Dear Sir/Madam

Kindly spare your valuable time for filling up this questionnaire for the purposes of Ph.D. Programme of this University on the topic - Indian Pharmaceutical Marketing Strategy.

**PART I
GENERAL INFORMATION**

1.1. Name, Designation and the & Head office address

1.2. Annual Turnover :
   - less than 50 Cr
   - 51 – 100 Cr
   - 101 – 200 Cr
   - Above 200 Cr

1.3. Number of years of establishment :
   - less than 10 years
   - 10-20 years
   - Above 20 years
1.4. Your company is:  Proprietary in nature ☐
                              Public limited ☐
                              Private Limited ☐
                              Partnership Concern ☐

1.5. Company marketing operation is:  Restricted to state level ☐
                                      Regional level- four states ☑
                                      National level ☐
                                      International level ☐
1.6. Do you think that the markets you are operating are best enabling you to translate your distinct capability into competitive advantage?

<table>
<thead>
<tr>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Frequently</th>
<th>Always</th>
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</table>

1.7. Have you ever used Mergers Acquisitions (M&A)? ( ) Yes ( ) No

PART II

STRATEGIC MARKETING INSIGHTS

2.1. Rate the following for the marketing orientation of your company:

<table>
<thead>
<tr>
<th>Questions</th>
<th>Never</th>
<th>Rarely</th>
<th>Sometimes</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The needs, wants and behaviour of the targetted customers (doctors) is understood by the company</td>
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<td>b. The chief executive see him or herself as the marketing strategist</td>
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<td>c. The strategies reflect the realities of the market place</td>
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<td>d. The company is organised in such a way that it can be more responsive to marketing opportunities and threats than its competitors?</td>
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<td>e. Marketing is seen as being more important by managers than other functions and orientations?</td>
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<td>f. The company-marketing people are using marketing information system.</td>
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</tbody>
</table>
2.2. Select the market segmentation you follow:

<table>
<thead>
<tr>
<th>Segmentation base</th>
<th>Tick (✓)</th>
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</thead>
<tbody>
<tr>
<td>1. Geographic segmentation</td>
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<tr>
<td>2. By age group segmentation</td>
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<td>3. By severity of disease</td>
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<td>4. By acute/chronic/recurrent measures</td>
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<tr>
<td>5. By nature of disease</td>
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<td>6. By doctor specialty</td>
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<td>7. Benefit segmentation</td>
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<td>8. By prescription</td>
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<td>9. By place of use</td>
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</tbody>
</table>
2.3. Tick the relevant box for your role in the company:

<table>
<thead>
<tr>
<th></th>
<th>No responsibility</th>
<th>Some responsibility but less then others</th>
<th>Equal responsibility with others</th>
<th>Major responsibility but shared with others</th>
<th>Full &amp; sole responsibility</th>
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</thead>
<tbody>
<tr>
<td>Corporate strategy</td>
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<tr>
<td>a) Mergers &amp; Acquisitions</td>
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<td>b) Diversification studies</td>
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<td>c) Investment appraisal</td>
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<td>d) Corporate strategic planning</td>
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<td>Marketing Services</td>
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<td>e) Marketing strategy</td>
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<td>f) Marketing staff selection</td>
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<td>g) Marketing research</td>
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<td>h) Marketing planning</td>
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<tr>
<td>Product</td>
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<tr>
<td>i) Product design &amp; development</td>
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<td>j) Packaging</td>
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<td>k) New product Development</td>
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</table>
1) New product launch
m) R & D strategy

<table>
<thead>
<tr>
<th>Selling</th>
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<tbody>
<tr>
<td>n) Field sales operations</td>
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<tr>
<td>o) Discount structures</td>
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<tr>
<td>p) Sales forecasting</td>
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<tr>
<td>q) Sales promotion</td>
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<tr>
<td>r) Price setting</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Distribution</th>
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</thead>
<tbody>
<tr>
<td>s) Warehousing</td>
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<td>t) transportation</td>
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<tr>
<td>u) Inventory</td>
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</tbody>
</table>

2.4. Rate the following on the basis of the marketing planning undertaken by your company:

<table>
<thead>
<tr>
<th></th>
<th>Completely False</th>
<th>More false than</th>
<th>Neither true nor false</th>
<th>More true than false</th>
<th>Completely true</th>
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</thead>
<tbody>
<tr>
<td>1. We produce a written marketing plan</td>
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<td>2. Our marketing plan is produced annually</td>
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<td>3. Our marketing plan starts with written objectives</td>
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<td>4.</td>
<td>Our marketing plan involves an audit of the opportunities and threats we face in the environment</td>
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<td>5.</td>
<td>Our marketing plan covers three to five years, not just a year</td>
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<td>6.</td>
<td>Our marketing plan includes the plan of all marketing mix elements</td>
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<td>7.</td>
<td>Our marketing plan includes financial estimates</td>
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<td>8.</td>
<td>Our marketing plan is presented to top management</td>
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<td>9.</td>
<td>Our marketing plan involves substantial inputs from other functional departments</td>
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<td>10.</td>
<td>Our marketing involves all senior managers in our marketing / sales organisation</td>
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<td>11.</td>
<td>We give marketing planning adequate time and resources</td>
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<td>12.</td>
<td>In our marketing planning managers are rarely uncomfortable or ineffective in thinking and planning about the long term future</td>
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<td>13.</td>
<td>Our marketing plan details responsibilities and the timing of actions to be taken</td>
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<td>14.</td>
<td>We act upon based on the marketing plan and provides the basis for evaluation and control</td>
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<td>15.</td>
<td>Our marketing plan is seen as one of the most valuable documents we have seen in the company</td>
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</table>

2.5. Which of the following positioning strategy you follow:

- On specific attributes like efficacy, side effects etc.
- As first—second or third line therapeutics
- On the ultimate user of the product
- On the product class (say H₂ antagonist / ACE inhibitor)
- In direct relation to our immediate competitor
- On packaging technology and sophistication in packaging aspects
PART III
MARKETING MIX STRATEGY

3.1.1. Tick the product categories you are operating in?

OTC
Prescription
Both

3.1.2. If you have prescription products, tick the percentage of DPCO coverage

10-30%
31-50%
51-70%
71-90%
91-100%
3.1.3. Rate the following factors that could influence the sale of prescription drugs:

<table>
<thead>
<tr>
<th>Factors</th>
<th>Doesn’t apply</th>
<th>Not important</th>
<th>Slightly important</th>
<th>Important</th>
<th>Very Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic changes</td>
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<td>Standard of living</td>
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<tr>
<td>Prescription changes</td>
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<tr>
<td>Morbidity</td>
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<td>Doctor’s prescribing attitude &amp; decisions</td>
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<td>Developments in medical field</td>
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<td>Influence by government on prescriptions</td>
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<td>Product innovations</td>
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<td>Sales promotional efforts</td>
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<tr>
<td>Competitive intensity</td>
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</tbody>
</table>

3.1.4. Product development in our organisation is undertaken due to (rank them)

- Offsetting a seasonal drop in sales
- Utilizing idle plant capacity
- More efficiently utilizing the marketing talent
- Forestalling competition
- Achieving growth in volume and profit
3.1.5. Product strategies are undertaken to: (rank them)

- Attracting new prescribers to the product category
- Attracting prescribers from competing products
- Increasing the usage rate among current prescribers
- Expanding the market to new segments
- Converting low risk prescription products into OTC
- Ensuring the availability of drugs in retail outlets

3.1.6. Do you accept that you have to withdraw all support for a number of existing products whenever you have launched a new product in the market?

<table>
<thead>
<tr>
<th>Strongly</th>
<th>Disagree</th>
<th>Neither Agree nor disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

3.1.7. In declining markets, you resort to: (rank them)

- Cost cutting in operation and capital expenditure
- Capitalise on the position achieved by past investment
- Restricting the resource input

3.1.8. Do you follow divesting in those products whose patents are about to expire?

Yes ☐ No ☐

3.1.9. Do you resort to: (tick the relevant box):

<table>
<thead>
<tr>
<th>Product improvement</th>
<th>Never</th>
<th>Rarely</th>
<th>Some times</th>
<th>Frequently</th>
<th>Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Product imitation</td>
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<tr>
<td>• Product innovation</td>
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</tbody>
</table>
3.2.1. What pricing strategies are important in order: (rank them)

What the market can bear
Cost plus pricing
Value of money pricing
Discount pricing
Premium pricing

3.2.2. Select any of the following where pricing is determined in decontrolled category:

Technological requirements / breakthroughs
Ambitions of competitive players’
Staying power of various competitive products
Economies of scale
Backward integration by the manufacturer
Patent Protection
High initial Investment
Trade margins prevailing in the industry
Sensitivity to pricing

3.2.3. Prices are determined in your company based on

Intuition □ Opinions by middle / top managers □
Rule of thumb □ Top management’s higher wisdom □

3.2.4. In this industry, Price is strongly related to (rank them),

Cost
Revenue
Profit
Sales / Market Share
3.3.1. Do you follow CFA – Distributor – Retailer channel? Yes ☐ No ☐

3.3.2. If yes, what is the number of such channel members?

CFA
Distributor
Retailer

3.3.3. What type of Agency ship you follow? (Tick the relevant box)

Clearing & Forwarding ( )
Consignee ( )
Super stockist ( )

3.3.4. Rate the following in terms of importance:

<table>
<thead>
<tr>
<th></th>
<th>Doesn’t apply</th>
<th>Not at all important</th>
<th>Slightly important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The products should be made available at all retailers</td>
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<tr>
<td>• Management of working capital and logistics cost within control</td>
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<td>• Cost management of CFAs, depots and stockists</td>
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<tr>
<td>• Value chain satisfaction</td>
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<td>• Conflicts arising among middlemen</td>
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<td>• Localized channels for catering to each market</td>
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</tbody>
</table>

3.3.5. What you look at distributor in terms of your channel objectives! (Rank)

Return on Investment
Market share by segment
Profit / contribution goal
Distribution loyalty
Market development

3.4.1. Rank the following are / is used by you?

- Journal advertising
- Conference and symposia
- Direct mailings
- Promotional trials
- Clinical trials for NP (patent record forms)
- Samples
- Gifts (desk and pocket diaries / calendars’)
- Newspaper advertise
- Tele marketing
- Conference videos
- Audio cassettes
- TV advertising
- Prescription pads
- Specialty advertising

3.4.2. Do you follow medical Representative for promotion, and then fill in your marketing organisation structure.

3.4.3. Rate the following important characteristics needed for field force in this profession:

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Does not apply</th>
<th>Not at all important</th>
<th>Slightly important</th>
<th>Important</th>
<th>Very important</th>
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</thead>
<tbody>
<tr>
<td>· Appearance &amp; names</td>
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<td>· Communication skill</td>
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<td>· Knowledge of product, territory,</td>
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<tr>
<td>Company etc.</td>
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<tr>
<td>• Enthusiasm</td>
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<td>• Belief &amp; loyalty</td>
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<tr>
<td>• Need for achievement</td>
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<tr>
<td>• Determination</td>
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<tr>
<td>• Interest</td>
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<tr>
<td>• Service Orientation</td>
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3.4.4. Rate the following factors influencing the call preparation by the field force:

<table>
<thead>
<tr>
<th></th>
<th>Does not apply</th>
<th>Not at all important</th>
<th>Slightly important</th>
<th>Important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setting up call objective</td>
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<tr>
<td>Pre-call research</td>
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<tr>
<td>Organizing the detailing kit</td>
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<tr>
<td>Presentation</td>
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<tr>
<td>Trade contacts</td>
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<tr>
<td>Attending to medical meetings &amp; seminars</td>
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</table>
PART IV
PHARMA VISION

4.1. Rate the following with respect to the possible developments in this field:

<table>
<thead>
<tr>
<th></th>
<th>Fully Disagree</th>
<th>Disagree nor disagree</th>
<th>Agree</th>
<th>Fully agree</th>
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</thead>
<tbody>
<tr>
<td>a)</td>
<td>I feel that more than half the industry will be wiped out by 2012 AD</td>
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<td>b)</td>
<td>I feel that by 2012 A.D scientists will begin to use their understanding of generics to tailor new drugs to particular population of patients</td>
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<td>c)</td>
<td>I feel that in the generics market, Indian companies will have a say by 2012 A.D</td>
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<td>d)</td>
<td>MNC’s will introduce new products at international prices but that will not be a problem for Indian companies as consumers are used to low prices.</td>
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<tr>
<td>e)</td>
<td>There is a possibility that number of Indian brands will dwindle at the turn of the millennium.</td>
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<tr>
<td>f)</td>
<td>Foreign clinical research organisations will help Indian companies in their quest for new molecules.</td>
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<tr>
<td>g)</td>
<td>The low costs in India may persuade MNC’s to set up R &amp; D facilities in India.</td>
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<td>h)</td>
<td>Many Indian companies will produce and sell drugs under brand names but not look at new products until these go off patent.</td>
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<td>i)</td>
<td>Indian companies will resort to licensing a drug for a year or two and then acquire a licence for the technology to produce it locally.</td>
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<td>j)</td>
<td>Many Indian companies will position themselves as attractive partners to MNCs that want to license their products in India.</td>
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<td>k)</td>
<td>Co marketing will allow the companies to leverage then considerable marketing</td>
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abilities in a product area where both have dominant strengths.

l) Co-marketing by rivals together is going to take off.

m) Co-branding will also be resorted to by the major companies

n) Many MNCs and Indian companies will resort to shelving their manufacturing plants and reducing the workforces.

o) Many Indian companies will establish global operations and start having manufacturing bases in vantage countries

p) Many Indian companies will try to reshuffle and widen their brand portfolio – hawking some and brand takeovers

q) Acquisitions are used to improve profitability to achieve critical mass to support basic R & D effort.

r) I expect an Indian company to launch a new block buster drug in five years time.

s) I believe drugs based on fermentation and cell culture will be the major ones.

t) I expect that companies will start resorting to multimedia technology and shun sales force

u) I think companies will look for buying R&D from stronger R&D companies

4.2. Mention the top THREE companies on the following attributes:

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<tr>
<th>Attributes</th>
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<td>1. Research and Development</td>
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<td>2. Company credentials among doctors</td>
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<td>3. Marketing personnel caliber</td>
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<td>4. Distribution network</td>
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<td>6. Sales promotions</td>
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<td>7</td>
<td>Response to changes in the market</td>
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<td>8</td>
<td>Product differentiation</td>
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<td>10</td>
<td>New product launches</td>
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APPENDIX -2

No:1

Managing the Business Case for Sustainability - The Integration of Social, Environmental and Economic Performance

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Introduction

The difficulties in moving towards corporate sustainability raise the question of how environmental and social management can be integrated better with economic business goals. Over the last decade, the relationship between environmental and economic performance, and more recently the interaction between sustainability performance and business competitiveness, have received considerable attention in both theory and practice. However, to date, only partial aspects of the relationship between sustainability performance, competitiveness and economic performance have been studied from a theoretical as well as an empirical perspective. And, to date, no unique relationship has prevailed in empirical studies. A number of explanations have been put forward to explain this, including methodological reasons, such as the lack of statistical data, the low quality of that data, such data is often available for short time periods only. Other theoretical explanations have been developed, such as the influence of different corporate strategies or the relatively small influence of environmental or sustainability issues as one factor among many on the economic or financial success of firms. So, how should the business case for sustainability be managed?

This compiles insights on a large number of aspects of the link between sustainability performance, business competitiveness and economic success in an attempt to provide a comprehensive and structured view of this relationship.
This includes: conceptual frameworks for the interaction of social, environmental and economic issues in business environments; case studies of companies that have successfully integrated social, environmental and economic issues; analyses of the causal and empirical relationship between environmental and/or social performance, business performance and firm-level competitiveness; concepts and tools useful for improving business value with proactive operational strategies; assessment of the factors influencing operational sustainability strategies and their economic impact; and comparisons of interactions between sustainability performance and firm competitiveness across industry sectors and countries.

This abstract establishes managing the business case for sustainability - the integration of social, environmental and economic performance as economic issues in managing a business.

In the pharmaceutical and biotech industry, when decision makers need assistance with major business challenges, they rely on—a true strategic partner focused on their industry and their needs.

- BRAND MANAGEMENT
- BUSINESS DEVELOPMENT
- CLINICAL DEVELOPMENT
- MANAGED MARKETS
- MEDICAL AFFAIRS
- SALES
- TRADE AND DISTRIBUTION

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. CII is a non-government, not-for-profit, industry led and industry managed organization, playing a proactive role in India's development process. Founded over 114 years ago, it is India's premier business association, with a direct membership of over 7800
organizations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 385 national and regional sectoral associations. CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialized services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and water, to name a few.

Complementing this vision, CII's theme for 2009-10 is 'India@75: Economy, Infrastructure and Governance.' Within the overarching agenda to facilitate India's transformation into an economically vital, technologically innovative, socially and ethically vibrant global leader by year 2022. Also serves as a reference point for Indian industry and the international business community.

**Overview of the Study**

Economic downturns which can be of different forms and magnitudes are a business manager's worst nightmare. Though managers usually pay plenty of attention to the immediate or task-oriented environment, the external or mega-environment can be the Achilles heel of their strategy. Attention to economic elements such as inflation, interest rates, and business-cycle progressions lie at the heart of a strategy. A prescription for success today easily can become tomorrow's lethal poison if changing conditions aren't considered. This incidentally is the bugbear of most corporations hit by downturns. They fail to see through the strategic problems involved (like looking the life cycle of the products and services they sell, checking for their fit with the environment) and resort to short-term profit maximizing steps which are mostly operational in nature like laying off workers, price-cutting etc.

This paper aims at defining an economic downturn, identifying different types of downturns and its symptoms at the macro level. From a company perspective, it aims to analyze some of the common problems faced by companies during recession,
identification of the underlying causes and possible reactions and which of these reactions or myopic and which of them can yield long-term dividends. I conclude by pointing out potential pitfalls managers have to watch out for while making decisions during such times.

Definition

There are four general types of economic downturns: recession, growth recession, slowdown and depression.

Recession is a general slowdown in economic activity over a long period of time, or a business cycle contraction. During recessions, many macroeconomic indicators vary in a similar way. Production as measured by Gross Domestic Product (GDP), employment, investment spending, capacity utilization, household incomes, business profits and inflation all fall during recessions; bankruptcies and the unemployment rate rises. Governments usually respond to recessions by adopting expansionary macroeconomic policies, such as increasing money supply, increasing government spending and decreasing taxation.

Growth Recession indicates economic growth so low that it creates net unemployment. The term was created by Dr. Solomon Fabricant (New York University, National Bureau of Economic Research) and is recognized and cited more recently by business economists. Note that the term also has slightly different secondary meanings including a more general one that growth is below potential. However, the more specific meaning indicates the growth is weak and insufficient to provide jobs for those entering the labor market (see the Hoisington and Hunt reference). There may also be a third meaning referring to growth in which more jobs is actually being destroyed than created. In all cases the term indicates, Real GDP is expanding (slowly) but with job contraction, so the economy behaves or feels in many ways like a recession.

Slowdown is an industrial action in which employees perform their duties but seek to reduce productivity or efficiency in their performance of these duties. A slowdown may be used as either a prelude or an alternative to a strike, as it is seen as less disruptive as well as less risky and costly for workers and their union. Striking workers usually go unpaid and risk being replaced, so a slowdown is seen as a way to
put pressure on management while avoiding these outcomes. Other times slowdowns are accompanied by intentional sabotage on the part of workers to provide further disruption. Nonetheless, workers participating in a slowdown are often punished, sometimes by firing and other times by law.

There is no widely agreed upon definition for a depression, though some have been proposed. In the United States the National Bureau of Economic Research determines contractions and expansions in the business cycle, but does not declare depressions. Generally, periods labeled depressions are marked by a substantial and sustained shortfall of the ability to purchase goods relative to the amount that could be produced using current resources and technology (potential output). Another proposed definition of depression includes two general rules: 1) a decline in real GDP exceeding 10%, or 2) a recession lasting 2 or more years.

Nature of the Study

Though it is difficult to pinpoint any specific causes that can be solely said to be responsible for an economic downturn, a study of the past recessions and slowdowns, on a national and international level, throw light on several causes that together can be blamed.

The most common one, that has characterized most industry-specific downturns, is the phenomenon of business cycles. Cyclicality in business refers to the periodic downswing across an industry's bottom-line profits. This downswing can be attributed to several forces such as entry of substitutes, technological changes, etc. When this downswing, characterized usually by a fall in demand, hits an industry that directly services an end-consumer market, an "accelerator effect" is created. This results in demand for each product along the value chain falling right till the raw material manufacturer. This translates into a downturn if each business in the value chain is sustained largely by the demand of the next downstream business.

Inaccurate expectations about the future result in a stock market crash that has long-term implications and hence cause a recession. The current economic downturn was triggered by a sharp fall in the prices of IT and tech. stocks around the world. The root cause of this phenomenon is that the high returns experienced during a boom period are expected to grow at the same rate and hence the stock is overvalued, that is,
the stock is traded at a higher price than accurate forecast of returns would justify. When the actual returns start falling below prior expectations, realization sinks in and rapid unloading takes place causing a crash in the market. Due to the money lost and the bad experience, spending is replaced by saving and safer investments such as government bonds.

Mistakes can be made by businesses as well that result in economic downturns. Inappropriate investments resulting from wrong estimation of future demand cause overcapacity in the industry that is responsible for a decline in prices. This especially holds true if the industry is a high fixed cost one and close to the end consumer. An example is the miscalculated strategy followed by the dotcom industry that caused a collapse across several sectors recently.

Inappropriate choices lead to wrong investments causing shrinkage in margins due to spiraling costs. This results in loss of business confidence and decrease in consumer spending thus being responsible for stagnation in that as well as other related businesses.

Effects on Businesses

An economic downturn can be a manager's worst nightmare, more so in these times of globalization when markets move together. A slowdown in one market inevitably leads to some kind of effect on other markets with some lag. The magnitude of impact and the time lag depends upon how intertwined these two economies are. For example, it is commonly observed that in case of Indian software firms a slowdown in US economy has an immediate and drastic effect since they are overwhelmingly dependent upon the US market for their revenues, whereas in an industry like steel it might not be that apparent.

It is interesting to note that economic downturns affect all spheres of management of a business, namely financial, marketing, operations and human resources. The following tries to analyze the problems faced under each function.
Financial

► Cash management problems

It is interesting to note that economic downturns can lead to excess of unused (and hence unproductive) cash or lead to acute scarcity of cash. Most mature, old businesses have problems identifying further growth opportunities and hence have problems investing their profits. This leads to cash management problems. Most of them keep cash idle for want of sustainable long-term growth opportunities.

However, nascent fast-growing companies invest a larger proportion of their profits back into their business. So, a slowdown in their profits affects the amount they plow back into business, which in turn affects their capital investments. This leads to long-term degradation in profitability.

► Disproportionate increase in Accounts Receivable

Since consumer spending goes down in an economic downturn, businesses find that the money they have to receive from their debtors increases disproportionately. For example, consider a FMCG company that sells its products to wholesalers on credit, who in turn sell it to retailers. As consumer spending goes down, the inventory turnover at the retail level is lower leading to a longer time before collection of debts. In several cases, companies might be forced to write-off some of debts ("bad debts written off") if they feel, the costs of recovering the debt might outweigh the benefits.

► Increasing debts or interest costs

Companies that have cash flow problems might be forced to make short-term/long-term borrowings from to manage their working capital needs or capital investments. This leads the companies into a vicious debt cycle. Companies might have to borrow to pay the interest on their existing loans, which in turn leads to an increase in their interest costs. This leads to a debt-trap.

Even if a company does not make any extra borrowings, the fact that it receives its payments after a time lag from its consumers (increase in accounts
receivable) means it takes a longer time before it can recover the cash invested in manufacturing the goods/providing services. Hence, the interest paid on working capital increases without any increase in the debt amount.

➢ Spiraling costs

All businesses incur fixed costs (capital investments, hiring additional labor, etc.) in anticipation of future growth. When the anticipated growth does not happen, they are straddled with a higher proportion of fixed costs. This is the reason why most of the western companies lay-off people as soon as they sense a recession in a bid to lower their fixed costs. Other reasons for spiraling costs include over-capacity, higher interest costs (owing to the reasons cited above).

Human Resources

➢ Loss of employee morale

When businesses are faced with a squeeze on their profits, they resort to cost-cutting measures like laying off people, cutting down on bonuses/performance incentives, slower promotions, and cut-down on hygiene factors like subsidies and employee loans.

Employees, especially at the lower level, who are not in a position to realize the full implications of a downturn, cannot understand that the company is doing all this for survival. They begin to feel that the company is starting to neglect them. This feeling gets pronounced if they see people getting laid-off leading to a job insecurity and loss of faith in top management.

Marketing

➢ Slowdown in top-line growth

As explained above, during an economic downturn, consumer spending starts going down. This leads to a proportional decrease in sales up the supply chain. In this era where most industries are intertwined, a slow-down in one industry inevitably affects all the others that are associated with it in one way or the other. The magnitude and impact would of course depend upon how badly the
industry closest to the consumer is affected and how dependent the other industries are on it. For example, a slowdown in the software industry might have impact on computers, printers, hardware and peripherals.

> Disproportionate increase in advertising and promotional costs

A slowdown in the top-line growth usually forces companies to increase sales in the short-term to ensure meeting expectations of their shareholders. Most companies lose sight of long-term profitability and look at increasing short-term sales through increased advertising, promotional offers, discounting, and compromising on quality.

All these might lead to an increase in absolute profits in the short-term but these hamper long term profitability and erode the consumer's perception of the company and its products.

> Difficulty in identifying STARS in the BCG Matrix

During an economic downturn, several companies have difficulty identifying future growth opportunities because of uncertainties about business environment, macro-environmental variables, and future trends in other businesses, especially those with which they have linkages.

Since these factors show extreme volatility, businesses adopt a "wait and watch" policy rather than take a hasty decision that might have long-term implications. As a result of this, most strategic decisions are put on hold. Hence, when the situation improves, the company might not quite have the flexibility or agility to make speedy moves.

Competitiveness in the Pharmaceuticals Industry and Biotechnology -
Introduction

The mission of our unit is to promote competitiveness in the pharmaceutical and biotechnology industries and to ensure that their environment is conducive to innovation, economic growth and employment.
The unit therefore focuses on the economic aspects of the pharmaceutical and biotechnology sectors – i.e. on the performance of these sectors and the interactions between research, product development, market access, competition in the market and trade.

The unit is involved in developing several political and technical initiatives to address the key business problems faced by pharmaceutical and biotechnology companies.

The unit contributes to create an environment which fosters the EU’s innovation potential in the pharmaceutical and biotechnology industries.

> **Competitiveness in Pharmaceuticals**

The main tasks are to:

- Identify the major issues which adversely affect the competitiveness of Indian pharmaceutical companies

- Propose and implement solutions in cooperation with the relevant stakeholders.

Current priority areas include competitiveness and innovation, pricing and reimbursement policies, medicines availability and patients’ access to information.

The Pharmaceutical Forum is the main political instrument of the unit. It is a high-level ministerial platform for discussion between Member States, EU institutions, industry, healthcare professionals, patients and insurance funds. The Ministerial Forum is supported by a Steering Committee and three expert Working Groups, whose work is coordinated and supported by the unit.

The objective of the Forum is to improve the environment for the pharmaceutical industry in terms of its global competitiveness and its contribution to social and public health objectives. The Forum’s work has focused on three main topics:
The unit has the challenging task to identify and remedy these obstacles in collaboration with other relevant Commission Directorate-Generals (DGs). It should be noted that biotechnology is used in a variety of industries. The unit's responsibilities therefore go beyond pharmaceuticals, including industrial processing, chemicals, bio-based products, agro-food products, etc.

The unit's mission is to assess the competitiveness situation for the biotechnology and pharmaceutical industry and to formulate — in cooperation with other Commission services — policy proposals to improve the current framework conditions. The tasks and responsibilities are laid down in the Commission's official Life Science and Biotechnology Strategy and Action Plan and its 2007 review. These include access to finance, cluster formation and networking, intellectual property rights as a tool to commercialize scientific results, and demand-side measures such as standards, labels, public procurement, and market access. Monitoring activities also aim at improving policy coherence in an area where business activities are influenced by a multitude of legal acts as well as public policies both at national and international level.

The unit's specific contribution to these policies includes:

- Managing and coordinating the Lead Market Initiative for Bio-based Products.
- Coordinating the various EC actions to improve access to finance for biotechnology SMEs.
- Implementing an action to support the strengthening of biotechnology clusters, a better integration between the clusters across national borders, and a closer collaboration between regional biotech networks.
- Managing the contact network with Member States on biotechnology competitiveness (COMP-BIO-NET) and the contact network with industry and academia on biotechnology competitiveness (CBAG)

**Strategic Planning for Downturns**

The problems faced by companies during a downturn can be classified as either strategic or operational. Most businesses mistakenly view the downturn as a
• Information to patients: how to provide patients and citizens with high quality and accessible information on their diseases and treatments, while mobilizing knowledge and resources from all actors?

• Pricing and reimbursement: how to ensure patients’ access to medicines and a fair reward for valuable innovation, while balancing limited national healthcare budgets?

• Relative effectiveness: how to recognize and measure the value and benefits of new, innovative medicines?

The recommendations of the Forum will build on an extensive set of technical discussion papers which have been adopted by all parties (Member States, industry, patients and other stakeholders). The final set of conclusions and recommendations will be presented to the Ministers of Health and high-level stakeholders on 2 October 2008. The implementation of the recommendations will be ensured by the unit in close collaboration with the Directorate-General for Health and Consumers.

The European-based pharmaceutical industry is increasingly active on markets outside of the European Union. Consequently, developments in the international market place and in global trade in pharmaceuticals are of importance to the EU. The unit actively participates in international activities, including the negotiation of Free Trade and Cooperation Agreements, the Doha Round and in bilateral contacts with third countries as regards tariff and non-tariff issues and intellectual property rights. It also cooperates with the Pharmaceuticals unit in managing regulatory dialogues with third countries in the field of pharmaceuticals and biotechnology.

➢ Competitiveness in Biotechnology

Biotechnology is of growing importance to pharmaceutical research. An increasing number of innovative medicines have their origin in biotechnological research, i.e. the use of living organisms or their derivatives for therapeutic purposes, rather than chemical substances as in modern pharmacological treatment. As these products are extremely complicated and expensive to develop and test, it is necessary create an environment that rewards innovation and removes unnecessary regulatory, administrative or economic obstacles.
short-term event and prefer to address operational issues rather than strategic ones. This paper emphasizes that a business can continue to reap profits during slowdowns if its strategy is formulated to account for the possibility of a future downturn.

During the boom period, most managers acquire a feeling of complacency or inertia that enhances their satisfaction with the status quo position or direction of growth. They refuse to see beyond the current task-oriented environment. They should instead stop to evaluate economic elements such as inflation, interest rates and business cycle progressions and formulate a strategy that prepares the business for any tough times ahead. While the existing strategy may work fine at that point of time, its effectiveness under adverse circumstances should also be examined before deciding on whether to alter it. A prescription for today's success easily can become tomorrow's poison if changing conditions are not considered.

This strategy would work if the environmental factors that are responsible for the product demand being inelastic or the consumer segment intact hold during the downturn.

For Example:

a) This is the case with Royal Enfield Motors who produce and market the Bullet motorcycle. The product is a specialized one and targets a niche segment that does not vary its purchase pattern with economic fluctuations. As very few products enjoy the above advantages, most businesses are exposed to the high degree of risk that is associated with specialization. Due to the success they enjoy during a boom period, many companies that specialize get themselves into a corner where they are completely at the mercy of the above-mentioned environmental factors.

b) The case of Arvind Mills can be highlighted here: by narrowing their product focus from textiles to primarily depend on denim and targeting the youth segment alone for denim, they have been especially hard hit now due to the downturn coupled with the denim market being adversely affected by the entry of substitutes such as khakis.
Measures for Coping with Downturns

What happens to those businesses that had not earlier formulated a strategy for handling economic downturns and find themselves in the middle of one? What can the management do knowing that once a major decision is taken, there may not be a second chance?

- Operational solution for Strategic problems

As mentioned earlier in this paper, a majority of the problems faced by most companies in a downturn can be deemed strategic. But solutions provided are usually for less consequential operational issues because the management finds it difficult to select an appropriate future in the midst of the uncertain environment. Hence it hesitates to take any steps that will have long-term implications. The common response is to cut prices which results at once in a drop in revenue. Then, managing cash and covering expenses becomes even tougher.

This paper broadly splits the nature of strategic choices that are open to the management into three broad categories:

- Change the firm's structure
- Change the environment
- Move into the new environment

- Change the firm's structure

This refers to the internal restructuring that the firm undergoes in order to remove those inefficiencies that have come to light during the downturn. The restructuring is done to prepare the firm to take maximum advantage of the upswing, whenever it comes. It encapsulates operational changes like workforce reduction, tighter inventory and cost control, and revised resource allocation, as well as strategic changes such as divestitures, closure of units and organizational restructuring.

Task force reduction, usually through a Voluntary Retirement Scheme (VRS), is a commonly practiced step during any recession. Though varying the
size of the workforce in lieu with demand fluctuations is not always advisable, the excess flab that is revealed during tough times can be cut. But it should be kept in mind that, over the past decade, VRS has resulted in improved performance only in 20%-25% of the cases. There is also the danger of companies downsizing themselves too much, as Boeing discovered. During an aviation slump in the early 1990s, Boeing slimmed down drastically. It ditched many of its suppliers and shed around 60,000 jobs—one worker in three. But by 1997 orders were booming again and the American company was struggling to cope. At one point it even had to stop production of jumbo jets so that suppliers and workers could catch up.

Divestitures and closure of units are much bolder steps in which the company exits from areas identified as non-core as they end up eating into the company’s profitability without any clear current or future revenue streams. Even a large business house like the Tatas has shown the willingness to exit from non-core businesses such as TOMCO and Lakme.

> **Change the environment**

The environment that exists during an economic downturn has an adverse effect on the revenue stream of any business that is unprepared for the downturn. Any change in the environment is carried out with the intention of improving these revenue streams. This can be done either by collaborating with the government or reducing the competition.

Collaboration with the government is possible only for giant corporations the performance of which has a national impact. This collaboration can take the form of successful lobbying to change the market structure and/or regulations, or in the government providing support till an upswing occurs. While Boeing’s dealing with the US government is an example of the former, the latter has been used in the past successfully by the Reliance Group.

Competition is reduced through mergers and acquisitions, joint ventures, and strategic alliances within the same business. It is required to carefully study the revenue and cost synergies generated by any of these measures and execute it only if the synergies are lucrative enough to justify the initial costs incurred.
Mergers/acquisitions are initiated to effect consolidation at the business level to derive critical mass and size in operations, to cut costs, and to eliminate intra-group competition.

In spite of the current slowdown, several Indian businesses operate with multiple companies dealing in the same product-market under the same stable, thus competing with each other for everything, including strategic direction and investment. Further, since stock markets are down during a downturn, low valuation of companies make their acquisitions much easier than otherwise. One positive effect of the current downturn in the Indian market is that several industries with fragmented structures are seeing consolidations. While this trend has begun in the pharmaceutical industry, it is expected to do so in the cement industry and consumer durable industry as well.

> Move into the new environment

Mergers and acquisitions again hold over here but across businesses. If a large firm finds its core products losing their ground during a downturn, then it can try to identify new markets or segments into which it can move. Since building up a business from scratch is a painstaking process, mergers with established players or acquisition of vulnerable players is a quicker method of achieving this target. Intelligent managements, in fact, use downturns as opportunities to expand into other sectors where core competencies can be built up.

The Future of the Pharmaceutical and Biotechnology Industry

Competitive and technological changes in the pharmaceutical industry—from powerful new drug chemistries to innovative R&D partnerships and marketing plans—are reshaping the business strategies of many pharmaceutical and biotechnology companies.

According to new research from the MIT Program on the Pharmaceutical Industry (POPI), many companies today are searching for ways to increase productivity, decrease costs, and develop new treatment modalities that will enhance profitability.
In 1991 an ambitious project was undertaken at MIT to create an interactive research center to explore the factors that drive, constrain, and enhance the performance and competitiveness of the pharmaceutical/biotechnology industry. By assembling a high-quality, multi-disciplinary MIT faculty representing chemistry, life sciences, engineering, economics, and management sciences, the MIT Program on the Pharmaceutical Industry (POPI) was able to initiate some 20 successful research projects that examine crucial strategic areas facing drug and biotechnology companies today, including:

- R&D productivity
- drug development
- technology transfer
- investment in pharmaceutical and biotech R&D
- project management
- outcomes research
- pharmaceutical manufacturing
- the economics of new drug markets, and
- Management of the marketplace.

The potential impact of new technologies on reducing the time and cost of the clinical drug development process. Optimal strategies for managing and motivating scientists and clinicians and for creating a more highly motivating work environment. Innovative approaches to financing pharmaceutical R&D. Important characteristics of firms that are among the leaders in drug discovery efforts. How a firm's order of entry and promotion strategy for a new Rx and OTC products affect its success in the rapidly changing drug marketplace. Future directions in the pharmaceutical/biotech industry, particularly in areas related to global productivity, profitability and competitiveness.
Conclusion

Managers should build up the ability to anticipate the onset of an economic downturn by keeping an eye on the indicators. National economic indicators are important, but by the time they point to a recession, it has already begun. The more important signs are found at the business level. Have collections slowed? Are lenders becoming more interested in the firm's financial standing? Are customers ordering less than usual?

During times of economic downturn, managers have to take many steps to counter it so that their businesses survive and thrive. They need to cut costs, conserve cash, retain market share, keep employee morale high, position the business to emerge from the recession, or a milder economic downturn, with aggressiveness. Good cash management is vital during a downturn since finding their businesses cash poor in the middle is not an enviable position for managers. When they sense that an economic downturn may be forthcoming, they should orient their businesses to focus on cash flow, but be careful not to sacrifice their customer bases. The manager must be careful not to take short term steps that provide an immediate solution but will threaten their survival after the downturn. For example, if the manager cuts down on the training expenditure and R&D expenditure, then the company might lose its technological edge over its competitors and find itself inept to face competition after the downturn.

One of the first things that a manager must do is focus on the core competencies of the company. During a recession, executives should narrow their company's focus and further build its presence in its strongest areas or into areas having the maximum opportunity for the company. This is because, if the company continues to pump resources into non core competency areas, then a failure in this threatens the very existence of the firm.

Next the manager has to plan for the possibility of the slowdown continuing for the next year or two. The response strategy of the company in the event of this has to be formulated around one of the three choices identified in the previous section.

The manager should always communicate effectively with the subordinates and be as forthright as possible about the assessment of the business and where the opportunities are. This builds credibility. The various rationales for cost cutting
should be communicated to the employees, as this will remove any distrust that comes from being kept in the dark. People are realistic about understanding the happenings and will excuse the marketplace, but how they are treated determines their trust and commitment to the company.

Above all else, the customers should not be forgotten. Reducing the overhead expenses is important, but not if it inhibits the ability of the company to effectively serves the very people who keep it in business. The closer a business can be to its customers, the more recession-proof it will be.

In a rapidly globalizing economy, Indian managers are likely to confront complex ethical

Issues and dilemmas, just as their western counterparts have encountered in their domestic and international contexts. Therefore, Indian managers must acquire a deeper knowledge and understanding of business ethics in the current, global context. A course on business ethics in India should aim to enhance students' understanding of ethical behavior in business, keeping in mind the ethical dilemmas that challenge Indian firms in today's globalized world.

References

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Green marketing- issues and challenges with respect to Sustainable marketing

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Introduction:

Environmental pollution which directly connects with industrial manufacturing in the world, the society has noticed environmental issues increasing steadily. Environment issues have become a mainstream in the world, the environmentalism of consumers had increased in the early 1990s such that consumers are willing to purchase products which are more environment friendly.

In the advent of environmental era, companies must find an opportunity to enhance their products’ or service’s environmental performance to strengthen their brand equities. Because of more popular environmentalism in the world, the sales of green products or services have dramatically increased nowadays, and, therefore, more consumers are willing to pay higher price for green products or services. India is home to 18 percent of the world’s population” and does not have the natural resources to meet its needs and seriously focus our efforts on sustainability and make India a hub of innovation and green technology.

Sustainable marketing is an extension of traditional marketing, in that, it goes beyond customer delight and firm’s bottom line goals – it also considers the ecosystems compatibility within its operating framework. It increases the decision making boundaries to encompass the entire product’s life cycle – both before and after the product is made and consumed. Sometimes also referred to as Green marketing or Eco-marketing, companies in an effort to portray their green and environmentally image, include green marketing strategies into their marketing mix. To successfully deliver sustainable marketing, companies pass their product through.
the environmental impact that the product might be having. Only when it clears in this area, can sustainable marketing be effective in its goals.

**Literature review:**

When looking through the literature there are several suggested reasons for firms increased use of GreenMarketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990];

2. Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];

3. Governmental bodies are forcing firms to become more responsible [NAAG 1990];

4. Competitors’ environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]; and

5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour [Azzzone and Manzini 1994].

Ryan Wiser and Steven Pickle (1997) advocate that Green marketing takes advantage of customers’ willingness to purchase, and sometimes pay a premium for, products that provide private benefits as well as public environmental benefits. Marketers should also explore offering an array of “green” services and products, each of which may have a different mix of private and public attributes that appeal to different market segments. Julian Morris (1997), indicates that consumers may not fully understand the implications of complex environmental information when it is provided. So some environmentally concerned consumers may inadvertently purchase products which, in the circumstances, cause more damage to the environment than if one of the alternatives under consideration had been purchased, whilst others, unwilling to take this risk, may simply avoid purchasing green products altogether. He also argued that, by improving the quality of information regarding the impact of a good on ‘the environment’, eco-labels would increase consumer confidence in green claims and thereby stimulate demand for goods which have less impact on the environment. Assuming that the information conveyed by eco-labels is accurate and
assuming that it is correctly perceived by consumers, this increase in demand for green goods should, proponents claim, lead to an improvement in environmental quality.

James A. Roberts (1999), Looking to the future of green marketing, examines the dynamic nature of ecologically conscious consumer behavior. The study also provides a method of profiling and segmenting college students based upon ecologically conscious consumer behavior. Findings indicate that, despite a significant amount of past research attention, demographic criteria are not as useful a profiling method as psychographic criteria. Consistent with past findings, the study indicates that perceived consumer effectiveness (PCE) provides the greatest insight into ecologically conscious consumer behavior. Ryan Wiser (2000), explores whether and to what extent individuals are willing to voluntarily pay a premium for products that provide public environmental benefits. In particular, he critically analyze the status and impacts of U.S. green power marketing to date. Green power marketing—the business of selling electricity products distinguished by their environmental attributes—seeks to develop a private market for renewable energy driven by consumer demand for green products. He also examines experience to date with green power markets in the United States, providing an historical overview, reviewing product offerings, assessing customer response, and calculating overall support for renewable energy.

Ricky Y. K. Chan (2001), examines the influence of various cultural and psychological factors on the green purchase behavior of Chinese consumers. To this end, a conceptual model has been proposed and subjected to empirical verification with the use of a survey. Specifically, the findings from the structural-equation modeling confirm the influence of the subjects’ man–nature orientation, degree of collectivism, ecological affect, and marginally, ecological knowledge, on their attitudes toward green purchases. Their attitudes toward green purchases, in turn, are also seen to affect their green purchase behavior via the mediator of green purchase intention. Carmen Tanner (2003), attempts to uncover personal and contextual barriers to consumers’ purchases of green food and to strengthen knowledge about fostering green purchases. Survey data are used to examine the influence of distinct categories of personal factors (such as attitudes, personal norms, perceived behavior barriers,
knowledge) and contextual factors (such as socioeconomic characteristics, living conditions, and store characteristics) on green purchases of Swiss consumers. Results from regression analysis suggest that green food purchases are facilitated by positive attitudes of consumers toward (a) environmental protection, (b) fair trade, (c) local products, and (d) availability of action-related knowledge. In turn, green behavior is negatively associated with (e) perceived time barriers and (f) frequency of shopping in supermarkets. Surprisingly, green purchases are not significantly related to moral thinking, monetary barriers, or the socioeconomic characteristics of the consumers. Implications for policy makers and for companies and marketers.

Ian H. Rowlands (2003), examines the relationship between consumers’ perceptions of the environmental impact of different energy resources and consumers’ stated willingness-to-pay a premium for ‘green power’. Those developing green power products can choose to include any number of energy resources in their offerings. More specifically, those who have declared their willingness-to-pay a higher premium for green power are more ‘critical’ of nuclear power, large scale hydropower and natural gas than those who have declared their willingness-to-pay a lower premium for green power, or indeed no premium whatsoever.

**Green Marketing and Sustainable Development**

As an integral part of the social system, the survival and development of enterprises is closely related to the ecological nature. Protecting the ecological environment and promoting the economic and ecological co-development are not only the requirement of their own existence and development but also their social responsibilities. In the 1990s, the prevailing green marketing impelled the enterprises’ marketing into a rationally advanced stage as accompanied by responsibility of enterprise and society. In the face of the wave of green marketing, the strategic management of green marketing has become the key to the victory of enterprises. This is the ultimate goal of green business practices and reflects the idea that business should operate at a level that “meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). Sustainable businesses operate so that they have little or no negative impact on the environment. Examples of negative impacts are taking resources out of the environment that cannot be replaced or creating waste that cannot be returned safely into the natural environment.
Enterprises should change the traditional marketing values, taking the product and the business interests as centre of to the green marketing value focusing on environment friendly products and consumers. The product-centred theory holds that “Green Marketing is a kind of marketing by taking the effects of ‘product to environment’ as a centre”. It stresses the purpose of environmental protection, and it emphasizes that the composition of products, producing processes and the way of waste disposal should be changed in essence. It includes products, packaging, processing, environmental protection, advocating sponsorship to environmental protection organizations and industries, etc. Environment-centred theory thinks that “Green marketing is a kind of marketing practice based on environmental issues as a trigger point.” Its essence is utilitarianism by using the environment problem to promote their products. The development-centred theory holds that “Green Marketing is a kind of management process: recognition; expectation; accordance with the needs of consumers and society; sustainable and profitable operation.” It connects the permanent business operations with sustainable development of human society.

According to the World Commission on Environmental Development (1978), Sustainable Development is “meeting the needs of the present without compromising the ability of the future generations to meet their own needs”. The common theme, throughout this strategy of sustainable development, is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of eco- development and environmental protection. This is what the end product of green marketing is: environmental protection for the present and the future generation. The development of energy-efficient operations, better pollution controls, recyclable and biodegradable packaging, and ecologically safe products are all part of green marketing which also leads to sustainable development.

Environmental marketing strategy involves decisions at the business and functional levels. Business level actions attempt to improve the firm’s competitive position through commercial strategies, while the functional strategy manages planning operations and procedures in different functions such as marketing, research and development. Environmental marketing strategy tries to satisfy the needs of a segment of customers that is demanding greener products and services through different actions such as the launch of new ecological products, the redesign
products and packaging in order to minimize their environmental impact, the use of ecological messages in the firm’s advertising, the development of specific programmes in order to educate consumers and the development of strategic alliances with environmental organizations. Consequently, within this context, environmental marketing strategy not only involves the commercialization of green goods and services with the purpose of satisfying the green customers’ needs; it also requires the greening of systems and processes in order to avoid consumers’ apathy or distrust of environmental claims.

Previous studies suggested companies can undertake sustainable marketing activities to investigate consumers’ green attitudes and behaviors, to identify the market of sustainable products and services, to stratify the sustainable market into different segments based on the consumers’ needs, to develop positioning strategies, and to formulate a marketing mix program.

1. Incentivizing or rewarding proper behavior

The top 10% of the population holds 85% of household assets, and the bottom 50% of the people have access to less than 1% of assets. The question that arises is — How do we balance this equation in the favor of the less privileged ones? How do we bring the less fortunate sections on to the table? The answer lies in urging companies to be more responsible in their actions and then incentivizing them for their efforts. This not only encourages others to do more of the same thing but also influences the ‘bad’ ones to at least look at their unsustainable practices. The current practice of taxing equally must also be removed so as to put taxes as per performance. Once these new mechanisms are in place and are rated and communicated in an objective manner, can the benefits be reaped.

2. Exposure to Indian Judiciary

Dr Salman Khurshid, Indian Minister of Law and Justice, urged that more and more economists and the Indian Judiciary be exposed to the emerging sustainability ideas. A huge amount of learning needs to be done. Once that’s done, then “Sustainability can be married to decision making in the government”. If the Indian law makers don’t know the ‘wheel has already been invented’ or that innovative solutions exist in other
parts of the world for relatively similar problems, then it could be a hinderance for devising favorable policies.

3. Looking at poor as “Asset Creators”

The 600 million people are not only the BOP market for big companies but are also partners or co-creators out which products can come out for others to consume. India has this unique opportunity to be a leader in business model innovations that can serve as a role model for the rest of the developing world. Both ‘bottom-up’ and ‘top-down’ approaches need to be executed where finding a ‘common middle’ seems to be feasible. Solutions are abundant, but the eco-system surrounding those solutions is not. It chugs ahead with its own pace, sometimes falling apart. But the opportunity remains.

4. Role of Indian Government

Governments can provide standards and metrics, define energy building bylaws, and help create consumer demand for green-er products. In short, it can enable frameworks for diffusion of solutions at a macro level. Government can set an example for others to emulate – redefine its own procurement practices across the whole judiciary. This will send strong signals to the industry.

5. Empowering people

All the right signs are there for people empowerment - Occupy Wall Street, Arab Spring, Lok Pal Bill. SY Quraishi, the Chief Election Commissioner rightly said that what Indian companies call Corporate Social Responsibility (CSR) is actually Corporate Social Compulsion (CSC) as these activities serve their own purpose. He lambasted the government and people alike with statements such as these – “If you don’t vote, you have no right to criticize democracy”. Overall, people power is emerging especially with social media tools allowing increased connectivity. India is really a unique country. Solutions that work elsewhere may not be feasible here or the solutions that work here might be rendered useless for others. This is the only place where “all encompassing inclusive growth” can take place and it has this opportunity to lead from the front.
Conclusion:

The traditional 4P's of marketing – product, price, place and promotion become total solution, total satisfaction, value creation, and openness – as known in the Green Marketing jargon. Mass advertising isn't effective like it used to be and so it becomes really important that all the information sent out to the consumer must be relevant so as to be credible or else there is a real danger of being viewed as a green wash and potentially back fire its very purpose.

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