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A Study of Marketing Strategies of Unorganized Pharmacy Sector

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Abstract: *Drug & pharmaceutical industry plays a vital role in the health care of the any country. Rapid growth of this industry requires further attention because even after 50 years of independence, India, with around 15 percent of the World population, accounts for less than 2 percent of the drug production in the world. Annual per capita consumption of medicine in India is less than 2% of that in Japan. Health care expense in India is a dismal 0.8 percent of GDP compared with 12.4 percent in U.S.A. 6.5% in Japan and 6.2 percent in the U.K, despite higher incidence of disease and malnutrition.*

Keywords: *pharmaceutical industry*

I. INTRODUCTION

Drug & pharmaceutical industry plays a vital role in the health care of the any country. Rapid growth of this industry requires further attention because even after 50 years of independence, India, with around 15 percent of the World population, accounts for less than 2 percent of the drug production in the world. Annual per capita consumption of medicine in India is less than 2% of that in Japan. Health care expense in India is a dismal 0.8 percent of GDP compared with 12.4 percent in U.S.A. 6.5% in Japan and 6.2 percent in the U.K, despite higher incidence of disease and malnutrition. The poverty and disease in India on one hand call for higher standard of healthcare and pharmaceuticals production and on the other, stultifies the growth of industry due to poor affordability of an average Indian. Drug & Pharmaceutical industry has therefore, encountered a tough situation which most industry have always found difficult, to provide abundant quantity of quality products at low prices.

The Indian Pharmaceutical industry, valued at $46.2 billion has been witnessing attractive growth rate of 15% to 20% consistently over the past decade. This growth was build by India's large population, increasing allocation of income to healthcare spending and exports. Exports which currently accounts for 20% of the production value has grown by a compound annual growth rate of 34% in the past few years due to competitive price advantages from India's low labor and other input cost

The Indian market for pharmaceutical products stands at an enormous $58.8 billion. The big 10 companies account for over 30% of that, take away 45 marketer and average sales don't even come any where near the $2.5 million marks, that's how fragmented its is some 50,000 brands from over 20,00 companies growing fast enough to embarrass rainy day mushrooms and enough diseases to savage Indian population all several times over and turn Dr. Dolittle into Dr. Don't care.

GOVERNMENT POLICIES

In a country lacking the assurance of free health care for all (not to talk of an effective health insurance system), it is the poor patient's family who must pay the bill. This was the justification for the policy. But it killed any incentive to invest in R&D (Research and Development), which makes global drug manufacturers what they are: leader of mankind's war on disease. India's per capital consumption of drugs is said to be just $3. In the US its over $100 and in Japan, over $400. India has about 20% of the world's disease burden (with just 16% of its population). Western spending is high because in a system where the government pays the bills, the patients get themselves prescribed all sorts of pills for ailments that aren't terribly serious. But why is Indian spending so low? Only 35% of the population

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has access to modern (read allopathic) medicines. India has alternative system of medicines, Ayurveda, e.g. are not quacks, neither are homeopaths who make their own medicines.

India also exports sizable quantities of drugs & pharmaceuticals. More companies are

now venturing into traditional health care systems beside modern medicine. With the launching of new drugs policy, all bulk drug formulation and intermediaries except five bulk drugs have been de-licensed. Many drugs that were hither to under price control have been taken out of such control. Actually, the list of controlled drugs has been halved and is limited to 73 items.

Higher rate of return has been allowed for those drugs that are still under price control. Companies with 51 percent foreign equity have been brought on par with wholly Indian companies, automatic clearance would be given for 51 percent foreign equity automatic approval would be given for foreign technology agreement as well. Earlier such companies had restriction on the product they could manufacture or import. A National Drug Authority is to be set up to monitor quality control and rational use of medicine. A national pharmaceutical pricing authority is also to be set up to fix prices in respect of drug, which would continue to be under price control (Ramaswamy & Meerakumari, 1988).

OBJECTIVES AND SCOPE

The Indian pharmaceutical industry is highly regulated, essentially on three aspects:

- Patents
- Price
- Product quality

The various legislations that govern the Indian Pharmaceutical Industry are:

- The Indian Patents Act 1970 (and the amendments thereafter)
- Drug Price Control Order (soon to be replaced by Pharmaceutical Policy 2002)
- The Drugs and Cosmetics Act 1940

The legal framework for the industry should be such so as to increase the strengths of the industry, mitigate the weaknesses, void off the threats and cash in on the opportunities.

The present study of the pharmaceutical industry of India revolves around the following basic objectives:

- To understand how pharmaceutical companies launch their product.
- To know what promotional strategies are used by pharmaceutical companies to sell their products in the market.

To understand what is the role played by sales representatives in this regard.

LITERATURE REVIEW

Historical Prospective

The production of bulk drug was virtually non existent in India at the time of independence in 1947. It increased from a meager $715 million in 1962 to $2.4 billion in 1980 and further about $8.4 billion in 1990. Production of formulation is increased from $90 million in 1947 to $14.4 billion in 1980 to $36.3 billion in 1990. The demand for pharmaceuticals increased due to increase in population, increase in affordability of a section of population and government emphasis on health program. The industry grew despite claims of price & production control. By the year 2000 the demand for pharmaceuticals is expected to reach up to $6.72 billion per annum. There has been 1000% growth in the number of drug manufacturers in India since 1970. That was the year when the Indian Patent Acts and Drug Price Control Order (DPCO) came into force (The Eastern pharmacist 1988). While the first accorded intellectual property protection to manufacturing processes (not product formulas), the second began regulating prices to ensure that drug manufacturer who were being allowed to copy foreign drugs would make them cheaply available to the common man.

Indian Drug and Pharmaceutical (D & P) industry presents a picture of fast development. Today, India manufactures most of its requirement of bulk drugs and formulation. In fact, more than 30,000 different pharmaceutical formulation worth $210 million are manufactured and sold in India. There are 45 major pharmaceutical firms, each with a sizable investment and sales turnover. Investment ranges between

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$1.47 million to $4.2 million the sales ranges between $2.10 million to $54.6 million per annum. Growth in this industry was to the tune of 23.4 per cent in 1997-98. This was phenomenal in comparison with the other industries most of which have run into losses or very nominal profits leading to a slowing down of the growth.

India's Pharmaceutical industry	
Share of global sales:	Value 1%, Volume 8%
Global ranking:	4th in volume, 13th in value
Domestic market:	$5.3 billion
Exports:	$3.7 billion
Imports:	$985 million
Bulk drug production:	$2.1 billion
Employment:	5 million direct, 24 million indirect.
Capital investment:	$1.2 billion
Production costs:	Among the lowest in the world, estimated to be 70% less than the West.

Source: OPPI.

India's Pharmaceutical Industry

India‟s pharmaceutical industry is one of the fastest growing segments of the Indian economy with an average annual growth rate of 14 percent during 2005-2008. Overall, the Indian market for pharmaceuticals is projected to grow at an average annual rate of between 15 and 20 percent during 2005 - 2010. The surge in production has been driven by legislative reforms, the growth in contract manufacturing and outsourcing, value added foreign acquisitions and joint ventures, India‟s mastery of reverse engineering of patented drug molecules, and India‟s efforts to comply with its World Trade Organization (WTO) Trade Related Intellectual Property Agreement (TRIPs) obligations. When India joined the WTO in 1995, its pharmaceutical exports were valued at less than $600 million. By 2009, its exports had grown to $3.7 billion and accounted for more than 61 percent of industry turnover. Currently, Indian pharmaceutical companies produce between 20 and 22 percent of the world‟s generic drugs (in value terms) and offer 60,000 finished medicines and nearly 400 bulk drugs used in formulations.

The pharmaceutical industry in India is going through a major shift in its business model in the last few years in order to get ready for a product patent regime from 2009 onwards. This shift in the model has become necessary due to the earlier process patent regime put in place since 1972 by the Government of India. This was done deliberately to promote and encourage the domestic health care industry in producing cheap and affordable drugs. As prior to this the Indian pharmaceutical sector was completely dominated by multinational companies (MNCs). These firms imported most of the bulk drugs (the active pharmaceutical ingredients) from their parent

LEADING INDIAN PHARMACEUTICAL MANUFACTURERS

companies abroad and sold the formulations (the end products in the form of tablets and capsules, syrups etc.) at prices unaffordable for a majority of the Indian population. This led to a revision of Government of India‟s (GOI) policy towards this industry in 1972 allowing Indian firms to reverse engineer the patented drugs and produce them using a different process that was not under patent. The entry of MNC‟s was also discouraged by restricting foreign equity to 40%. The licensing policy was also biased towards indigenous firms and firms with lesser foreign equity. All these measures by GOI laid foundations to a strong manufacturing base for bulk drugs and formulations and accelerated the growth in the Indian Pharmaceutical Industry (IPI), which today consists of more than 20,000 players. As a result, the Indian pharmaceutical industry today not only meets the domestic requirement but has started exporting bulk drugs as well as formulations to the international market.

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India"s leading pharmaceutical companies are striving to compete not only in the domestic Indian market, but also in the global market for both generic drugs and original products. Sales for India"s largest 200 pharmaceutical companies grew from $7.9 billion in 2007 to $8.6 billion in 2008, or by 9 percent. By 2008, 9 of the top 10 Indian 21 drug makers were Indian-owned firms accounting for more than 44 percent of total industry sales. India"s top five pharmaceutical companies, in terms of sales, are Ranbaxy Laboratories, Dr. Reddy"s Laboratories, Aurobindo Pharmaceutical, GSK-India, and Cipla. These companies manufacture a wide range of generic drugs (branded and non-branded), intermediates, and active pharmaceutical ingredients (APIs).

In terms of total sales, Ranbaxy Laboratories is India"s largest pharmaceutical company and one of the world"s top ten generic drug makers. In 2009, exports accounted for nearly 80 percent of Ranbaxy"s sales and the United States is Ranbaxy"s largest market. Ranbaxy accounts for 23 percent of India"s pharmaceutical industry revenues. Ranbaxy is a vertically integrated company with a presence across the pharmaceutical value chain, offering a range of unbranded and branded generics, active pharmaceutical ingredients, and biotechnology products. Ranbaxy markets its products in more than 100 countries, a sales presence in 23 of the world"s top 25 pharmaceutical markets, and has manufacturing facilities in 8 countries. Cipla, India"s second-largest pharmaceutical company, is best know for its anti- AIDs drugs, and Dr. Reddy"s Laboratories, India"s third-largest pharmaceutical company, also rely heavily on exports as its revenues.

Company	Sales turnover		Share of market	
	2004-05	2005-06	2004-05	2005-06
Ranbaxy Laboratories	776.8	1,176.0	23	19
Dr. Reddy's Laboratories	387.3	534.5	11	9
Cipla Ltd	534.3	719.0	16	12
Nicholas Piramal India	323.7	344.7	9	6
Aurobindo Pharmaceuticals	258.0	380.3	8	6
GlaxoSmithKline	202.1	342.9	6	6
Lupin Laboratories	329.3	395.5	10	6
Sun Pharmaceuticals	159.3	375.2	5	6
Cadila Healthcare	248.4	254.2	7	4
Wockhardt	188.5	217.5	6	4
Sub-total	3,407.7	4,739.8	73	76
Total	4,662.0	6,205.0		

Because of rounding figures may not total 100 percent. FY2005-06: $1=Rs 44.2735; FY2004-05: $1=Rs 44.9315.
Source: Economic Times, Orbis, Stock Market Quotes, and Company Research.

Table: India's top 10 pharmaceutical company sales ($million)

MNC PRESENCE IN INDIA:

Many of the world"s leading pharmaceutical companies have subsidiaries or other operations in India. Multinational companies like GlaxoSmithKline (GSK) Baxter, Aventis, Pfizer, Novartis, Wyeth, and Merck have been active in India"s pharmaceutical market mainly through subsidiaries. The re-introduction of product patents precipitated the return of a large number of other MNCs, some of whom left during the process patent era. MNC pharmaceutical companies have also been attracted by tax holidays, the deduction of capital R&D expenditures, and other financial incentives offered by the Indian government. Industry sources indicate that the most significant challenges facing MNCs are the uncertainly over pharmaceutical price controls and data exclusivity.

There are approximately 34 foreign drug companies engaged in the Indian pharmaceutical market and among them are 15 of the world"s 20 largest pharmaceutical companies. According to FICCI, although MNCs have not launched new products they have invested in new production facilities and R&D centers and many are engaged in contract manufacturing, clinical trials, and other forms of outsourcing. In 2008-09, MNCs invested more than $172 million in India"s

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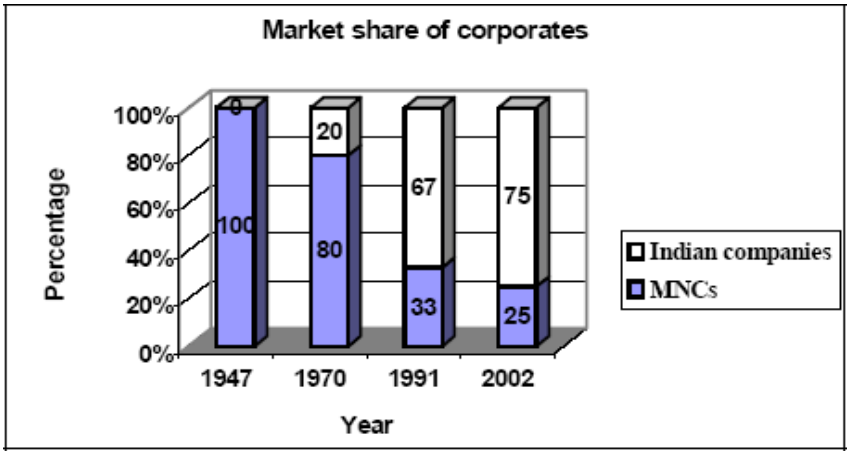
LARGE MARKET SHARE FOR GENERIC DRUGS

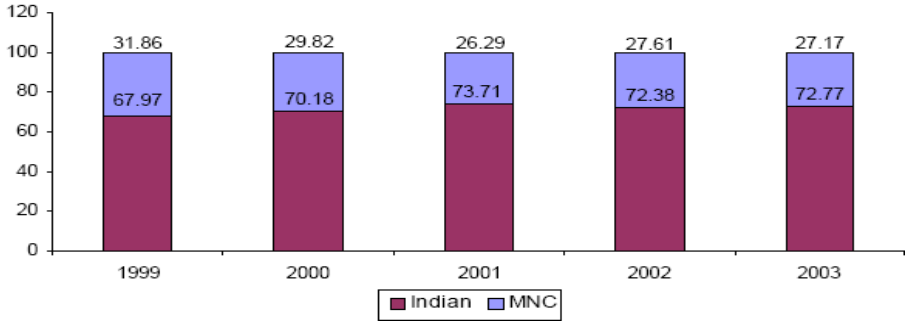
pharmaceutical industry and FDI has grown by a compound annual growth rate (CAGR) of 62 percent during 2002-06. However, many industry experts believe that the return of the world‟s leading pharmaceutical companies will gradually erode India‟s cost advantages. According to the Organization of Pharmaceutical Producers of India, multinational drug companies currently command 24 percent of the domestic Indian market, through their share could rise to 40 percent by 2010.

As there was no efficient patent protection between 1970 and 2005, many Indian drug producers copied expensive original preparations by foreign firms and produced these generics by means of alternative production procedures. This proved more cost- efficient than the expensive development of original preparations as no funds were required for research, which contained the financial risks. This spending block may come to as much as EUR 600 m for only one drug. This kind of money could previously only be raised by large corporations in the industrial countries. The competitiveness of generics producers is based on cost-efficient production. In this field, Indian companies are currently in top position. At one-fifth, India‟s share in the global market for generic drugs is considerably higher than its share in the overall pharmaceuticals market (approx. 2%). At the same time, India‟s pharmaceutical companies gained know-how in the manufacture of generic drugs. Hence the name “pharmacy of the poor” which is frequently applied to India. This is of significance not least for the domestic market as disposable income is as little as EUR 1,900 per year for roughly 140 million of the total of 192 million Indian households1, which means the majority of Indians cannot afford expensive western preparations.



Market Share of Corporate

Market Share of MNCs & Local Companies



Market Share of MNCs & Local Companies

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Between 1996 and 2006, nominal sales of pharmaceuticals on the Indian subcontinent were up 9% per annum and thus expanded much faster than the global pharmaceutical market as a whole (+7% p.a.). Indian companies strongly expanded their capacities, making the country by and large self-sufficient. Nonetheless, with total sector sales of roughly EUR 10 bn, India commands a less than 2% share in the world‟s pharmaceutical market (1966: 1.5%). This puts the country in twelfth place internationally, even behind Korea, Spain and Ireland and before Brazil, Belgium and Mexico. Among the Asian countries, India‟s pharmaceuticals industry ranks fourth at 8%, but has lost market share to China, as sales growth there was nearly twice as high and sales volumes nearly four times higher than in India.

Globalization has not caused traditional medicine to be abandoned but with higher education, rising income and a change in lifestyle, western medical treatment is gaining in importance. At present the population especially in rural areas still sees western medicine as a stop-gap cure which is unlikely, though, to provide a lasting solution to health problems. Today, about 70% of the population on the Indian subcontinent depends entirely or at least in part on traditional Indian medicine which is cheaper and more easily available than western drugs.

Indian companies have recognized the opportunity presented by western pharma in search of lower costs and higher profits, and are exploiting the low cost base

DRUG DISTRIBUTION

and pool of highly skilled labour in their market to develop a thriving outsourcing industry, positioning India as a key provider of contract research and manufacturing services.

India is increasing its R&D and biotechnology focus and taking advantage of the low R&D productivity of developed markets to gain partnerships with western players. These alliances enable the companies to gain expertise in discovery and development as well as maximizing revenues if and when products reach the market.

Pharma‟s and biotech‟s in the US, Europe and Japan have realized the increasing role of India at a global level. Many players are outsourcing non-core activities of the research and manufacturing process. Outsourcing is a popular option, while off-shoring via direct investment, joint venture or acquisition is also proving successful.

Many a times drugs promoted through professional service representatives do not appear on the shelves of the retailing chemist. This can be attributed to ineffective distribution system. Although distribution is recognized in India as an important function, many pharmaceutical marketers accord it a mere supportive role; so the distribution system has remained traditional with little or no innovations. Superstockists/stockists, distributors and C& FA's (Carrying & Forwarding Agent) have traditionally been very loyal to pharmaceutical marketers. As a result, strategic changes in distribution arrangement were rarely recommended or carried out. Problems, if any, were always sorted out amicably and changes, when at all, were concerned only with adding or deleting stockists in the distribution chain. Over time when AIOCD (All India Organization of Chemist & Druggist) mobilized retailers in every state, pharmaceutical companies found their freedom to appoint stockist restricted by retailer pressure.

There have been other changes too. One may view the distribution set up as a concentric pattern with patients at the center with each ring representing a link in the chain. It must be noted that some rings prefer by passing the next one. Some companies, for instance, deal directly with stockists, whereas some high-end products that require highly sensitive servicing are distributed directly to doctors. Some innovative ideas have been coming from such companies like HoechstTM, SarabhaiTM, Sandoz (NovaratisTM) and now Nicholas PiramalTM.

In 1988 Sandoz decided to make changes in its method of giving discount to C & F (Carrying and Forwarding Agents) through a simple innovation. Instead of paying direct percentage on sales to agents it started paying on basis of case lots. Each case lot weighed approximately 12-15 kg and on each case lot, it paid $ .19 - $ .32 to C&FA. As result, SandozTM reduced the cost of operations by 1.2 percent of its total turn over, an enormous figure when calculated in rupee terms. It is often true that effective distribution along with right pricing differentiates a success from a failure in market place. In India, most companies market a vast portfolio of products (that others are also selling) and pricing decisions are delegated. In a market with many brands meeting the same need, even the rare marketer who begins by formulating a program based on inputs from the doctors and patients often ends up glossing over question of profit

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while setting the price. In the old days production volume were often kept fixed (either by the company or the licensing authority). In this state costs were easy to measure and simple cost-plus pricing used to work. Also, marketers had to live under the rules of Drug Price Control Order (DPCO), the government price fixing instrument for essential drugs.

Since liberalization began in 1991 the DPCO has been losing its grip and the prices of many formulations, allowing market forces to play the regulator. Other aspects of liberalization have made companies hungry for growth. In such a dynamic state of existence where growth is both desirable and achievable, pricing is less simple. Lack of strategic thinking leads to chaotic pricing. Every body agrees that intelligent pricing can be used as a critical edge for any product. Yet in the pharmaceutical industry, trends suggest that enough thought is not being given to such serious decisions. A single player marketing thoughtless decision can have repercussions on the entire market. Many marketing managers don't understand the impact of their own decision on the market. As a result, they think of themselves as either price takers or makers. There is rarely a marketer who wants to upset the apple cart--strategically--by becoming a price breaker. This can be suitably illustrated with the example of GlaxoTM: GlaxorTM, when it launched CeterzineTM an anti-allergic, played price maker. It set a price it thought fit, then came a crowd of followers, and they were

DRUG PROMOTION METHOD

"The commercial needs of countless, fiercely competing pharmaceutical companies has led them to depend on the tried and tested 3Cs: convince if possible, confuse if necessary, and corrupt if nothing else works."

Health professionals in developing countries work in overstretched and under resourced sectors on low pay and in difficult conditions. In such conditions the promotions from the drug companies are inviting. Disparities in health spending between the world‟s richest countries and the world‟s poorest countries are such that a relatively cheap promotion in a developing country will generate much more interest there than it would in a developed country.

The aim of drug promotion is to persuade people to buy more drugs and/or to pay higher prices. This is done by increasing the perceived value of the drug via one or more of several approaches including:

Increasing the use of the drug for longer durations.The World Health Organization defines drug promotion as including: "allinformational and persuasive activities by manufacturers and distributors, the effect ofwhich is to induce the prescription, supply, purchase and/or use of medicinal drugs."The main aim of promotion is not to inform but to persuade. Consumer goods

Increasing the perceived frequency and/or severity of the indications.

Increasing the perceived likelihood and magnitude of benefits.

Widening the indications to include more people.

Decreasing the perceived likelihood and magnitude of harms.

advertisements rarely convey much information about the features of the product. Instead the emphasis of much advertising is on associating consumption of the product with positive feeling.

Regardless of where they are operating, most drug companies try to identify where people are on the following behaviour change stages and then deploy sophisticated marketing techniques to motivate them to move one or more stages towards repeat use:

Each move requires motivation and decision making so drug companies study how to understand human motivations and decision-making. Public relations techniques bypass people‟s defenses by giving the impression that the message is coming from a trustworthy source.

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Doctor-directed promotion methods

Type	Examples
Pharmaceutical Advertisements	• Brochures • Sponsored articles • Internet • Sponsored journals subscription or textbooks
Personal Selling	• Visits by medical representatives • Sponsored events with "key opinion leaders" in the field. Most of the time, these company sponsored guest speakers use presentation slides provided by the company for their talk.
Trade promotion	• Gifts • Gimmicks and incentive schemes based on number of prescriptions • Product samples
Sponsorship	Academic activities • Symposiums • Exhibition booths • Registration fees • Tutoring sessions • Journal clubs • Free textbooks and journal subscriptions Non-academic activities • Entertainment • Excursions • Travelling expenses • Meals • Family-related activities • Donations or support for facilities used in offices i.e. fax machine, printer, furniture, etc.

ETHICS IN PHARMACEUTICAL PRODUCTS PROMOTION

Recently the Organization of Pharmaceutical Producers of India (OPPI), which is a premier organization of pharmaceutical manufacturers in India, has revised its model code on standards of promotion activity to medical practitioners. This model code aims to restrict pharmaceutical companies from providing „freebies" to medical practitioners so as to reduce influence on prescribing drugs of a particular company. This is based on the International Federation of Pharmaceutical Manufacturers Associations (IFPMA) code which is considered as a model code. Section 2.2 of General Principles of OPPI code states that „No financial benefit or benefit-in-kind (including grants, scholarships, subsidies, support, consulting contracts or educational or practice-related items) may be provided or offered to a healthcare professional in exchange for prescribing, recommending, purchasing, supplying or administering products or for a commitment to continue to do so". This clearly states the refined position of OPPI code which is based on a noble intention of having a rationale for prescribing a product of a particular company by the medical professional without any influence so as to benefit the patient. It gives more freedom to medical professionals to choose the treatment option for patients on a case by case basis if they are not influenced by pharmaceutical companies. But it is a well-known fact that there are many companies trying to influence the prescribing habit of doctors with their kind gesture towards the practitioner, which ultimately tempts other companies also to lure the medical practitioners by providing freebies, apart from scientific information including literature, brochure and other scientific inputs. The condition of the Indian pharma industry is also pathetic with more than 20,000 manufacturing units that sell more than 70,000 brands.

It is virtually impossible for any medical practitioner or even a common man to remember the whopping number of brand names. Every company or manufacturer wants to survive in this cut-throat competition and thus direct their efforts towards these unhealthy practices. Though the OPPI code has tried to amend some of these unethical practices in tune with IFPMA code, which is welcomed by trade associations, some lacunae exist. What about companies that are

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not members of OPPI? What if companies continue to promote their product in an unscientific way? Is there any mechanism by which unscientific promotion by companies is restricted?

Besides, the companies that are not members of OPPI may not follow the code and can circumvent the provisions, still continue to influence the medical practitioners. The Drugs and Magic Remedies (Objectionable Advertisements) Act in India states only the conditions for which a drug cannot be directly advertised. At present there are no provisions to monitor how companies, that are not members of OPPI, adhere to standard practices. While the new code by OPPI may not be music to the ears of medical practitioners since many of them would be devoid of the favours accorded to them by certain pharmaceutical companies. At the same time, it is required that the prescription generated at the hands of the practitioner takes care of the patient"s clinical condition and, more importantly, the economic status of the patient. Let the medical practitioner be an unbiased or an impartial judge of what is required and for which patient. What is needed is a concrete, directed and focused effort by all players of the pharmaceutical industry and other stakeholders as well, in order to regulate the promotional activities of pharmaceutical companies to medical practitioners. As OPPI has modelled its code on the IFPMA code, all trade associations of pharmaceutical industry, government, NGOs and common men should join hands together to curtail the practice of influencing medical practitioners. Governments can frame and enact laws and legislations that would take care of marketing practices and create a monitoring authority that would monitor the promotional activities of pharmaceutical companies in India.

PROMOTIONAL STRATEGIES OF PHARMA COMPANIES IN INDIA

The key determinants of success of any Pharmaceutical industry, besides the cost and availability of capital are brand building. In the pharmaceutical business in India, most companies work on monthly, bimonthly or quarterly promotional cycles; and promotional resources are carefully allocated to ensure that the company achieves maximum sales. Most organizations bring out „strategy guides, which provide details on inputs, information on competition, approaches to detailing and sometimes a chart on incentives.

Strategies are much more than plans to achieve goals. They differ from operating procedures because they are drawn from changing market situations and are thus live and dynamic. The term „market" refers to all actual and potential buyers of a product or service, who possess purchasing power, authority and willingness to purchase. The global pharmaceutical market is currently estimated to be over US$ 400 bn and is projected to grow at about 5 per cent per annum over the next few years. Due to the rapid growth of the pharmaceutical industry, marketing has also become an important determinant of the survival and growth of various pharmaceutical companies, amidst the increasing competition faced by them.

The marketing strategies that are employed by pharmaceutical firms can be broadly classified into two types as follows:

• Promotional strategies

• Defense strategies

1) Promotional strategies

• Co-marketing: While co-marketing is a new concept all over the world, it started in a nascent form even before the 1970s in India. Co-marketing strategy enables organizations to focus more on market reach, penetration and brand share. The ultimate objective of such approaches is to develop brand image and brand equity. Unichem promoted Saffola oil (of Bombay Oil Mills) to cardiologists as a part of their promotional strategy. Later on, as the advantages become apparent, companies like Johnson & Johnson and Wipro used this strategy to promote their baby care products to doctors.

• Brand image marketing: Pharmaceutical companies identify and build their

strength by calibrated strategy to ensure that doctors and customers see them in favorable light. Research reveals that there is a direct relationship between a brand"s awareness level, its image and its market share. Thus, companies now a days are adapting this strategy of improving the brand image, which in turn improves their sales and profitability.

• Seven steps to a better brand image: Most of the pharmaceutical companies

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are concentrating on this strategy to nurture the image of the company and in turn market their products successfully. The type of image, a company wants to brandish, can be furnished with the following seven steps.

Play host: In this, a small group of doctors is invited and briefed whenever a new brand is introduced. Earlier, unique has used this strategy to a good effect for Metrogyl remains a market leader even in the wake of new molecule.

Respect doctors" schedules and get to the point straightway. Also make the presentation brief and memorable.

Be factual: Factual and realistic information is effective. Case studies, clinical trials, promotional trials, cure rate of drugs and side effects all need to be collected and documented properly to create a favourable perception.

Maintain respect: A conversation followed by a thank you note is usually adequate. Medical representatives and managers need to be trained accordingly to create a favourable impression.

Be brief and subtle: Initially to create perceptions and awareness about a company, information should be given in encapsulated form so that the customer is not burdened with more information.

Identify your uniqueness: The overall strategy may include an advertising or a public relations agency handling everything.

Develop field staff to maintain quality standards

• The right media mix strategy - The right media mix, utilized by the company, can promote its products considerably. The various promotional media used

are:

Medical magazines and Journals (Physician"s Digest, Lancet, Headache, Drug Today, CIMS, MIMS, IDR etc)
Conferences, Seminars and Symposia
Promotional trials
Newspaper advertising
Free-standing supplements
Conference videos

Video messages

• Marketing strategy based on innovative distribution- In 2005, the marketing strategy of the pharmaceutical company Sandoz included change in method of giving discounts to carrying & forwarding agents (C&FAs) through a simple innovation. Instead of paying direct percentage on sales to C&FAs, it started paying on the basis of case lots. Each case lot weighed approximately 12-15 kg and on each case lot, Rs 8-10 was paid to the C&FA.

Table: Major alliances between Indian & International companies:

No.	Indian Company	International Partner	Objective	Place of Operation
1	Cipla	Novopharm	Marketing	International
2	Dr. Reddys"	Biomed	Marketing	International
3	Lupin Labs	Fujisawa, Merck,	Marketing &	International
		Global Corp.	Manufacturing	
4	Ranbaxy	Elililly, Aventis,	Marketing, Supply	International
		Glaxo	of Both bulk drugs	& in India
5	SmithKline Beecham	Knoll, Glaxo	Marketing	India
6	Panacea Biotec	Chiron	Marketing	India

As a result, the company not only improved the sales of its products, but also managed to reduce the cost of operations by 1.2 per cent of its total turnover.

Public relations consultancies (PRCs)- an important part of marketing strategies: Most of the pharmaceutical companies in India and abroad are nowadays hiring the services of PRCs as part of their marketing strategies. Public relations cover a broad spectrum of activities — from internal communication to external publicity and also financial reporting. The major task of PRCs is to build a one-to-one, positive, effective, motivating and self-assuring relationship with the

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consumer through mass or individual media. It encompasses brochures, industry booklets, mailings, catalogues, corporate communication devices and websites. All of these have their importance as marketing tools.

• Contract Sales Organizations (CSOs)- A strategic Marketing Tool:

Pharmaceutical companies are using the services of CSOs as strategic weapon for increasing the geographical coverage of their products, as well as to have competitive edge at key moments.

Advantages of CSOs are:

Minimized fixed overheads

Managed resources at the launch of new product

Increased sales force whenever need arises. For e.g., when a brand is under threat from the competitor

Provide creative, short-term brand resources

Help in providing market development initiatives

Allow companies to economically reach physicians they would not ordinarily be able to call on, providing additional sales coverage tailored to a specific need

Entering into alliances, acquisitions, mergers & joint ventures with MNCs to market and sell their products: The reach of marketing and distribution network is an important determinant of success in the pharmaceutical industry. Hence, as an important marketing strategy, companies are strengthening their marketing and distribution network and thus improving their reach and efficacy.

A way to do this is to enter into alliances and joint ventures with other companies. Nicholas Piramal is the prime example of a company that has entered into a number of alliances with MNCs to market its product.

• Direct-to-Consumer (DTC) marketing strategy - This is recent approach which has been used by various pharmaceutical companies mainly abroad (USA and UK). USA has pioneered DTC advertising. The reason DTC has become an area of interest over the last few years, is that it is a way of influencing people who actually use the medicine.DTC essentially means a campaign or communication programme intended for andtargeted to consumers. In relation to pharmaceutical products, the consumers may bepatient or family members, caregivers or the general public. Initially, doctors wereworried about the patients failing to understand the drug related information and impairment of doctor /patient relationship, but DTC did not lead to any suchapprehensions and is now a mainstay of product promotion in the US

Internet has totally rejuvenated direct marketing and DTC as a promotional medium. Resources like Euro RSCG‟ s Media Turf‟s online tracking can help track individual doctors online, which is immensely useful for pharma companies to deliver targeted communication to them.

2) Defense Strategies

Besides promotional strategies, a number of defense strategies have also been used by various pharmaceutical companies to market, promote & extend the life cycle of their products.

These are:

New Indications or Uses of the Product: In US, a new indication can extend a product‟s protected life as the market exclusivity period is extended by three years for each new indication. Often, companies more important indications during the launch of the product & less important indications are introduced when product is at decline stage in its life cycle. E.g., Lovenox, a product for curing thrombosis was launched with one indication in orthopedic surgery by Aventis. Currently, it has eight indications. By revealing more & more indications of the same drug, the company has more than doubled its original peak sales for this drug.

• Reformulation - A similar strategy to gaining new indications is to produce a

new formulation on an existing marketed drug. This line extension will often be associated with a more convenient dosing form or a longer lasting formulation. This strategy is most commonly used where old technology is an immediate-release formulation requiring multiple daily doses is replaced by a

„new technology‟ once daily formulation of the drug.Pfizer defended its hypertensive drug - Procardia for a number of years with thisstrategy.

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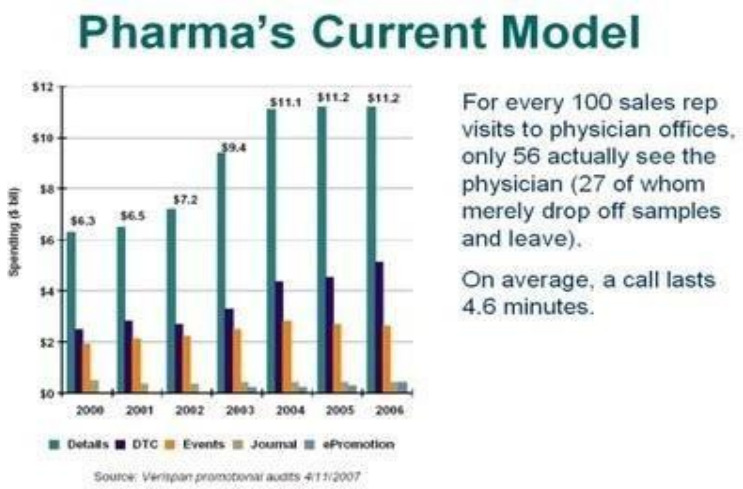
• Switching Strategy - This strategy relies on moving patients from an older
drug (whose patent is about to run out) on to the newer version (which has patent protection). The theory is that by the times generics of the original drug hit the market after its patent has expired, patients have already been switched to newer drug and are unlikely to switch back to the older, now generic drug.
Pfizer successfully used this strategy to switch patients on to Procardia XR from its original drug Procardia near the time, when Procardia‟s patent was about to expire.
• Paying generic companies off - A dubious strategy of paying generic makers to delay them from entering the market has also been used. E.g., Hoechst
Marion Roussel (now part of Aventis) paid André US$ 10 million per quarter not to launch its generic version of Cardizem.As a consequence of the mounting evidence of counterfeiting in Asia, companies inIndia and abroad are hiring services of institutes such as ‟Pharmaceutical Security Institute‟.Counterfeit medicine is a product that is deliberately mislabeled with respect toidentity and/or source. Such medicines can affect the company‟s image. Therefore,companies are hiring the services of various agencies to check this grey marketing.t can thus be concluded that the key determinants of success of any Pharmaceuticalindustry, besides the cost and availability of capital are brand building (or brandStrength) and marketing strategies adopted by them as these have a profound impacton growth and market share of all pharmaceutical companies.

GLOBAL TRENDS IN PHARMA PROMOTIONS & MARKETING



As the Verispan promotional audit data show, pharmaceutical companies spend a disproportionate amount of their promotional budgets on face-to-face detailing. The
$11.2 billion does not even include the cost of samples! In contrast, the amount spent on ePromotion is minuscule.
For every 100 sales rep visits to physician offices, only 56 actually see the physician and of these 27 merely drop off samples without talking to the physician. Schecter claims that when reps actually get to talk to physicians, the call only lasts 4.6 minutes on average.

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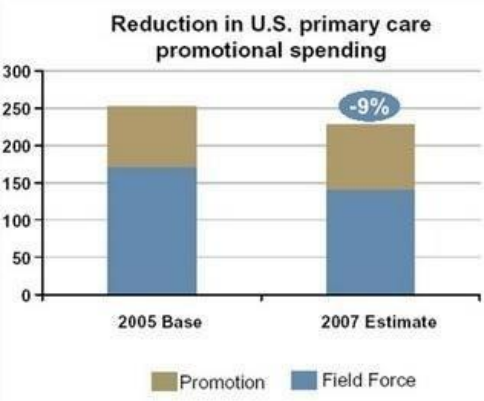

Reduction in U.S. Primary care promotional spending

Given these statistics, Schechter said Merck is on course to significantly reduce its promotional spend by 2010 and estimates it will cut its field force spending by 9% in 2007 (see figure at left; which shows that the field force bar is lower in 2007 than in 2005.). According to PharmExec.com, however, "Merck spokeswoman Amy Rose

STRENGTHS AND WEAKNESSES OF INDIA'S PHARMACEUTICALINDUSTRY:

India‟s comparative advantages lie in its cost competitiveness, its reverse engineering experience, its large pool of less expensive English-speaking scientific and engineering workers, and its well-developed chemical industry infrastructure. India‟s pharmaceutical companies can also operate at much lower profit margins that their Western counterparts. Today, India produces some of the cheapest drugs in the world, especially because labor costs are 50 to 55 percent cheaper than in the West. Industry experts indicate that infrastructure costs are 40 percent lower and fixed cost are estimated to be 12 percent to 20 percent less that in the United States and Western Europe. Consequently, India can produce bulk drugs that cost 60 percent less that in the West and can open a production plant in India 40 percent cheaper than in developed countries. Because of this, India has become a hub for pharmaceutical research and development and clinical trials for many leading foreign pharmaceutical companies.

Strengths	Weaknesses
* Cost advantages (development, manufacturing, R&D, clinical trials, and labor). * Large pool of highly trained manpower. * 2nd largest number of U.S. FDA approved facilities (61). * TRIPS compliance. * Lower operating margins. * Drug cost a fraction of the cost in the West. * Growing biotechnology industry. * Reverse engineering skills. * Largest number of DMFs. * Bio-diversity. * FDI up to 100 percent. * Strong IT skills for research data management. * Political stability. * Strong marketing and distribution network. * Well established network of laboratories.	* Low level of investment in R&D. * Highly fragmented industry. * Government price controls. * Low margins. * High tariffs and taxes. * Substandard drugs and counterfeiting. * Most Indian companies are small by world standards. * High logistics costs. * Lack of experience in drug discovery. * Industry concentrated at lower end of value chain. * Corruption. * Weak domestic market. * Low levels of per capita medical expenditure. * High logistics costs. * Lack of experience in drug discovery.
Source: CII, Intec.net, Financial Express, Bain & Company.	

Strengths and weaknesses of India's pharmaceutical industry

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The challenge facing pharmaceutical marketers in the next decade will be to demonstrate value of product through promotional innovation, combined with the required emphasis on efficiency and safety of their product. To do so, they should turn to pharma co-economics an evolving field that examines the issues in the context of the market's health care system. Health care system, of what is understood of the term, differs from country to country, place to place and city to city. Lay persons in India tend to examine only single patient cost. But from a social perspective one may want to know what sort of treatment option minimizes overall costs. In the future the degree of fragmentation is likely to decline significantly wide product portfolio and distribution strength could become a key competitive advantage among the larger players. Smaller players focused on research and development will probably be approached for alliance by larger companies. Domestic companies with International research and development or marketing ties are likely to succeed. In long term as companies established major presence in other parts of wider health care pharmaceuticals chain, there is likely to e an emergence of a new set of competitors -- the integrated health care firms -- that will have significantly greater power than pure pharmaceutical companies.

METHODOLOGY & PROCEDURE OFWORK

A Research Methodology defines the purpose of the research, how it proceeds, how to measure progress and what constitute success with respect to the objectives determined for carrying out the research study. The appropriate research design formulated is detailed below.

Exploratory research: this kind of research has the primary objective of development of insights into the problem. It studies the main area where the problem lies and also tries to evaluate some appropriate courses of action. The research methodology for the present study has been adopted to reflect these realties and help reach the logical conclusion in an objective and scientific manner. The present study contemplated an exploratory research.

Research Design

The research design is the basic framework, which provides guidelines for the rest of the research process. The present research can be said to be exploratory. The research design determines the direction of the study throughout and the procedures to be followed. It determines the data collection method, sampling method, the fieldwork and so on.

Nature of Data

1) Primary Data:

Primary data is basically fresh data collected directly

from the target respondents; it could be collected through Questionnaire Surveys, Interviews, Focus Group Discussions Etc.

2) Secondary Data:

Secondary data that is already available and published.

It could be internal and external source of data. Internal source: which originates from the specific field or area where research is carried out e.g. publish broachers, official reports etc.

3) External Source: This originates outside the field of study like books, periodicals, journals, newspapers and the Internet.

Data Collection

1) Primary data: Primary data was selected from the sample by a self- administrated questionnaire in presence of the interviewer.

SAMPLE SIZE:

Sample size : 100

Sample area : New Delhi

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Sample Unit : Officials of many pharmaceutical companies, medical practitioners, medical representatives in New Delhi

2) Secondary Data: Secondary data was collected through Articles,
Reports, Journals,
Magazines,
Newspapers and Internet

• Sampling Technique

Random sampling technique is generally employed to extract the fruitful results. This includes the overall design, the sampling procedure, the data collection methods, the field methods and the analysis procedures

• Sampling Procedure Actually Employed:

The process employed to select the sample was simple random sampling. Simple random sampling refers to that sampling technique in which each and every unit of the population has an equal and same opportunity of being on the sample. In simple random sampling, which item gets selected is just a matter of chance.

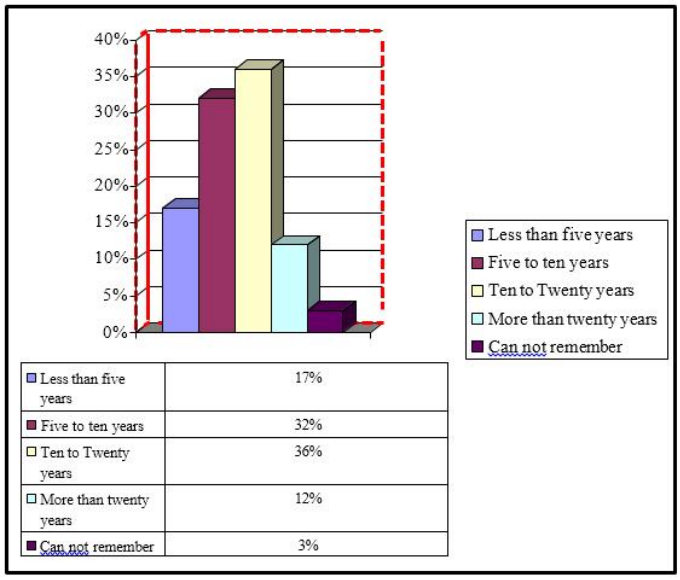
• Analytical Tools:

Simple statistical tools have been used in the present study to analyze and interpret the data collected from the field. The study has used percentiles method and the data are presented in the form of tables and diagrams.

DATA ANALYSIS

1. For how many years you are practicing as a medical practicener (Doctor)?

- Less than one year ----------17 per cent
- From one to five years ----------32 per cent
- Five to Ten years ----------36 per cent
- More than Ten years ----------12 per cent
- Cannot remember ----------03 per cent



Less than five years	17%
Five to ten years	32%
Ten to Twenty years	36%
More than twenty years	12%
Can not remember	3%

Fig 1: Practicing as a medical practitioner

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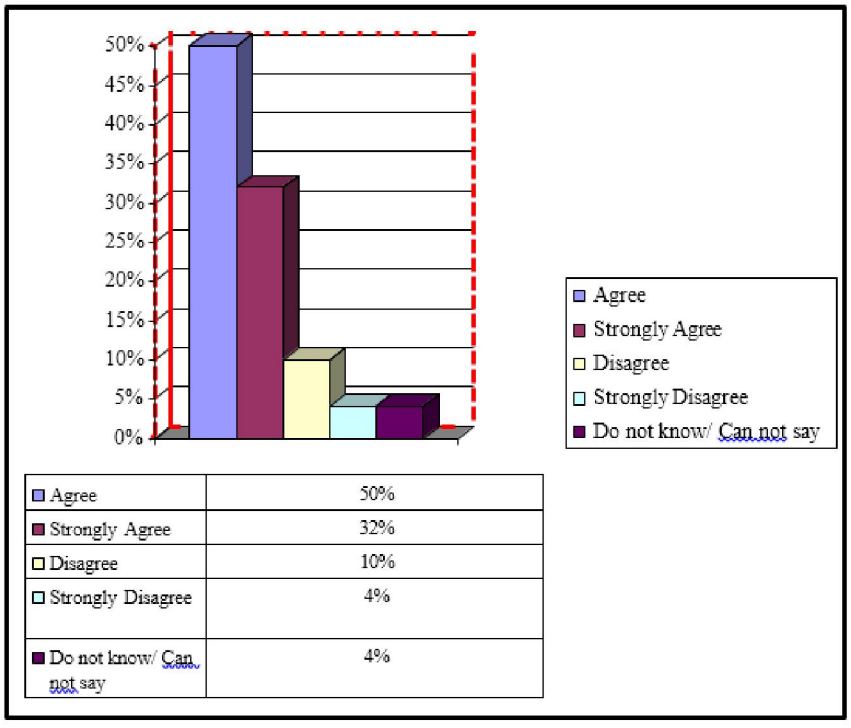
Impact Factor: 8.2

Interpretation:
At the initial stage of the research, an attempt was made to understand the profile of the doctors in terms of their experience in the industry. Great care was taken to ensure that the sample is adequate and representative of the universe.

3. Do you agree that the marketing strategy of the pharmaceutical industry should be different from the marketing strategy in non-pharmaceutical segments?

- Agree ---------- 50 per cent
- Strongly Agree ---------- 32 per cent
- Disagree ---------- 10 per cent
- Strongly Disagree ---------- 04 per cent
- Do not know/ Cannot say ---------- 04 per cent



Agree	50%
Strongly Agree	32%
Disagree	10%
Strongly Disagree	4%
Do not know/ Can not say	4%

Fig 2: Pharmaceutical segments

Interpretation:
The structure and the dynamics of the pharmaceutical industry are different from that of other industrial domains. This is what necessitates the pharmaceutical sector to formulate a unique marketing strategy to suit their industry requirements and that appears to be different, in practice and normative sphere, from other industries.

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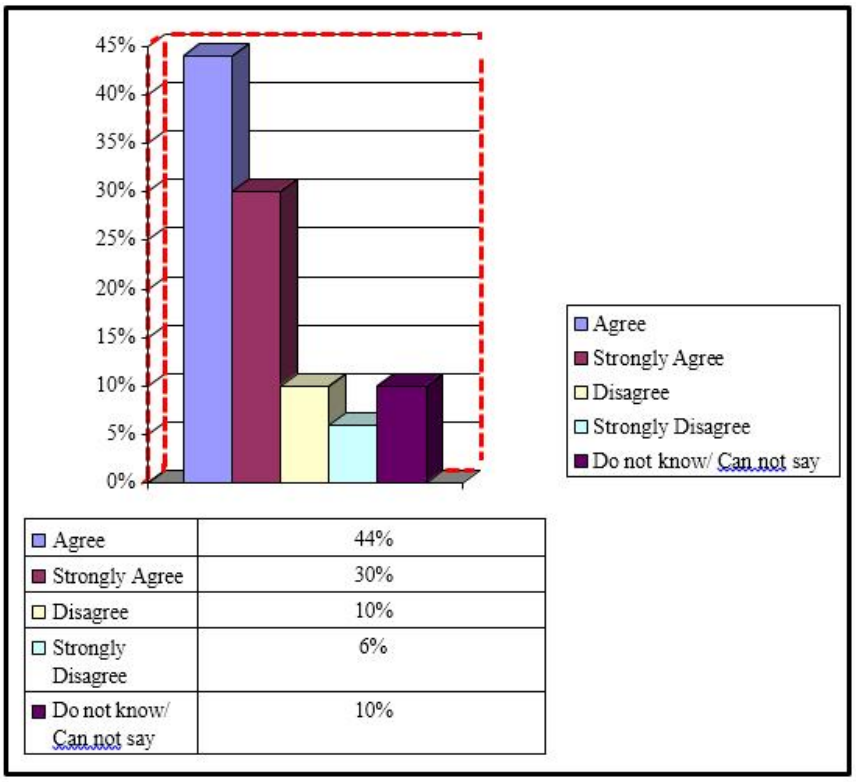
Do you agree that institutional selling is quite prevalent when it comes to pharmaceutical market in India?

- Agree ---------- 44 per cent
- Strongly Agree ---------- 30 per cent
- Disagree ---------- 10 per cent
- Strongly Disagree ---------- 06 per cent
- Do not know/ Cannot say ---------- 10 per cent



Agree	44%
Strongly Agree	30%
Disagree	10%
Strongly Disagree	6%
Do not know/ Can not say	10%

Fig 3: Pharmaceutical market in India

Interpretation:

In general, business in pharmaceutical market is conducted in two major ways, that is, either by institutional selling or through trade business. The respondents were of the opinion that institutional selling is quite prevalent in the Indian pharmaceutical industry.

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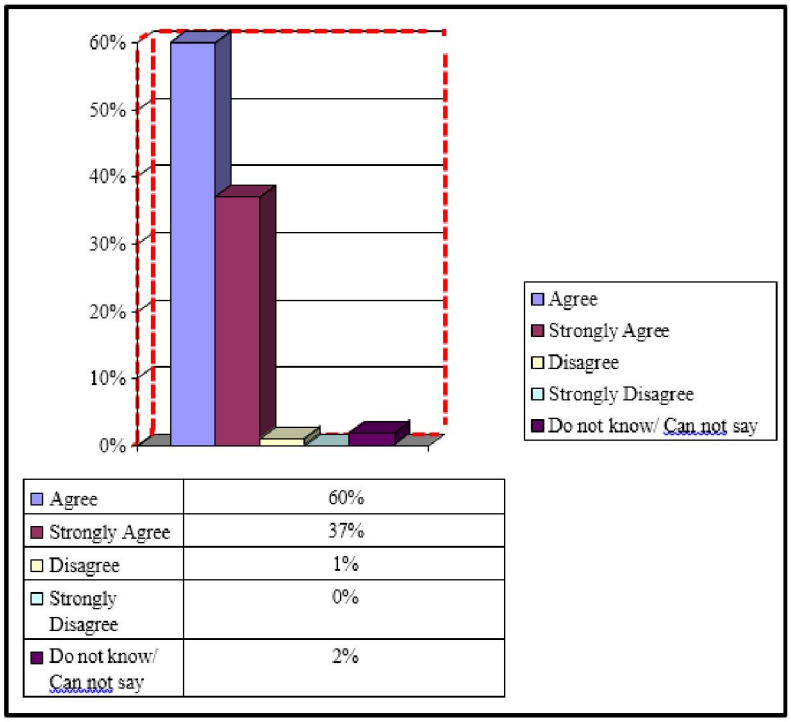
Do you agree that the pharmaceutical companies need to use innovative and better promotional measures for selling their products?

- Agree ---------- 60 per cent
- Strongly Agree ---------- 37 per cent
- Disagree ---------- 01 per cent
- Strongly Disagree ---------- 00 per cent
- Do not know/ Cannot say ---------- 02 per cent



Agree	60%
Strongly Agree	37%
Disagree	1%
Strongly Disagree	0%
Do not know/ Can not say	2%

Fig 4: Innovative and better promotional measures for selling their products

Interpretation:

Even though it appears to be a serious industry on which the health of the nation rests, a deeper understanding of the industry will make it clear that business practices and sales promotion measures are a common thing and gradually becoming more aggressive and competitive among the pharmaceutical companies in India.

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Do the Pharmaceutical companies offer gifts to the doctors to influence their prescriptions in favour of their company medicines?

- Yes ---------- 95 per cent
- No ---------- 01 per cent
- Do not know/ Cannot say ---------- 04 per cent

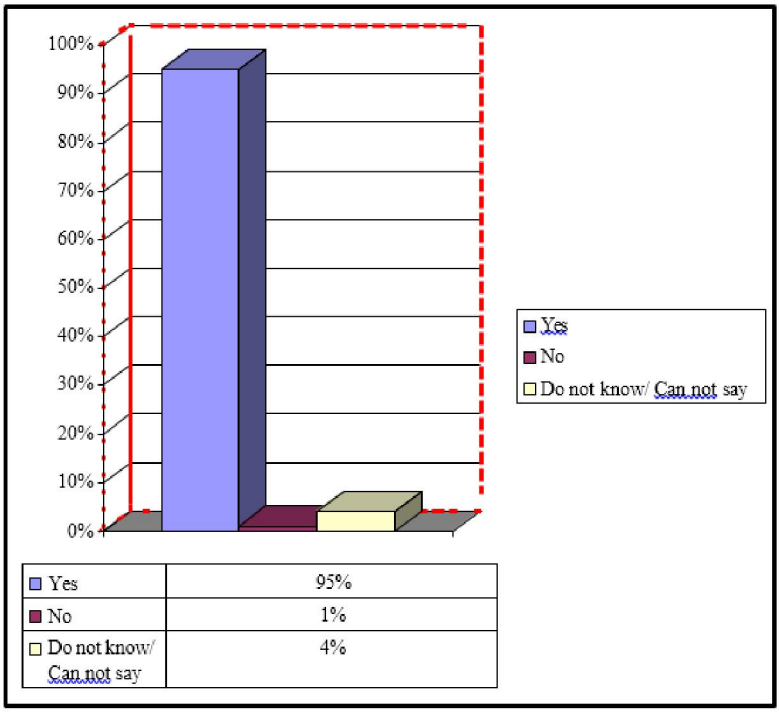

Fig 5: Prescriptions in favour of their company medicines

Interpretation:

Pharmaceutical marketing experts are aware that well timed advertising directed to doctors tends to boost sales of the brand that spent the marketing dollars. In the case of marketing directly to health professionals, the question is whether promotion is (as most drug companies claim) primarily information on how the drug works or is intended to persuade doctors to prescribe the drug more frequently. The practice of offering gifts to the doctors to influence their prescriptions is a common strategy among the pharmaceutical companies.

Out of the following which one is more correct when it comes to the promotional strategy of pharmaceutical companies in the view of the doctors?

- They aim to inform about the product ---------- 22%
- They aim to persuade to purchase ---------- 60%
- Other motives 03%
- Do not know/ Cannot say ---------- 15%

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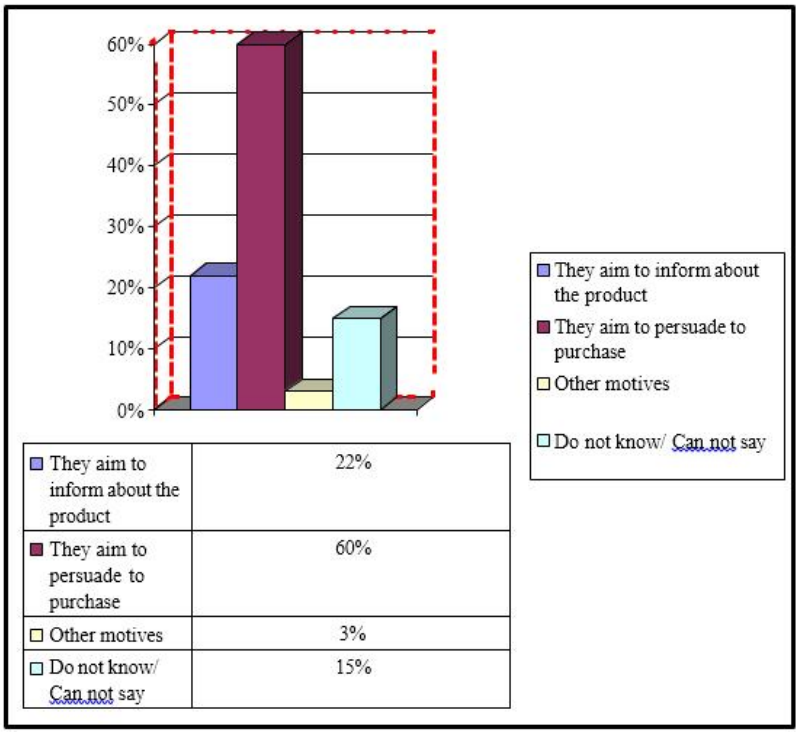

They aim to inform about the product	22%
They aim to persuade to purchase	60%
Other motives	3%
Do not know/ Can not say	15%

Fig 6: Promotional strategy of pharmaceutical companies

Interpretation:

The promotional strategy of the pharmaceutical companies is more oriented towards persuading the doctors to prescribe their products and the patients to purchase their products than simply to display information on the quality and availability of the product. This is one criterion which makes the marketing strategy of the pharmaceutical companies different from that of others.

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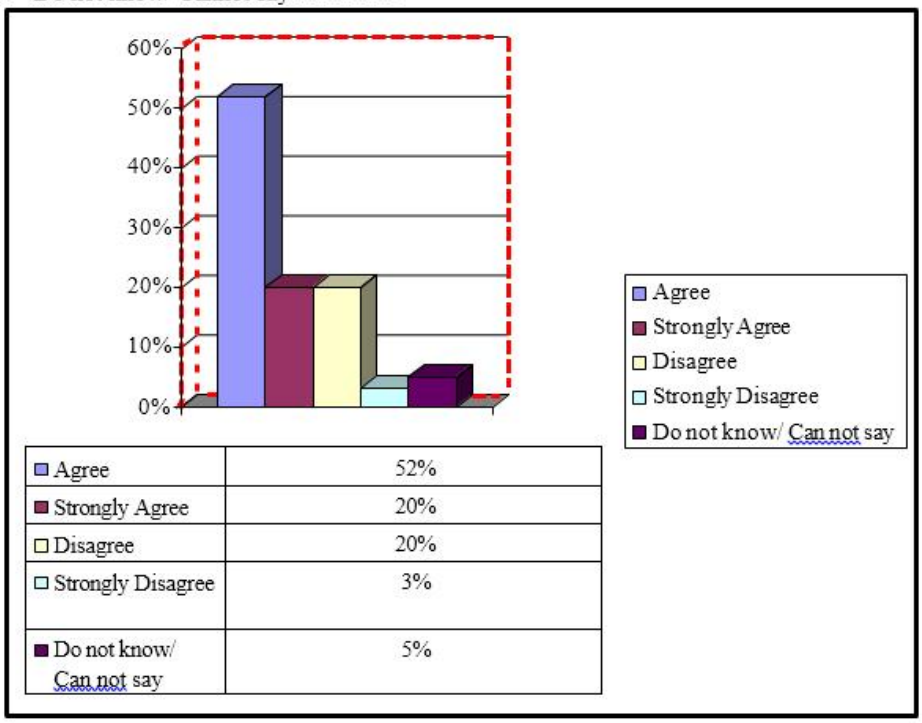
Do you agree that unethical standards exist in the promotion of pharmaceutical products in India?

- Agree ---------- 52 per cent
- Strongly Agree ---------- 20 per cent
- Disagree ---------- 20 per cent
- Strongly Disagree ---------- 03 per cent
- Do not know/ Cannot say ---------- 05 per cent



Agree	52%
Strongly Agree	20%
Disagree	20%
Strongly Disagree	3%
Do not know/ Can not say	5%

Fig 7: Promotion of pharmaceutical products in India

Interpretation:

Adherence to ethical standards while pursuing the promotional strategy for selling their products is a concern in the pharmaceutical industry. It is an accepted fact that the promotional measures do contain unethical practices. It is for the government, the industry and the consumers to put a comprehensive effort to ensure that the practices of unethical standards are withdrawn from the health industry.

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Your recommendation to the industry and government regarding the promotional strategy of the pharmaceutical companies? You can choose more than one option.

- Implement, improve and monitor legislation ---------- 74 per cent
- Measures to improve the transparency of drug companies" marketing activities ---------- 86 per cent
- Stop the practice of gifts to doctors ---------- 67 per cent
- Ensure codes of conduct on drug promotion ---------- 70 per cent
- Other measures ---------- 12 per cent
- Do not know/ Cannot say ---------- 01 per cent

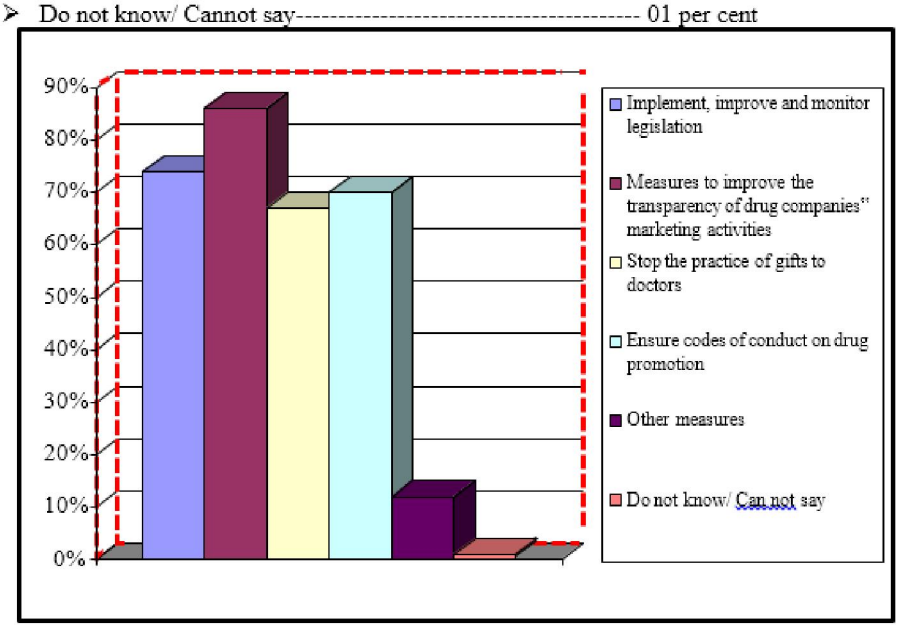

Fig 8: The industry and government regarding

Interpretation:

Whilst the pharmaceutical industry clearly has an important role to play in tackling the health challenges their involvement in the promotion of medicines presents a serious conflict of interest. It is equally important that health professionals have access to independent and up to date advice on medicines so that they can make informed judgments about the most appropriate medication for patients.

FINDINGS, INFERENCES & RECOMMENDATIONS

India's pharmaceutical market currently stands ninth in the world market for pharmaceuticals with a 1.5% share. The market was valued at more than $3 billion last year (1998). At its annual growth rate of 15% (almost double the world's 6% annual growth rate), this market is expected to reach $6 billion by 2001 and should more than double to $13.3 billion in 2006. India's official OTC market currently stands at over $130 million, and the industry's heart disease sector is expected to grow from $90 million now to more than $350 million in 2009.

Current demand in the Indian pharmaceutical sector stands at about $4 to $5 billion, and is forecast to increase at an annual rate of 15 - 20% in the future. Nevertheless, average per capita expenditure on pharmaceuticals in India is only $3 -- compared to $412 in Japan, $222 in Germany and $191 in the US. This is due in part to the prevalence of

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alternative healing methods in India, such as ayurvedic medicine and homeopathy, but also because prices for drugs have been kept artificially low by the Indian government. In fact, India's pharmaceutical industry is one of the most highly regulated industries in the country. Price controls have a strong effect on profitability in the industry, and weak patent protection poses a long-term threat to investment in India's drug market. Foreign firms also find it difficult to operate in India due to arbitrary Bureau of Industrial Cost and Pricing (BICP) pricing changes, arbitrary local FDA decisions, high import duties (about 42%) and complex import procedures.

However, while the pharmaceutical sectors in India will most likely stay regulated in the short term, there are plans for reform. The sheer size and growth of India's domestic pharmaceutical industry is making it increasingly difficult for the government to regulate prices for every single firm, and pressure from the World Trade Organization is also speeding up discussions within the national government to improve patent protection. As a result, foreign pharmaceutical firms can expect improved market opportunities in India's enormous drug market over next several years.

The Indian pharmaceutical industry is highly fragmented -- there are now more than 20,000 domestic manufacturers of end-use pharmaceuticals, particularly because of the industry's low capital requirement and the lack of product patents. Only about 300 of these are in the organized sector. This structure causes intense competition, especially in the bulk drug markets, with profitability falling as demand expands.

For value purposes, drugs in India are generally classified into two categories -- bulk drugs and formulations. Due to India's low overhead costs, bulk drugs comprise the largest sector in the country's pharmaceutical market. India‟s bulk drug sector also makes up about 6% of the international bulk drug market. Drug intermediates are used as raw materials for the production of bulk drugs, which are either sold directly or retained by companies for the production of formulations. Formulations can be subdivided into generic drugs and branded or "ethical" drugs, the latter of which are made under process patent and sold under a separate brand name. Expected short-term growth for the two types of drugs has been 20% for bulk drugs and 15% for formulations.

The import of finished pharmaceuticals is almost negligible, and confined to very specific types like anti-cancer drugs. In 1994, the import of drugs, pharmaceuticals and intermediates was estimated at $450 million, and included the following: antibiotics, penicillin and its salts, erythromycin and its preparations, vitamins and provitamins, vaccines (polio, human and veterinary), preparations containing insulin, caustic and other hormones, and tetracycline and its preparations.

Essential drugs comprised of antibiotics, antibacterial, anti-TB, anti-parasitic, and cardiovascular constitute a major portion of turnover of the industry. Indian companies dominate this class of drugs with a market share of 71%. Multinational companies are reluctant to enter these markets as most of them are under government price controls.

Pharmaceutical Industry is one of the most intense knowledge driven industry, which is continuously in a state of dynamic transition. Indian pharmaceutical industry is climbing up the value chain from bringing a pure reverse engineering industry focus on domestic market. The industry is moving towards basic research driven expert oriented global presence and providing wide range of value added quality product and services. The pharmacy formulation market varies radically from the consumer market in many ways. The rules governing the pharmacy market are different except a few over-the-counter (OTC) drugs. Pharma companies are not allowed to publicly market their products. Marketing has to be restricted to promotional campaigns, advertisement only in medicinal magazines, journals etc., through medical representatives. It is not a mean of mass communication, which is usually applicable to consumer products. In the process of pharmaceutical marketing, market segmentation, targeting and brand differentiation is considered to be challenging compared to the consumer marketing.

Unlike any other businesses, marketing mix and its operatives for Pharma industry are very peculiar. The pharmaceutical industry is one of the few which cater to unique situations. Here the decision maker is the prescriber i.e. doctor while actual user of the product is a patient. Patient purchases product only because of doctor‟s advice and hence product should satisfy the conditions of physician. Even if all other parameters are correct, the product might still fail because of improper promotion. Personal selling is the major promotional method in pharma marketing.

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Brand management, particularly promotion is a very difficult task in every Industry / Business. It is particularly difficult in those businesses where the competition is intense, market is crowded with variety of similar looking products and especially, when the end user cannot make choices of his/her own, but has to use the product on some expert‟s recommendations. Pharmaceutical is such one of the most intense knowledge driven industry, which is continuously in a state of dynamic transition. Pharmacy can be defined as “Complex matrix of process, operations and organization, involved in the discovery development and manufacture of drug and medication.” The pharmaceutical industry is the lifeline industry, which plays a very important role in building strong human capital of country and very essential for economic growth and development. Indian pharmaceutical industry is climbing up the value chain from bringing a pure reverse engineering industry focus on domestic market. The industry is moving towards basic research driven expert oriented global presence and providing wide range of value-added quality product and services.

Considering the complexities in marketing process in pharmaceutical business, while launching a new formulation in the existing markets or launching new formulations in the new markets, product differentiation is necessary for proper brand promotion.

Since, for the prescription products, the end-customer, i.e. patient or his/her relatives are unable to take any decision and the product is necessarily recommended by the expert, i.e. physician or doctor, it is imperative that this brand promotion efforts to be aimed at primarily towards the physician or doctor and secondarily to the drug retailer as he plays an important role in dispensing the prescribed brand. While launching the new formulation, there can be dilemma in the mind of the filed manager on diverting existing field force for the promotion of the field force, perhaps at the cost of old and established products. However, it is most necessary to do so as it can only help product differentiation, brand promotion and stabilization of the new product in the market. Nevertheless, one question remains and that is whether, the research findings are universally true or they are geography specific. One can get the answer only when such studies are conducted at multiple places simultaneously. The results of such studies can be generalized to arrive at possible answer. Companies realize it is often not enough to spend like your competitor. In fact, you have to outspend the competition, especially in areas such as market research and patient education, to make significant impact on your position in the market

CONCLUSIONS

Implement, improve and monitor legislation in line with the WHO Resolution on the Rational Use of Medicines and the WHO Ethical Criteria for Medicinal Drug Promotion.

Support the provision of independent information on drugs for consumers and health professionals.

Implement and enforce a ban on gifts to doctors.

Enforce strict sanctions that will deter poor corporate practice in drug promotion.

Take measures to improve the transparency of drug companies‟ marketing activities and seriously address the conflict of interest encountered in drug companies‟ funding of medical education.

Ensuring high standards in the promotion of medicines is important to consumers‟ health and helps to save money for health providers and patients. Without proper controls consumers can be subject to misleading or inaccurate claims and the promotion of expensive branded medicines that have no greater medical value than cheaper non-branded products. Whilst the pharmaceutical industry clearly has an important role to play in tackling the health challenges their involvement in the promotion of medicines presents a serious conflict of interest.

It is equally important that health professionals have access to independent and up to date advice on medicines so that they can make informed judgements about the most appropriate medication for patients. Governments must make continued medical education (CME) a priority and alleviate the need for doctors to rely on industry- dominated information provision mechanisms.

Improved regulation of drug promotion will generate a number of benefits for various stakeholders. Consumers will have a better chance of getting the most appropriate drug for their condition. Regulations that lead to improved drug

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use can lower direct costs (e.g. subsidy costs and import costs) which should be welcomed by governments and tax payers. Finally, socially responsible drug companies will also benefit if

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