

# Strategic Trends on the Promotion of Pharmaceutical Products by MNC's in India

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**ABSTRACT----** *This paper gives insights on how Indian MNCs in the pharmaceutical sector are strategically looking at the promotion of their products in the changing global environment. Specifically the study focuses on the strategic used of media by the Indian MNCs to communicate their brand to the various stakeholders. The pharmaceutical industry looks at least 10 different media to promote their brand. This study identifies the strategic important media that is significant to the pharmaceutical MNCs in India. On this basis a focused study showed the strategy trend of communications used by the top MNC in India that enables formulation of effective marketing strategies by leading pharmaceutical MNCs in the Indian market.*

**Keyword---** Media communication, Strategy, MNC, Indian pharmaceutical market

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## 1. INTRODUCTION

The increasing growth of the internet and technological advances communication of scientific information has become more professional and is a necessity to reach out to the end users. There are several media available to disseminate the information as a result it becomes vital for the pharmaceutical suppliers to select the most valuable and competitive channel that would be of strategic significance.

The complexity of the buying process and the nature of the decision market require the market communications to be effectively delivered to the buyer at the right place and right time. There are various media tools that are used like the traditional ones like the print media in form of brochures, booklets, books, flipcharts, calendars and posters.

## 2. LITERATURE REVIEW

The context is vital for a unique marketing approach and branding as the consumers develop psychological associations and imagery. The business market context would require discussion among individuals within the prospective organization and personal contact with the buyer. (Minett 2002). This would mean the identification and integration of the brand value into the marketing communications (Hawkins et al., 2004; Minett 2002).

Branding is valuable as it has an impact on the buyer's purchase decision. The individual is sensitive to the brand and the communication of the brand is important in the psychological process that the buyer makes before purchase. (Lachance et al. 2003). When the customer is deciding in purchasing the branding becomes very important. The cues that show the performance of the product along with the risk management involved is important as shown in the research by (Bendixen et al 2004)

The two-way risk communications between the provider and buyer have the potential to change behavioral outcomes for the purpose of individual and societal benefit. (Chakraborty, S. & Boudier, F., 2013).

Brand building builds a corporate 'soul' that needs to be communicated internally and externally by the company (Kotler and Pfoertsch, 2006).

Most companies are much interested in conceptualizing the brand construction that needs excellent marketing communications of the 'identity' of the manufacturer and that perceived by the buyer (Kapferer, 2004; Blombäck, 2005).

Research by (Robichaud *et al*, 2008-09) in developing the non-residential market highlighted the communications challenges faced by architects informational needs and because of poor perception of the product. Communications take several forms, as preferred by the architects. These included design manuals, Internet websites (company or product specific), company manuals and brochures, and technical support from customer service representatives. Their research showed that marketing brochures did not alter the perceived identity of wood among architects, especially over the short term. This implied that the utility of a marketing brochure only exists for a brief moment thereby requiring that communications campaigns ought to take a longer-term, strategic view.

A measure of success needs a strategic problem solving approach that involves Integrated Customer Behavior Management that integrates customer behavior, product development, communicative packaging, value based pricing, convenient distribution schemes, effective sales management, financing, CRM & TQM. This involves multidimensional, interactive, continuously measured communication that connects the brand or product and the customer, because that's what makes success. (Lauterborn R. 2003)

A buyer's evaluation of the product includes not only the functional benefits of a product, but also the assessment of people skills and modes of communication among several other factors (Michell et al. 2001).

Medical information is essential for the development of medicines, to satisfy licensing requirements, protect patents, promote sales, and advice patients, prescribers, and dispensers. Through their generation and dissemination of information, transnational companies can greatly influence their clinical practice. (Collier, J. & Iheanacho, I., 2002).

Studies by (Goi 2009) and (Muala & Qurneh 2012) showed that clear communication to the target market is vital for the success of any marketing program. This involves sales promotion, advertising, personal selling, public relations and direct marketing.

The research literature suggests that the prior knowledge of the product knowledge is positively related to their perceived ability of information provided to them (Eastin and LaRose, 2000) and negatively related to prior product knowledge with those who have lower product knowledge (Biswas, 2004).

(Awasthy, D., et al. 2012) thereby proposed a model whereby consumers can engage in information search based on their motivation and possible reconciliation of conflicting results. This needs to be factored in while communicating to the target.

Marketing managers often struggle on ways to maximize their integrated marketing communications strategy. This is complicated by the varied number of communication outlets, as well as the varying competitive landscapes.

The study on differential impacts the pharmaceutical market therapeutic category where the communication strategies of "push" and "pull" operate on consumers, in an atmosphere of continuous product innovation and competitive landscape found that the product's length of time on the market and the interaction with these communication efforts also affect brand and category sales. (Cavusgil, E. & Calantone, R., 2011)

Research suggested that anesthetists' during insertion of epidurals catheters in women on the labor ward found the results were optimal and of value when the communication was verbal instead of commands and information statements that were the most common types of communication used. This shows the media of communication is very important for valuable business. (ACM, 2011).

The of interactive health communications tools like Web sites, Internet-based games, disease symptoms simulations, opinion polls, seminars, professional and personal blogs, podcasts, chat rooms, forums) has become an important source of health information among different kinds of audiences. Ultimately, the internet is the key mantras of strategic health communication and will be a part of an integrated approach with other communication activities. (Schiavo, R., 2008).

The internet and Social Media has evolved with Facebook having nearly 1,000,000,000 members (One billion). Facebook is the site where everyone is spending time online. (Howes, L., 2012).

Facebook and Twitter, the largest social media Web sites, have more than 350 million users worldwide. Research surveys indicate that 60% of Americans turn first to the Internet when seeking health-related information as a result the pharmaceutical industries are gearing up to establish a social media presence. (Greene, J.A. & Kesselheim, A.S., 2010).

A McKinsey survey showed that companies are using digital tools from Web sites to wikis extensively for customer service. Two-thirds use digital tools for product development and advertising online. Most companies today don't integrate their online and offline marketing efforts with an increased trend in the near future for companies to use online tools across the full spectrum of marketing activities. (Martin, J.-françois, 2010).

The use of online promotions enable managers in an organization to control cost and lead the company to success. There is the flexibility of advertising media including television (TV), press, and billboards attracts potential customers or the target market. However managers should consider different agencies as digital media to help meet the customer requirements including creative agencies, technology builders, and content providers. (Farrar, M., 2010).

Research showed that patients are using the World Wide Web as a source of medical information, therefore the primary health providers should be prepared to offer suggestions for health resources on the Web to help patients evaluate the quality of the provider. (Diaz, J.A. et al., 2002).

This is becoming increasingly important to provide good quality medical care as the interpersonal distance between the doctor and patient has been increasing. (Barrand, J., 1978).

Revised FDA regulations permit pharmaceutical companies' broadcast direct to-consumer advertising (DTCA). This results in patient autonomy and motivated consumer physician discussions. Studies has shown that DTCA has increased the pharmaceutical sales. (Lyles, A., 2002).

### **3. MEDICAL EDUCATION**

#### **3.1 Patient Education**

A Consumer Reports Magazine survey in the US on 70,000 patients noted that those doctors who were having good communication skills were more satisfied with their treatments. It has been established that by using a combination of various methods to educate the patient there is more effectiveness in their treatment. These methods included written materials, audio visual aids individual counseling & community resources.

#### **3.2 Printed media**

Printed media is a relevant and integral part of the marketing plan. The various methods used are by

- i) Letters. Looks more official and makes your customer feel important.
- ii) Business cards. Is a mini advertisement. It's the first impression.
- iii) Brochures. Allows you to focus and promotes more online search.
- iv) Flyers. Get noticed by large group at low cost. Helps target customer.
- v) Print web marketing. Free information download/booklet to print.

#### **3.3 Social media**

A study by QuantiaMD USA showed that more than 80% physicians' use social media for their personal use but only 65% use it for their professional use and that too only one of the several options available. This shows the hesitance to use this media. Also the sites encouragement of patient-physician interactions is much lower for example 15% on Facebook, 8% on YouTube, 8% read blogs, 3% use Twitter and 3% use patient communities. The opportunities in this media are tremendous.

Roche Diagnostics has successfully used this media to check out their Accu-Chek brand found out ways to get involved by blogs to help people with diabetes. They were involved with the 30 most influential diabetes writes in North America, sponsoring some of the blogs and even support some of the online programming. To promote diabetes education, awareness and advocacy they launched a Facebook page ([facebook.com/AccuChekUS](https://www.facebook.com/AccuChekUS)) and Twitter account ([twitter.com/accuchek\\_us](https://twitter.com/accuchek_us)), as well as expanding its own blog ([accuchekdiabeteslink.com](http://accuchekdiabeteslink.com))

UCB Belgium who supplier Parkinson's disease patch Neupro, seizure therapy Vimpat and Cimizia used for rheumatic arthritis and Crohn's disease have also used the media to engage people to provide value to their offer. They too sponsor microsites, like EverydayRAvictories, where patients can post stories. They have their Facebook page [facebook.com/parkinsonsmorethanmotion](https://www.facebook.com/parkinsonsmorethanmotion) YouTube channels like [YouTube.com/epilepsyadvocate](https://www.youtube.com/epilepsyadvocate). These efforts are in addition to and supplemented by the print media.

Ultimately the people will be the winner and they will decide the strongest companies. The rider is the FDA views the patient ambassadors as testimonials and is an extension of the company. So all the promotional, legal and regulatory stipulations would be upheld. However the marketing strategist need to look at the shifting digital landscape more closely because when Facebook in 2011 forced pharma pages to open their walls to customer comments several pharma makers faced the heat and could not sustain the negative criticisms. This has been overcome by continuous monitoring of the posts by the customer support to provide accurate relevant information's.

### **4. RESEARCH METHODOLOGY**

#### **4.1 Sampling**

A total of 78 MNCs operating in India were selected and the questionnaire were sent to them on their modes of communications they used for their brands. These questions were sent to the top officials of pharmaceutical companies with operations ranging from small to very large in terms of sales volume and the number of countries they operated globally. They were asked on a scale of 1 to 10 (1=fully outsource requirement. 10=fully done internally) the medical communication done for their various brands. This applied totally to the company across all their product lines and specialties. As only the top officials controlling the national sales involved in all product lines can reply to this questionnaire. There was total 15 valid responses from General Managers, Marketing Managers, Vice presidents and Heads of Marketing.

The various medical communications evaluated were

Brochures, Booklets and Books. Each evaluated for patients and for the medical field.  
Flipcharts, Calendars, Posters and Social media. Other media (Dependent variables)  
Sales, No of countries-Global operations. (Independent variables)  
(Total of 13 variables)

#### 4.2 Research results

The Cronbach's Alpha showed the figure of 0.6 showing a good measure of internal consistency with a good reliability. The Variance Inflation factor (VIF) of 1.011 showed no multi-collinearity exists among the variables. This results prompted the check of the existence of regression between the dependent variables and the independent variables on the basis of significant correlations that exist.

Based on these variables the SPSS test results using the enter method showed that the Sales of the MNC (US\$ million) is explained significantly (90%) by the MNC's internal control of medical communication to the patient in the form of Brochures. The regression in Table 1 below.

Table 1

R	F	Sig
0.559 <sup>a</sup>	3.640	0.093 <sup>a</sup>

- a. Predictors: (Constant), Brochures Pat Ed  
b. Dependent Variable: Sales (US\$ Mio)

The normal P-P plot for the regression is shown in the graph below (Graph 1)

Graph 1

#### Normal P-P Plot of Regression Standardized Residual



No other correlations existed between the various variables that were analyzed.

On further analysis of the dependent variables it was found as proved in the literature that the companies that promoted/controlled internally the medical communication to the patients in the form of brochures that was significantly enhancing their sales also were controlling their promotions on social media. This is a strategic trend as shown in Table 2. The control on the internal promotion of matter on the social media by MNC's are significantly (95%) related to the internal control on the promotion of their medical communication to patients in the form of brochures.

Table 1

R	F	Sig
0.643 <sup>a</sup>	7.042	0.024 <sup>a</sup>

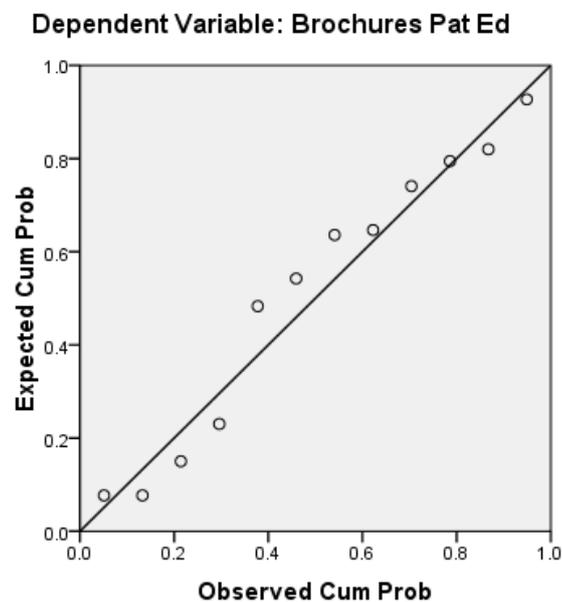
a. Predictors: (Constant), Social Media

b. Dependent Variable: Brochures Pat Ed

The normal P-P plot for the regression is shown in the graph below (Graph 2)

Graph 2

### Normal P-P Plot of Regression Standardized Residual



## 5. CONCLUSION

It is clear that the global MNC's in the healthcare sector focus on educating their patients and doctors suitably so that their product stand out in the clutter of various brands available worldwide. This is a very vital part of the marketing strategy. There are many ways to promote the products. The crucial methods of promotion are controlled internally by the maker and the other methods are outsourced due to cost and difficulty in control by the MNC.

Based on the paper there is a definite conclusion that medical brochure to patients are controlled by MNCs with high sales volume. As a strategic trend it is also noted that MNCs controlling the information to patients by medical brochures are significantly going to control the information on social media.

For patients we can conclude that the future trend will be social media information that is fully controlled by the MNC.

For marketing companies and the MNC's we can conclude that the social media would be strategically important hence fully controlled internally and according the strategy needs to be made.

The issue of social media promotion is an ongoing research that the author is pursuing.

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