



**DR.B.C.ROY COLLEGE OF PHARMACY  
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# **Topic – Marketing Mix of Pharmaceutical Industry in India: An Exploration**

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## Market :

- Marketing consists of those efforts which effect transfer in ownership of goods and care of their physical distribution.
- It is the process by which products are made available to the ultimate consumers from their point of origin. In short marketing means the performance of business activities that direct the flow of goods and services from producer to the consumer.





## **Pharmaceutical Marketing Management System:**

It is vital and dynamic sector in the industry. India's pharmaceutical industry has witnessed remarkable growth and transformation over the years. Initially, it focused on generic drug manufacturing, but today, it has evolved into a hub for research and development .

**The Pharmaceutical Marketing Management System the main role play customer and retailer .**

## **Key Words of Pharmaceutical Marketing Management:**

- Pharmaceutical Industry
- Marketing Mix
- Production
- Price
- Promotion
- Place.

Pharmaceutical marketing is a set of actions required by a laboratory or a therapeutic area to publicize the benefits of a product to a specific audience.

## ✓ Pharmaceutical Industry –

It's a crucial sector in healthcare, responsible for the discovery, development, production, and distribution of pharmaceutical drugs to improve human health. The market size mentioned in 2020 highlights its economic importance.

**Market Value:** The estimated value of the Indian pharmaceutical industry at \$42 billion in 2021 is a testament to its scale and importance. The projection of reaching \$130 billion by 2030 showcases its potential for further expansion.





- ✓ **Vaccine Manufacturing:** The Indian pharmaceutical industry's leadership in vaccine production, with over 60% of the world's vaccines manufactured in India.
- ✓ **Export Markets:** The industry's ability to export pharmaceutical products to regulated markets like the US, UK, European Union, and Canada highlights its adherence to international quality standards and regulatory requirements.



The fact that it comprises over 20,000 licensed companies and employs half a million people underscores its significance in the Indian economy. The dominance of the top 250 pharmaceutical companies in the market also highlights the industry's concentration.

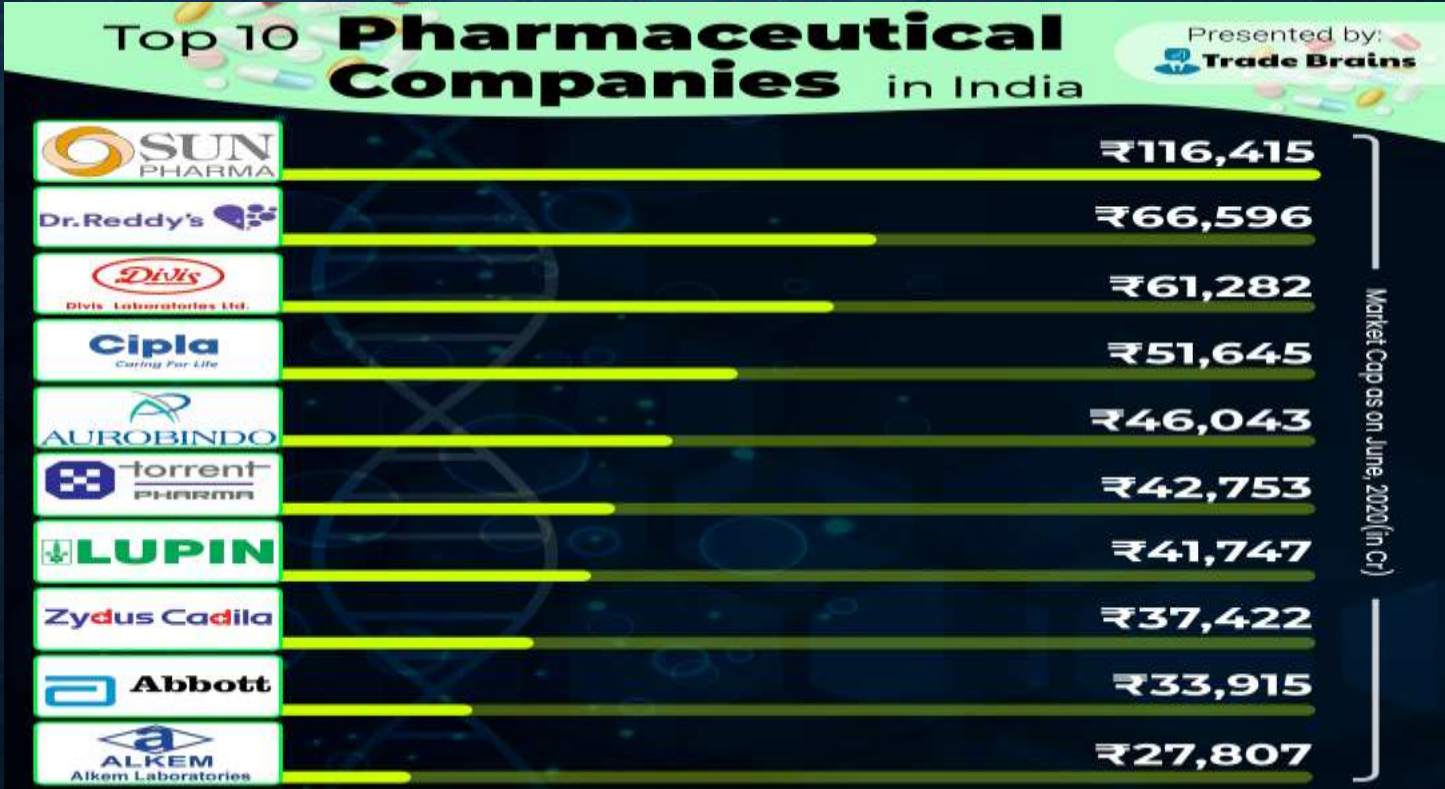
The Indian Pharmaceutical Industry has indeed made remarkable progress over the years. It is known for its advanced capabilities in drug manufacturing and technology. It's impressive that India is among the top pharmaceutical industries in the world, both in terms of volume and value.



- The first Pharmaceutical Company in India Bengal Chemical in 1901.
- In the early 1960s, the Indian government began encouraging the growth of drug manufacturing by domestic companies.
- The Patents Act of 1970 played a pivotal role in shaping the industry.  
Indian Patents and Design Act, 1911, which product and process patents.



Sun Pharmaceutical Industries Ltd, Dr. Reddy's Laboratories Ltd, Cipla Ltd, Torrent Pharmaceuticals Ltd, and Zydus Lifesciences Ltd are the top 5 pharma companies in India in 2023 by market capitalization (as of Mar 31, 2023). Comprehensively, the top 10 pharma companies in India had a total market cap of \$77,093 million (as of Mar 31, 2023), with Sun Pharmaceutical Industries Ltd has the highest (\$28,738 million), followed by Dr. Reddy's Laboratories Ltd (\$9,355 million), and Cipla Ltd (\$8,855 million), while IPCA Laboratories Ltd is the lowest (\$2,505 million).



## ■ Marketing Mix (4Ps) of Pharmaceutical Products:

Marketing is indeed a crucial function in any business, and it's essential for the Indian Pharmaceutical Industry as well. When a successful pharmaceutical company engages in marketing mix modeling, the weightage to be given to each marketing element is critical. The manufacturer's base drivers help it build its brand equity, organically. The marketing mix modeling, on the other hand, optimizes the use of marketing-driven incremental drivers.

The pharmaceutical marketing mix first introduced by Borden in 1964 with the basic elements are :

- Product
- Price
- Place
- Promotion.





□ **Product:** In the Indian Pharmaceutical Industry, the product primarily consists of various drugs, medicines, and healthcare products. This encompasses everything from generic drugs to specialized medications and active pharmaceutical ingredients (APIs). The industry must focus on not only producing these products but also ensuring they meet quality and safety standards.

The product's importance in the pharmaceutical marketing mix can be driven by a flagship product or brand equity.

❑ **Price:** Pricing strategies in the Indian Pharmaceutical Industry are essential. The pricing strategies are influenced by factors such as government regulations, competition, and the cost of research and development.

- ✓ The perceived cost people must exchange for product benefits.
- ✓ Methods to decrease cost.
- ✓ Cost of competitors.
- ✓ Methods to increase cost of competitors.



❑ **Promotion:** Promotion in this industry involves communicating the benefits and uses of pharmaceutical products, but it's subject to strict regulations by authorities like the Drug Controller General of India (DCGI). Marketing efforts typically target healthcare professionals and aim to educate them about the efficacy of specific drugs, often focusing on clinical data and research.

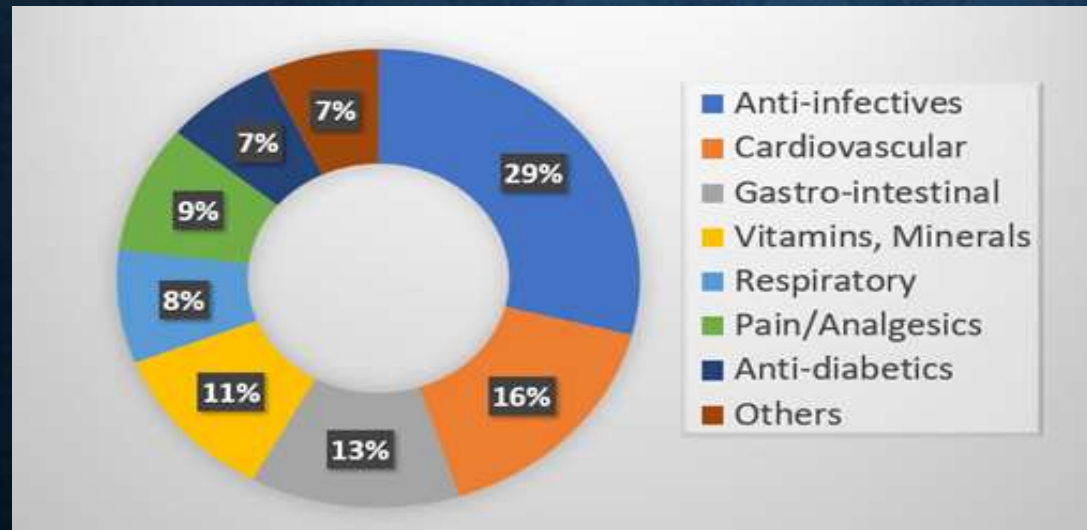
- ✓ Place where people access audio information(Home, town streets)
- ✓ Place where people access audio information (Local audio broadcasts ).
- ✓ Place where personal encouragement can reach people.

□ **Place:** "Place" in the pharmaceutical industry pertains to distribution and accessibility. In India, this is a critical aspect due to the vast and diverse market, including urban and rural areas. The efficient distribution of medicines, reaching both urban and rural consumers through a well-organized supply chain, is crucial to ensure widespread access to healthcare products.



## Pharmaceutical Drugs in India:

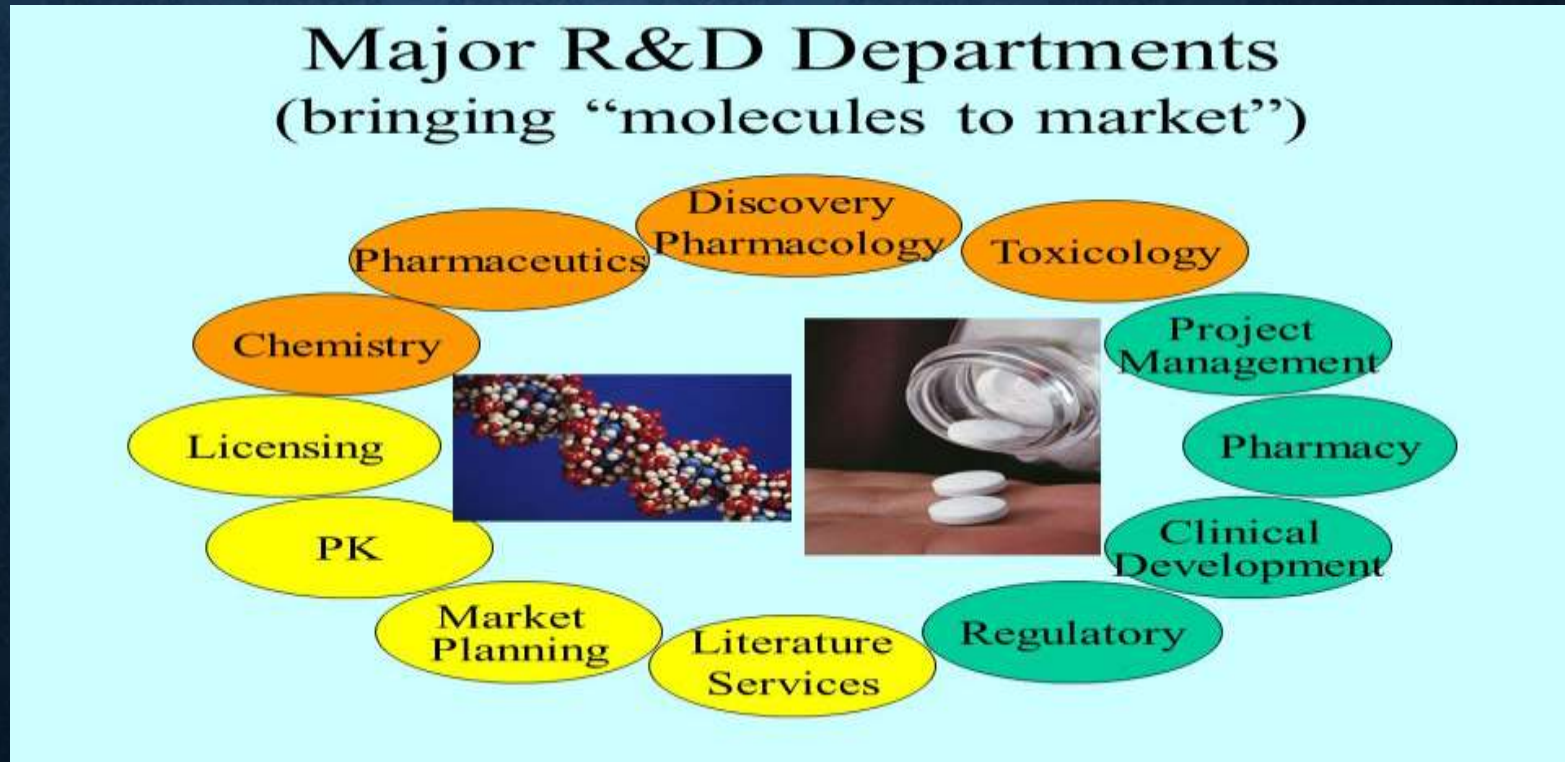
The Indian Pharmaceutical market is categorized into 10 therapeutic segments. Among these, Anti-infective drugs hold the largest share, constituting 14.7% of the market. Sub-segments like Cephalosporins, Quinolones, Penicillin, and Macrolides are significant contributors. Cardiovascular drugs follow closely, making up 11.1% of total sales, with sub-categories including anti-hypertensives, statins, and anticoagulants. Gastrointestinal and respiratory segments are also prominent, accounting for 10.7% and 10.5% of the market, respectively.



Pharmaceutical Drugs in India

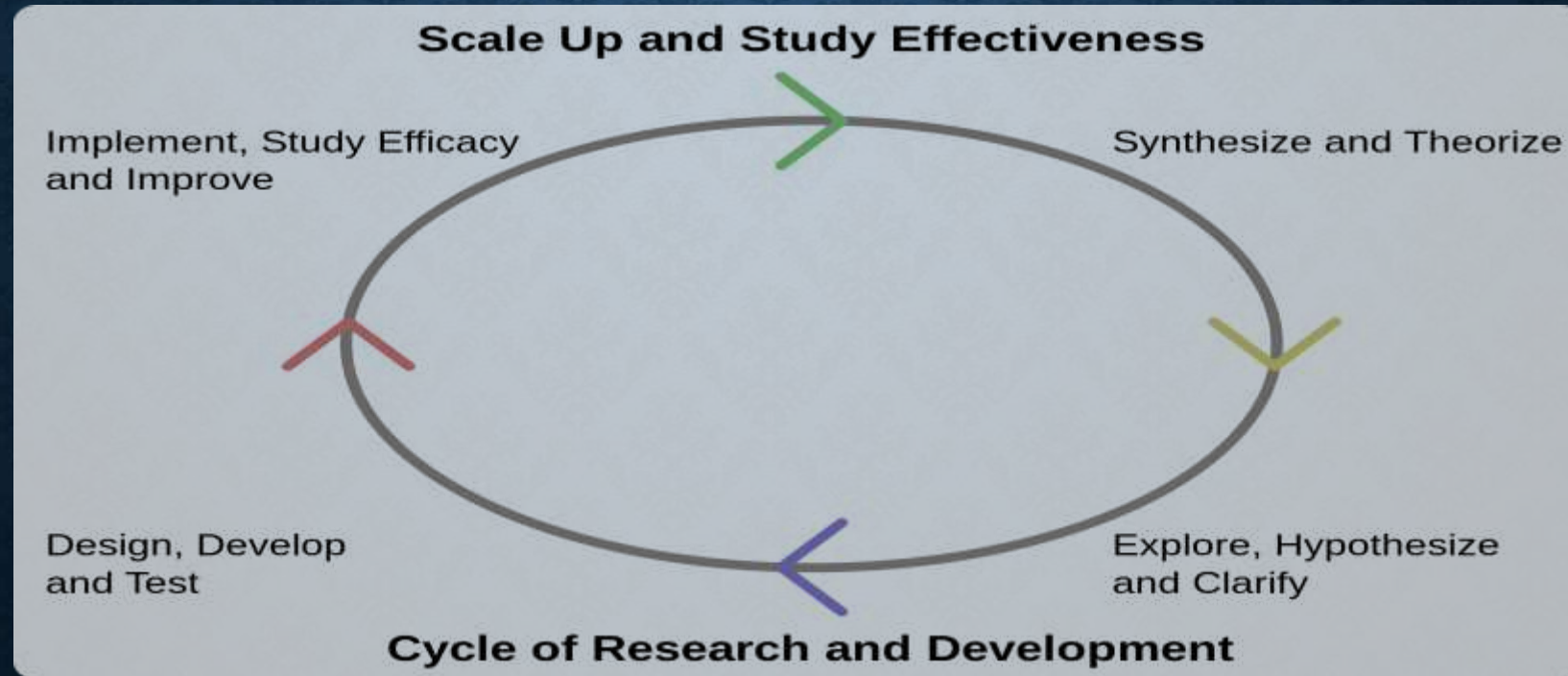
## □ R&D department:

The research and development department helps their company decide which products and services would most likely find success if offered to their clients and customers. There are several R&D job responsibilities and functions the department performs to produce usable data to help develop these products and services.



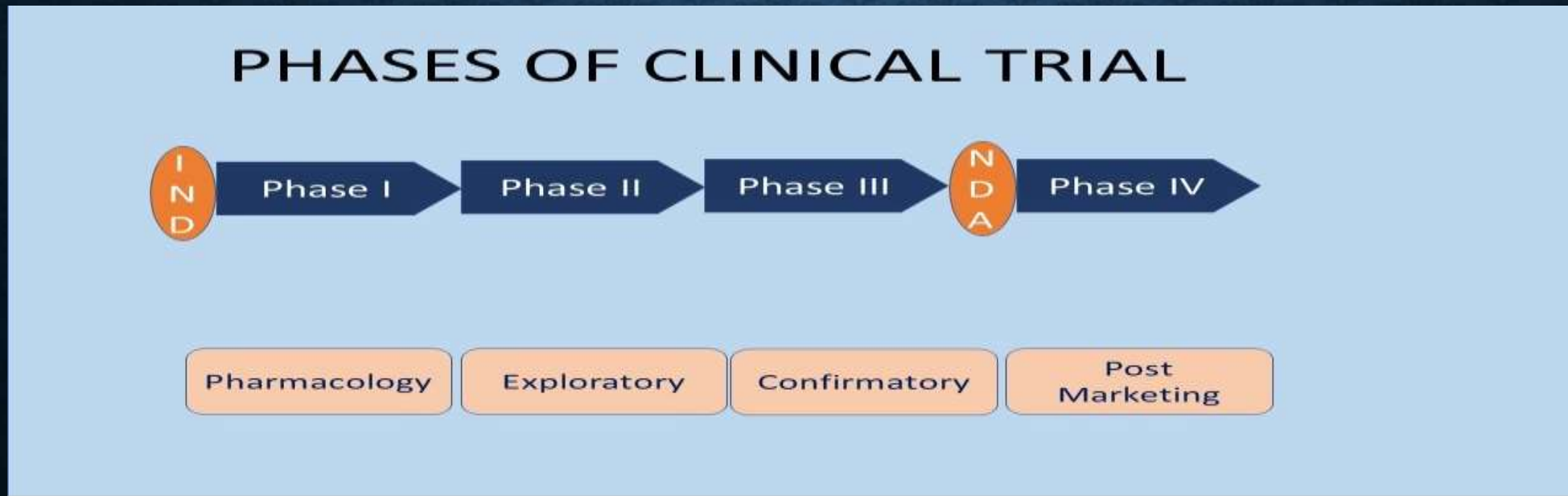


New product design and development is often a crucial factor in the survival of a company. In a global industrial landscape that is changing fast, firms must continually revise their design and range of products. This is necessary as well due to the fierce competition and the evolving preferences of consumers.



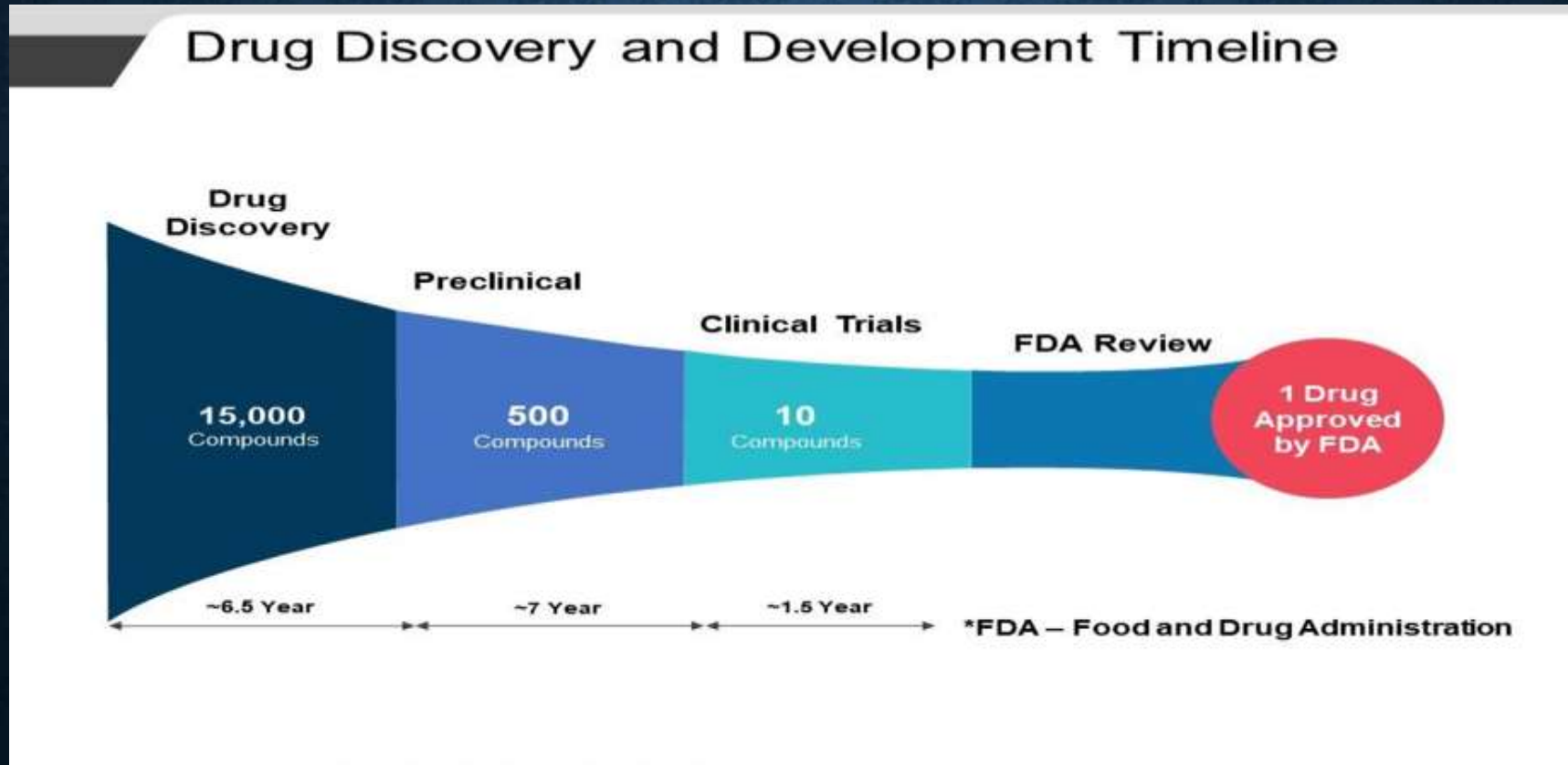
## □ Clinical trials:

It is defined by international guidelines, aim to investigate the clinical, pharmacological, and pharmacodynamic effects of investigational products. They also assess adverse reactions, absorption, distribution, metabolism, and excretion to ensure safety and efficacy. These trials encompass phases from Phase 1 to Phase 4, offering potential benefits while acknowledging associated risks. The ultimate goal is to provide new medicines with a favourable benefit-risk ratio to patients.





To maintain ethical standards in clinical trials, organizations like OPPI have developed codes of conduct to guide pharmaceutical producers and practitioners in this critical aspect of drug development.



## □ Branding, Packing and Labelling of Pharma Product in India:

**Branding** : Branding in the pharmaceutical industry involves creating a distinct identity for a company's products. This is pivotal for establishing trust among healthcare professionals and consumers. These are crucial aspects of pharmaceutical branding in India .

- ✓ Brand Names
- ✓ Brand Image
- ✓ Brand Promotion





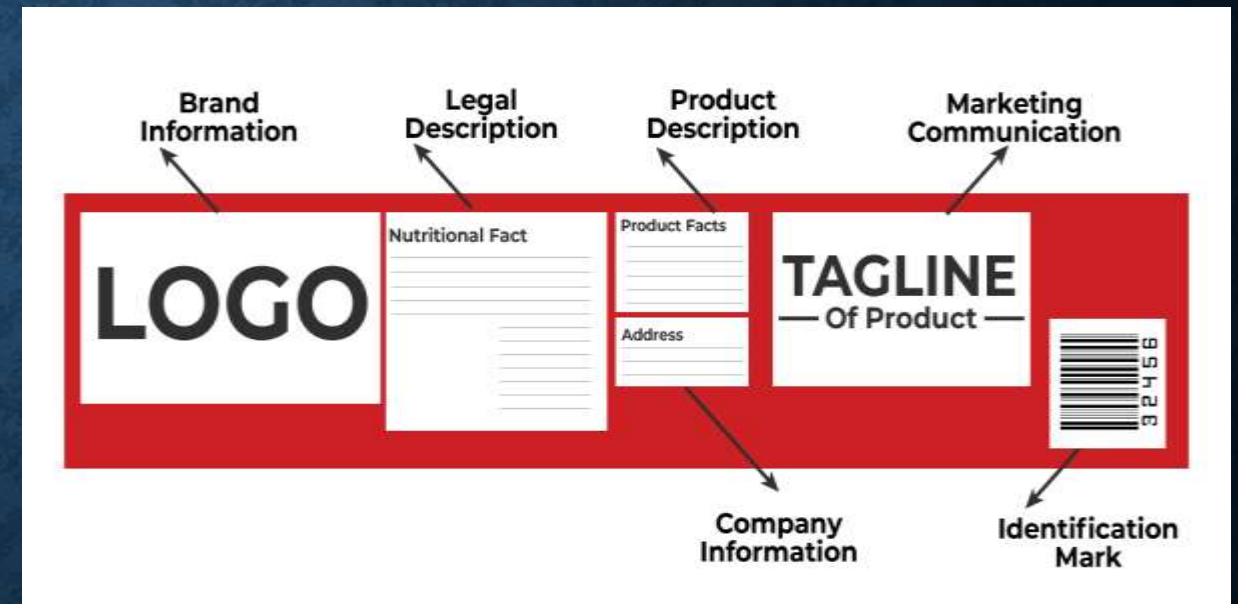
**Packaging :** Pharmaceutical packaging serves multiple purposes, including guarding the product, furnishing information, and icing nonsupervisory compliance. In India, pharmaceutical packaging is subject to strict regulations to guard public health.

- ✓ **Safety and Protection**
- ✓ **Information and Instructions**
- ✓ **Child- Resistant Packaging**
- ✓ **Tamper-Apparent Packaging**



**Labelling:** Pharmaceutical labelling is a critical element of packaging and is nearly regulated to give accurate and comprehensive information about the product. crucial rudiments of pharmaceutical labelling in India include.

- ✓ **Ingredients and Composition**
- ✓ **Dosage Instructions**
- ✓ **Warnings and preventives**
- ✓ **Batch Number and Expiry Date**
- ✓ **Regulatory Information**





**Under the National Pharmaceutical Policy 2006, the government intended to**

- Strengthen the Patent office structure,
- Focus on Research & Development strategies to increase access anti-cancer anti-HIV ,
- Rationalise the Excise Duty schemes in order to promote access to medicines for the poor,
- Set up a medicines Price Monitoring mindfulness and Availability Fund
- produce a Pharma Advisory Forum and
- Increase the range of price controls.

□ **MRP (Maximum Retail Price):**

However, retailers are free to sell products below the MRP. The MRP includes the cost of production, packaging, transportation, and other expenses, as well as the manufacturer's profit margin. Retailers often offer discounts on products, which means the selling price may be lower than the MRP. It is important for consumers to be aware of the MRP when purchasing goods and to report any instances of retailers selling products above the MRP.

**MRP = Ex-factory Cost + 100% MAPE on Ex-factory Cost + ED + VAT + Other tax.**

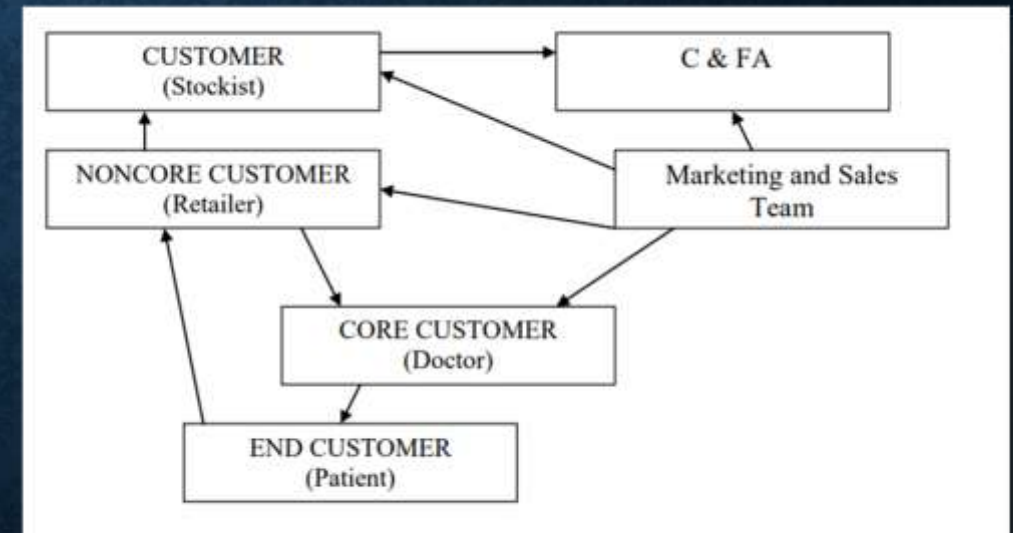
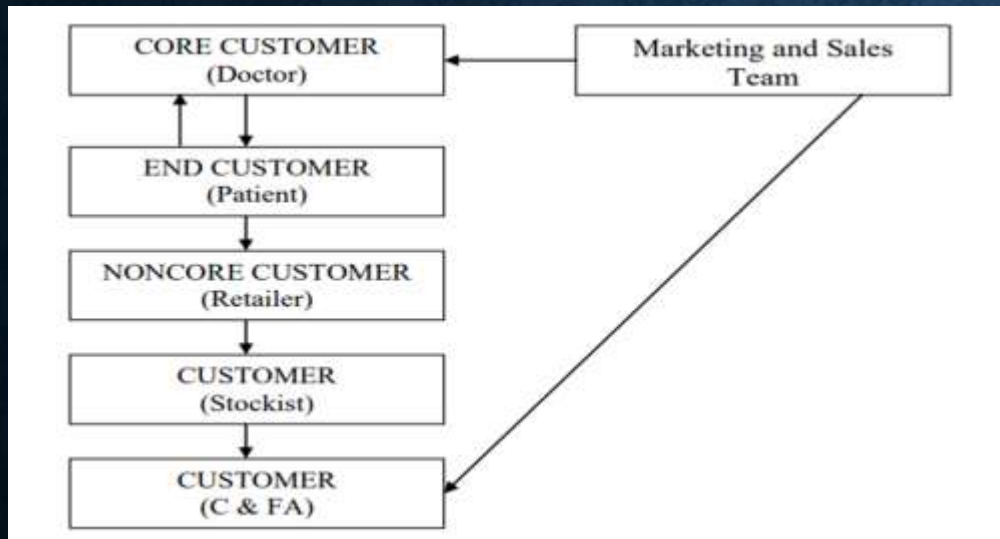


## Place:

The pharmaceutical industry indeed faces a dynamic landscape with challenges and opportunities shaped by industry, market, and customer trends. To thrive in this competitive environment, companies deploy diverse marketing and distribution strategies tailored to different customer segments.

### ❖ M-D-P-R-S-C or Pull Model or Super Core Model

### M-SRD-C or PUSH Model Or Core Model



## The OTC medicine advertising can also be seen on TV program in India :

It's fascinating to see the variety of over-the-counter medicines advertised on TV in India, ranging from digestive aids to cold rubs, vitamins, and Ayurvedic health supplements. The diversity reflects the multifaceted approach to health and wellness, incorporating both traditional and contemporary remedies. TV ads play a crucial role in familiarizing the public with these products, contributing to the broader landscape of healthcare awareness in the country

**The following OTC medicines advertising can be seen on TV in India:**

Digestives	Glucose	Throat Lozenges
Antacids	Analgesic	Band-aids
Antiflatulents	Antiseptics creams	Baby gripe water
Cold rubs and analgesic balms	Medicated skin treatment	Ayurvedic medicines and preparations
Vitamins/tonics	Cough liquids	Health supplements



## Cash, Gifts and Promotional Aids:

These guidelines outline a stringent approach to financial transactions involving healthcare professionals. Cash or monetary grants for individual purposes are firmly prohibited, emphasizing a channelling of funding for medical research through approved institutions and in adherence to established legal frameworks. The stance on gifts is equally clear, barring items like music CDs, DVDs, tickets, or electronic items to healthcare professionals



## Summary :

A pharmaceutical company, often known as a drug company, is a commercial enterprise that focuses on medication research, development, marketing, and/or distribution, most commonly in the context of healthcare. Today, the Indian Pharmaceutical Industry ranks first among India's science-based businesses, with broad skills in the difficult field of medication manufacturing and technology.

Currently, India's pharmaceutical sector is presently the world's third largest in terms of volume and 14th in terms of value. India's pharmaceutical industry currently employs over 20,000 licensed enterprises.

Pharmaceutical items have a one-of-a-kind downstream Supply Chain.

India's pharmaceutical prowess is further exemplified by its global standing. In conclusion, Indian's pharmaceutical sector evidence of the country's potential to play a major role in the global healthcare system.



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*Thank You*