

# *Emerging Business Strategies of Some selected small and medium scale pharmaceutical companies*

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**Abstract** — The Study on Emerging Business strategies of some selected small and medium scale pharmaceutical companies in a connected world has been taken because of the relevance to the present scenario. The recent change in the emerging Business strategies is work by small medium scale pharmaceutical companies. This study focuses on the process small and medium scale pharmaceutical companies and outcomes of some pharmaceutical SME's, Pune and Marathawada region in post patent regime the development and management of distribution system is highly costly. The studies analyze the process and outcome of some selected pharmaceutical SME's article will present the changing marketing business strategies of pharmaceutical companies shifting from acute to chronic therapy base. This study follows descriptive research design. The study also focuses on the promotional tool aimed at physicians and chemist by pharmaceutical firms engaged in marketing of prescription drugs. The research paper will give an insight about the supply chain management process and will highlight customer perception on the base of which pharmaceutical SME's are framing different marketing strategies. The study finally recommends a set of measures by which a set of prescription behavior can be influenced and ethical prescription behavior can be promoted.

**Key words:** pharmaceutical marketing, patent regime, generic medicine.

## **Introduction**

Drug promotion as a business activity has got economic, macro marketing issues and ethical issues associated with it on the other hand pharmaceutical companies incurs huge expenditures on drugs promotion then escalating the prices of the drugs. Pharmaceutical companies can deal in generic or brand medications they are subjected to variety of laws and regulations. The Indian pharmaceutical companies is on a growth path and is likely to be the top 10 global market by value by 2020 A study by Mc-Kinsey (2007) confirms that the factors helping the surge in the pharmaceutical demand in India include the growing middle class segment, health

insurance coverage and expending healthcare infrastructure. The domestic pharmaceutical companies in India have faced the completion internationally and through product patent has given up a lot of opportunities, consolidation will still required to be happening in the industry in coming year Gehl Sampath (2006) Emerging market has one of the drivers segment requiring differentiated treatment however, Accenture is analysis of market in BRIC summits suggest that customer cluster can be identified within a national regional market based on understanding of customer who have common health problems such a type 2 diabetes. The Indian pharmaceutical industry which is accepted to grow over 15 percent per annum between 2015 to 2020 will outperform the global pharmaceutical industry which is set to grow at an annual rate of 5 percent the same period some companies developing an emerging markets strategies to enhance their business and they enter the concept of "customer cluster Business and growth strategies of pharmaceutical companies are increasingly dependent on expansion in to emerging market Demand for the prescription drugs was on the rise in up and coming countries quickly. Thus as growth show to low single digits in pharmaceutical biggest market it was projected to rise up to the different countries China, Brazil, India, Russia. pharmaceutical company play a vital role in the economic development of the country at present the investment in pharmaceutical companies in over Rs 50000 billion and provides employment to over 2 billion peoples in India. In order to exploit full potential of the customer base companies need to form learning relationship every company should adopt good marketing policy in e-commerce which can help it top management to understood the marketing trend of pharmaceutical industries in India, in general and with in Maharashtra, in particular the present study will help in decision making for the pharmaceutical companies marketing policy implementations manager investors and the related other groups who are interested in understanding emerging trends and operating result of the business. To study the emerging trends in marketing strategies of the pharmaceutical industries in a connected world.

**Need of the Study:** The main advantage of the study is to form an emerging Business strategies of some small and medium scale pharmaceutical companies in Pune and Marathwada region in Maharashtra pharmaceutical SME's in Maharashtra has seen tremendous growth with arrival of MNCs The MNCs are gradually capturing the Indian Market through their innovative marketing practices marketing mix are considered while formulating the marketing strategies related to product, price, place and promotion pharmaceutical SME's trying to maximize their profitability there are two factors which are actually squeezing the profitability.

- i) A strict Govt. regulation for price control.
- ii) Intensive competition in the global market therefore, there is a need to study the change which have taken place from time to time in marketing and reasons for marketing failures. There is a need to understand the measures undertaken to overcome the marketing failures, This study is aimed to study at understanding in the emerging functional and operational strategies that are prevalent in current market situation so that suitable recommendations can be made to selected pharmaceutical companies SME's in Pune and Marathwada region.

**Objective of the Study:**

- i) The main objective of the study is to examine the strategies adopted by pharmaceutical SME's business based on emerging business trends.
- ii) Importances of marketing are increasing with globalization. The living standard of people also changing, diseases like diabetes, Hypertension are increasing. To provide the medicines for improving the health of the people, pharmaceutical SME's need to market their products effectively it is necessary to understand the trends in marketing of SME's in Pune and Marathwada region.
- iii) To study the emerging Business strategies of pharmaceutical SME's in Pune and Marathwada, region in order to cross check and analyze the response of the sample distributors.
- iv) To identify the problems some pharmaceutical SME's and to suggest the measures of how to overcome them.
- v) To find out the ways to succeed globally to ascertain are the government policies regarding the pharmaceutical SME's to forecast trend in emerging business strategies and marketing of pharmaceutical SME's in future.

I. Review of Literature:

The domestic small & medium scale pharmaceutical companies in India have faced the competition internationally and through product patent has given up a lot of opportunities consolidation will still required to be happening in the industries in the coming years there is a interrelation between export and R & D's investment Gehl & samapth (2006). The pharmaceutical SME's in India is now exposed produce lot new opportunities and risks to the domestic as well as MNC's operating in Indian. This makes the domestic firms to develop various strategies on the Business development and research with the aim achieving long term sustainability competitive advantage and growth under new regulatory regime care research report (2008). The pharmaceutical companies are needed to consolidated and to make alliances with other companies to be strong enough to invest in R&D's pharmaceutical SME's need to have dual pricing strategies, one for domestic and other for international market Krishnamurthy (2008). Emerging pharmaceutical market is actually attracting most of MNC's pharmaceutical companies to focus on various there party the segments Ghosh and Roy (2010) promotional marketing strategies employed by pharmaceutical companies are successful through getting perception, form such doctors by influencing them ketches and Wankhade (2010) As the small and medium scale pharmaceutical companies are not getting sufficient help from the government companies are expecting that government should take out DCPO regulation on drugs such those having good demand as the market as well as high profitability Dixit (2008) Variety of studies has been carried out on the marketing and business aspect of pharmaceutical industries SME's. The researcher claim that present study is relevant for the current period of time it provides scope and initiative to make more studies in this area pharmaceutical marketing emerging business trend has stressed on the pharmaceutical market branding its role and brand management Anshul (2005). Indian pharmaceutical industry has become a new foreign exchange carries through marketing and preparation of bulk drugs Arya (2004) Shrivastava (2004) has highlighted the changing scenario of pharmaceutical industry promotion activities has discussed on ethical dimensions, medical representations approach and business. There are several studies on the Business strategies many countries and also in India Tyagi and Narayan (2017) analyze the firm level determinates of profitability of Indian pharmaceutical industry studies is the developing nations are mostly exploratory and required more focus on research and development and marketing Shushmita *et al.* (2012) and Sharma (2009) describe the strategies management approached in pharmaceutical industries. In Maharashtra there are some studies have come up. In Indian context Sanjay (2005) Sahani (2003), Krishnaphani (2005), Guha (2005) Nair (2003), This paper is critically analyzing the changes in emerging business strategies in pharmaceutical SME's in Pune and Marathwada region A review of Literature shows that no researcher has undertaken this type of research till now This study help to understand the what strategies implemented by medium & small scale pharmaceutical industries making them to earn large

profitability. The gap in marketing strategies adopted by small & medium size companies, which is pulling down their performance in Pune and Marathwada region this study also help to understand of the competitiveness marketing strategies of selected pharmaceutical SME's and expectations of customers in selected region.

#### **Methodology:**

The present study is based on the various secondary data on the marketing strategies some related pharmaceutical SME's in Pune and Marathwada region of Maharashtra. The data were collected from various journal's periodicals and magazine, articles published in news paper and journal's and also from Govt. report published time to time data also collected from Emerald and EBSCO, The researcher has been rendering his services to the pharmaceutical marketing for about 5 years in various pharmaceutical companies in Marathwada and Pune region therefore researcher has some knowledge about marketing.

#### **Pharmaceutical marketing:**

Pharmaceutical marketing the business of advertising or otherwise promoting the sale of pharmaceutical growth strategies in the pharmaceutical industries are increasingly dependent on expansion in to emerging marketing Drug makers in emerging markets looking for new success of revenue, market research were tolling up growth prospectus around the world pharmaceutical growth prospect in emerging market didn't appear and out of nowhere for years so called BRIC countries has been fingered an economic stars growth spawned middle class consumer able to pay for their own. It enable the Government to invest heavily in their neglected or all but nonexistent health care system mean while populations were growing and chronic dieses common in the U.S. and Europe were spreading. Products that are commercially successful in developed market it is not necessarily do so well in emerging market due to their price levels local clinical pathway of disease prevalence for an emerging market this require careful mapping of the products for each country in emerging markets small and medium scale pharmaceutical companies replicate the business model. In Pune and the surrounding area as there are total 51 pharmaceutical companies some are small scale and some are medium scale companies. For the present study some companies has been selected (i) Parul health care pvt ltd, (ii) indizen Pharmaceutical pvt ltd. (iii) Nulife pharmaceutical (iv) Litaka pharmaceutical pvt ltd. (v) Libra Drugs Pvt.Ltd. In Marathwada there are about 29 small scale companies and 15 medium size companies only few companies selected i.e. Navketen pharmaceutical pvt ltd. small scale company manufacture injection tablet capsules, liquid etc. Shreya life sciences pvt ltd FDC ltd medium size companies Anglo French, Drug ltd and Glapha laboratories ltd small size company. Marketing strategies formulated in relation to 4p's of marketing are product related strategies, price related strategies, place related strategies and promotion related strategies. There will be difference in the marketing strategies of pharmaceutical SME's depending the vision policies goals of SMS'S & objections structures cultural difference which largely depend on the size of the company hence the researcher had related 5 companies from

Marathwada and 5 companies from Pune region for the study only base of their volume of business small scale companies turn over less than Rs 250 crore medium size company turn over Rs 500 to 1000 corers per annum.

Pharmaceutical companies SME's adopt different marketing practices for promoting their pharmaceutical product the right marketing strategy for any pharmaceutical SME's to build on proven strategic marketing principles along with a focus on customer behavior.

**7) Business strategies** adopted by some small and medium scale Pharmaceutical companies in Pune and Marathwada region. There can be various way thorough which SME's can achieve a successes in the market which a pharmaceutical SME's required to be designed very carefully marketing strategies be (company, customers and competitor) domestic market will be largely given by the increasing prevalence of chronic segment the pharmaceutical SME's due to weak association between merger and Acquisitions and market concentration. The 4p's of marketing are simultaneously used by pharma SME's selected for the present study in Pune and Marathwada region while promoting there brand to doctors every SM'S appoint M.R.'s sales managers to promote their product approximately they visited twenty times on an overage in One year and company offer travel and accommodation expense 1 times and 15 offers made some SME's are also organized educational programs to influence in their the prescription behavior of the physicians offer Gifts and samples to doctors time to time companies also prepare some advertisement, promotion literature to promote their medicines and to attract the customers pharmaceutical SME's target a variety of tool at chemist who form a vital link between the firm and the consumer. These include M.R. cash and quantity discount schemes, Gifts, promotional literature for strips or boxes of medicines and free strips of foreign land on achievement of specific target. A significant association was found between store size and exposure of medical representative, schemes and gift the bigger size stores with high inventories offered promotional tool with greater frequency Doctors and medical students need to be trained to logically assess the various drug combination Dongre and Mahadevappa (2010) attempted to assess the possibility of marketing low cost drugs across segmented market in India they found that doctors are willing to prescribe generic drugs and patient are keen on buying low cost medicines the SME's have new opportunities information of balk drugs and generic medicines to reduce cost of medicine. Through the induction of a system of product patents since 2005 in Indian pharmaceutical industry has today become worldwide exporter of high quality generic Drugs. The dynamics of the domestic industries market have always encouraged Indian industry to peruse overseas lines of business. The large generic market for Indian companies in the generic business in U.K. has always been focus for Indian companies in U.K. Market 80% of prescriptions, are written generically Brazil and Germany, have been to adopt generic medicine. The availability of highly skilled low cost production base some companies have elected to pursue alternative business

strategies the bases of marketing strategies can be described by core and super core mode. The core model of business strategy involves marketing of large number of drugs from the acute therapy area to large diversified markets. Super core model what pharmaceutical SME's reach out and distribute small number of drugs in the chronic therapy area company like F.D.C. Ltd. and Mankind focusing on core model on the availability of product so as to enjoy good image in their customer and doctors to push their products. Pharmaceutical SME's require good support from their direct customer doctor to pull the demand of their product to realtor to stockiest. When a pharmaceutical SME's changes its market focus from "Acute" to chronic therapy depend on competitive of supply chain. **Significance of the study:-** The study entails the understanding of the different factors related to the pharmaceutical SME's in Pune and Marathwada region so as to influence the doctors of Pune and Marathwada region. This study also developed to understand the different marketing strategies adopted by the selected companies and making their product to earn large profit it also help to understand competitiveness in the market to understand the emerging business strategies in pharmaceutical market, as the health care cost rising attempted standardizing prescribing of generics low cost brand that are perceived to be more cost effective there has been a shift in R&D towards more specialized and niche products.

## II. CONCLUSION

Pharmaceutical SME's are business organization can achieve the successes in market. The relationship between the company customer and competitors determine the success of Pharmaceutical SME's can reach to consumed specially in rural area boost the market through dispensing pharmacies to access their distribution develop their wholesaler system and collaborate within the pharmaceutical industry. There attempt may could provide the successes for SME's against multinational companies As the life style diseases increasing Govt. need to provide regulatory protection to compete in the intentional market As India becoming emerging integrated pharmaceutical hub the Indian pharmaceutical SME's have therapeutic group wise domestic market divisions which have put pressure on their balance sheet plus European and American companies give thrust to their local markets the SME's to increase their market strength go for the tie up to sell other pharmaceutical companies and to create win-win business model two survive in the world.

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