Chapter 7
Summary of Conclusions and Suggestions

7.1. SUMMARY OF CONCLUSIONS
Marketing strategy has been considered a very important aspect of any organization. It is important as organization can understand the challenging market dynamics, variable consumer needs and wants and opportunities available through it. It is of great importance in pharmaceutical industry because the target customers and real consumers are totally different entities in this industry. The doctor recommends the drugs to the patients and finally the patients buy and consume the drugs.

The present study proposed and tested hypothesized relationship between various marketing strategy variables. A comparison of these marketing strategy variables is performed and the impact of these marketing strategies on the sales growth of the organization is also examined. The research findings are based on a survey of 90 pharmaceutical companies of Madhya Pradesh. The companies are categorized on the basis of following criteria:
1. Multinational Companies operating in M.P.
2. Large Domestic Companies of M.P.
3. Small & Medium Domestic Companies of M.P.
Several hypotheses are formulated and the relationship presented in the research questions and objectives are tested. Chi-square test, Analysis of Variance (ANOVA) and Multiple Regression analysis are employed to test the research hypotheses.

The conclusions emerge from the study are briefly explained under the following headings:

7.1.1. MARKETING STRATEGIES OF PHARMACEUTICAL COMPANIES IN MADHYA PRADESH
The MNC pharmaceutical companies would like to focus on the emerging markets. Hence they are becoming more aggressive in the Indian market which
was earlier lagging the domestic market growth. In the past, most of MNCs players had maintained a passive profile in India due to limitation on launch of patented products, limited marketing and distribution bandwidth and relatively small scale offered by the Indian market. However, with the implementation of the product patent regime and strong growth prospects, the scenario for MNCs pharmaceutical companies is gradually changing.

Their actions such as number of major acquisitions, stable growth in new product introductions and expansion in field force clearly indicate that they are now more interested in the Indian market. They are also performing in-licensing deals with domestic companies to take advantage of manufacturing capabilities of domestic companies as well as the extensive marketing and distribution capabilities of their own.

It is concluded that companies with relatively diversified therapeutic exposure, strong positioning in chronic segments (which are likely to grow faster), widespread distribution reach and strong R&D capabilities would continue to exhibit a stable operating performance although industry-wide challenges would continue to remain imperative.

7.1.2. COMPARISON OF MARKETING STRATEGIES

1. Big pharmaceutical organizations in Madhya Pradesh are following the segmentation strategies but this is also limited to demographic and geographic segmentation mostly.

2. It is also evident that MNCs and large companies use segmented or differentiated marketing but on the other hand small & medium companies believe in mass or undifferentiated marketing i.e. they design single marketing mix to all segments.

3. MNCs believe that they have more unique product as compared to large domestic and small & medium domestic companies because they have strong R & D capabilities to invent new drugs or products which require huge amount of money and time.
4. MNCs emphasize mostly on product quality relative to their competitors. On the other hand the large domestic companies give more importance to attractive packaging of products and to increase product line extensions relative to their competitors.

5. The MNCs consider government regulations as most important factors in deciding about the pricing strategies. On the other hand large domestic companies consider transportation costs and competitions as most important factors pertaining to pricing strategies.

6. The MNCs emphasize more on partnership and alliances with distributors. While forward vertical integration is the most preferred strategies of large domestic companies. They emphasize partnership & alliances and shared problem solving with distributors more as compared to other companies.

7. MNCs are emphasizing more on almost all promotional means. In case of sales promotion, advertising and sales team, the MNCs are ahead of all followed by large companies except in the case of sales team where small & medium companies are putting more efforts than large companies.

8. Large companies are more convinced by the practice of consultative marketing.

9. MNCs are using modern digital means of communication such as internet, blogs, social media etc. more than other two types of companies.

7.1.3. IMPACT OF MARKETING STRATEGIES ON SALES GROWTH
The impact of various marketing strategies on sales growth of different pharmaceutical companies of Madhya Pradesh varies according to the types of companies. There is significant impact of STP approach and marketing mix strategies on the sales growth of MNCs and large domestic companies but this impact is not significant in the case of general marketing strategies. On the other hand marketing mix strategies and general marketing strategies have significant
impact on sales growth of small & medium domestic companies but this impact is not significant in the case of STP approach.

7.2. RESEARCH LIMITATIONS & DIRECTION FOR FUTURE RESEARCH

The limitations of the study are briefly discussed in the following section:

1. One important limitation relating to the operationalization of the study is the focus of the single industry in geographical areas of Madhya Pradesh state of India. Future research will need to test whether these results hold across industries situated in other parts of the country. It is important to suggest that results from a single study cannot provide strong evidence for validity of measures. This study produces a list of marketing strategy indicators that satisfy important measurement criteria. However, this set of indicators should be assessed and refined in other research contexts.

2. The study attempted to integrate a variety of theoretical perspective based on the literature of marketing strategy and their relevance to particular industry. Each theory suggested some prime factors that could explain the marketing strategies of pharmaceutical companies. A limited set of variables are included in the study, however, there are possibilities that more number of variables may exist which are not incorporated in the research. These variables can be considered in the future research.

3. The use of respondents can be another limitation. There are possibilities that perceptual biases may affect the response of the respondents as well as their assessments of the organizational variables. Hence use of multiple respondents is recommended in the future research.

4. There are also possibilities that some companies accepting marketing strategies in principal but not practicing its realized strategies effectively, probably due to environmental and resource constraints, reducing the effectiveness of marketing strategy.
7.3. SUGGESTIONS

Over the past five years, the distinction between local players and multinational companies has increasingly blurred. If market leadership is the aspiration, the implications and imperatives will be common for both groups of players. Following are some important suggestions for preparing and implementing an effective marketing strategy for pharmaceutical companies:

1. All pharmaceutical companies will need to strengthen three sets of commercial capabilities: marketing excellence, sales force excellence, and commercial operations. In addition, they will need to put in place two enablers: strengthen the organization to be able to sustain performance and manage rising complexity; and collaborate with stakeholders within and outside the industry to drive access and shape the market.

2. Marketing strategies play a vital role in making a drug successful and only traditional marketing tool will not help. Marketing of pharmaceutical products should go beyond on detailing doctors and visiting chemists for orders and schemes. Doctors, chemists and Pharmaceuticals companies need to work together in bringing effective products so that marketing policies using the 4Ps of marketing management are planned and implemented successfully in any market.

3. In order to keep up with the competition and changing consumer needs and wants in the competitive business environment, pharmaceutical companies need to use effective marketing mix strategies in managing for them to survive. Changing consumer needs and business environment has necessitated pharmaceutical companies to adopt marketing mix strategies to gain competitive edge hence attracting and retaining customers. Product, price, place, and promotion strategies have remained key roadmap of any successful pharmaceutical company.

4. The pricing decision is a direct function of product uniqueness and the willingness to price below the global floor. MNCs must either skim the market
with high-priced specialty drugs and biologics or use tactical strategies like changing brand and packaging to overcome price floor restrictions.

5. Companies need to have a combination of product modification, promotional and pricing strategies to save a company from losing market share on a patent expired product.

6. Indian companies need to broaden their product portfolio to include growing therapeutic segments such as anti-diabetics, central nervous system and cardiovascular. Companies can now sell premium products to aspiring Indian middle and high class, while at the same time continue their focus on low value but high volume bottom of the pyramid class.

7. To tackle the challenges of pharmaceutical markets, the use of new and current drugs needs to be increased, new markets need to be investigated and line extensions need to be developed

8. Targeting needs to be more focused and refined to reflect specific characteristics of a product.

9. Product benefits need to be communicated better. Promotional expenditures need to be optimized in a context that utilizes possible synergies within the matrix of the marketing mix; and pricing strategy needs to be driven more by the market and less by budgetary considerations.

10. Pharmaceutical companies must place more and heightened emphasis on marketing what's currently available and need to commercialize, launch, market, and manage products more efficiently.

A streamlined, holistic market-driven approach to discovering, developing, commercializing, marketing, and managing drugs helps marketers quantify the impact of current and future strategy. It also creates a rich understanding of market opportunities, threats, and underlying dynamics and helps marketers plan and utilize resources. Best practices that streamline marketing processes can fundamentally alter a new drug's sales profile, resulting in incremental revenues.