

SELLING PROCESS ADOPTED BY THE PHARMACEUTICAL COMPANIES.

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Abstract

Pharmaceutical Companies are responsible for the current shift in the marketing strategies. Leading companies are using high-end development and not adaptive development, new innovation-based companies are going places and companies not doing innovation in products and processes are finding difficult, to compete with organizations adapting innovation. The pharmaceutical industry is highly complex. The technologies leading to drug Discovery and development are at the peak of human knowledge. The huge size of the companies and the complexities of their processes and technologies results in many organizational and management challenges. The development and management of the distribution system is highly costly. My study analyse the processes and outcomes of pharmaceutical companies. This article will present the selling process adopted by pharmaceutical companies.

Key words: Marketing strategies, Selling process, pharmaceutical company,

Introduction

India is blessed with huge population in the world, and the effect of illness and health deterioration too. in order to supplement for the huge population base, many pharmaceutical companies are landed in India and involved in the production of drugs. The production from india is supplied up to 50 percent for the global demand, and 50 percent to USA and UK. further the Indian pharmaceutical sector was valued for 33 billion America dollars in the year 2017. To add up the pharma companies strive its level maximum to push and popular their products like other sectors do. The very complicated problem in pharma marketing is that the end consumer cannot be taken as the final recipient and the recipient have to be reached through physician. The major marketing strategies includes the product, price , promotion and place.

Need for the study

The study is intended to know the marketing strategies of the company. Since, the company growth depends upon their sales conditions only. The study mainly deals with the marketing activities of the company. The main objective of the study is to know how the company performs its marketing activities for the attainment of its goals. The study covers the various selling process adopted by the pharmaceutical companies.

Review of literature

- ❖ **Jaya Prakash Pradhan (2006)**. It is found that strategic government policies were the main factors that transformed the status of the Indian pharmaceutical industry from a mere importer and distributor of drugs and pharmaceuticals to an innovation driven cost effective producer of quality drugs. India emerged as one of the fast growing pharmaceutical industry in the world with growing trade surpluses and exports. However, there are certain limitations that the government policies need to address, like low productivity and R&D intensity. A host of competitive strategies, like Greenfield direct investment, overseas acquisitions, strategic alliances and contract manufacturing have emerged as favorites to Indian pharmaceutical firms recently
- ❖ **Elizabeth Murray et al. (2007)** compares and contrasts the main quality standards in the highly regulated pharmaceutical industry with specific focus on Good Clinical Practice (GCP), the standard for designing, conducting, recording and reporting clinical trials involving human participants. Comparison is made to ISO quality standards, which can be applied to all industries and types of organisation. The study is then narrowed to that of contract research organisations (CROs) involved in the conduct of clinical trials. The paper concludes that the ISO 9000 series of quality standards can act as a company-wide framework for quality management within such organisations by helping to direct quality efforts on a longterm basis without any loss of compliance. This study is valuable because comparative analysis in this domain is uncommon.
- ❖ **Chris Cousins (2009)** in his research publication describes how the patient physician relationship has been compromised by pharmaceutical giants. At one time, a doctor's primary concern was the health of the patient. During this time, no incentives existed for doctors to prescribe certain medications and the prescription process was adequately assessed by the physician in order to deter potential side effects. By influencing medical education, companies control the distribution channel for their product. Using unethical; marketing techniques, including misleading direct-to-consumer marketing and condition branding, the

pharmaceutical industry creates and maintains a market for their product. The combination of these two influences demonstrates how pharmaceutical companies exploit physicians and patients alike in order to maintain themselves as a dominant force in the American economy.

Objective of the study

To analyse the selling process adopted by pharmaceutical companies

Sample design and study area

For the purpose of the study, a survey instrument was prepared for the medical representative who were employed in the districts of Coimbatore, erode, and Tiruppur in Tamilnadu state. All these representatives were employed in the pharmaceutical companies of Pfizer, Glaxo smith kline, Sanofi Aventis, MSD, Abbott laboratories. A total of 350 medical representatives were asked to fill the questionnaire of which only 306 were properly filled in and the rest were duly rejected for not filling. The total respondents after rejections 199 medical representatives who were working for Pfizer of which 72 of them from Coimbatore, 27 from erode, 10 from Tiruppur. A 90 representative of Glaxo Smithkline have fallen to 44 from Coimbatore, 38 from erode, 8 from Tiruppur. 57 medical representatives who work for Sanofi Aventis has been classified in to 31 from Coimbatore, 17 from erode, and 9 were accounted to Tiruppur. A 26 representative who work for MSD has been classified in to 18 from Coimbatore, 8 from erode and no one from Tiruppur. An 24 representatives who base 13 from Coimbatore, 6 from erode, and 5 from Tiruppur.

Table 1: District in which employed

Demographic profile of the respondents		Frequency	Percent
District in which employed	Coimbatore	178	58.2
	Erode	96	31.4
	Tiruppur	32	10.5
Educational qualification	UG	141	46.1
	PG	165	53.9
Age group	25-35	128	41.8
	36-45	111	36.3
	46-55	67	21.9
Experience	0-5	130	42.5
	6-10	118	38.6
	11-15	29	9.5
	16-20	29	9.5

Source: Computed from Primary Data

Panel 1 explains the district employed by the respondents, it can be inferred that 58.2 per cent of them employed in Coimbatore district, 31.4 per cent of them employed in erode district and 10.5 per cent of them were employed in tiruppur district.

Panel 2 represents the educational qualification of the respondents, 53.9 per cent have completed post-graduation and 46.1 per cent of them have completed under graduation.

Panel 3 highlights the age group of the respondents, 41.8 percent of the respondents were in the age group of 25 – 35 years, 36.3 percent of the respondents were in the the age group of 36 – 45 years and a 21.9 percent of the respondents were in the age group of 46 - 55 years.

Panel 4 illustrate the experience of the respondents, 0 – 5 years of experience, 38.6 per cent of them had 6 – 10 years of experience, 19 per cent of them have 11 – 15 years of experience and 16 – 20 years of experience by sharing 9.5 per cent respectively.

Table 2: Marketing strategies adopted.

S.No.		Frequency	Percent
Selling category	Pharma	145	47.4
	Vaccines	84	27.5
	Healthcare	77	25.2
Type of Company	Pfizer	109	35.6
	Glaxo smith kline	90	29.4
	Sanofi Aventis	57	18.6
	MSD	26	8.5
	Abbott Laboratories	24	7.8
Market segmentation	Demographic	145	47.4
	Geographic	81	26.5
	Behavioural	80	26.1
Marketing strategy	Concentrate on segment	28	9.2
	Concentrate on brand	42	13.7
	Concentrate on generic	28	9.2
	Concentrate on segment and brand	106	34.6
	Concentrate on segment and generic	102	33.3
Attribute increase sale	Product	151	49.3
	Process	39	12.7
	Packaging	31	10.1
	Promotion	85	27.8

Source: Computed from Primary Data

Panel 1 explains the selling category, 47.4 per cent respondents were involved in marketing of pharma products, 27.5 per cent respondents were involved in vaccines and 25.2 per cent respondents were involved in selling of healthcare products.

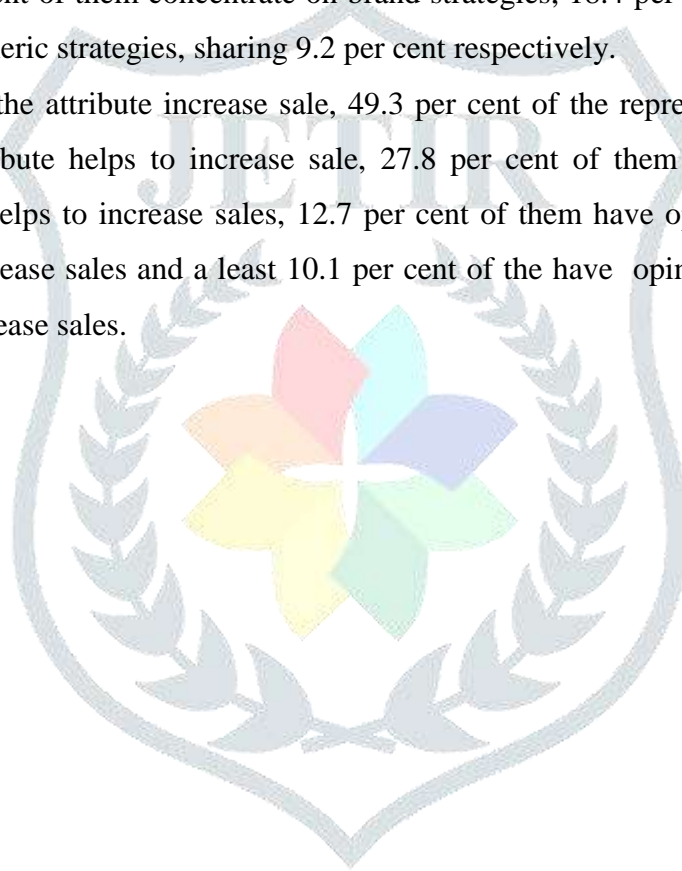
Panel 2 highlights the type of company, 35.9 per cent of the respondents are working for Pfizer, 29.4 per cent of them are working for Glaxo smith kline, 18.6 per cent of them are

working for Sanofi Aventis, 8.5 per cent of them are working for MSD and 7.8 per cent of them are working for Abbott Laboratories.

Panel 3 illustrates the market segmentation, 47.4 per cent of the pharmaceutical companies adopt demographic segmentation, 26.5 per cent of the pharmaceutical companies adopt geographic segmentation and 26.1 per cent of the pharmaceutical companies adopt Behavioural segmentation.

Panel 4 details the marketing strategy, 34.6 per cent of the pharma companies focus on both segment and branded strategies, 33.3 per cent of them focus on both segment and generic strategies, 13.7 per cent of them concentrate on brand strategies, 18.4 per cent of them focus on both segment and generic strategies, sharing 9.2 per cent respectively.

Panel 5 brings the attribute increase sale, 49.3 per cent of the representative have opined that the product attribute helps to increase sale, 27.8 per cent of them have opined that the promotion attribute helps to increase sales, 12.7 per cent of them have opined that the process attribute helps to increase sales and a least 10.1 per cent of the have opined that the packaging attribute helps to increase sales.



SELLING PROCESS ADOPTED THE PHARMACEUTICAL COMPANIES

The following table 3 details the selling process adopted the pharmaceutical companies, for the purpose of the analysis factor analysis have been employed.

Statements	1	2	3	4	5	6	7	8	Communi nality	Labelled as
Frequency of sponsoring conference is high	.953								.942	Sponsorship
Sponsoring of gifts/ materials is continuous	.827								.761	
The gifts and the sponsors are in touch with sales	.766								.644	
The brand name ensures Quality		.961							.949	Brand Name
The brand name have fetched confidence		.832							.724	
The brand name certainly stimulated the sale		.805							.689	
The brand name is not confusing		.755							.651	
Because of advertising the sales has increased			.939						.958	Advertisement
The advertising is made immediately after competing brands			.932						.952	
The sales is much better through TV ads on prime shows			.917						.917	
Additional or “Extra”, “Free samples” boost sales				.959					.949	
The store ambience increase				.973					.978	

the sale medicine/drugs											Store
The customers were easily remembering the store name				.970						.971	
I can rely upon the store for its Quality				.963						.966	
The store provide all brands of medicine/drugs				.929						.903	Inputs from the company
The company see that the advertisement is constantly telecasted					.967						
The company does not change the celebrity often					.951					.947	
The printed Catalogues and bit notices are liked by customers					.981					.983	
The printed Information details the drug and disease					.971					.964	
The printed catalogues are very informative					.935					.911	Distributors
Location of the distributor makes the sales easier						.969				.968	
Gifts and discounts increases the sales						.961				.958	
The distributors keeps the product on sale						.943				.907	Price
Reasonable price hike does not affect the sales							.979			.988	
Too many Price deals Shatters sales							.959			.940	
The prices are kept high							.959			.950	Sales
The competitors distribution strategy is noted								.965		.950	
Price deals alters the sales								.929		.892	

The company strongly believes in celebrity endorsement								.944	.930	
Eigen value	9.355	7.342	4.295	2.112	1.918	1.191	0.721	0.452		
% of variance	26.752	22.956	19.733	9.480	4.041	3.917	3.874	3.681		
Total variance	94.433%									
KMO	.706									
Approx. Chi-Square	21410.223									
Sig.	.000									

Source: Computed from Primary Data

Table 3 details the reliability/KMO and Bartlett's test employed. As the sampling adequacy, value is more than .005 the statement were found for performing further analysis.

The following section details the opinion of the medical representatives on the selling process adopted the pharmaceutical companies for selling process adopted the pharmaceutical companies.

Ho: There is no difference among opinion of the medical representatives with respect to the selling process adopted the pharmaceutical companies

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H1: There is a difference among opinion of the medical representatives with respect to the selling process adopted the pharmaceutical companies

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Table 4: Opinion of the medical representatives on the selling process adopted the pharmaceutical companies

Factors	Sponsorship		Brand name		Advertisement		Store		Inputs		Distributors		Price		Sales	
	F value	Result	F value	Result	F value	Result	F value	Result	F value	Result	F value	Result	F value	Result	F value	Result
Selling category	1.821	S	2.030	S	2.486	S	1.650	S	3.430	S	3.693	S	4.398	S	2.099	S
Type of company	2.062	S	3.120	S	0.733	NS	2.450	S	3.227	S	3.312	S	2.331	S	4.373	S
Market segmentation	1.782	S	3.777	S	2.259	S	1.212	NS	.842	NS	.929	NS	.983	NS	.990	NS
Marketing strategy	.989	NS	2.422	S	0.614	NS	0.822	NS	.928	NS	4.447	S	3.782	S	3.815	S
Attribute increasing sales	.945	NS	0.983	NS	2.061	S	1.780	S	4.334	S	2.212	S	2.880	S	2.436	S

S – Significant

NS – Non Significant

Table 4 shows the results of the analysis of variance between the opinion of the medical representatives and the intrinsic factors. Firstly, the opinion of the medical representative on the sponsorship is examined. The result shows that the selling category, type of company and market segmentation has significant difference among sponsorship. Followed by the opinion of the medical representatives on the brand name is examined, it shows selling category, type of company, market segmentation and marketing strategy have significant difference among brand name. Thirdly, the opinion of the medical representatives on the advertisement is examined, it shows selling category, market segmentation and attribute increase sales have significant difference among advertisement. Fourthly, the opinion of the medical representatives on the store is examined, it shows selling category, type of company and attribute increase sales have significant difference among store. Next, the opinion of the medical representatives on the inputs from the company is examined, it shows selling category, type of company and attribute increase sales have significant difference among inputs from the company. Followed by, the opinion of the medical representatives on the distributors is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among distributors. Next, the opinion of the medical representatives on the price is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among price. Lastly, the opinion of the medical representatives on the sales is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among sales.

Findings of the study

Simple frequency

- ❖ Most 58.2 per cent of the medical representative were employed in Coimbatore district.
- ❖ Most 53.9 per cent of the respondents have completed post-graduation.
- ❖ A majority 41.8 per cent of the respondents belongs to the age group of 25 – 35.
- ❖ A majority 42.5 per cent of the representatives have 0 – 5 years of experience.
- ❖ A majority 47.4 per cent respondents were involved in selling pharma products.
- ❖ A majority 35.6 per cent of the medical representative are working for Pfizer.
- ❖ Most 47.4 per cent of the pharmaceutical companies adopt demographic segmentation.

- ❖ Most 34.6 per cent of them concentrate on both segment and branded strategies.
- ❖ A majority 49.3 per cent of them opined that the product attribute helps to increase sales

Factor analysis

The selling process adopted the pharmaceutical companies were grouped under eight heads viz., Sponsorship, Brand Name, Advertisement, Store, Inputs from the company, Distributors, Price and Sales.

Anova:

- ❖ The opinion of the medical representative on the sponsorship is examined. The result shows that the selling category, type of company and market segmentation have significant difference among sponsorship.
- ❖ The opinion of the medical representatives on the brand name is examined, it shows selling category, type of company, market segmentation and marketing strategy have significant difference among brand name.
- ❖ The opinion of the medical representatives on the advertisement is examined, it shows selling category, market segmentation and attribute increase sales have significant difference among advertisement.
- ❖ The opinion of the medical representatives on the store is examined, it shows selling category, type of company and attribute increase sales have significant difference among store.
- ❖ The opinion of the medical representatives on the inputs from the company is examined, it shows selling category, type of company and attribute increase sales have significant difference among inputs from the company.
- ❖ The opinion of the medical representatives on the distributors is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among distributors.
- ❖ The opinion of the medical representatives on the price is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among price.

- ❖ The opinion of the medical representatives on the sales is examined, it shows selling category, type of company, marketing strategy and attribute increase sales have significant difference among sales.

Conclusion

It would be truly unrealistic for every single Medical representative to challenge the marketing activities adopted by the pharmaceutical companies with more profundity of learning and science; however legitimate preparing and arrangement will help convey right and required data about medications to specialists. Further, it would be increasingly powerful if the medical representatives can persuade specialist through solid and convincing relational abilities. In contrast to other limited time devices, deals delegates have choice to talk about and demonstrate their focuses, for example, why their medications are increasingly powerful and what treatment conditions they fit, all the more explicitly. The attention on improving the nature of gatherings between therapeutic delegates' and Doctors can be viable to improve the present picture of medicinal agent's from "undesirable deals visits too progressively proficient/drawing in session" along these lines advancing brand adequately.

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