CHAPTER - 7

Conclusions, Findings & Suggestions
There comes a time when one asks even of Shakespeare,
even of Beethoven, "Is this all?"

Aldous Huxley

"It is easier to produce ten volumes of
Philosophical writings than to put
one principle into practice."

- Leo Tolstoy.
CHAPTER 7

CONCLUSIONS:

The pharmaceutical industry is highly complex. The technologies leading to drug discovery and development are at the limits of human knowledge. The huge size of the companies and the complexities of their processes and technologies presents many organizational and management challenges. The development and management of the distribution system is highly costly.

However while excellence in managing all these aspects of the industry is a necessary condition for the survival of the global pharmaceutical companies, the uncertainty of the discovery process and the potentially huge returns from the discovery of a single drug means that like drilling for oil or randomly choosing the black beans from a jar of overwhelmingly white ones, success in the industry depends on a high measure of luck. Much of the thinking about business strategy in the industry is how best to cope with this uncertainty. This has not always been the case. Colonel Ely Lilly gained his initial competitive advantage, in manufacturing, by producing 'true to label' products in competition with the various 'snake oils' and other dubious concoctions of the area.

The highly skewed nature of the returns from the drug discovery and the development process means that a single drug can deliver
corporate success at least in the short to medium test. In these
conditions the normal principles of large numbers in which diversified
portfolios produce predictable returns does not apply to this industry.
Return from pharmaceuticals are highly volatile.

While large pharmaceutical companies have sought survival in
larger enterprises, these agglomeration tendencies has not stopped
other firms using a discovery breakthrough to 'chance their arm' at
developing a block buster of their own, ultimately perhaps through a
marketing alliance with a global pharma. These are largely biotech
firms that have funded independent drug discovery through direct
access to the venture capital market. In other cases, their research
has been supported by large pharmaceutical companies through
alliances and licensing. Such is the return from a single successful
blockbuster that a small number of these companies have been
catapulted into the first rank. On the other hand many biotech
companies fail to realize these ambitions and languish as contract
research houses or go out of business.

The role of pharmaceutical companies in such a realignment is
difficult to predict. The implications of personalized medicine for
pharmaceutical companies focused on mass market blockbusters
appear to be fairly dramatic. Changes would be required at most parts
of the value chain, from discovery, through the development phases to
distribution. New technologies would be required through the
discovery and development process and distribution of personalized medicine would be very different.

It has been suggested that the role of the pharmaceutical firms will change and that some of the trends already apparent will be accentuated. These include:

- An increasing reliance on specialist bio-tech and other research companies to provide new compounds under licensing and equity share arrangements.
- Increasing provision of new research technologies by specialist firms;
- Business process reengineering of clinical trials and other drug development functions; and
- New alliances with health care companies for the distribution of drugs.

In this world, pharmaceutical companies would focus on the coordination and financing of these functions. This view is reinforced by the seeming unsustainability of the blockbuster model – the rising costs of R&D, the very small number of potential blockbuster and the forces reducing the returns on those drugs.

Although there has been a tremendous growth in all aspects of the pharma industry, India’s share in the world pharma market is very small. For effective penetration of the international market, a
continuous effort will have to be made so that we are globally competitive in terms of price, quality and technology. All the exporters have to ensure export of high quality products and to endeavour to adopt the latest quality assurance standards, like ISO 9000 and ISO 14000 series.

The ability to create brand loyalties and to develop technical capabilities that include efficient process development skills, flexible production systems, innovative delivery systems and aggressive & innovative sales and marketing strategies, are, some of the key successfully factors for competing in the emerging international markets. In future, the areas of off-patent drugs will assume greater importance, considering the impact of TRIPS. Emphasis should be laid on items for which there is indigenous capacity as well as capability. With the new patent regime coming into force, large Indian companies have increased their focus on R&D with their expenditure accounting for a larger proportion of the revenue.

India has the potential to emerge as a major production base for the global pharmaceutical market, considering the large pool of low-cost skilled professionals and the fact that the cost of setting up plants in India is 40 percent cheaper when compared to that of the developed countries. The cost of the bulk drug production in India was 60 percent less expensive when compared to the developed nations, besides the fact that raw materials for this Industry was also cheaper
making the Indian Industry highly cost competitive in the international drug industry.

Pharmaceutical companies will have to increasingly customize their production and marketing techniques to suit different markets in order to tap the opportunities, whether they are in the form of acquisitions and entering technology based positions or in the form of local joint activity. The initiative has to come from the industry in this regard while the Government will be able to provide a facilitating environment and catalytic support to enable you to profit from these efforts. In spite of cumbersome registration process of the pharmaceutical exporting companies, specially in the developed countries, a large number of Indian companies have succeeded in getting their products registered in most of the countries.

Another vital area which is to be given due importance is in the field of Research and Development in the drugs and pharmaceutical industry. The present investment in R&D for this field in India has been very low and needs to be enhanced. The market and its forces, pressures on prices and profits and the rapid technological changes have led to a spate of mega strategic alliances. Synergies are anticipated to be created which will have a significant bearing on the sales turnover, profitability and the financial resources for investment in R&D.
The environment is another very important factor. Development of eco-friendly process and products is a relatively new concept for drugs and pharmaceuticals industry in India. In view of the stringent environment regulatory legislation, particularly in the developed countries, such processes are the need of the hour and future R&D in India will have to be based on the development of eco-friendly processes and products.

There are so many promotional Tools that are emerging in India for product promotion, such as Video-conferences, Messages, Audio Cassettes, T.V. group detailing, franchising in major Hospitals. As brand building and generating sales volumes are still consider more or less the same thing in India, once the sales volume is built, it is not essential that the brand is built in Ethical Pharma Market. As on today a brand can generate large volumes due to share bonus offers. Marketers tend to Judge their success purely by how well sales targets are being achieved.

The brand budgets are also need careful permutations and combinations of media along with the weightages. Model marketing calls for more than developing a good product, pricing it attractively and making it accessible to target customers. Companies must also communicate with present and potential customers, retailers, suppliers and others stakeholder and general public.
Proper promotion strategies and timely promotional campaigns have led to the success of many products and many companies.

The emerging concepts like Social Marketing, Customer Relationship Management are the new dimensions of marketing.

Pharmaceutical sales promotion is a serious business. Think afresh, because it influence both internal and external customers. Most companies work on monthly, bi-monthly are quarterly promotional Cycles. It is often said that innovative detailing brings the horse to water and in-clinic sales promotions activities makes it drink.

Direct person to person sales promotion argue that this form of promotion is effective because peoples behaviour changes first and attitude follow. However, it is best not to go by generalizations. Consumers vary and so products and strategies. In pharmaceuticals a product is tangibly different and clearly superior to its competitors, a promotional strategy will almost always work.

It is in this direction, a study has been taken up on "Advertising and Sales Promotions Strategies with following specific Objectives and Hypotheses.

**Objectives:**

(1) To study the various Advertising and Sales Promotion strategies adopted by pharma companies.
(2) Studying in detail the communication strategy followed by the pharmaceutical companies of Andhra Pradesh with specific reference to their: Media and research objectives;

- Target audience and media selection;
- Media budget and effectiveness evaluation;
- Perceived strengths and weaknesses; and
- Plausible Strategies for future

(3) Studying the mechanism for formulations, implementation and review of marketing communication strategy of pharmaceutical companies in Andhra Pradesh.

(4) Studying the segment-wise communication strategy adopted by the pharmaceutical companies.

(5) To study the growth prospects of pharma industry in the Country/State of Andhra Pradesh.

(6) To study the contribution of new product in the over-all development of pharma business.

**Hypotheses**

1. The marketing communication strategy of pharmaceutical company respond adequately to the changes in environment of the business.
2. All the major pharmaceutical companies of Andhra Pradesh have well instituted mechanism and procedure to evolve right strategy for marketing communications.

3. All the major companies have institutional frame work to test the effectiveness of their communication strategy, be it advertising campaign or sales promotion measures and the companies carefully measure the performance of every campaign or sales promotion measures and arrive at cost benefit measure.

4. Advertising agencies contribute significantly to the success of communication strategy for pharmaceutical companies.

5. The new product contribution is in significant in the growth of pharma industry.

6. There is no correlation between production and exports of pharma industry.

7. Research and development activities are inactive in pharma industry over the past one decade.

8. There is no significant association between segment and media, product mix and promotion mix.
The following are the main findings and observations of the study:-

India almost achieved self sufficient and catering 85% of domestic requirements of Bulk Drugs and 95% of Formulations.

The pharmaceutical industry has been identified as one of the most important knowledge based industry in which India has comparative advantage. The expenditure on healthcare in India is only 0.9% of the G.D.P. which is much lower than that in the developed countries.

A number of drugs brought under the DPCO in 1970's and 1980's, but since 1994, the successive national drug policy have reduced the number of drugs under DPCO in stages, from 143 to 76 and then in March 2002 to only 38.

Some of the provisions of Union Budget for 2002-03 which has had a bearing on the pharmaceutical industry, some of these are reductions in the customs duty from 35% to 30% and 47 drugs excluded from the list of exempted drugs.

Excise exemption for drugs used for the treatment of HIV / AIDS and Vaccine for Japanese Encephalitis has been fully exempted from customs duty.
The key issues of new Exim Policy which were announced on 31st March 2002 are:-

Reimbursement of 50% of the fees required for registering of products in other countries which will be benefitting exporters trading with USA and Europe Countries and even other new issues in the Exim Policy are favourable to exporters.

Foreign investment limit to automatic route was raised from 51% to 74% in March 2000 and the same has raised to 100% in Mach 2002 as revealed by the pharmaceutical policy 2002.

India is ranked 5th in the world, accounting for 8% of the world's production by volume and 1.1 percent by value. It is ranked 17th in terms of export value of bulk drugs and finished formulations.

Though, nearly 20,053 firms are registered for the production of drugs and pharmaceuticals, the number of organized units are estimated at around 8000 of which 1000 units produce bulk drugs.

In India the Large Scale Units and MNC's dominate the market for formulations. These are constituted by about 40 foreign companies.

Domestic pharmaceutical companies contribute to 95% of the domestic requirements for active ingredients vis-a-vis the MNC's and also account for more than 85% of the domestic formulations.
requirements, about 90% of the pharmaceutical exports and 80% of the aggregate employment in Indian Pharmaceutical Industry.

The production of bulk drugs during the year 1994-95 stood at 1518 crores and formulations 7935 crores gone upto 5439 crores and 21104 crores respectively during the year 2001-02.

The Karl Pearson's coefficient correlation between bulk drugs and formulations is calculated at 0.99, indicating that there is a high degree of positive correlation between the two.

The linear growth in bulk drugs and formulations is positive symbol and implies uninterrupted supply of raw material for the production of formulations.

Pharmaceutical Industry imports also achieved significant growth as bulk drugs production stood at 208.13 and formulations at 15.82 during the year 1985-86 which have gone up to 2265 crores and 715 crores during the year 2000-01.

Imports of bulk drugs have been three times higher than those of formulations and after a sudden surge in 1996-97 have been raising at the rate of 4.5% to 5.5% per annum.

The exports of bulk drugs stood at 76 crores and formulations at 1506 crores during the year 1994-95 raised to 2203 crores and 3770 crores respectively during the year 2000-01.
The correlation between exports of bulk drugs and formulations worked out as 0.654 indicates that there is a moderate degree of positive correlation between the two. Formulations export market was linearly positive whereas bulk drugs exports declined in the year 2000-01 from 2203 crores to 2900 crores during the year 1999-2000. Due to this reason moderate degree of positive correlation was observed.

India is exporting pharmaceutical products to USA at a higher level followed by Russia, Hong Kong, and Germany.

Investment in the pharma industry grown from 1380 crores in 1995 to Rs. 2900/- crores in 2000 registering a healthy growth of 15% to 16% per annum.

When the strong manufacturing base is the strength of the industry, lack of innovative R & D culture is the weakness of the Industry.

It has an opportunity to improve quality standards due to expertise to bend knowledge with modern science, but lack of strategy to bring convergence between aspirations of the small and big players is a threat.

It is understood that Ranbaxy and Cipla are the major spenders on R &D during the period 1997 to 2000 whereas Dr. Reddy's Labs,
Sun Pharma, Wockhardt and Nicholas Piramal are also thinking and spending significant amount on R&D activities.

The world market for pharmaceutical currently placed at 400 Billion US Dollars projected to grow at an annual rate of 8% over the next five years. India's share in the world pharmaceutical market at 7.3 billion US $ in 2002. USA is the largest market and represents nearly 40% of total world market. Whereas Japanese pharmaceutical industry has witnessed a decline due to revision in their pharmaceutical prices.

The Global pharmaceutical sales recorded at 1518 US Billion dollars during the year 1994-95 raised to 5439 during the year 2001-2002.

Antibiotics, Gastrointestinal and Pain management saw the maximum number of new products being launched in the last two years. The 144 new products launched in the Antibiotics generated a value of Rs. 87 crores, which is 12% of the total turnover of the category.

The last 2 years 2000 & 2001 saw 63 new molecules being launched in the market with 272 brands and a turnover of Rs. 378 crores.

Cipla has been the most aggressive in terms of number of new launches. Cipla launched 218 brands in the last 2 years, which
together generated 80 crores in the year 2002 thus contributing 8% to total turnover of Cipla. On an average 25% of the products launched every year have witnessed price slashes in 2002.

Glaxo has been the numero uno pharma company since 1986 or may be even earlier, while Cipla, Ranbaxy hold the number 2 and 3 positions. Similarly, at present only three MNCs rank among the top 10 compared to five in 1986. moreover, Pfizer, Knoll, Novartis which were steady companies have failed to make their mark.

At the time of independence, the total drug production in the country was around Rs. 10 crores. At that time, the MNCs taking the help of the colonial Patent and Designs Act, 1911 exploited the drug market of our country. Between 1947-57, 99% of the 1704 drugs and pharmaceutical patents in India were held by foreign MNCs. During that time the MNCs who were controlling 80% of the market did not come forward with financial investment and technological help to establish drug production centres in India.

The limit of FDI for the drugs and pharmaceuticals industry has gone up to 100%. However the limit of FDI and investment by other units in SSIs is 24%.

The agreement of WTO will affect the Indian drugs and pharmaceutical industry. The agreement divides import licenses into two categories automatic and non-automatic. It stipulates that
automatic licenses should be issued within 10 days and non-automatic in 30 days to 60 days.

WTO prohibits use of the following 5 measures under TRIMs:

- Local Content Requirements (ICRs) Imposing use of certain amount of local inputs in production.
- Trade Balancing Requirements: Limiting use of import content in proportion to the export of investing company.
- Trade Balancing Requirements: restricting imports to an amount or value of the producer exported.
- Exchange Restrictions: restrictions on access to foreign exchange to an amount of foreign exchange earnings attributable to the enterprise.

At present only about 100 manufacturers in India have Government recognized process development and product development laboratories. In India, R&D in the area of drugs and pharmaceuticals is carried out in about 143 in house R&D units, which are recognized by the Department of Scientific and Industrial Research.

Pharma Industry’s spendings on R&D activities was 40 crores in 1983-84 gone upto 125 in 1993-94 and further gone upto 370 in 2000-2001. The average investment in R&D is 153.78 in 14 years period starting from 1983-84 to 2000-2001. The standard deviation is also calculated for the given period.
and it is worked out at 101.652 indicates consistency is not observed in investment pattern on R&D activities. Karl Pearson's Sknewes stood at 628 speaks about lower investment in R&D activities in the earlier periods and gained movement only in the recent 5 years. The model investment in R&D was 90 crores.

Investment in R&D will have to be substantially increased from the current practice of investing up to 2% of turnover on R&D to as much as 8% of turnover. Internationally companies spend on an average 15-20 % of their turnover on R&D.

One rough estimate suggests that about 80 percent of the pharma products are purchased by only about 20 percent population in rural segment is yet to taste the fruits of our progress.

The very fact that around 600 million people live there in villages with meager healthcare set up gives an indication of the size of the market and its future potential.

Promoting a product in Indian pharma industry is a complex activity. Many tools are required to get good success. Over the years, impact of different tools has undergone changes. Major promotion expenses are gift to doctors and organizing symposium/ clinical meets. Gifts are given to doctors to get a favour. However, what is remarkable is 40% of the companies spend up to 1 per cent on gifts while 60 per
cent of the companies are spending more than 1 per cent on symposium/clinical meets.

The Indian Pharmaceutical market (IPM), valued at Rs. 18,200 crores (Dec 2002 MAT), grew by 8.3% in value terms and 8.8% in volumes. The market has definitely witnessed a slow down in growths at present.

Products launched in the last two years (2001 and 2002) have fuelled almost the entire growth in the market, thus indicating their growing influence. Almost 3000 new products were launched in the last two years, amounting to Rs 1365 crores. In fact an aging analysis of brands in the industry indicates that these products contribute almost 8% of the total IPM.

Many Indian firms also entered into strategic alliances especially with MNCs in order to achieve certain common objectives of technology sharing and market access.

The most prominent merger that took place in the last two years was that of Glaxo and Smithkline Beecham. It consolidated Glaxo's position at the top with a combined turnover of above Rs.1000 Crores.

Analyzing product launches and promotional strategies gives a clear picture of the promotion and marketing planning adopted by the pharma companies.
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.

In India, it is estimated that 12-20 percent of total sales are accounted for Medical Representatives. In fact, as per the study, 65-70 percent of the total promotional budget too account for Medical Representatives salary expense in India. Therefore, optimizing the effectiveness of Medical Representatives will enable the company to march ahead.

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. It is very important to look into
ethics in Advertising and Promotion.

Andhra Pradesh accounts for nearly one third of the total
production of bulk drugs and pharmaceuticals in India. A large
number of bulk drug units are located in and around Hyderabad,
which is regarded as the bulk drug capital of India.

More than 100 drug units are located in Patancheru, near
Hyderabad, and a good number of units also have production facilities
at Jeedimetla as well as Pashmylaram, both locations near the city.
According to the 'Vision 2020' document prepared by the State
Government, the state wants to utilize the existing strengths to
capitalize on the opportunities provided by a changing global scenario.
The presence of a large number of educational institutions and
separate colleges for pharmacy enable the drug and pharmaceutical
units to source their manpower requirements from within the state.

The production of bulk drugs in A.P. recorded Rs. 350 crores
during 1992-93 and formulations Rs. 1400 Crores of the same year
which have gone up to 2604 and 6486 crores respectively during the
year 2001-02. The trend values were calculated for the years 1992-93
and projections were made by the method of Least Square for the year
2005. The projections for bulk drugs stood at Rs. 3106.45 crores and
for formulations 7704.15 crores.
The exports of pharma in Andhra Pradesh stood at 200 crores and formulations at 108 crores during the year 1992-93 increased to 1659 crores and 551 crores respectively during the year 2001-02 and projections were made for the year 2005 by the regression model and were stood at 1893.78 for bulk drugs and 638.33 for formulations.

It is understood that, the companies main communication objectives are to reinforce corporate image and to increase sales followed by launch of products and bring about product awareness.

It is observed that, all the companies under study review and refresh their media and communication objectives.

40 companies opined that the companies strategies and communication has a positive bearing on the sales performance.

Interestingly, 86% of the companies did not have exclusive department for corporate communications.

An overwhelming majority of the respondents consider it important to lay equal emphasis on company image and product awareness.

90% of the respondents rely on research to evolve their media and communication strategies. The increasing use of research by all industries, including pharmaceutical industry, is reflected by the increasing number of independent research organizations on the one hand and the addition of research wing by most of the major
advertising agencies. It is also observed that 82% of the respondents attach their media research activity to their advertising or communication strategies.

92% of the Companies claim to have separate budgets allocated for media research. The fact is also indicative of the increasing realization on the part of Indian Pharma Companies of the need for and importance of research as the basis of evolving effective media objectives and strategies.

In this direction 76% of the respondents opined that, purpose of media research is to evolve media objectives and 60% opined that, it is to determine target market.

80% of the respondent companies have an exclusive department to supervise its communication and promotional activities which is an indication of the increasing importance and role of advertising and sales promotion in the present times.

When it comes to segment wise companies communication strategy Consumers / End Users rely much on Radio followed by press and T.V., whereas in case of retailers, majority rely on T.V. followed by Press and Bill Boards. General Public also rely much on Bill Boards. Since, Doctors segment is the major segment, in promoting the Product of pharma companies and companies communicate to all the Doctors through Direct mails.
Chi-square Test has been employed and inferred that there is a significant association between segment and media. Therefore media and segment are dependent on each other as certain segments are very specific to certain media in the communication strategies.

It is also found that there is a Significant association between Product Mix and segment wise distribution. It is further inferred that products are specific to certain segments.

It has been the practice of pharma companies all along, majority of the respondents prefer professional journals and direct mailers to be the primary vehicles for their communications needs.

Chi-square Test has been employed to understand the significant association between Product Mix and Promotional Mix and observed that there is no significant association between Product Mix and Promotional Mix. Therefore any product can be promoted through any media. Company did not have a specific media for Bulk Drugs and Formulations separately.

Majority of the respondents order their preferences with advertising at the top, followed by publicity, personal selling, sales promotion and seminars.

82% of the respondents expressed that, periodic campaign is very much required than contextual campaign and more or less the
same product of the companies opined that they review media objectives in every quarter.

90% of the companies expressed that their companies campaigns are driven by specific objectives. A few of the respondents also favour generic campaign, which could perhaps be aimed at building a positive image about the company with the prospective consumers.

82% of the respondents are in favour of providing incentives to boost their sales. Incentives play a crucial role especially when there is little scope for product differentiation.

It is understood that personal selling hogs a major portion of the media budget with majority of the respondents, followed by advertising and sales promotion.

Majority of the respondents would spend a major part of the budget on direct mailers and gifts, followed by press.

Interestingly, prompt service is rated highest followed by appropriate need assessment and constant follow up. Customer satisfaction strategy revealed that the product of any company will be promoted by good H.R. practices and prompt services. Pharmaceutical companies relay on advertising in technical journals followed general journals and mailers.
72% of the companies are opined that the undertake conferences, exhibitions in creating marketing awareness of pharma products.

Regarding priority rating for different elements of Pharma Promotion, it is understood that 19 companies preferred in promoting through Field Force whereas 18 companies expressed 3rd and 4th priority in promoting through special services like books and gifts.

Chi-square test has been employed to know the association between priority rating and elements of promotion and found that there is a significant association between priority ratings and media promotion. It is further, explained that companies have specific priority for specific media. It is also understood that pharma companies did not have a specific approach in communicating their products through publication media and equal rating is given to all type of publications in communicating their products. Moreover, any degree of opinion is possible for any type of publication.

A great majority of the respondents consider 'quality' to be the key aspect on which a campaign is premised, followed by creativity and media selection. With a large majority of the respondents, (80%) it is the marketing department of the company that keeps a tab on the effectiveness of the campaign.
Surprisingly, media planning takes a back seat with very few respondents according priority to it, in the overall promotional strategy.

80% of the respondents felt that there are no great lacunae in their promotional strategy. 48% of the respondents felt that the media is likely to assume even greater importance in the post-liberalization era.

FINDINGS:

➤ There is an increasing realization on the part of most of the indigenous pharma companies that, with the competition hotting up and MNCs making way into the country, it is becoming more and more essential that they streamline and sustain their promotional efforts.

➤ Most of the companies appreciate the need for their promotional campaigns being backed by clearly defined objectives, creatively formulated message and cleverly orchestrated campaigning.

➤ It is largely accepted that the companies have to review and rehash their promotional campaigns from time to time – preferably every quarterly keeping in view the imperatives of the obtaining competition scenario in terms of market dynamics.
It is also largely accepted that promotional strategies to be plausible and to produce the desired results have to be necessarily premised on proper research. They favour hiring the services of professional organizations and consultants for the purpose.

The need for an exclusive budget for media research is also widely accepted by the companies to evolve and implement appropriate media-mix and promotional-mix strategies.

As regards allocation of promotional budget, most of the companies favour it being judiciously appropriated among the various elements of promotional-mix, based on a proper evaluation of the promotional needs and objectives.

While direct promotional tools are preferred to be employed to reach out and communicate to the influencer-segments like physicians and distributors, mass media is favoured to be used for communicating to the retailers and consumers.

Most of the companies also prefer to run promotional campaigns with a well-defined objective and theme in a concerted fashion over a period of time employing appropriate media vehicles and promotional tools.

The idea of offering sales promotion incentives also finds favour with majority of the pharmaceutical companies as a
supplementary effort to bolster sales in a sustained rather than sporadic manner.

Companies also accept in unison that there has to be a proper mechanism with proven efficacy to evaluate the effectiveness of a promotional campaign and thereby guide the companies to improve on their promotional efforts.

**SUGGESTIONS:**

The following are some of the suggestions that flow from the conclusions and findings of the current study and could be worthwhile for the pharma companies to consider the formulating and implementing their promotional campaigns.

- Instead of being haphazard and patchy, the advertising and sales promotion effort of the pharma companies has to be an imaginative and sustained effort backed by
  - A well-defined and specific objective.
  - A workable plan aimed at definite target audience.
  - A clear central theme.
  - A creative message supporting the chosen theme, and
  - Appropriate promotional vehicles and tools.
Given the fact that personal selling figures in to be the most important of promotional elements in pharmaceutical marketing, the companies could do well to use promotional inputs in sales as well. Apart from direct promotional inputs as samples, prescription promoters, leave-behind literatures etc, indirect promotional inputs such as seminars, symposia and sponsorships could also be made use of to help the sales personnel effectively perform their tasks.

Innovation is yet another key aspect that the Indian pharma companies need to effectively make use of in their promotional campaigns. The new communication breakthroughs like Internet and innovative marketing ideas like co-marketing, medico-marketing and relationship marketing could provide an extra leverage to product promotion and an extra mileage to corporate image.

It needs no emphasis that rural market is a rapidly emerging segment with a vast potential. It’s time, pharma companies focused their attention and direct their promotional activities at rural markets, employing periodic expositions at regular intervals and thus provide an opportunity for the stockists in the nearby urban centers to display and dispose their wares to the rural folk. In view of the formidability of extending the logistics to the innumerable and widely dispersed rural
markets, several major companies such as Hindustan Lever and Godrej have been successfully using the route of bazaar and metals to further their sales.

The pharma companies could also imaginatively and beneficially use promotional inputs to build sustained relationship with their consumers as a long-term strategy. As the marketing gurus say, retaining a customer is as important as winning a new customer. As such, enough emphasis has to be placed by the pharma companies in developing and nurturing a broad customer base.

It is also equally important that the pharma companies tap the potential of such innovative channels as e-commerce as a part of their sales endeavour. Indeed, the promotion efforts has to be multi-pronged, availing appropriate channels vis-à-vis the set objectives.

In the face of the fact that most of the small indigenous pharma companies cannot match the promotional resources of multinational majors, it is judicious use of research and promotional tools that would enable them survive and successfully steer through competition.