CHAPTER - 5

Advertising and Sales Promotion

Strategies in Pharmaceutical Industries -

A Conceptual Frame Work
“All of us who professionally use the mass media are the shapers of society. We can vulgarize that society. We can brutalize it. Or we can help lift it onto a higher level.”

- William Bernbach (1989)

“The schools, government, and news media are all more powerful in shaping people’s basic concepts of how the world operates and what kinds of lives are worth living. Still, advertising is a powerful cultural institution in this country (less so in other capitalist countries, though its presence is growing).”

- Michael Schudson (1984)

“When a man throws an empty cigarette package from an automobile, he is liable to a fine of $50. When a man throws a billboard across a view, he is richly rewarded.”

- Pat Brown (1985)
The past few decades starting from the seventies have witnessed some of the best developments in the area of pharmaceutical promotion and selling. The obvious reasons were the developments that have taken place in the Indian pharmaceutical houses since the seventies. This led a phenomenal increase in the branded pharmaceutical formulations available in India. This explosion of pharmaceutical brands made the Indian pharmaceutical industry a highly competitive industry. In turn, the companies had to adopt powerful marketing strategies to ensure that they are in the active business. Even though most of the products lacked the international quality standards unlike their counterparts in the international markets, they did seem to have manageable quality standards.

5.1 The early brand builders

In this rat race of more and more products, the Indian pharmaceutical industry realized quite late the importance of brand building. Therefore, the early brand builders were the multinationals like Glaxo and Pfizer, who took up this activity in India. Brands like Zinetac (Glaxo) and Becosuiles (Pfizer) are the examples of how strong the brands were built. Soon, some of the Indian Companies realized the importance of brand building and took steps towards developing
a marketing strategy aimed at brand building. Some of the strategies were basically aimed at developing at least one flagship brand for the company.

5.2 Impact of new products on promotional strategies

"The early eighties onwards, the wonder molecules from the western markets descended on to the Indian subcontinent, which led to the organizations planning for quick launch of the reverse engineered molecules in India. This event witnessed some of the unique and high decibel promotional campaigns for launching these molecules. Some such blockbusters created due to a sound promotional and advertising strategy were Cifran (of Ranbaxy), Ciplox (of Cipla), Zinetac (of Glaxo) and Omez (of Dr. Reddy's Labs).

Analyzing these product-launches and their promotional strategies gives a clear picture of the promotional and marketing planning adopted by the pharmaceutical industry.

The following are some of the salient features of the strategies adopted by the Indian Pharmaceutical industry:

- Maximization of reach through the expanded levels of the young sales forces:
- Effective target market identification for the product and designing communication desired for the specific customer segment unlike the earlier mass marketing;
Unconventional inputs to the specialized customers with unique inputs like leave behind literatures, gifts aided brand recalls, specialized platforms for the customers to meet and discuss about product usage; and

A totally revamped promotion mix for the new products to pitch them high in the cluttered market.

The early eighties have also witnessed a radical change in the complexion and promotional approach for products of Indian Pharmaceutical Industry. "New houses emerged with bases at Baroda, Hyderabad, Madras, Bangalore and Delhi with a bit of corporate approach. Bulk drug production in places like Hyderabad gained significance. Bulk drugs and certain formulations found place in export markets even in the second half of eighties. Multinationals and other big Baroda-based monopoly houses started feeling the pinch of invasion by the new sector. Late eighties and early nineties saw a proliferation of small and big houses in pharma industry adopting all types of sales techniques more than even marketing strategies making drugs look like other commodities, not just being content of being viewed as doctor's prescription products. At the same time, there has been a sea change in pharma promotional
activities and personnel involved in pharmaceutical promotion and selling."

5.3. **Pharma Promotional Gifts by Corporates**

The increasing competition for increased pie in the pharma market has also brought about in its wake increasing use of promotional gifts to catalyze sales.

"Traditional advertising, sales promotion, direct marketing, public relations and other major elements are now blending into seamless campaigns that provide powerful and memorable messages for companies' integrated marketing communications. Promotional products or corporate gifts are increasingly becoming a part of this media mix".

Gift-giving reasons cited by companies are:

- To thank customers (83%)
- To develop business (56%)
- To recognize employee performance and longevity (25%)
- Customers expect them (10%)
- And other (3%)

Of those giving business gifts, 68 per cent find the practice very effective in achieving desired objectives and approximately 60% of

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business gifts are purchased through promotional products distributors.”

5.4. Pharma communication:

“People’s minds are indeed very susceptible to any kind of communication. Even without a credible source of communication and with only exposure to different media can influence the mind. Therefore, one can only imagine the impact communication can have with a credible source and channeled through an appropriate media mix. Pharmaceutical communication requires these to be effective.

The totality of the communication process influences the way in which different audiences perceive an organization. In the pharmaceutical industry there are two types of communication: (i) interpersonal and (ii) impersonal. Selective attention of doctors noise, created by competitors and the environment, selective perception of brands, and so on are a few barriers to any pharma communication process. The source and credibility of communication is very important for every pharma brand.

Interpersonal communication sources are either formal or informal. Among formal sources, other fellow physicians, influencers, guides, co-workers, pharmacists, and professors provide additional

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credibility. In the case of informal sources, the family, neighbours, and non professional friends influence the choice.

In impersonal communications, reference of college and university for physicians, corporate image of brand, brand image of a product, and the government influence the communication impact.\(^3\)

5.5 Innovations in Pharma Communications

Another perceptible change that the eighties and nineties have brought about in Indian pharma advertising and promotion has been the increasing use of new breakthroughs in communication technology. "In the seventies, advertisements seeking candidates for the post of medical representatives, invariably, used to mention 'ability' to disseminate scientific information as a qualification. Medical representatives were expected to know their subject and communicate effectively with their prospective clients.

"Audio-visual detailing' with its canned presentation changed all that. Swanky visual aids with attractive models, pleasing colours and pert copy replaced drab leave behind literatures. Their representatives were trained to communicate with the visual aid." \(^4\)

"Commenting on the 'God-in-a-white-coat' and how advanced in information technology are likely to alter power equations in the


\(^4\) L Narayana Das, "Pharma Advertising-Keeping Pace With Technology," Hyderabad Pharma Spectrum, Express Pharma Pulse, pg:10
doctor patient relationship, and patients have astonishing access to medical knowledge. With a personal computer and a modem, anyone from home can access databases like Index Medicus and obtain scientific papers on everything from Addison's disease to Zygomyces and, in fact, collect more information about a specific ailment or treatment than the ordinary doctor has time to read."

"According to a report in Glaxo Welcome News, in a survey conduct in the US recently, seventy nine per cent of the doctors surveyed said that patients came to them not only with their illness and the alternate therapies available. All they wanted the doctor to do was authorize the therapy."

5.6. Pharma Advertising and Innovation

In the mid-eighties, Indian pharma companies could steal a march over their multinational rivals because:

- The Indian scientific talent was adaptable for the low cost innovating technologies.
- They realized the importance of sales promotion and developing a loyal customer base in a poly-branded setting.

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5 Ibid
6 Ibid
The system is ripe for yet another change—not in the way the prophets of doom predict: Come 2005 Indian pharma companies will be wiped out. Far from it.

Marketing competition will move on to a different plane where knowledge will provide the cutting edge. Demystification of medicine and increased consumer awareness will make the doctors more receptive to 'dissemination of scientific information'. ‘Mind bend techniques will increasingly demand, mind application may grooming knowledge workers.

5.7. Changing Profile of MRs and Pharma Promotion.

“In UK survey of GP. 58 percent mentioned sales representatives visit as a sources of new product information(Scrip 1991, 1596,4) 80 percent of the total pharma promotional budget in Italy as per Scrip September 1997 is spent on reps which is similar to Indian percentage. In India, it is estimated that 12-20 percent of total sales are accounted for MRs. In fact, as per the study, 65-70 percent of the total promotional budget too account for MR's salary expense in India. Therefore, optimizing the effectiveness of MR will enable the company to march ahead.

Today, MR profile too has changed. It is very difficult to get good representatives as many people come to this profession only if other jobs are not available. The following changes have been noticed: Attitudinal changes, job enrichment and continuous counseling and
training with mature leadership to lead required to improve the work culture and productivity. Yesterday's method of policing MR or autocratic style may not work.

Behaviour change is a must for a MR which should be done on a continuous basis, through training.7

5.8. Changing Profile of Doctors and Pharma Promotion.

"Doctors are very respected in India. In fact, in rural India, he is still considered to be next to God. In cities too, people had blind faith in them. Doctors used to be family friends-cum-counsellor. However, such relationship is rare today. Today, their behaviour too has undergone a change. This has changed the pharmaceutical promotional approach too.

5.8(a) Yesterday's doctors used to rely more on symptoms but today, diagnostic tests are gaining importance. Increasing consumer movement, negligence of doctors has created a situation for relying more on diagnostic test. Newspapers too have exposed linkage of "Cuts" between doctors and diagnostic centers. This had devalued doctor's image specially in cities. However, it has given opportunities to pharmaceutical promotion. In fact, many pharmaceutical companies are helping doctors to:

- Setup their own small pathological lab.

7 Ibid
• Provide insurance coverage.

• Computerize their clinic.

This interface has built a good relationship between pharmaceutical companies and doctors. At the same time, it is also leading to the misuse of the same.

b. Increasing demand and expectation of medical profession:

Doctor's behaviour has changed. In fact, today expectation of doctors from pharmaceutical industry has gone up. The following changes have been observed.

1. Asking for free travel and hotel accommodation.

2. Giving a greed card against donation for building fund and refusing to see a MR if donation is not given.

3. Group of doctors forming companies and prescribing their products and

4. Increasing liaison with chemist to prescribe a product which provides more discount to chemist.

5. Requesting to renovate clinic.

This has changed the pharmaceutical ethics. Some companies have fallen and have started satisfying such “Money Hungry Doctors”. Association of Pediatricians of India some years back laid down some code of ethics. But what about other medical associations? Similar code of ethics should be implemented by OPPI and IDMA. They
should become more active and enforce certain promotional ethics. Can they become active? A lot is expected from newly elected members. In fact in Sweden, medical representatives must meet doctors after obtaining an appointment from the Head of the Department.

Drug samples are given only to receipt of signed request. Serdia Pharma in India does not give samples at all. But how many such companies are there?

Earlier family doctors rarely used to send patients to consultants unless he could not treat or was unsure of diagnosis. Today, doctors within a couple of days like to send the patient to consultants. This changing scenario too has affected pharmaceutical promotion.

Pharmaceutical companies with low number of medical representatives but trained MRs should add more consultants. Today, consultants are able to see more MRs but the time given is less.  

5.9. **Pharma Promotional Gifts to Doctors**

"One of the tools used by the pharmaceutical industry is to give gifts to doctors. Gift includes stationary, books, folder, on the desk reminder.

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Now, the gift dimension has increased and some pharmaceutical companies are giving air conditioner, cars and refrigerators as per the survey conducted and published data (Bombay Hospital Journal (1992), 34, 1177-84). According to Cherm M.M. as reported in AMM (1989), 262, 344-51, gift establishes an implicit relationship and there is an obligation to respond to the gift.

This can affect prescription behaviour and are leading to unwanted multi-drug regimen. This too had changed promotional ethic dimension.

ABPI Code devises companies to distribute gifts which are inexpensive and relevant to practice to medicine.

The following disturbing trends have been noticed:

1. Household items like Basmati rice and mango fruit are being distributed by one of the top five companies to doctors.
2. Imported gifts are extensively given to doctors.
3. Even shirts and chappals (Kolhapuri) are provided to doctors.
4. Sponsoring doctors and their family for Holidays.

Doctors are making mockery of pharmaceutical companies. One should not stop so low to get prescriptions. There should be code
of ethics and should be enforced by OPPI and IDMA. Even companies should be reprimanded for doing such activities.

No wonder, as per recent survey, gift has got higher rank compared to other inputs in 1997.

Time has come to review and enforce certain code of ethics. This can be done by top 50 companies or IDMA or OPP. Will they do? It is high time one should do it before it tarnishes the image of pharma companies. A self discipline is required."

5.10. Changing Profile of MRs and Pharma Promotion.

"Tools employed are generally visual aids, printed promotional, folder, Journal advertisement, direct mailer and clinical meet. Some years back, there was a move to introduce code of ethics enforced by Association like medical Advisor, FDA-Magic Remedies Act, IDMA and OPPI.

A sample study of advertisement in leading medical journals in 18 countries found that important warning and precaution were missing in half of 6700 advertisements. Surveyed (Ann. Intern. Med. 1992, 116, 912-9). Implementation of IFPMA code is a must, as it is good and very practical. This can be implemented if medical department is active or existing in the company. In fact, in many companies medical advisor's role is going down. This is very sorry state of affairs. Role of clinical meetings are going up in India. Symposia and clinical meetings are being used actively. However, due
inevitably befall a lot of companies. However, all these years of tweaking processes of existing molecules to come up with a new process to beat the patent laws, can now be utilized fruitfully. All the R&D boys have to do is tweak an existing process – and keep on tweaking till they come up with a new chemical entity. This may seem simplistic, but that is how most of pharma research works globally.

Moreover, with our low cost and high quality scientific talent, a molecule that can cost hundreds of millions of dollars to develop in the US, can be developed here at a fraction of the cost. The examples are already there; Dr Reddy's Lab recently licensed a molecule for $55m and Ranbaxy sold one of its NDDS for $65m. In the latter case, the company has wisely retained marketing rights for India and is in talks with other companies to co-market it domestically. A classic case of 'Aam ke aam, guliyon ke daam' (eat the mango and profit from its seed)\(^\text{10}\)

5.12. Ability to cope with intense competition

In marketing terms, the pharma market in India should rank among the toughest in the world. Where else in the world would you have as deadly a combination as unionized field forces; obstructionist and confrontationist trade channels; cut throat competition from branded generic, look alike and spurious products,

\(^{10}\) Express Pharma Pulse, Anniversary Special, November 22, 2001, pg:9
and over 20,000 competitors comprising large, medium, small to the 'father & son' outfits to contend with?

The brighter side to this scenario is that having dealt with such potent forces, taking on international markets for out marketers should be a cake-walk! Granted that all our molecules, most of the brand names and some of our promotional strategies have been derivatives of their original foreign counterparts, but just as in molecule research, all these years of whacking of, and being 'inspired' by international strategies has sharpened our skills and in most cases, our domestic marketing and strategizing is of an exceptional order. For instance, most companies have learnt the competitive advantages of being first movers with new molecules. Witness the rush by the 'Famous 'Five' to race through all launch formalities to be first in the market with the new molecule. All these conscious and unconscious learning's may be used to advantage in attacking foreign markets.

5.13. Cultural Diversity

"This is a country of at least five ethnic groups, six different religions, 16 major languages, 544 dialects and a landmass of 3,87,263 sq kms – equaling all of Europe put together and with some states larger in size than some major European nations! Yet see how easily marketing people devise strategies that appeal to as varied a customer base as the aggressive Punjabi,
the emotional Bengali and the intellectual Temilian amongst others. In this contest, it is interesting to note how marketing personnel who conduct product launches and briefing sessions, intelligently alter their approaches to sell their ideas at different venues round the country.

Suitably aggressive in the North, appealing to emotions in the East, to logic in the South and to the intellect in the West! This ability to tailor approaches to suit customer traits and psyches is an ability that can be effectively leveraged in international marketing.

5.14. Language Skills

"One of the reasons for having a competitive edge in IT, is our proficiency in the English language. In the international arena for pharma, it is peoples ability to think in the language and speak in at least three others. An average Indian speaks his mother tongue at home, English in the office, Hindi or the regional language in his social interactions – all the time keeping the grammar and syntax of each language intact. Most interestingly, he is able to sprinkle terms from several regional languages in his conversation in English!"
These language skills and the ability to switch from one language to the other - without missing a beat - would be important assets in dealing with international customers.” 11

5.15 Building Quality – The Key Factor

“Many organizations invest a lot of time and money in inducting their human resources in TQM and Bench Marketing best practices in the industry with the stated objective of keeping delighted.”

The focus should be on what needs to be done and how to ensure “Delighted Human Resources” who in turn keep their customers delighted and not focus on desired output alone.

Role of seminars and imposed exercises

There is a belief that seminars and imposed exercise build quality. This does not happen. Otherwise why should one distributed air-conditioners, wall to wall furnishing an cars for getting sales?

It is just enough to build quality in the product of the company to create delight customers. The quality should also be built deliberately in the other two important outputs of organizational endeavour. They are “Company Sales” and the “Bottom Line”.

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11 Ibid, pg.11
It is a discipline, which enables the organization to have an outward focus on the customers and thereby the work culture and not “meeting Culture”.

**Performance appraisal and work plan**

Performance appraisal when looked at from this angle becomes a sacred task that empowers every individual to actively participate in realizing the organizational goal in his/her role, by making them progressively competent.

Performance appraisal should not be an annual ritual for deciding or justifying annual increments and become an end in itself.

The product manager should be rewarded for the creativity of the product strategy if the product has growth in all the territories, where it has been completely implemented. Simply rewarding for sales achieved through bonsing/heavily discounted 'Hospital Sales' does not help build creativity in the product management.

Similarly, field managers should not be assessed on their call average but on its possible impact on MR efforts and results.

Every manager in marketing should be rewarded only when his/her efforts in the role has positively impacted the market place. The manager’s efforts should have helped majority of the MRs ‘actually working’ to achieve demand growth.
Even medical representatives should be rewarded for not just the sales "The visible numbers", but it should have relationship to the territory coverage, doctor coverage and promotional plans implementation.

Performance appraisal and work planning should primarily help the employee to acquire progressive ability to perform. Therefore performance appraisal should be a process with continuity and the future work plan and expected results should be derived relevantly from immediate past performance.

Building quality in every aspect of organizational result starts from the hearts and minds of its people. The mission should start from top and not middle management and below.

It is the attitude of the management to treat the flower girl as a lady and progressively the flower girl starts behaving like a lady.

Performance appraisal and work planning is a powerful tool to build quality into 'sales' and 'bottom line' by building in performance and therefore its effectiveness.”

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12 Express Pharma Pulse, May 2, 2002, Pg:10
5.16. Creating an effective product promotion material

"A Promotional material of pharmaceutical product is used as a tool to provide to the prescriber information related to the product so as to get his support in prescription of the same. Basically, a typical promotional leaflet consist of three parts, viz (1) the caption (2) the copy and (3) the visual.

A promotional material leaflet should be balanced in the sense that the basic function of providing information should be accomplished in a suitable yet aesthetically appealing manner.

Creative ideas and concepts from other manufacturers should not be copied, because that makes the promotional leaflet look very stale and unappealing to the reader, who is also the prescriber.

Since the pharmaceutical industry is technical in nature, the language used in the copy has to be very simple. The visual chosen should be appropriate and the caption should be able to hook the attention of the reader and create an interest in him to encourage him to carefully pressure the entire leaflet.

(1) The Caption: The caption is a hook to generate an interest in the reader to read the generic copy carefully. Examination of some attractive caption are: (a) Mano Pharma's DEM "For the near natural sleep, DEM. The sleep architect" (b) Indoco Remedies' TIZU tab "the Zubardast combination for Zubardast relief"
(2) The copy: The textual portion is the copy. This is expected to provide information such as dosage schedule and indication in a lucid yet simple language eg., Torrent Pharma’s “Moxif 400” the copy mentions “Excellent clinical cure rates in

(a) Acute exacerbation of chronic bronchitis – 92 per cent
(b) Rextar (Ranbaxy’s) product ‘Cohero’ the visual of the product package on the peak of a mountain is shown with the caption “To conquer disease”.

Salient features of the two successful product leaflets which are balanced in their approach and communicate effectively.

(a) Intas Pharma’s MOZA has a very well-written copy accompanied by an appropriate visual and an attractive caption, which says “The revolution in GI prokinetics continue” and the accompanying visual is that of an ancient wheel gradually being transformed into a modern type.

The copy appropriately high lights is the features of the product such as:

(a) Peak pharma levels in just one hour.
(b) Improves glycaemic control in type II diabetes.
(c) Dual mode of excretion etc.
(d) The promotional material of Work hard (Mcrind's) product (Merind') product METHYCOBAL also deserves a mention owning to its powerful use of a diagram of a neuron to graphically describe the actions of the drug.\textsuperscript{13}

\textsuperscript{13} Express Pharma Pulse, May 16, 2002, Pg:10