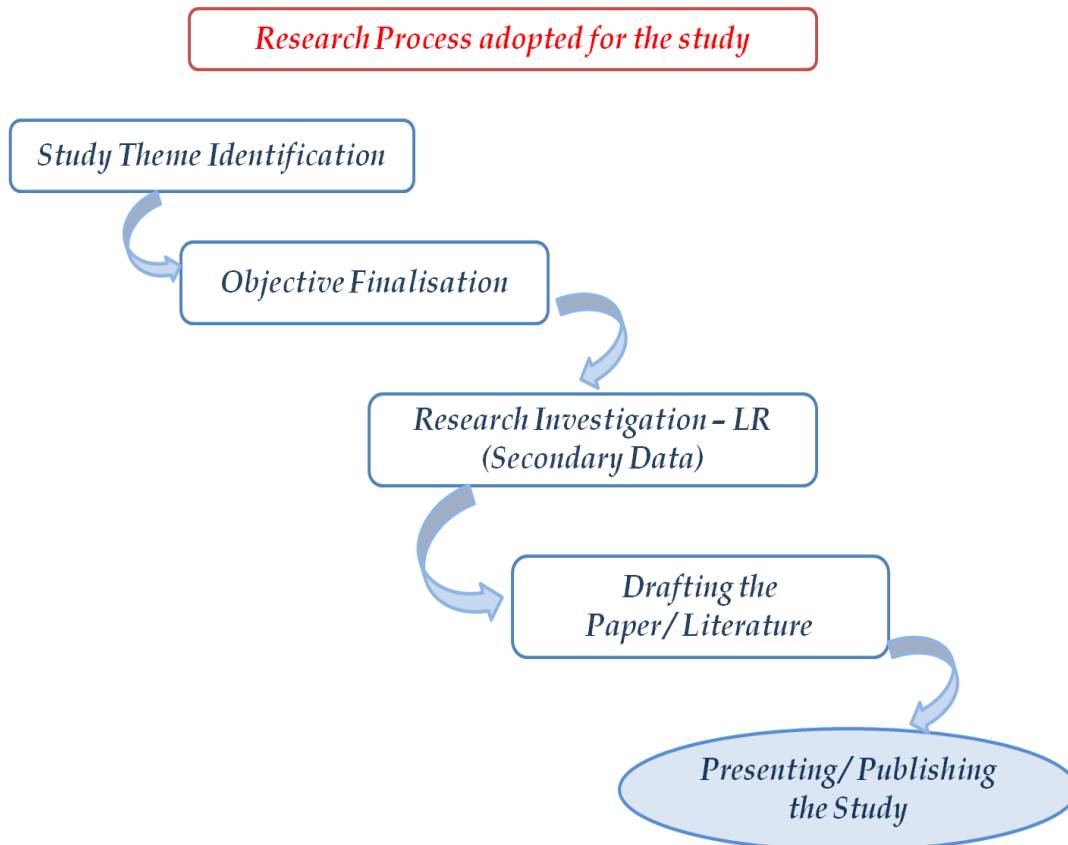


Chart No. 1: Research Process adopted for the study

Source: Self Developed based on Author's study

IV. LITERATURE REVIEW

Pharmaceutical or Pharma Marketing is a specialised wing of Pharmaceutical Management that entail wide range of scope with Marketing avenues spread across Medical Practitioners to the Pharmacists & General Consumers. There have been efforts to study this specialised wing and this paper attempts to review the existing literature in this regard. The Authors of the paper have categorised their learning into four sections i.e., Marketing Mix of Pharmaceutical Businesses, Consumer Behaviour towards Pharma Products, Green Marketing approach and execution of Pharma Marketing.

V. MARKETING MIX IN PHARMA MARKETING

Pharma Marketing encompasses the essence of marketing mix. It is a typology for integrated attempt that consists of Ten controllable marketing variables (the

'10 Ps'): McCarthy's Four core Ps of product, price, place, and promotion; Booms and Bitner's three additional Ps of people, process, and physical evidence to capture the peculiarities of services; and the three new Ps of packaging, partnership, and policy introduced herein to capture the peculiarities of integration in integrated care. The 10 P's frameworks takes a business-centric approach due to the need to integrate segmented alternatives in the corporate environment (e.g., health and social care providers) in order to better satisfy customer (or patient) and stakeholder needs. As a result, this typology aid marketing decisions aimed at encouraging and facilitating integrated care adoption and involvement among health and social care providers, as well as their target customers and stakeholders.

Product in the framework of Marketing Mix is the primary consideration. The health and social care solutions offered and marketed by integrated care providers are referred to as product. These solutions can include both an actual integrated care product (e.g., medications) and an augmented integrated care product (e.g., customer support [e.g., scheduling, follow up],

finance [e.g., credit, instalment], and security [e.g., CCTV, escorts, guards]) that promote, restore, or preserve the patients' health. Product consideration streamlines the business functioning.

Price or the Pricing Strategy is certainly a key motivator to business. In Pharma Industry the pricing majorly on the value pricing approach, where by more the R&D & critical the disease, the more will the pricing consideration. The amount that target consumers must pay to healthcare care providers in order to receive health and social care solutions is referred to as price for that care. The pricing factor has an impact not only on Healthcare providers' earnings from health and social care solutions, but also on patients' ability to pay as well as their evaluations of the solutions' quality and value.

Place or Physical Distribution approach has very impactful influence on the functioning of the business. The distribution method and point of sale (or channel, intermediary) that Pharma care providers use to provide health and social care solutions to patients in a way that meets, if not exceeds, patient expectations – that is, it is the mechanism by which health and social care products are moved from integrated care providers to patients. The Consumers today have options of Physical & Online service providers, in either of the cases the Distribution mechanism is a common consideration and businesses do consider the same.

Promotion of Pharma Product has a different outlook as against a regular FMCG or consumer products. The OTC products in Pharma may take up the traditional path of promotion however the Pharma Life savings drugs have a typical path of promotion. It start with Physicians, reaches to pharmacies and then to end consumers with every level attracting stakeholders in a different way through the effort of the Professional Sales Representatives. Advertising, direct marketing, personal selling, public relations, sales promotion, and social media communication are just a few of the activities and instruments that can be used. The same activities and tools can be used to encourage independent health and social care providers to collaborate to provide integrated care (horizontally, vertically, structurally, and/or virtually), as well as payers to support integrated care providers as panel institutions providing health and social care services to patients.

People certainly form the critical group for marketing efforts. Personnel who are both directly and indirectly involved in interactions with patients and stakeholders during the delivery, management, and organization of Pharma products are referred to as "people in integrated care. Physicians, Clinical Staff, laboratory, and medical assistants, officers, and scientists; cardiologists; dentists; dieticians, nurses; paramedics, pharmacists; psychologists; radiographers; Medical social workers; surgeons; therapists; and a wide range of other human resources trained to provide health and social care services or administrative work are examples of such personnel.

Process in Pharma Marketing is again an essential aspect as the same links the activities of marketing. The operating and tracking methods and mechanisms through which healthcare providers offer health and social care services (including follow-ups) effectively and efficiently are referred to as process of service. The process streamlines the functioning of the Pharma companies especially the Intermediaries function.

Physical Evidence supports the marketing function to a large extent. It is the concrete element of the healthcare service offering is physical proof. Patients and stakeholders can assess a variety of tangible aspects of integrated care, ranging from personnel qualifications and facility quality at healthcare locations (e.g., clinics, hospitals, and care centres) to documented evidence of good practises (e.g., awards, patient testimonies, leaflets, media, publications, signage, and websites). When the Professional Sales representatives (PSR) reach the physician, these physical evidences in the form of catalogues, leaflets supports the physician for prescribing the medicines.

Packaging essentially supports the protection of products and at the same time supports in promoting and sustaining good health. Though packaging has been conflated with product and promotion (and possibly with the rest of the marketing mix), the rationale is that the packaging is a standalone element in the marketing mix which is based on the value of creation beyond the product features. It has the closest link with the Promotion of the products.

Partnership in healthcare sector and Pharma world entails experts and institutions working together to supply, administer, and organise health and social care solutions in order to provide healthcare. Cooperative agreements allow independent providers to pool their resources to give a better care package than they could on their own. Horizontally, by linking equivalent levels of care (e.g., multidisciplinary teams); vertically, by linking different standards of care (e.g., primary, secondary, tertiary); structurally, by consolidating into a single new organisation; and virtually, by forming a network of health and social care providers who collaborate closely. As a result of the collaboration, patients will be able to receive integrated treatment that focuses on promoting, restoring, and preserving their health. The cost-effectiveness and value obtained from such collaborations might also have a snowball effect, motivating additional parties, such as integrated treatment providers and payers, to join new partnerships.

Policy is the statement of intent that controls the formation of partnerships and the development of processes in healthcare. In essence, policies are approved by an integrated care board or governing body, which is responsible for designing and streamlining the procedures and protocols necessary to supply, administer, and organise the combination of health and social care services. As a result, policy is critical in

integrated care because it organises the pieces of the marketing strategy so that consolidation follows a logical path to holistically improve health outcomes. (Lim, 2020).

VI. CONSUMER BEHAVIOUR IN PHARMACEUTICAL MARKET

Consumer purchasing behaviour encompasses more of the consumer's approach to purchasing a product. As a result, marketing efforts are focused on the consumption of services, ideas, and activities by consumers. The manner in which a customer purchases a product is crucial to marketers. It entails a series of consumer decisions cues i.e., what, why, when, how much, and how often. In general, a consumer is an individual who consumes, particularly one who is of a specific gender, age, religion, or ethnicity, and who purchases goods for personal consumption rather than for resale. A consumer is an important figure who may decide whether or not to buy something from a specific store and can be influenced by marketing and commercials. Consumer purchasing behaviour encompasses more than how a person purchases a thing. Hence, marketing efforts are focused on the consumer's consumption of services, as well as his activities and thoughts.

Consumer purchasing behaviour refers to the process through which individuals or groups purchase, consume, or dispose of items, services, ideas, or experiences in order to meet those needs and aspirations.

This is an important element to consider if you want to understand how consumers choose products. The four P's are a set of consumer incentives. Economic changes, technology, politics, and culture are all major aspects in the consumer environment that influence their purchasing decisions. All of these distinct igniters are combined in the buyer's experience quotient, which will most likely result in buyer responses such as product selection, quantity, and purchase time.

Consumer behaviour research has a number of advantages; it assists in the evaluation of requests, Measures how brands act, Prediction in conjunction with timely delivery of a product and assists in calculating one's own expenses. In reality, consumer behaviour is a highly complex discipline that incorporates components from psychology, marketing, economics, consumer politics, and a variety of other fields of study. Consumer buying behaviour comprises both tangible and intangible factors, such as mental processes and systems of ideas, values, and self-realization, as well as tangible elements such as the concrete product or service. To have a better understanding of consumer behaviour in a broad context, it is important to provide a methodical and representative depiction on the subject. (Laddha, 2021)

Pharmaceutical marketers need to examine physicians' prescribing behaviour on a regular and ongoing basis in order to develop profitable strategies. Doctors' prescribing behaviour changes frequently and rapidly as a result of pharmaceutical company competition. A physician's liking for a particular company will predispose him or her not just to try the product, but also to like it. (Laddha, 2021).

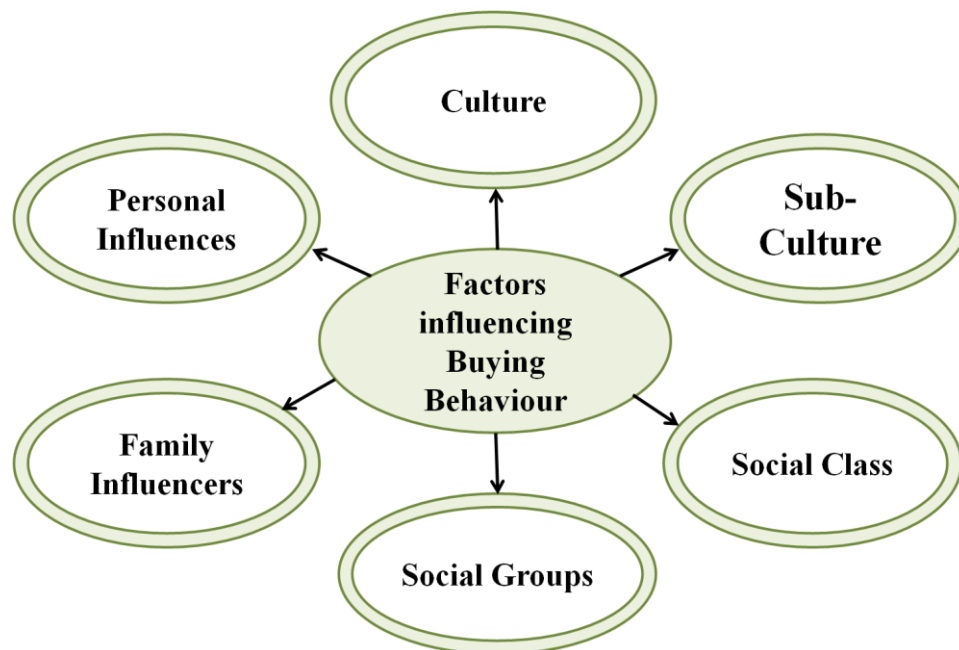


Chart No. 2: Factors influencing Buying Behaviour

Source: Self Developed based on Author's study

VII. GREEN MARKETING IN PHARMACEUTICAL INDUSTRY

Green marketing refers to the promotion of products that are thought to be ecologically friendly. Green marketing arose as a response to the growing worry about the state of the environment, which has a significant impact on society's well-being. Green marketing is a holistic management strategy that identifies, anticipates, and meets the needs of customers and society in a profitable and long-term manner. Sustainable business practices are critical not just for today's business but also for the future. A review on literature on pharmaceutical green marketing, including definitions, implementations at various levels, and green marketing acceptance by organizations and pharmaceutical groups reveals the Consumer perceptions of green marketing and the pharma sector in India, as well as promotional tactics. The pharmaceuticals company was mainly interested in the consumer's attitude towards green products. Despite the fact that various studies have been conducted on green marketing, there is a paucity of papers that consider pharmaceutical green marketing.

The demand for green marketing has risen dramatically in recent years, as the world faces unprecedented pressure due to the depletion of natural resources. There is a need to create a long-term industry that focuses on environmentally friendly items, also

known as "Green." Green marketing focuses mostly on the product and its marketing tactics, yet this can be difficult for businesses as well. This can be accomplished by focusing on the marketing mix and targeting the supply chain. Because of the growing awareness of consumers about environmental issues, the organizational structure of products and services has altered. The company must be customer-centric, which necessitates addressing environmental concerns and transitioning from standard product sales to green sales. (Shruti Goyal, 2022)

There are several stages of adopting the green marketing:

Stage – 1 : Development Stage

- Using resources that can be easily Recycled.
- Using minimum packaging inputs

Stage – 2 : Production Stage

- By using alternative to save resources such as energy and water
- Minimizing waste
- Reducing toxicity and reducing emission

Stage – 3 : Consumption Stage

- Minimizing packaging as much as possible
- Reducing wastage in production

Stage – 4 : Disposal Stage

- Reusing and recycling the waste generated.
- Disposing the waste in eco-friendly manner.

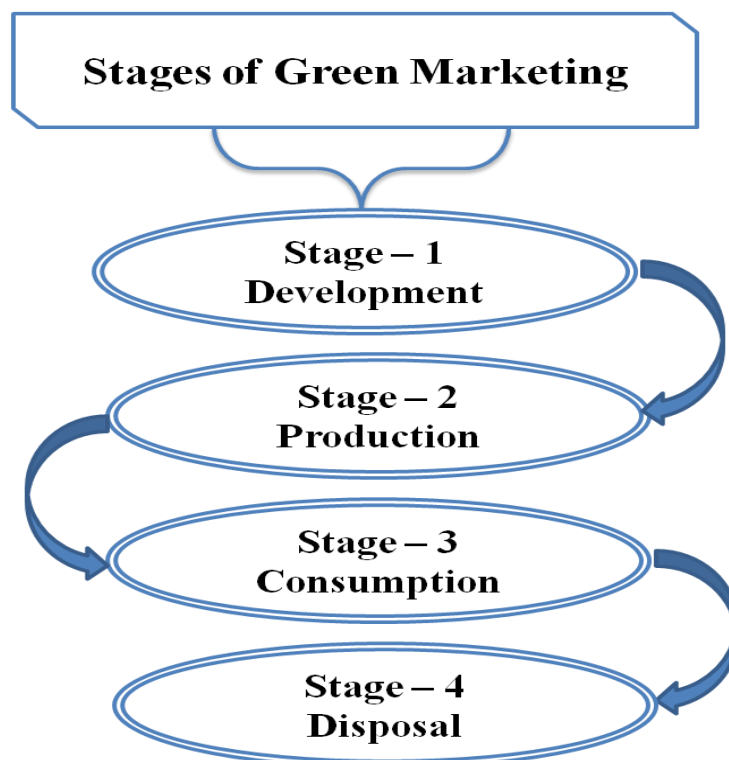


Chart No. 3: Stages of Green Marketing
Source: Self Developed based on Author's study

VIII. EXECUTION IN PHARMACEUTICAL MARKETING

The review states that the execution of the Marketing techniques and tactics are majorly important rather just framing marketing plan. A physician's relationship with a patient is comparable to the relationship that occurs between various suppliers and customers in any particular market. This effectively shifts marketing toward a more inclusive dominating logic, one that incorporates commodities and services, and gives a larger framework for marketing idea growth. The Green Marketing approach, techniques pertaining to the Marketing mix, all need to be executed well. One can conclude that the drug description opportunities are a function of the marketing effort spent on that particular product. It is worthwhile to note that the use and expense

associated with free drug samples is a long-standing industry practice, an excellent way to introduce new products, or dislodge a market leader. These two categories, detailing and product sampling are complimentary, and together they typically account for over 80% of the total drug promotional expenditure. That eventually is a good promotional execution example which is more dominant in Pharma than in other industry.

The Sales Representatives – PSR also referred as Medical Representatives (MR) are the primary sources to execute the promotional and other marketing activities. Along with the product marketing, its distribution also requires strategising. The Sales Calls, knowledge of representatives, post call follow ups etc all are part of the strategy execution.



Chart No. 4: Literature Review – Pharmaceutical Marketing
Source: Self Developed based on Author's study

IX. PHARMACEUTICAL MARKETING: WAY FORWARD

The Pharmaceutical Marketing has a constant approach just any other industry. However the future of marketing in every industry is changing. So does have the future of Pharma Marketing. This paper identifies

that efforts on Green marketing will be the way forward for Pharma Industry. The Green approach signifies the environmental approach. The efforts on Packaging materials, the disposal of Medical waste and marketing strategies symbolising Green approach, all these shall attract the marketers from the world of Pharmaceuticals.

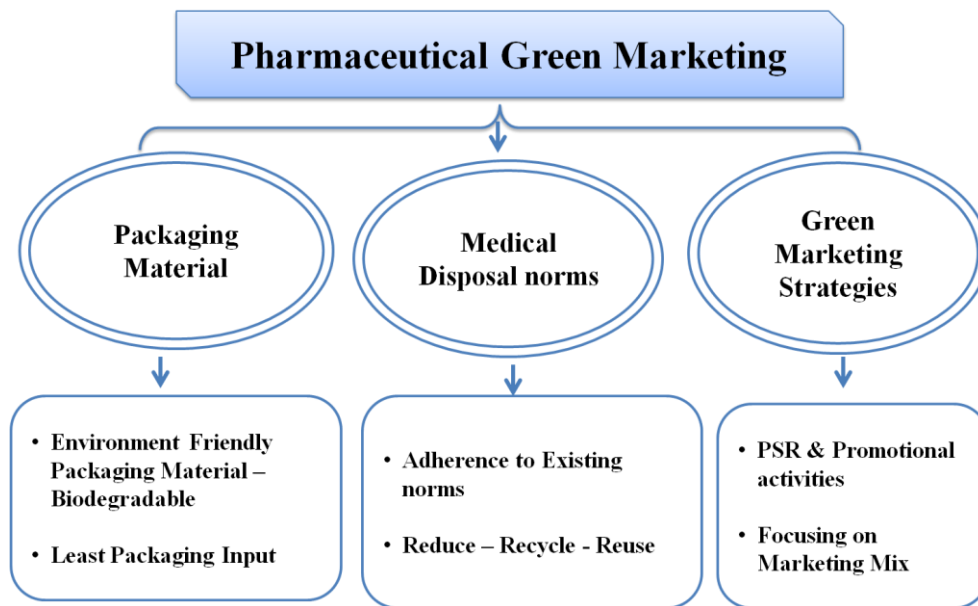


Chart No. 5: Pharmaceutical Green Marketing
Source: Self Developed based on Author’s study

X. ENHANCED ROLE OF PHARMACY INTERMEDIARIES IN PHARMA MARKETING

The world of Marketing has experienced an identified pain area in the form of Intermediary Conflicts. The Pharma Marketing also has its share of challenge as the distributorship management is certainly an area of utmost consideration. The Resolution is enhancing Communication Channel between the Channel members. Digitalisation by even Smaller Companies shall also be evident in near future and

concentration on Data Management & Data Integrity will certainly be the way forward for the Pharma companies.

The other way forward in this regard is the Brand Management with the support of the Intermediaries, especially in the field of Over the Counter (OTC) products. Such products doesn’t require prescription by the physicians hence the channel of distribution may be vibrant in this branch of products. Considering the role of intermediaries as Business Partners is essential in present form and hence eventually the brand management effort will get strengthened.

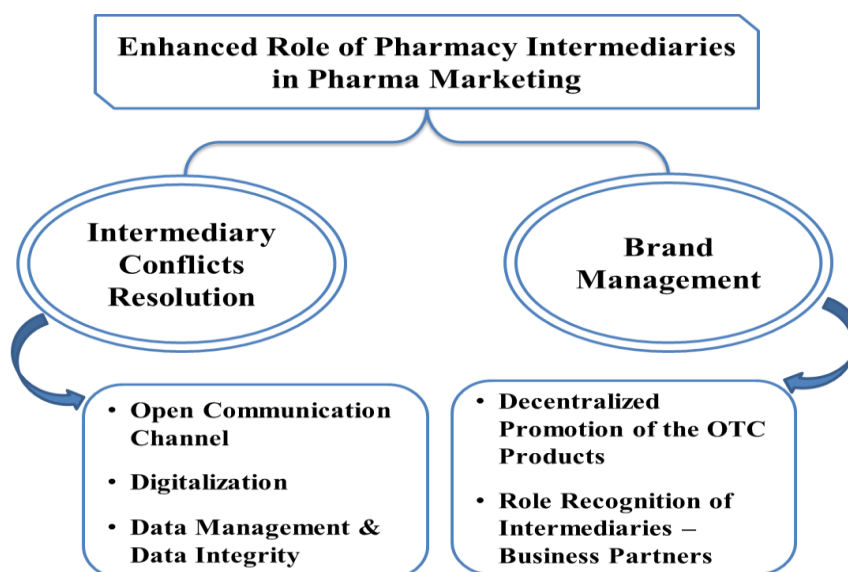


Chart No. 6: Enhanced Role of Pharmacy Intermediaries
Source: Self Developed based on Author’s study

XI. CONCLUSION

Pharmaceutical Marketing certainly has its own share of Challenges as well as the avenues. Quite evidently it is different than the regular course of Marketing for Non-Pharma companies. The globalisation, increased competition, and the battle for worldwide market dominance poses the challenge & risk that gets mitigated by the specific strategies surrounding the essentials of marketing domain i.e., Product, Price, Place, Promotion, People, Physical Evidence and Process. The innovation in the sector essentially develops the performance and the Green Marketing approach has added feather to the cap. Consumers of Pharma Industry are varied in Nature. At One end the Physicians & Pharmacists are the customers, to the other hand the patients are the final consumer. The Marketing of OTC products potential has its resemblance to regular Marketing efforts however the Pharma products in the form of life saving drugs do have a different set of strategies where eventually one sells an idea on a speculation that a Patient will demand the product & Doctors will prescribe. Unlike an FMCG sector where by the product fulfils the Needs, in Pharma marketing the product meets the contingency of customers. The Intermediaries plays an important role and hence enhanced role of Intermediaries is part of the way forward of the study. Intermediaries now need to be considered as business partners rather just a medium to pass on the deliveries. The newer fundamentals of Green Marketing essentially trigger the improvised marketing avenues with moral responsibilities towards the environment and people at large. Pharmaceutical Marketing shapes the future of the company with enhanced approaches and better prospects in the Market at large.

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