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**Preparedness and Potential of Indian Market for Pharma  
(*OTC in particular*) in concern with m&e-Marketing  
(Promoting Self-medication via Internet)**

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# L.R. 1.1. Why Pharma OTC: Market Position & Switching

## Global Potential and Projection:

- ❖ **OTC Market Growth Projection:** Will be the third largest by growth with US\$14 Billion increase by 2015 (McKinsey).
- ❖ **Market Capture Projection:** Expected to be ninth in OTC in next five years.
- ❖ **Heritage of Ayurveda and alternative medicines:** More than 30% of the time consumers use home remedies.
- ❖ **CRAMS Report:** India has the largest number of US FDA approved plants outside the US

## Growing Indian Consumers Base:

- ❖ **Connected and Adaptive consumer pool:** Good network of world-class IT, Internet and m&e-applications
- ❖ **Growing Middle Class:** 70 million middle class market.
- ❖ **Consolidation:** A generalized phenomenon in the world pharmaceutical industry, has started taking place in India.
- ❖ **Affordability:** 140 millions above poverty line by 2015 will drive 75% of total Pharma growth.

## Indian Market Consumers Transformation:

- ❖ **Switching Rx to OTC:** Focus on vitamins, cough & cold, antacids, antipyretics and NSAIDs
- ❖ **OPPI Observations :** Doctor perception for OTC
- ❖ **OPPI Consumer Behavior:** Self-treat is a wide range of common ailments
- ❖ **Consolidation:** A generalized phenomenon in the world pharmaceutical industry, has started taking place in India.
- ❖ **Affordability:** 140 millions above poverty line by 2015 will drive 75% of total Pharma growth.

## Changing Consumer Behavior

- ❖ **Today Life Style:** More informed
- ❖ **Environmental changes:** Stressful workplace
- ❖ **Bad effect on the body:** Stress and pressure -psychosomatic disorders
- ❖ **Psychological Preferences:** Most of the OTC drugs are safe, effective, economical



# L.R. 1.2. m&e-Marketing: Mobile User Behavior

## Calling-Messaging versus Internet Browsing:

- ❖ With 3G easy access on mobile, average 2.25 hours/day actively spent on mobile (Informatemi)
- ❖ SMS Marketing attracts age group 18-24 years, comprise of one third time spent, 1 SMS is sent for every 2 received
- ❖ Discussions on appropriateness and content of advertisements continues with mobile ads
- ❖ Social Net Access: 29% Orkut, 20% Frenzo, 17% Facebook, 92% search use opt for Google

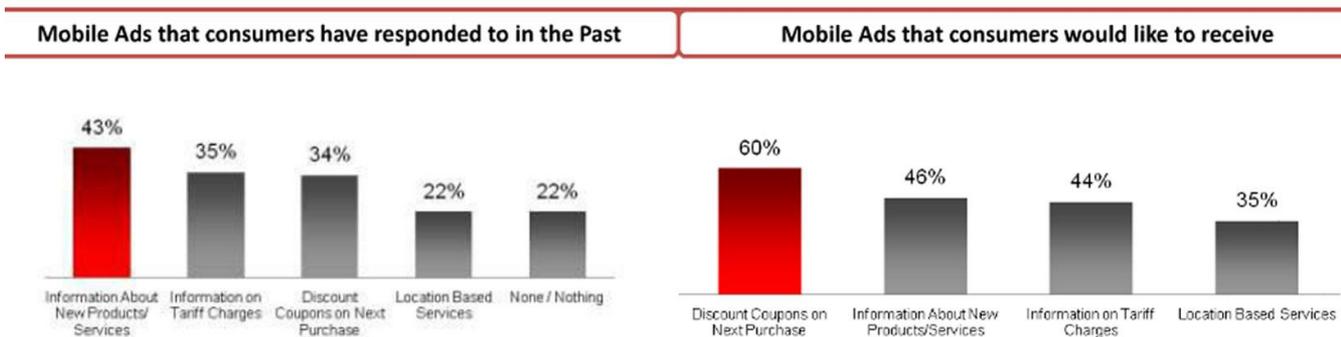
## E-Pharma Revolution:

- ❖ **Messaging and OTC Pharma market:** e-media playing host to messaging on various health related matters.
- ❖ **OTC Healthcare in India:** Fast growth of OTC healthcare brands, increased purchasing power and health awareness
- ❖ **OTC Pharma product marketers** are naturally participating in internet and electronic media.
- ❖ **Non-print media (CSS, HTML) is a buzz:** Talks on lifestyle diseases.

## Few Examples:

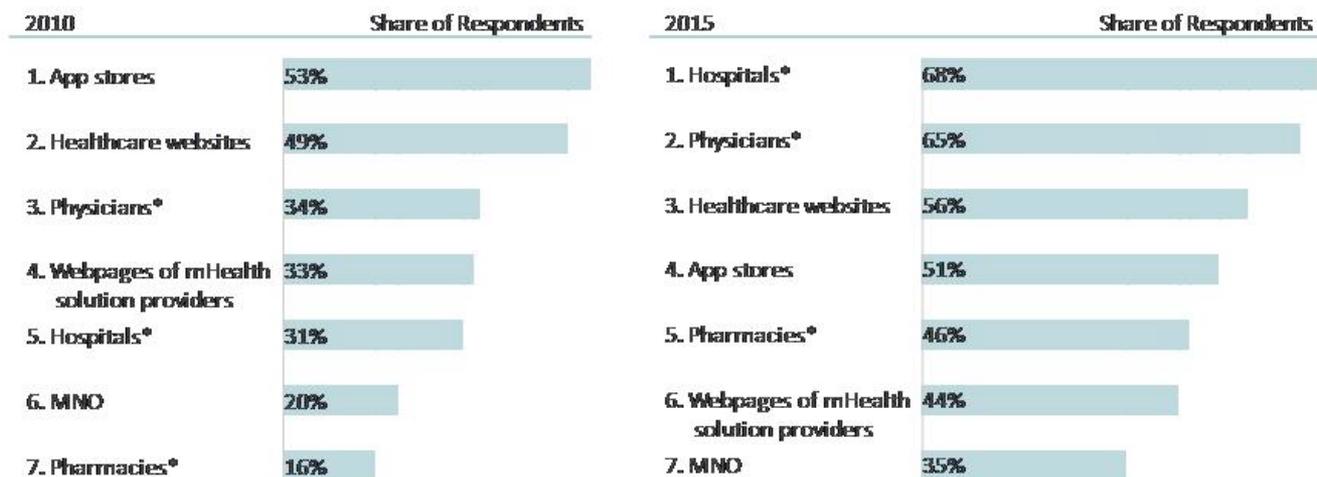
- ❖ **RANBAXY Boom:** Its product REVITAL is the topmost selling today.
- ❖ **Piramal Healthcare:** Improving OTC marketing focus on its *brand Superactive*
- ❖ **Mankind:** Stepping in to OTC through their brands of condoms, sanitary napkins, and artificial sweeteners
- ❖ **Britannia:** Bakery and biscuit marketer, uses the health platform emphatically to improve business results
- ❖ Many regional and local product messaging - particularly the Ayurvedic products (as they can be promoted OTC)

**Table 1.1. Mobile Ads Consumer likes and dislikes:**



## Survey: mHealth will spread into traditional healthcare channels

What are the best distribution channels for mHealth solutions as of today and in 5 years time?



research2guidance  
the mobile research specialists

- Hospitals, pharmacies, and physicians would recommend or provide mHealth solutions when patients come in for treatment.
- Source: research2guidance global mHealth developer survey, n=231

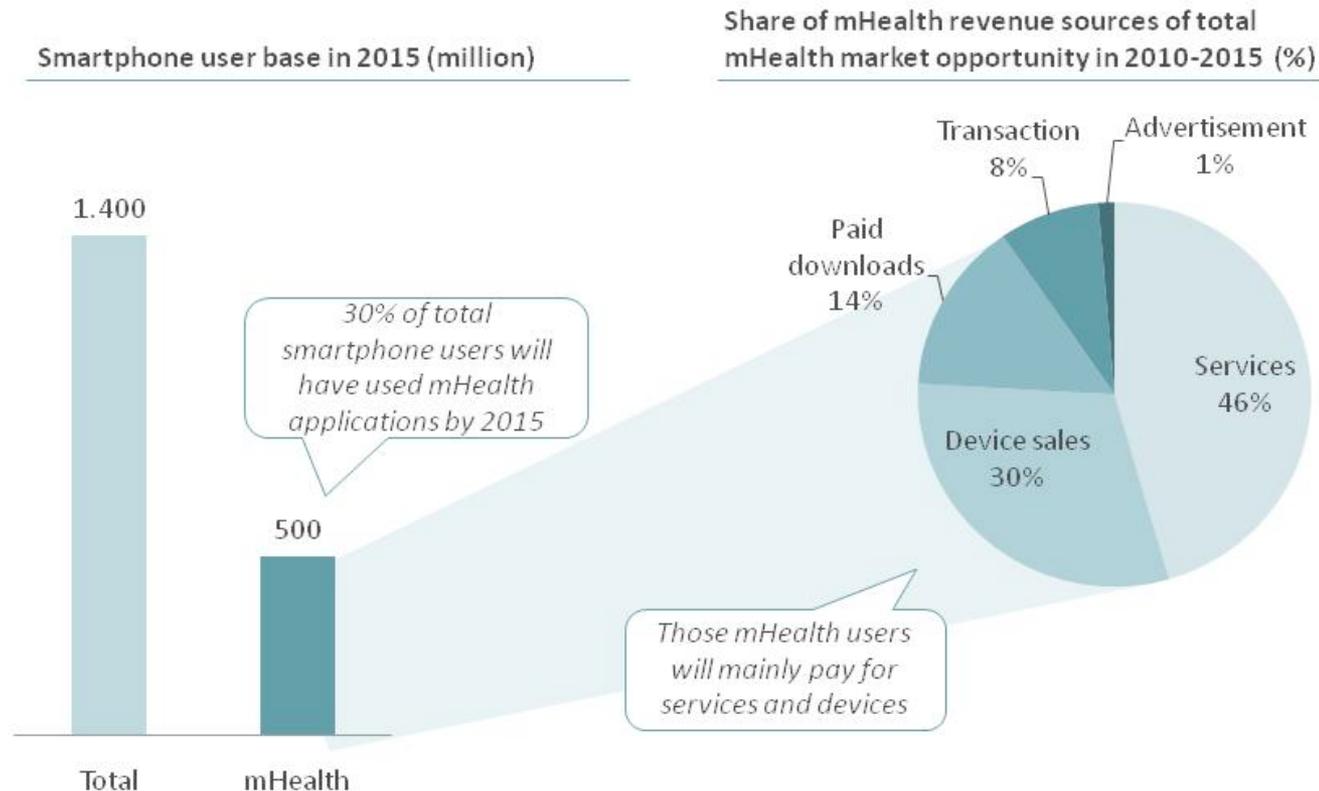
### Impact of new smartphone app market model on mHealth

Category	Main barriers in the old mHealth market model	Changes related to the new smartphone application market model	Impact
<b>Device</b>	<ul style="list-style-type: none"> <li>Need for specialized devices to run service,</li> <li>Very low penetration of capable devices</li> </ul>	<ul style="list-style-type: none"> <li>Key mHealth features are build in (GPS, sensors)</li> <li>High penetration expected</li> <li>New opportunities through tablet devices</li> </ul>	High 
<b>Distribution</b>	<ul style="list-style-type: none"> <li>Lack of business incentives for traditional channels</li> <li>Lack of reach: MNOs only provided local reach</li> </ul>	<ul style="list-style-type: none"> <li>Possibility to market direct to consumer/patient and professionals</li> <li>Global reach via application stores</li> </ul>	Medium 
<b>Patients/Doctors</b>	<ul style="list-style-type: none"> <li>In transparent markets to search for mHealth solutions</li> <li>Little awareness</li> <li>Missing technology readiness in target groups</li> </ul>	<ul style="list-style-type: none"> <li>Increased awareness</li> <li>Massive improvement of user experience from discovery to usage</li> <li>Massive reduction of price level for mHealth applications and smartphones</li> </ul>	Medium 
<b>Regulation</b>	<ul style="list-style-type: none"> <li>Little refunding as only few solutions were accepted by national regulation</li> </ul>	<ul style="list-style-type: none"> <li>Awareness changed due to the application hype but still no major change in regulation policies visible</li> </ul>	Low 

# L.R. 1.3. m & e-Marketing: M-Health Channels

Exhibit 1.3

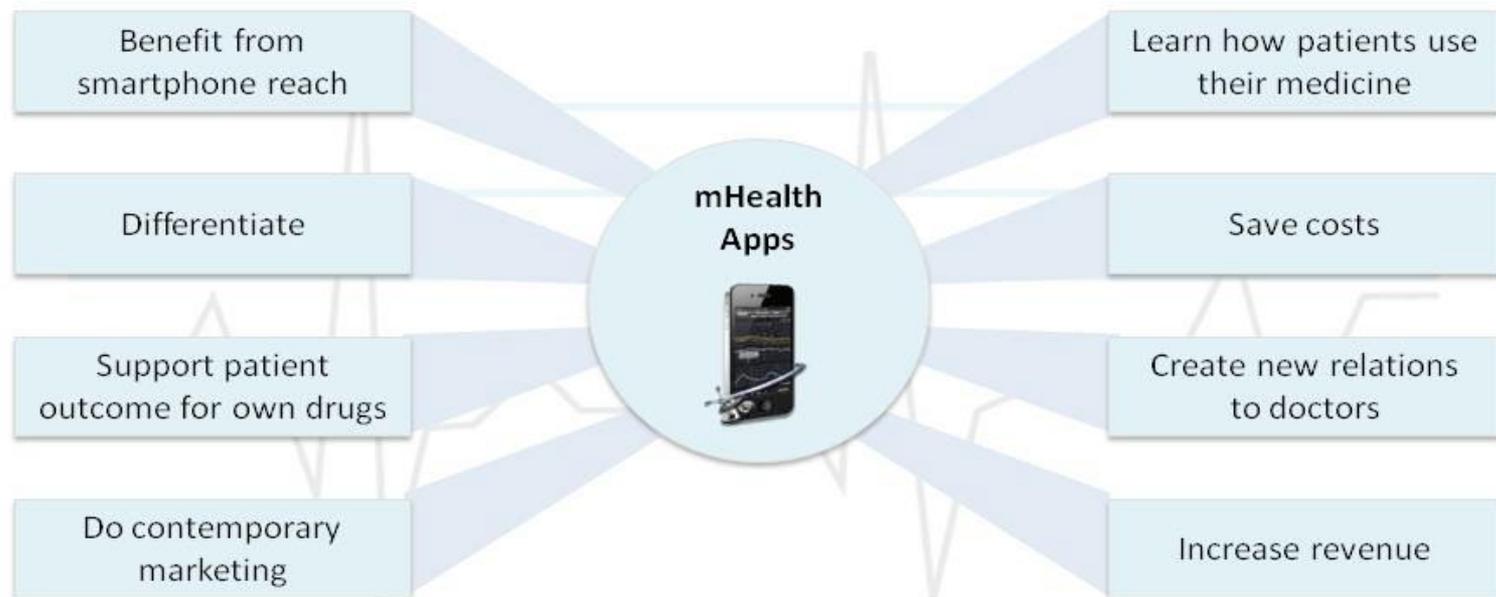
## mHealth market 2015: 500m people will be using healthcare smartphone applications



Smartphone applications will become the killer applications for mobile health solutions.

## mHealth apps: What's in for Pharma

8 good reasons why smartphone apps matter to Pharma:





## R.G. & O. 2.1. Marketing Strategy References

### Self-Efficacy:

- ❖ Health behaviors such as non-smoking, physical exercise, dieting, condom use, dental hygiene, seat belt use, or breast self-examination are dependent on one's level of perceived self-efficacy (**Conner & Norman, 2005**).
- ❖ Self-efficacy influences the challenges that people take on as well as how high they set their goals (*e.g.*, "I intend to reduce my smoking," or "I intend to quit smoking altogether"). A number of studies on the adoption of health practices have measured self-efficacy to assess its potential influences in initiating behavior change (**Luszczynska, & Schwarzer, 2005**).

### Perceived Expertise:

- ❖ **David Trafimow and Janet A. Sniezek hypothesis:**
  - **H1:** General considerations are irrelevant; only the information made accessible by the items being judged; affects confidence
  - **H2:** General information such as one's perceived expertise is chronically accessible, even when one is assessing confidence for a specific item



# R.G. & O. 2.2. Marketing Strategy Framework

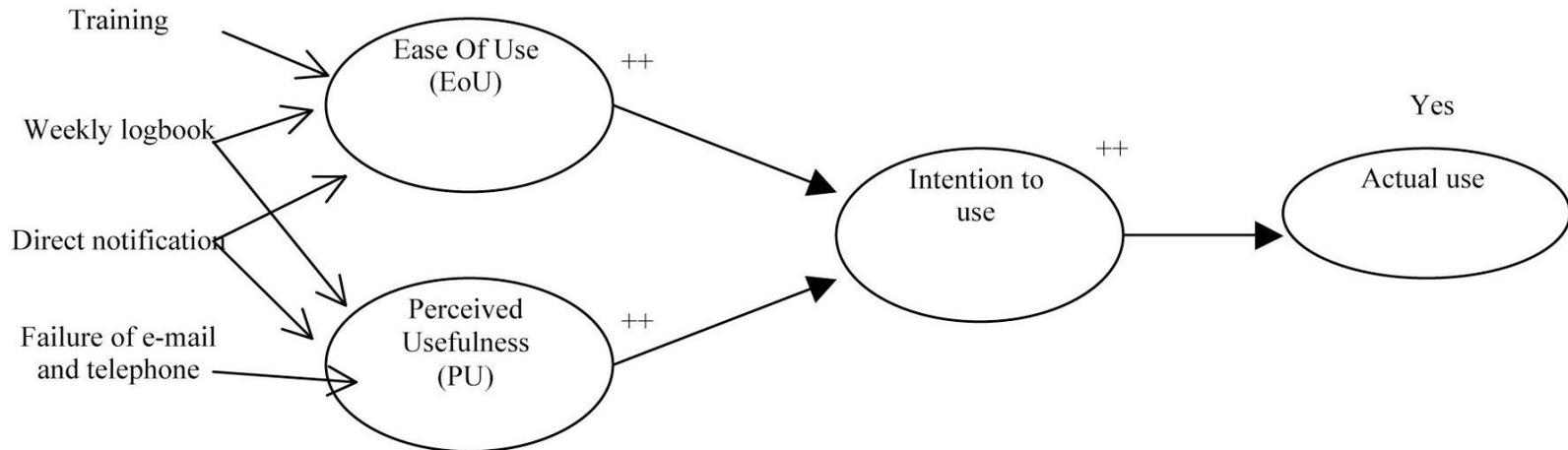
## Creating and Sustaining Potential:

- ❖ Shift focus from market share capture to market creation
- ❖ Involving society in the learning process is what we should look forward to
- ❖ Four As of marketing has been addressed fairly well but in India, the accessibility and awareness is still on a lower side especially for allopathic OTC drugs
- ❖ Emphasize access through health insurers
- ❖ Continued emphasis on improving public health resources and infrastructure
- ❖ Support capability building in R&D
- ❖ Increasing awareness of physical beauty (eximbank india report)
- ❖ Tradition of Nutrition Values (eximbank india report)

Exhibit 2.1. Putting in consumer shoe:

OTC Marketing B to C Mapping	
4P's	4A's
Business Perspective	Consumer Perspective
Product	Acceptance
Place	Availability (Accessibility)
Promotion	Awareness
Price	Affordability

Exhibit 2.2. BSCW in Davis' Technology Acceptance Model (TAM), (Davis, 1989):





## R.G. & O. 2.3. Development of a Customer Architecture

### Education Training:

- ❖ Health education programs need to be undertaken for specific target groups
- ❖ On an average each person suffered from more than five common ailments for which he used OTC Drugs
- ❖ 50% of respondents did not know the side effects of the OTC drug they take

### Demographic Groups:

- ❖ New and differentiated markets evolution in Tier 1 and Tier 2 cities
- ❖ **Distribution Channels: % share, by value, 2004:** Pharmacies/drugstores-73.60%, **Supermarkets/hypermarkets - 12.60%**, Specialist retailers -12.50, Other-1.40%
- ❖ **Opportunity as covering the absence:** There are less number of doctors in rural areas. Of the 650 thousand qualified doctors, four fifth live in towns and cities. That leaves just 20% of the total medical community to take care of 76% of country's population.

### Mobile Age Groups:

- ❖ From 18 to 40 years age group



# R.G. & O. 2.4 Research Hypothesis & Variables

**H.1.** Install new potential (Innovation) to **discover** the customer knowledge base

## V1. Discover

- SVs:**
1. Experience
  2. Environment
  3. Will to transcend and replacing (Unacceptable to acceptable)

**H.2.** Knowledge base evolve customer intention with fuel of **awareness**

## V2. Awareness

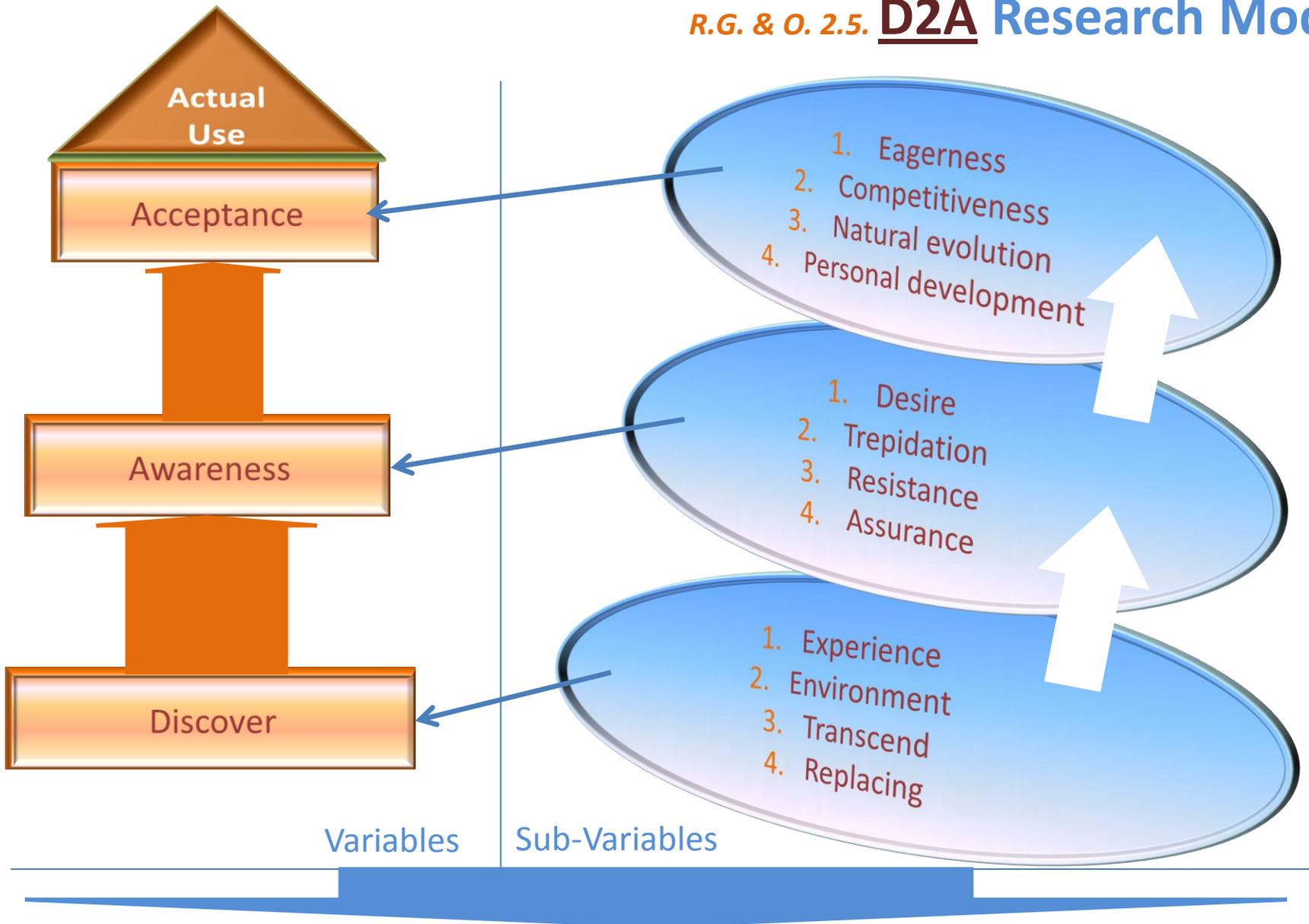
- SVs:**
1. Consciousness and desire to learn, expand, grow and change
  2. Caution, yearning and trepidation to new awareness
  3. Resistance in various forms and degrees of fear
  4. Assurance: Easy to use, Perceived usefulness

**H.3.** Awareness adopts **acceptance**

## V3: Acceptance

- SVs:**
1. Eagerness to embrace the change
  2. Competitiveness
  3. Natural or organic evolution.
  4. Personal development





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## 3. Discussion and Conclusion

### 3.1. Limitations of Research:

- ❖ Inaccurate diagnosis, Perceived loss of control by physicians
- ❖ Delay in obtaining needed therapy
- ❖ Use of suboptimal therapy, Drug resistance
- ❖ Increased costs of drugs
- ❖ Failure to follow label instructions (Adverse effects, Drug interactions)
- ❖ Government moving Schedule K (*Quinine and ant malarial*) drugs to grocery shops, supermarkets, department stores etc .- high resistance from 0.8 million of chemists of India

### 3.2. Scope of Research:

- ❖ Decreased frequency of visits to physicians, leading to lower healthcare costs
- ❖ Improved education of consumers
- ❖ Increased autonomy of patients
- ❖ Decreased cost to third party players

### 3.3. Conclusion:

- ❖ Most of the researches made so far is focused on B2B segments comparing to B2C seems deprived yet
- ❖ There are very little efforts made on studying the customer awareness, attitude and adaptability.
- ❖ Low spending on Healthcare (eximbank)
- ❖ Accreditation: Low cost services but less quality
- ❖ Low level of medical insurance coverage

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