

2nd Health Marketing International Day,

Friday, 23rd March 2012

**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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Research Content Table

Topic	Slide. No.
1. Literature Review (L.R.)	
1.1. Why OTC Pharma India	3
1.2. m & e-Marketing: Mobile User Behavior	4
1.3. m & e-Marketing - M Health Channels	5-8
2. Research Goals and Objectives (R.G. & O.)	
2.1. Marketing Strategy References	9
2.2. Marketing Strategy Framework	10
2.3. Development of a Customer Architecture	11
2.4. Research Hypothesis and Variables	12
2.5. D2A Research Model and Question	13
3. Discussion and Conclusion	
3.1. Limitations of research	14
3.2. Scope of Research	14
3.3. Conclusion	14





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

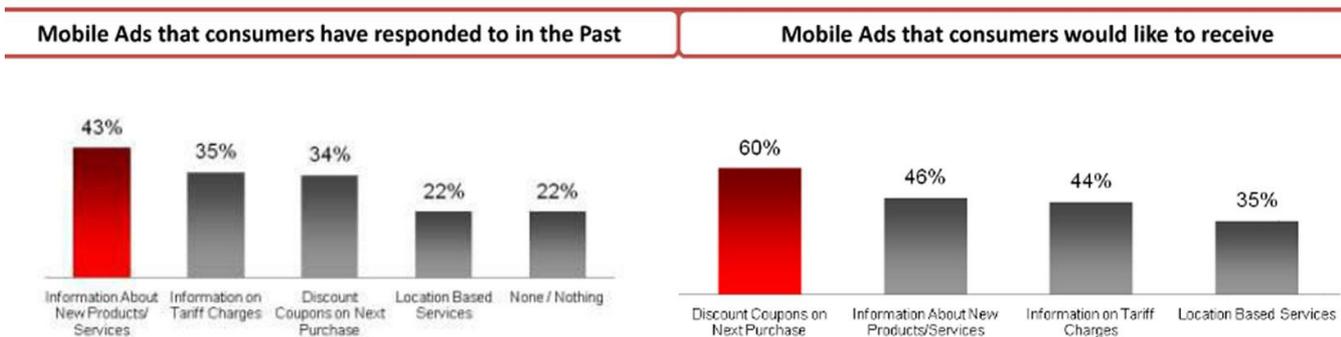
E-Pharma Revolution:

- ❖ **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:

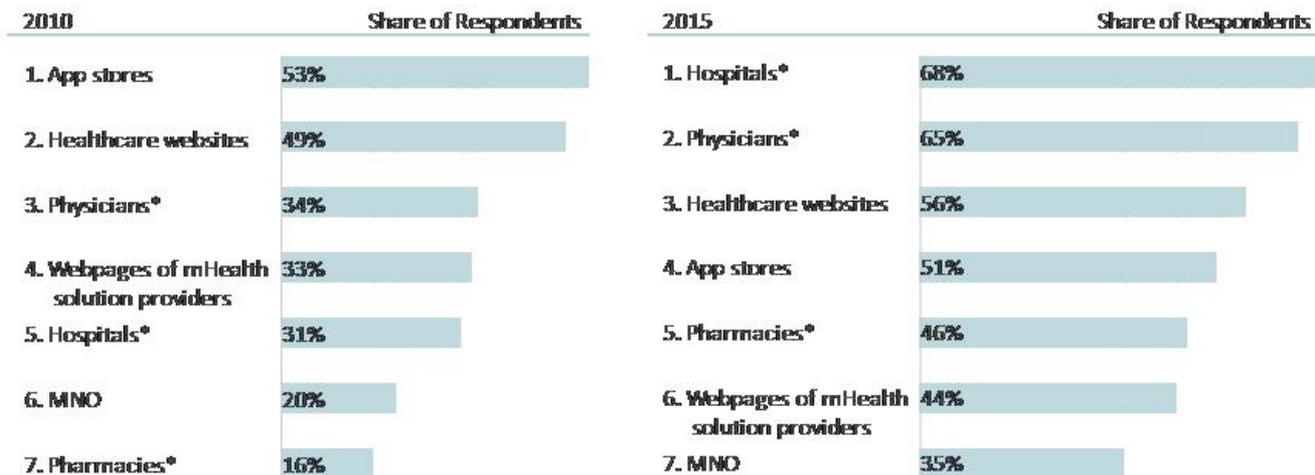
- ❖ **RANBAXY Boom:** Its product REVITAL is the topmost selling today.
- ❖ **Piramal Healthcare:** Improving OTC marketing focus on its *brand Superactive*
- ❖ **Mankind:** Stepping in to OTC through their brands of condoms, sanitary napkins, and artificial sweeteners
- ❖ **Britannia:** Bakery and biscuit 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

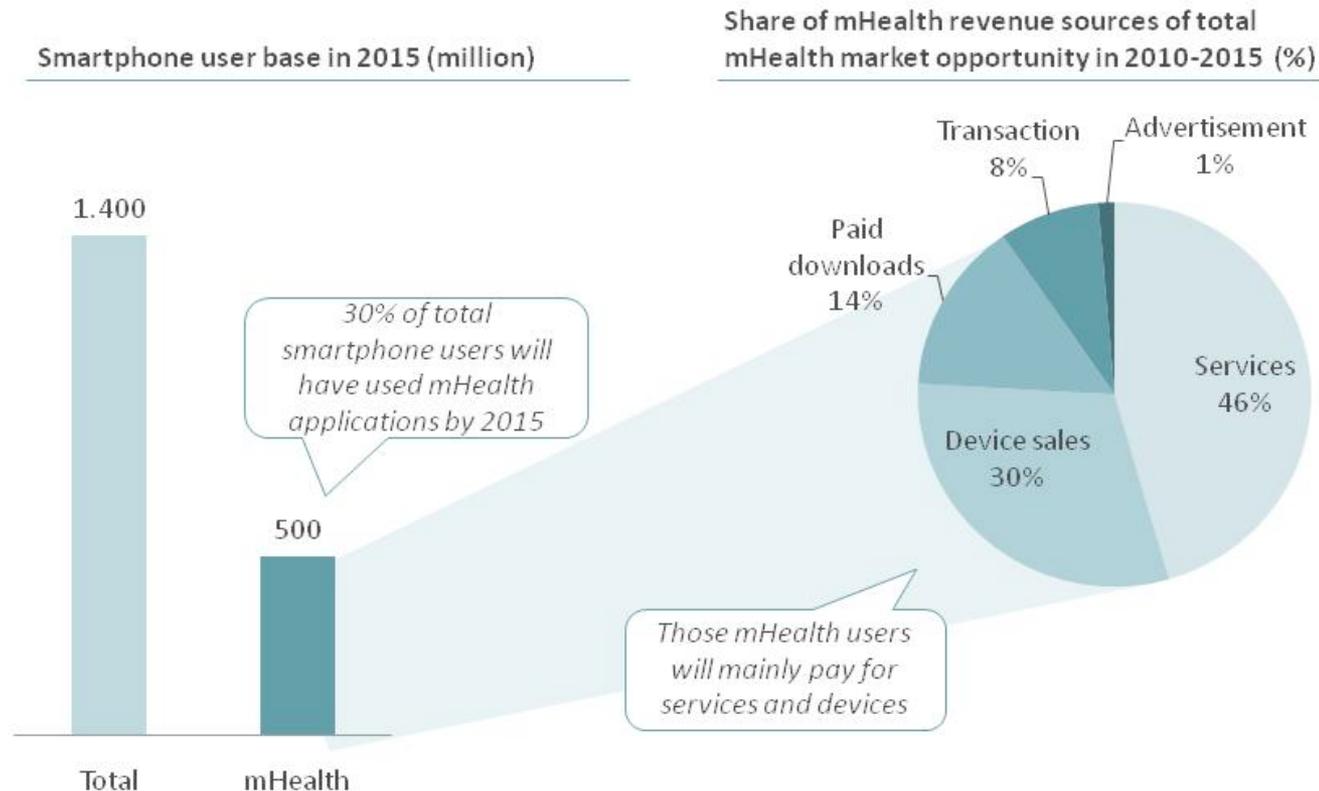
Impact of new smartphone app market model on mHealth

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

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

Exhibit 1.3

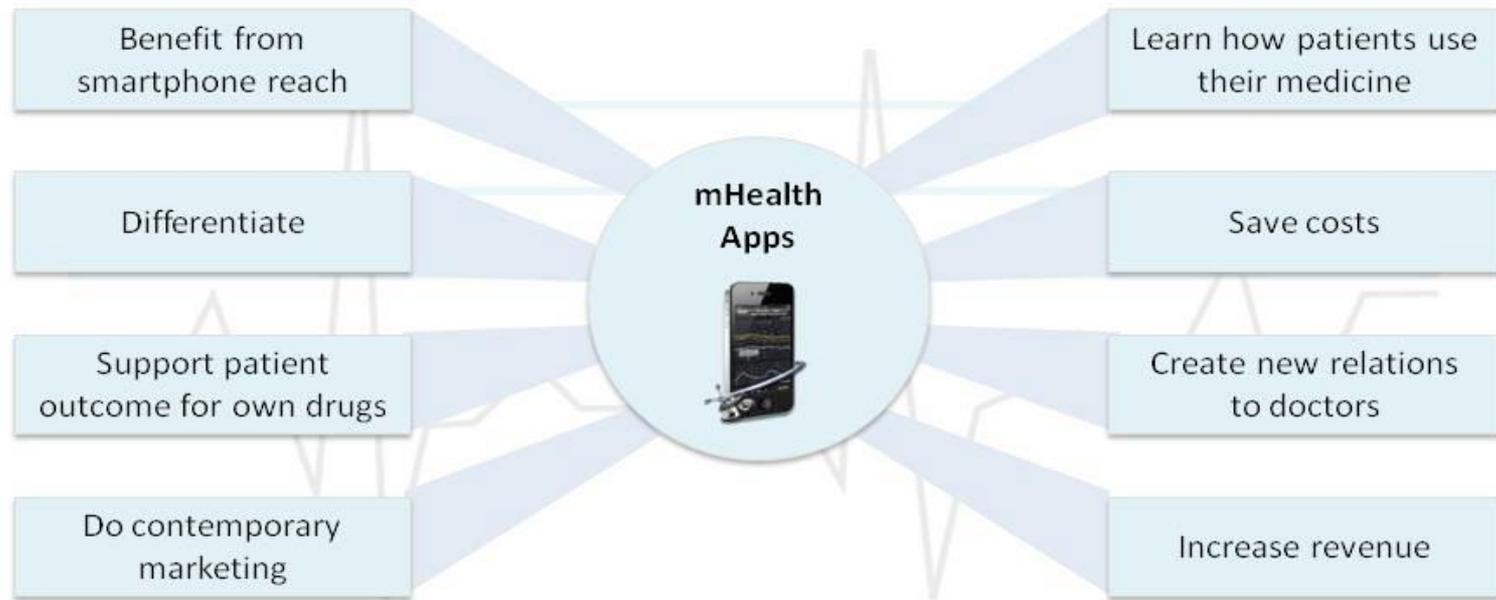
mHealth market 2015: 500m people will be using healthcare smartphone applications



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

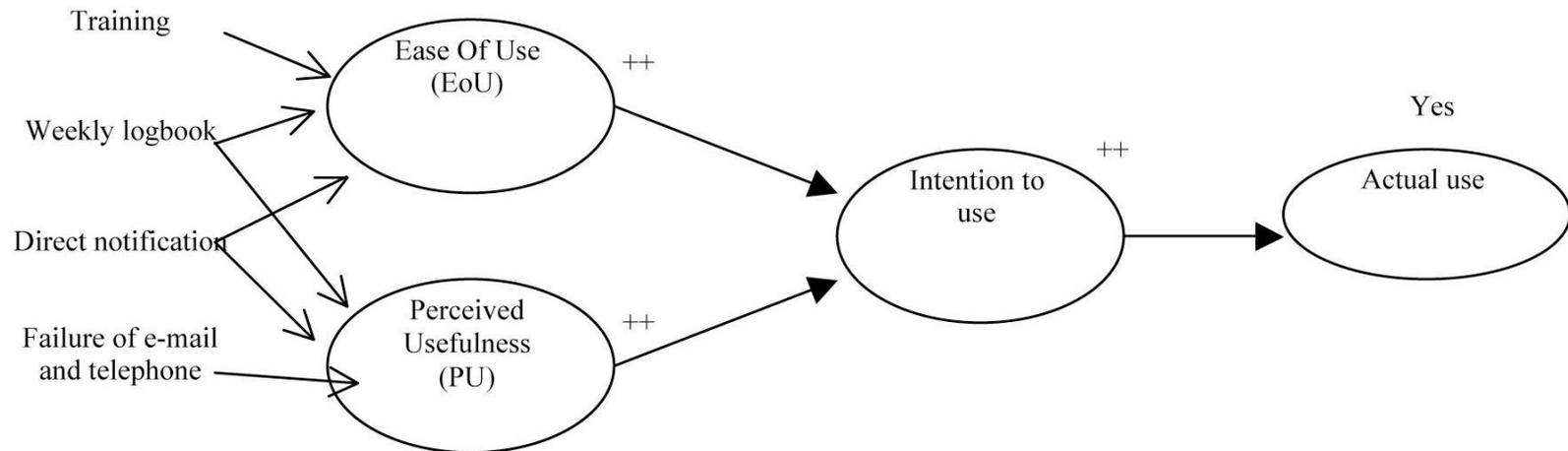
Creating and Sustaining Potential:

- ❖ 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

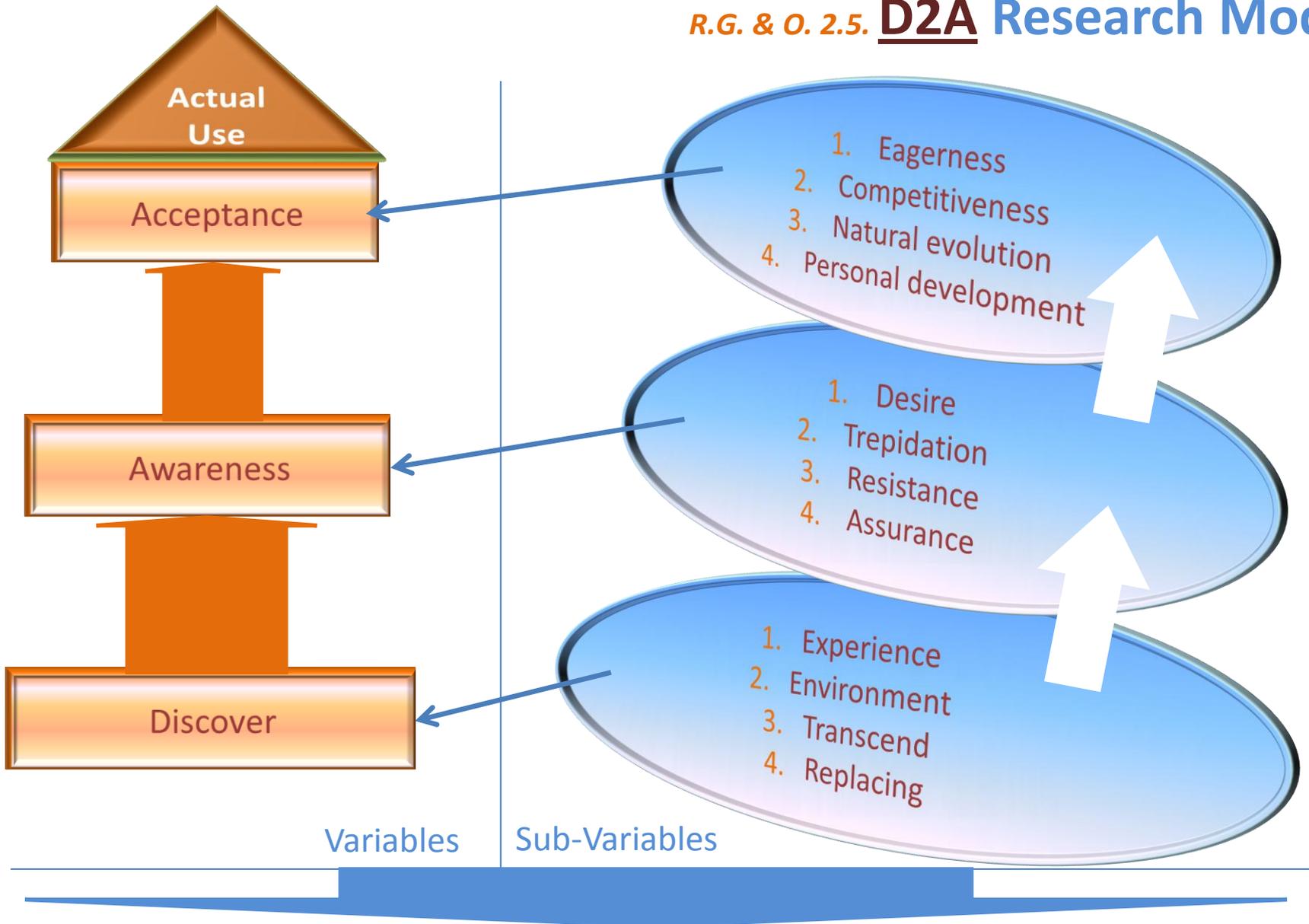
H.3. Awareness adopts **acceptance**

V3: Acceptance

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



R.G. & O. 2.5. D2A Research Model



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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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