Chapter - 7

RECOMMENDATIONS & SUMMARY GAINS,
LIMITATIONS SCOPE FOR FUTHER WORK

The Indian pharmaceutical industry is one of the most competitive industries, with over 10,000 companies vying for doctors’ attention; it is very difficult choice a doctor has to make from amongst the several brand options available for prescriptions. However it is interesting to note that the top 250 companies control 70% of the market share.

The Indian pharmaceutical industry has evolved in a major way since independence. Until 1970, majority of the drugs were imported from abroad. It was in 1970 that the Indian parliament passed the patent act to develop the domestic pharmaceutical industry to produce pharmaceutical for the Indian people. Product patent for pharmaceutical was abolished by this act. This gave a big boost to domestic pharmaceutical players and many pharmaceutical companies developed strongly over the next two decades. Many pharmaceutical companies used reverse engineering techniques and brought in the latest research molecules of multinational companies to India at a fraction of the cost. This led to a huge jump in sales of Indian pharmaceutical products and many multinational pharmaceutical companies either left Indian or slowed down their Indian operations.

However in 1995, India became a signatory to the international patent law (TRIPS) and on the 1st of January, 2005, India became a country which followed the product
patent act. This has again led to many MNCs coming back to India and MNCs which were dormant have now become active. Today many Indian pharmaceutical companies owing to their strong and state-of-the-art manufacturing and research and development capabilities have themselves become multinational corporations with operations all over the world.

The present study highlights the factors that influence the doctors’ prescription pattern based on the country of origin of the product. Today a medical representative gets not more than 2-3 minutes on an average for detailing his product range to the doctor. In such a short time, he has to communicate his story. A doctor meets around 10 medical representatives (average) per day. It is very important therefore to understand in detail why a doctor prescribes a particular brand. This study was carried out among doctors and medical representatives to understand how doctors perceive MNC v/s Indian pharmaceutical companies and how this impacts a doctors’ decision to prescribe a particular brand.

The results of this study show that the quality of the product, the company’s image, frequency of a visit of a medical representative are the critical issues for the doctor while deciding to prescribe a product. However, doctors prefer prescribing a multinational company’s brand if all the other factors remain the same.

According to the sample survey results and analysis, it’s found that:

- Quality of the product is considered as the most important factor why a doctor prescribes a particular brand. Regular visits by the medical representatives are the next most important influencer. Price of the product and scientific data
provided by the company are not considered a major reason for prescribing a brand by most doctors. This is irrespective of the MNC or Indian Image.

- According to the doctors, the company’s image and reputation is a very important factor while deciding upon a brand they prescribe.

- Around 60% of the doctors perceive products marketed by the MNCs to be superior to the products marketed by the Indian pharmaceutical companies.

- Doctors don’t have any specific preference between Indian and MNC brands while prescribing a product in chronic or acute cases.

- There is no major preference while prescribing an MNC product just because it is available under the same brand name across the globe.

- Majority of the doctors would prefer to prescribe a MNC brand over the Indian one if both the products have everything same including the price.

- Indian doctors do not feel that quality of MNC products is very superior as compared to the Indian products. When compared to the top 100 leading India companies.

- Doctors do not consider MNC brands to have better availability at retail counters as compared to Indian brands.

- Even though many Indian pharmaceutical companies today export their formulation to developed countries (including USA), doctors still do not consider them as MNCs.
• Medical representatives strongly feel that the doctors prescribe MNC brands over the Indian brands

• Like doctors, medical representatives too feel that quality of the product is the most important consideration for the doctor while prescribing the product, followed by the visits of a medical representative and price

• Most of the medical representatives feel that the doctors feel that MNC products are of better quality than Indian ones

• Medical representatives feel that MNCs provide better scientific inputs on their products to doctors

• Majority of the medical representatives feel that price is a very important factor that influences of a doctor’s decision to prescribe a particular product.

Limitation of the study:

Following are a few limitations to the study we conducted:

• The small sample size of over 245 doctors and 45 medical representatives is small, considering that there are over 6 lakh doctors and around 3 lakh medical representatives in India.

• The scope of the study was limited to only Mumbai and Pune.
This study is based on the factors affecting a doctor’s prescription based on the current market situation. This may change with time, technology, development, etc.