

A Review of Marketing Mix Strategies in Multinational and Domestic Pharmaceutical Companies

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Abstract: *The pharmaceutical industry operates in a highly competitive, regulated, and innovation-driven environment, where marketing mix strategies play a crucial role in shaping corporate success. This review paper critically examines the marketing mix strategies adopted by multinational pharmaceutical companies and domestic pharmaceutical companies, particularly in emerging markets such as India. By comparing product development, pricing mechanisms, distribution networks, and promotional approaches, this paper highlights structural and strategic differences between global and local pharmaceutical firms. Secondary data were collected from peer-reviewed journals, policy reports, and industry publications. The review reveals that multinational firms emphasize innovation, premium pricing, and strong brand equity, whereas domestic companies focus on cost leadership, generic dominance, and wider rural outreach. The study underscores the need for hybrid strategies integrating affordability with innovation to sustain competitiveness in evolving healthcare markets*

Keywords: Pharmaceutical Marketing, Marketing Mix, Multinational Companies

I. INTRODUCTION

The pharmaceutical industry has undergone significant transformation due to globalization, regulatory reforms, patent laws, and digitalization of healthcare delivery. In this dynamic landscape, marketing mix strategies comprising product, price, place, and promotion serve as essential tools for pharmaceutical firms to differentiate themselves and enhance market share. Multinational pharmaceutical companies and domestic pharmaceutical companies adopt diverse marketing approaches based on resource availability, technological capability, and market orientation. While multinational firms focus on patented drugs, innovation, and global branding, domestic firms predominantly operate in the generic drug segment with an emphasis on affordability and accessibility (Kotler et al., 2019).

In countries like India, the coexistence of both multinational and domestic pharmaceutical firms creates a unique competitive environment. Domestic companies dominate the generic drug market, whereas MNCs maintain a strong presence in specialty drugs, vaccines, and biologics (Dhar & Joseph, 2019). This review paper critically evaluates marketing mix strategies employed by both types of firms, highlighting similarities, differences, challenges, and emerging trends.

The pharmaceutical industry represents one of the most knowledge-intensive, innovation-driven, and socially sensitive sectors of the global economy. It plays a pivotal role in safeguarding public health while simultaneously functioning within a highly competitive business environment shaped by stringent regulatory frameworks, evolving disease profiles, rising healthcare expenditures, and rapidly changing consumer expectations. In this complex ecosystem, marketing mix strategies traditionally conceptualized as the four Ps: product, price, place, and promotion serve as fundamental tools that pharmaceutical firms employ to position their products, influence prescribing behaviour, ensure accessibility, and sustain competitive advantage. The coexistence of multinational pharmaceutical companies and

domestic pharmaceutical companies within emerging and developed markets has intensified competitive dynamics, making comparative assessment of their marketing mix strategies both timely and essential (Kotler, Keller & Chernev, 2019).

Multinational pharmaceutical companies are generally characterized by their global reach, substantial capital resources, strong research and development capabilities, and ownership of patented molecules, biologics, and specialty drugs. Their strategic priorities often revolve around innovation leadership, brand building, and premium market positioning. In contrast, domestic pharmaceutical companies, particularly in emerging economies, are predominantly engaged in the production and marketing of generic medicines, fixed-dose combinations, and over-the-counter products, emphasizing affordability, accessibility, and high-volume sales (Chaudhuri, 2021). These structural and strategic differences create distinct marketing mix approaches that significantly influence market outcomes, patient access to medicines, and overall healthcare system sustainability.

The increasing globalization of pharmaceutical markets has further complicated marketing strategy formulation. Patent regimes, such as those established under the Agreement on Trade-Related Aspects of Intellectual Property Rights, have strengthened the market power of multinational corporations, while domestic companies have leveraged process innovation, reverse engineering, and cost-efficient manufacturing to maintain competitiveness in the generic segment (Dhar & Joseph, 2019). As a result, multinational companies often deploy premium pricing and innovation-centric product strategies, whereas domestic firms rely on competitive pricing, extensive distribution networks, and relationship-based promotional practices. Understanding these divergent approaches is crucial for policymakers, healthcare providers, and industry stakeholders who aim to balance innovation incentives with public health objectives. Product strategy constitutes one of the most critical dimensions of the pharmaceutical marketing mix. Multinational pharmaceutical companies invest heavily in R&D to develop novel chemical entities, biologics, and vaccines, thereby differentiating their product portfolios through therapeutic innovation and strong global branding. Such products often target chronic and lifestyle diseases, oncology, immunology, and rare disorders, reflecting both high unmet medical needs and commercial potential (DiMasi, Grabowski & Hansen, 2016). Domestic pharmaceutical companies, on the other hand, focus primarily on generic formulations and branded generics, ensuring rapid market entry upon patent expiration. Their product strategies emphasize therapeutic equivalence, line extensions, and local disease relevance, thereby catering to the price-sensitive segments of the population (Babar et al., 2019). These contrasting product orientations significantly shape the overall marketing mix adopted by each category of firms.

Pricing strategy is another vital element that distinguishes multinational and domestic pharmaceutical companies. Multinational firms often justify premium pricing on the basis of high R&D expenditures, long development timelines, and perceived therapeutic value. Differential pricing and value-based pricing models are increasingly employed to optimize revenue across diverse geographic markets (DiMasi et al., 2016). Conversely, domestic pharmaceutical companies predominantly adopt penetration pricing, competitive pricing, and cost-plus pricing strategies to capture market share in the highly competitive generic segment. Government price controls and essential medicines policies further constrain pricing flexibility, compelling domestic firms to operate on thin margins while relying on large sales volumes for profitability (Babar et al., 2019).

Distribution or “place” strategies also exhibit notable differences between multinational and domestic pharmaceutical companies. Multinational firms typically operate through centralized, technology-enabled supply chains, with strong emphasis on regulatory compliance, cold-chain logistics, and partnerships with institutional buyers, hospitals, and large pharmacy chains (Gupta & Verma, 2020). Their distribution networks are designed to ensure consistent quality and traceability, particularly for high-value biologics and vaccines. In contrast, domestic companies develop highly decentralized and extensive distribution systems, enabling deep penetration into semi-urban and rural markets. Strong relationships with wholesalers, stockists, and local retailers allow domestic firms to ensure product availability even in remote areas, thereby enhancing their competitive position in volume-driven markets (Kumar & Singh, 2021).

Promotion strategies further highlight the divergence in marketing approaches. Given the ethical and legal restrictions on direct-to-consumer advertising in many countries, pharmaceutical promotion largely targets healthcare

professionals. Multinational pharmaceutical companies emphasize scientific detailing, continuing medical education programs, digital engagement platforms, and key opinion leader endorsements to build credibility and trust in their brands (Ventola, 2019). Domestic companies, while also adopting digital tools, traditionally rely more heavily on personal selling, trade schemes, free samples, and incentive-based promotional practices to influence prescribing behaviour and distributor loyalty (Patel & Shah, 2020). These contrasting promotional orientations reflect differences in brand equity, product complexity, and resource availability.

The rapid digital transformation of healthcare has introduced new dimensions to pharmaceutical marketing mix strategies. The integration of artificial intelligence, big data analytics, telemedicine platforms, and e-prescription systems has redefined promotional communication, customer relationship management, and market intelligence practices (Raghavan & Bhattacharya, 2022). Multinational companies are increasingly adopting patient-centric marketing, real-world evidence generation, and value-based engagement models, while domestic firms are strengthening their digital capabilities to enhance sales force productivity and expand online distribution channels. These emerging trends underscore the need for a comprehensive review of marketing mix strategies in the contemporary pharmaceutical landscape.

In this context, a systematic review of marketing mix strategies adopted by multinational and domestic pharmaceutical companies becomes imperative. Such a review not only facilitates comparative understanding of strategic orientations but also provides insights into how marketing practices influence access to medicines, prescribing patterns, and healthcare affordability. By examining the product, price, place, and promotion strategies of both categories of firms, this study seeks to highlight key differences, emerging convergences, and future directions in pharmaceutical marketing. The findings are expected to contribute to academic discourse, inform managerial decision-making, and support policy formulation aimed at fostering a balanced, competitive, and patient-centric pharmaceutical market.

PRODUCT STRATEGY

Product strategy refers to decisions related to product development, quality, branding, packaging, and innovation. Multinational pharmaceutical companies prioritize research-intensive, patented products, specialty medicines, biologics, and vaccines. These firms invest heavily in R&D, resulting in differentiated, high-value drugs with global branding and standardized quality protocols (IMS Health, 2020). Conversely, domestic pharmaceutical companies focus on generic formulations, fixed-dose combinations, and over-the-counter products, which are tailored to local disease burdens and price sensitivities (Chaudhuri, 2021).

Domestic firms also emphasize product line extensions and therapeutic category diversification to enhance portfolio breadth. Multinational companies rely on life-cycle management strategies, such as reformulations and new indications, to extend patent life and sustain revenue streams (Wertheimer & Santella, 2018). Thus, product strategy serves as a key differentiator between global innovation-oriented firms and cost-effective domestic manufacturers.

PRICING STRATEGY

Pricing is a critical component of pharmaceutical marketing due to regulatory control and affordability concerns. Multinational pharmaceutical companies typically adopt premium pricing strategies for patented and specialty drugs, reflecting high R&D costs and perceived therapeutic value (DiMasi et al., 2016). They also use differential pricing across countries based on income levels and reimbursement policies.

In contrast, domestic pharmaceutical companies pursue penetration pricing, competitive pricing, and cost-plus pricing strategies to maintain affordability and gain market share in the generic segment (Babar et al., 2019). Government price control mechanisms significantly influence domestic pricing decisions, especially for essential medicines. As a result, domestic firms achieve high volume sales with relatively lower profit margins, while MNCs rely on fewer but high-margin products.

PLACE (DISTRIBUTION) STRATEGY

Distribution strategy determines product availability and market reach. Multinational pharmaceutical companies rely on structured, multi-tier distribution networks, centralized supply chains, and partnerships with hospital groups and institutional buyers (Gupta & Verma, 2020). Their logistics systems emphasize cold chain management and regulatory compliance.

Domestic pharmaceutical companies adopt extensive and decentralized distribution networks, enabling wider penetration into semi-urban and rural markets. Strong wholesaler-retailer relationships and local stockist networks enhance last-mile accessibility (Kumar & Singh, 2021). This widespread distribution strength gives domestic companies a competitive edge in volume-driven markets.

PROMOTION STRATEGY

Promotion in pharmaceutical marketing is primarily physician-oriented due to ethical and legal restrictions on direct-to-consumer advertising in many countries. Multinational firms use scientific detailing, global conferences, digital marketing platforms, and key opinion leader engagement to promote high-value drugs (Ventola, 2019). They focus on evidence-based promotion and global branding.

Domestic companies rely more on personal selling, trade schemes, product samples, and incentive-based promotions to influence prescribing behavior (Patel & Shah, 2020). Recently, both types of firms have increasingly adopted digital marketing tools, virtual detailing, and e-CRM systems to improve promotional efficiency.

COMPARATIVE TABLE OF MARKETING MIX STRATEGIES

Marketing Mix Element	Multinational Pharma Companies	Domestic Pharma Companies
Product Strategy	Focus on patented, specialty, and innovative drugs	Emphasis on generics and OTC formulations
Pricing Strategy	Premium and differential pricing	Penetration and competitive pricing
Distribution (Place)	Centralized, structured networks	Decentralized, extensive rural outreach
Promotion Strategy	Scientific, digital, and KOL-based promotion	Personal selling, trade schemes, incentives
Market Orientation	Innovation and brand-driven	Cost leadership and volume-driven

CHALLENGES AND EMERGING TRENDS

Both multinational and domestic pharmaceutical companies face increasing regulatory scrutiny, pricing pressures, and competition from biosimilars and digital health startups. The integration of artificial intelligence, data analytics, and telemedicine platforms is reshaping pharmaceutical marketing practices (Raghavan & Bhattacharya, 2022). Multinational firms are adopting value-based pricing and patient-centric marketing, while domestic firms are upgrading R&D capacity and branding efforts to move up the value chain.

The pharmaceutical industry faces an array of challenges that significantly impact the design and implementation of marketing mix strategies. Among these, stringent regulatory frameworks, ethical constraints, pricing pressures, and increasing competition stand out as key hurdles. Regulatory compliance is a critical concern for both multinational and domestic pharmaceutical companies. Governments worldwide impose strict rules on drug approvals, clinical trials, marketing practices, and pricing to ensure patient safety and equitable access to medicines. For instance, in India, the Drugs and Cosmetics Act and the National Pharmaceutical Pricing Authority (NPPA) regulate the marketing, pricing, and distribution of pharmaceutical products, which constrains companies' flexibility in promotional and pricing strategies (Babar et al., 2019). Similarly, multinational companies must comply with complex international regulatory standards, including the US FDA and European Medicines Agency requirements, which demand substantial investment in compliance monitoring and documentation (DiMasi, Grabowski, & Hansen, 2016).

Ethical concerns also challenge pharmaceutical marketing practices. Multinational companies often adhere to strict codes of conduct regarding physician engagement, clinical trial transparency, and promotional claims, whereas domestic firms may face inconsistencies in ethical practices due to resource constraints and competitive pressures (Patel & Shah, 2020). Misalignment between aggressive marketing and ethical responsibility can result in reputational damage, legal penalties, and diminished trust among healthcare professionals. Moreover, both multinational and domestic companies face growing scrutiny over the transparency of pricing strategies, particularly for high-cost patented drugs and essential medicines, which has fueled debates on access and affordability (Chaudhuri, 2021).

Competition, both domestic and global, further complicates marketing mix decisions. Multinational pharmaceutical companies compete with other global players on innovation, branding, and specialty products, while simultaneously facing price-sensitive domestic markets dominated by generics (Dhar & Joseph, 2019). Domestic companies, in turn, contend with intense rivalry in the generic drug segment, frequent entry of new players, and pressure to reduce costs while maintaining product quality. The dynamic competitive landscape necessitates agile marketing strategies that balance differentiation with cost efficiency.

Amid these challenges, emerging trends are reshaping pharmaceutical marketing strategies. Digital transformation represents a major trend influencing all four elements of the marketing mix. Companies are increasingly leveraging digital platforms for physician detailing, patient engagement, e-prescriptions, and telemedicine integration, which enhances reach and engagement while reducing promotional costs (Ventola, 2019). Artificial intelligence and big data analytics are being used to predict prescription trends, personalize marketing efforts, and optimize sales force deployment. For example, predictive analytics helps identify high-value physicians and regions, enabling targeted promotional campaigns and resource allocation (Raghavan & Bhattacharya, 2022).

Another emerging trend is patient-centric marketing, particularly in the multinational segment. Companies are shifting focus from physician-only engagement to incorporating patient education, adherence programs, and disease awareness initiatives into their marketing strategies. This approach not only strengthens brand loyalty but also aligns marketing efforts with public health goals (Wertheimer & Santella, 2018). Additionally, value-based pricing models and outcome-driven marketing are gaining prominence, where companies demonstrate clinical and economic benefits of therapies to payers and healthcare providers, integrating evidence-based medicine into promotional practices.

In the domestic context, companies are increasingly adopting hybrid strategies that combine affordability with selective innovation. Expanding distribution to rural and semi-urban areas using technology-enabled supply chains, enhancing product portfolios with therapeutic line extensions, and investing in digital marketing platforms are trends that allow domestic companies to remain competitive while addressing unmet healthcare needs (Kumar & Singh, 2021).

While pharmaceutical companies face regulatory, ethical, pricing, and competitive challenges, evolving trends such as digitalization, patient-centric marketing, data-driven decision-making, and value-based approaches provide opportunities to innovate marketing mix strategies. Both multinational and domestic companies must adapt continuously to balance compliance, competitiveness, and customer engagement, ensuring sustainable growth and enhanced patient outcomes.

II. CONCLUSION

The review concludes that multinational pharmaceutical companies and domestic pharmaceutical companies adopt fundamentally different marketing mix strategies shaped by their resource capabilities, innovation orientation, and market positioning. While MNCs emphasize innovation, premium branding, and structured promotion, domestic firms prioritize affordability, volume sales, and extensive distribution. A balanced integration of innovation and accessibility is essential for sustainable growth in competitive healthcare markets.

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