

A study of Emerging market of OTC Drugs in India

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Abstract

Pharmaceutical over the counter drugs is emerging market in India, this reveal that this country has enormous growth in Pharma business. This study focus on view of worldwide Pharmaceutical market and also more focus on OTC markets with a changing scenario as well as strategies with changing customer needs. India's market is increasing because of the increasing healthcare spending, harmful nutritional habits, increasing population, and growing healthcare consciousness. The govt. and different pharmaceutical companies are taking over various initiatives to make awareness about different drugs and shift Rx to OTC. Over the counter drugs market expected to be reached \$44bn by the year 2025.

KEYWORDS: Over-the-counter (OTC) drugs, Drug Market

Introduction

Over the counter (OTC) Pharmaceutical Drugs means such medicines which can purchase by consumers from any pharmacies, retail store, supermarkets and online without a prescription of register Medical practitioner. OTC medicines are advertised nonprescription medicine. What we do once we catch a sudden cold or get a headache? Chances are that we simply search in our medicine box for a tablet of crocin or Aspirin. Exactly most of individuals do an equivalent because now the trend is expanding towards the foremost economical type of health care which is self-medication with over the counter (OTC) medicines.^[1] So due to increase demand of OTC drugs results in increase in competition which successively results in increase in need of differentiation in between various over the counter products. Major companies in Indian OTC drugs market are Cipla Ltd, Johnson &

Johnson, GlaxoSmithKline, Piramal Health care, and Sun pharma Plc. Emerging categories thanks to change in lifestyle include cuts, wounds, burns, muscle pains, sprains, diarrhea and constipation. OTC drug are manufactured under the manufacturing license but don't require a drug license and may be sold without prescriptions. Regulated by FDA through OTC Drug monographs.

Objectives

- To understand the Over the counter market.
- To Know emerging trends in OTC Market in India

Literature Review

Suniel G Deshpande and Rajesh K Srivastava (2018) have stated in MGM Journal of Medical Sciences that the number of over the counter drugs in the healthcare market in India has increased significantly. The reason behind this is that high use of advertising media to promote these OTC drugs in the market. He also stated that the government can introduce severe monitoring rules to recognize this OTC drugs segment for satisfactory healthcare.

Global Policy and International Public Affair Value of Medicines Economic (2014) mentioned in its article that Due to easy availability of these OTC drugs customers can economic benefits. Consumers can increase their savings with reducing avoidable doctor visits for treatment. He stated that customer spent \$1 to get OTC medicines instead of spending \$6 to \$7 pay to doctors' visits.

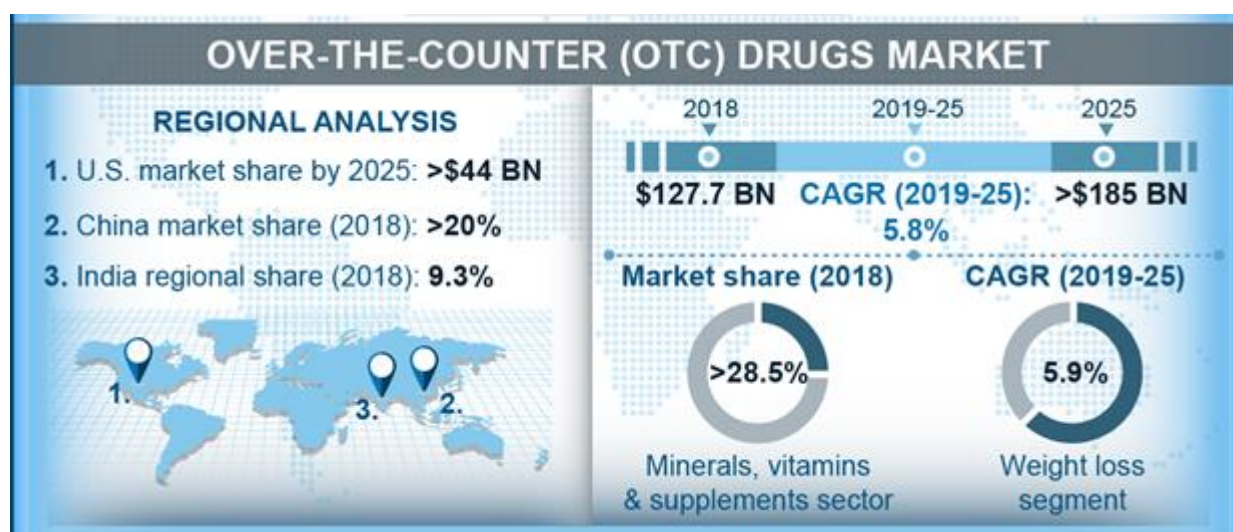
Supriya Gupta (2013) reviewed that India's OTC drugs market is gained significant growth and has enormous scope for expansion particularly in the Pharmaceutical industry. The growth of OTC has been emerging in urban and rural markets. Further explained that according the report of Indian Pharma 2020 McKinsey OTC segment is estimated to grow at 14% to 16% to become a \$ 14 bn. to \$18 bn. market by 2020.

RESEARCH METHODOLOGY

I have used secondary data to undertake this research study. In this research the data has collected from various published and unpublished journals, various articles available on various websites, textbooks and different popular journals to analyze the over the counter drug market to know emerging trends in OTC Market in India

WORLDWIDE OTC DRUGS MARKET

The worldwide over the counter drugs market was valued at US \$303.51 billion in 2018, and it's predictable to be valued at US\$ 491.02 billion in 2024, witnessing a CAGR of 8.5%. The growth driving factors of this market are product innovations, high penetration within the emerging market, favorable regulatory framework, and inclination of pharmaceutical companies toward OTC drugs from Rx drugs. The global over the counter (OTC) drugs market is possibly going to record the very best rate of growth within the emerging markets of America over the forthcoming years. This can be featured to the fast growing population, coupled with the increasing middle class in these regions and increase in disposable income of the population, which will one of the major reason to available to access OTC medication. Along with new channels of the accessibility in emerging markets in shops, supermarkets also are contributing to the expansion of the OTC medication market within the emerging economies.



These above graph show that OTC apart from India China and U.S. has huge market size. Above survey report shows that OTC drugs market expected to be reached \$44bn by the year 2025. [2]

OTC Drug market of India

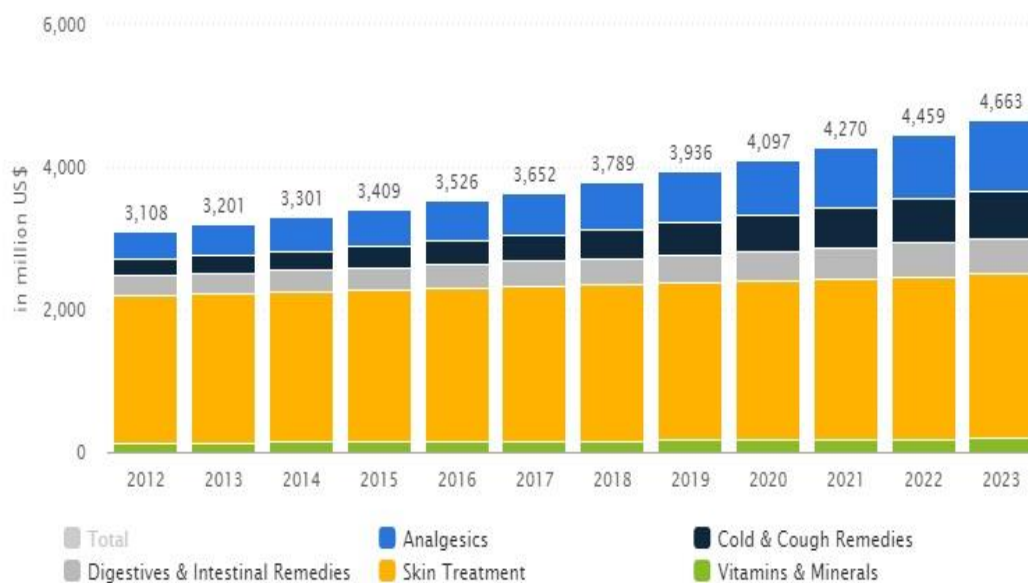
India's over the counter drugs market was \$6.38 bn. in 2019 and expected to be growing at a CAGR of 19.4%, to succeed in \$15.48 bn. by 2024. The market is showcasing evident potential within the mentioned forecasting period. Non prescribed drugs are drugs that are sold over the counter, which suggests that they will be sold without a doctor's prescription. They will even be mentioned as Over-the-Counter (OTC) drugs. There's a good number of therapeutic applications for OTC drugs starting from weight control drugs to analgesic drugs and lots of more.[3]. The govt. and different pharmaceutical companies are taking over various initiatives to make awareness about different drugs and shift Rx to OTC. Urban India is catching up with the notion of OTC drugs because of the arrival of technology and advertisements, high work stress levels and increasing health awareness. Increasing awareness about the cost-effectiveness of self-medication and OTC medicines is additionally an important factor in fuelling the market growth. However, the doctor's willingness to prescribe OTC and therefore the prohibition of advertising for common ailments are the main restraints hindering the expansion of the market.

Since these drugs don't require a prescription, they're cheaper and accessible to consumers. By placing mostly used balms, painkillers and cough syrups under OTC, they will be easily sold at the counters of grocery stores and other shops without a drug license. Some FMCG companies, like Hindustan Unliver, P&G are entering the OTC sector and increasing their market over areas that have remained inaccessible. One of the main obstacles for pharmaceutical companies is their reach to the remote regions of the country. The only way of reaching these areas is thru FMCG companies, but this represents a threat to the pharmaceutical companies. It is estimated that because the chemists reach is about 4 per cent while that of a country store is 14 per cent, a grocer is 52 per cent and others 22 per cent. Indian market is estimated to be worth \$ 1,793 million with an annual growth rate of approximately 23 per cent. [4] Pharmaceuticals industry of India is about 2.4 per cent of the

worldwide pharmaceutical industry by value and 10 per cent by volume. There are various categories comes under OTC, and there are some categories out of these which have use for the purpose of brand building through on Television, newspaper and in other medias are as below:

Major categories of OTC purchase by Indian consumer are as below [5]:-

Sr. No .	Categories	OTC Drug
1	Analgesic/ Cold Tablet	Dcold, Disprin, Stopache, Crocin
2	Skin Treatment	Itch Guard, Krack, Ring guard
3	Vitamin/ Tonic/ Heath Supplements	Horlicks, Chawanprash–Dabur, Complian, Boost, SonaChandi, Calcium Sandoz, Revital
4	Rubs/ Balm	Zandu, AmrujanjanMoov, Iodex, EmamiMentho Plus, HimaniFast Relief
5	Pain Relief Spray	Volini spray, Moov spray
6	Antiseptic cream/Liquid	Boroplus, Dettol



Source:-Statista August 2019







The above graph revealed us constant growth of OTC drug market in India. OTC drug market revenue in India was US \$ 3,108 million in the year 2012, then reached at 3,789 million in 2018 and expected to be expand at US\$ 4,663 million in 2023.^[6]

As per the survey report of Statista August 2019 TableNo.(1), India ranks at 6th position as compare to revenue generated through OTC drugs. It means this 6thrank show that India has very great scope in revenue generation through OTC medicines.

Source: - Statista August 2019 Table No.(1)

Conclusion

Major Consumers prefer to use OTC drugs for minor ailments. India is one among the emerging markets for OTC drugs and offers significant growth potential for the industry. India’s market is increasing because of the increasing healthcare spending, harmful nutritional habits, increasing population, and growing healthcare consciousness. The reasons behind increasing of overall market in region are increasing disposable

Top 5	
 United States	US\$27,279m
 China	US\$20,273m
 Japan	US\$6,383m
 Brazil	US\$4,712m
 Germany	US\$4,101m
 India	US\$4,097m

income of people and there are also two major elements which drive towards change in the consumer approach toward self-medication and increasing population. Thus, the increasing awareness about the cost-effectiveness of self-medication and OTC medicines is additionally an important factor fueling the market growth. There is also the rapidly growing population, which is coupled with the fact that the middle class in these regions is expanding on a large scale, therefore majority of the population access OTC medication. Thus, the increasing investments of market giants within the emerging market are expected to drive the expansion of the general market. There is also the rapidly growing population, which is coupled with the fact that the middle class in these regions is expanding on a large scale, therefore majority of the population access OTC medication.

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