

# A study of recent trends in Pharmaceutical Marketing

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## Abstract

**Objectives:** This is a descriptive cross-sectional study of marketing professional's knowledge on fifteen recent trends in pharmaceutical marketing.

**Materials and Methods:** Descriptive hypotheses were set and studied based on primary data collected from 100 marketing professionals from Pharmaceutical Companies in Pune having a sales turnover of over Rs.100 crores were asked to validate concurrence with these 15 trends via a survey study design, using a survey questionnaire. The knowledge of trends was measured on a 5-point Likert scale for responses to the 15 trends. Sample means were compared against the hypothesized population means of the scale mid-points of 2 and were tested for statistical significance at 95% confidence level.

**Results:** The agreement to these trends was around 53% and was not found to be statistically significant to claim that the marketing professionals validate the trends as taken from the literature.

**Conclusion:** It takes time for things to come to India. Indians are best at "wait-and-watch" policy and marketing trends are not an exception to this.

**Keywords:** Trends in Pharmaceutical Marketing, Marketing Professionals, Awareness.

## Introduction

The worldwide international pharmaceutical market will benefit by \$ 1.2 trillion by 2022, with a CAGR of 6.3 %. But this success has to face new perils of political reservations; rising costs of drugs; new bioengineering innovations for developing drugs, compensation approaches; use of the internet for marketing and engaging customers; use of Big Data-AI & ML analytics to study their clinical datasets, etc. have led to a complete refurbishing of the pharma corporate strategy to serve their customers in a better way (Agoulnik, 2018).

Product, Price, Place, and Promotion are the four mainstays of pharmaceutical marketing concepts. A study by Kremer, Bijmolt, Leeflang, & Wieringa, (2008) estimated that pharmaceutical companies spend 40% of their revenue on marketing activities. These aggressive marketing activities range from meeting physicians directly, emailing, sponsoring for conferences, gift articles, etc. in their defense the pharmaceutical companies defend unethical marketing as a means to feed into their R&D expenditures.

The rising cost of healthcare the world over has been attributed to the increasing cost of prescription drugs. The reason for this is that the pharmaceutical manufacturers attribute it to the expenditure on the R&D, expiring patents, etc. of the drugs. This automatically increases the prices at all levels of the supply chain from wholesalers to the patient who has to buy them (US Pharma, 2009).

Consequently, this study was designed grounded in the literature review, and 15 trends were identified concerning pharmaceutical marketing. 100 marketing professionals from pharmaceutical Companies in Pune having a sales turnover of over Rs.100 crores were asked to validate these 15 trends via a survey study design.

### **Literature Review**

The trends in medicine consumption year after year are affected by demographic and population changes, pricing issues, market access pressures, low volume growth in emerging markets, usage of generic drugs, etc. (Arnum, 2017). For example, the trend in the growth of the pharma industry from 2014 to 2015 saw an increased spike due to new medications innovation in Hepatitis C and Cancer (9%) and this reduced to 4-7% by 2017.

The pharmaceutical industry is mostly affected by emerging markets usually in developing countries like China and India which have a high pharmaceutical consumption growth. But low economic growth in these countries has affected the annual sales from 7 % in the past five years to 4% presently.

Masood et al., (2009) has expounded on the following trends of marketing: internet-based corporate blogs; social network web; electronic detailing, emails; viral marketing campaigns on YouTube, Facebook, etc.; DTC (direct to consumer advertising) in the US and New Zealand; Patent and Branding, etc.

Verma's (2018) study found that 53% by the direct calling of medical representative affects prescription behavior among medical professionals as compared to mobile apps (44%).

Studies assessing the adoption of global marketing trends in Indian pharmaceutical markets are not seen much on record and hence this study.

### **Methodology**

1. A survey questionnaire was administered to 100 marketing professionals from pharmaceutical companies in Pune that were having a sales turnover of over Rs.100 crores.
2. The selection of the 100 marketing professionals was based on the judgment of the writer of getting an adequate response in a reasonable time. Convenient sampling was used.
3. The survey questionnaire had a list of 15 trends in pharmaceutical marketing as under:  
Dynamic pricing of drugs; Healthcare and Technology centres to congregate; Global political situation; Drug access and regulation; Winning public trust; Strategic multichannel approach; Mobile apps; Artificial intelligence and Machine learning; Social media Network; IoT in pharma marketing; Emergence of Electronic records; E-detailing; E-Servicing; Omni Channel approach; Genomics Innovation (Agoulnik,2018)
4. For validation of the item as trend responses were sought on a Likert-scale of 0-4: 0-Can't say, 1-Somewhat agree, 2-Strongly agree, 3-Somewhat disagree, 4-Completely disagree.
5. To distinguish the somewhat responses from the strong responses, a weight of 2 was assigned to each of the strong responses while doing the analysis.
6. T-test was used at 95% confidence level and the sample mean (higher of agreement or disagreement) was tested for statistical significance by comparing it with a hypothesized population mean taken at 50% agreement or disagreement connoting an event by chance

### **Statement of Hypotheses:**

Ho1: The trends in pharmaceutical marketing are not validated by marketing professionals

Ha1: The trends in pharmaceutical marketing are validated by marketing professionals

The survey instrument returned a Cronbach's alpha of 0.823 that is better than 0.70 (the standard) and hence was considered as reliable.

**Results**

**Descriptive analysis:**

**Table 1: Description of the Respondents**

<b>Gender</b>		No of Respondents(N=100)
1	Male	93
2	Female	7
<b>Age Groups</b>		
Group 1	< 40years	27
Group 2	40-50years	33
Group 3	>50 years	40
<b>Work Experience</b>		
Group 1	<10 years	26
Group 2	10-20 years	38
Group 3	>20 years	36

**Inferential analysis:**

The null hypotheses was set as the sample mean ( $\bar{x}$ ) equals the hypothesized population mean ( $\mu$ ). Summary of the ratings for the agreement levels to the 15 trends are given in Table 2 below:

**Table 2: Summary of the agreement to recent trends in pharmaceutical marketing**

Trend	Agreement %
1	54%
2	50%
3	53%
4	52%
5	52%
6	54%
7	50%
8	53%
9	52%
10	52%
11	40%
12	54%
13	67%
14	51%
15	54%
Average	53%

Table 3 shows the testing of the hypothesis at 95% confidence level.

**Table 3: Testing of the hypotheses**

Parameter	H1 value
Sample Mean ( $\bar{x}$ )	53%
Hypothesized population mean ( $\mu$ )	50%
SD of sample	1.18102
N	100
t-value	0.21405
p-value	0.41547
Decision	Fail to reject null

The null hypotheses could not be rejected given only a 53% agreement average rating to the trends.

### Discussion of results

Agreement to the trends put-up for validation of the marketing professionals from Pharmaceutical industries was on an average 53%. In other words, there is a disagreement of 47%. The fifteen trends, namely, Dynamic pricing of drugs; Healthcare and Technology centres to congregate; Global political situation; Drug access and regulation; Winning public trust; Strategic multichannel approach; Mobile apps; Artificial intelligence and Machine learning; Social media Network; IoT in Pharma marketing; Emergence of Electronic records; E-detailing; E-Servicing; Omni Channel approach; Genomics Innovation were not so widely agreed by the respondents. In fact, in some cases like Emergence of Electronic records were disagreed to the extent of 60%. Given the p-value greater than 0.05, the null hypothesis that the trends in pharmaceutical marketing are not validated by marketing professionals could not be rejected in favor of its alternate.

### Conclusion

It takes time for things to come to India. Indians are best at “wait-and-watch” policy and marketing trends are not an exception to this. A reasonable time-lag of 5 or may be 10 years can be safely assumed for trends from the west to get “imported” to India. This transition time gap has to be reduced. India has taken a big leap in digitalization in recent years. Therefore, the adoption rate of the trends in pharmaceutical marketing in India should be much faster for its own benefit.

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