

A Marketing Strategy use by Pharmaceuticals companies for Over the Counter drugs (OTC)

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Abstract:- In this study researcher aims to analyze various marketing strategies of pharmaceutical companies to promote their OTC drugs and also to study most preferred products in OTC drugs categories. Chemists are allowed to sell such products on their own and patients can buy them without any medical advice or consultation. Consumer familiarity with the brand is one of main reason to growth of OTC drugs and this happened because Pharmaceutical companies used various marketing strategies to promote OTC drugs.

Keywords: - OTC drugs, Marketing Strategy, common ailments

Introduction

The market of OTC drugs is becoming noticeably crowded because of constant new companies are entering in market; hence Consumers have more choices available. Over the counter (OTC) Marketing is rising steeply. With the rising cost of health care, more and more consumers are choosing 'self-medication' decisions. Market is expanding due to favorable regulation and growing numbers of drugs and also more number of consumers switching from Rx to OTC. OTC drug producers and retailers are adopting many online as well as offline tools to better understand consumer needs and buying habits for effectively promote themselves. Most of people turn to OTC drugs first, before visiting a doctor. Their ailments are first addressed with self-treatment. Most of adults also choose to treat minor diseases with OTC medicines before visiting a doctor. The key companies in OTC pharma industry in India are:- GSK, Nicholas Piramal, Sun Pharma, Cipla, P & G, Amurtanjan Health Care Limited, Emami, Himalaya Herbal, Mankind etc.

The Indian Government has interests in making the Pharmaceutical Sector the number one across the globe. Government has taken some steps which reveal through Pharma vision 2020 and National Health Policy schemes. Due to these initiative some drastic changes has taken place like; Speedy shift from Rx to OTC, Affordability of OTC drugs and consumer attitude change towards self- medication. In the market always customer is consider as king, therefore OTC pharma companies are attempting to delight the customers by using various new strategies^[1]

Objectives

- To study various marketing strategies of pharmaceutical companies to promote OTC drugs.
- To study most preferred products in OTC drugs categories.

RESEARCH METHODOLOGY

I have used secondary data to undertake this research study. In this research I have collected this data from various published and unpublished journals, various articles available on various websites, textbooks and different popular journals to analyze the marketing strategy of Pharmaceutical companies for over the counter drug.

Literature Review

Global market insights report:-This report states that consumer can get economic benefits from consuming OTC drugs instead of clinical visit. Due to easy access of over the counter drugs, lifestyle of consumers has changed from Rx to OTC. Drugs related to lifestyle such as vitamin, weight loss, sleeping aid have huge demand not only in developed but also increasing in developing region. Seasonal minor ailments such as cold, cough and flu is more responsible in increase the demand of OTC drugs. The most popular OTC drugs for Analgesics is well-known globally, hence this segment obtain significant market share. Now change of Rx drugs to OTC category has more enlarged OTC industry growth and will continue to stimulus growth in near future. New companies are entering and coming with new chain of Variety in OTC drugs in this category will continue expanding industry growth in coming 5-7 years.

Aashiek Cheriyan, S. Tamilarasi (May 2019) states that- India is famous for its medical sciences and its rich custom in the field of Drugs. From the ancient time issues related to health was solved either by self or through the advice of family & friends. But, hospitals, doctors and pharmacies came into the picture due to the urbanization. More number of patients doesn't buy the medicines prescribed by the doctors. People don't approach a physician for the common ailments and save the physicians time as well as that of the patients due to OTC pharma drugs. He further states that the marketers cannot forecast behavior of consumers which is keeps on changing due to various factors. Therefore, the marketers in all the fields observe their consumers deeply to avoid missing their market share. As per the consumer's tastes and preferences the industries irrespective of all the fields keeps on updating their products or comes up with a new product in order to create uniqueness in the minds of the customers.

Abhishek Dadhich and Prof. (Dr) Kavaldeep Dixit (2015) states that the pharma companies are using new marketing strategies in order to attract the public towards OTC market. The pharma companies always look upon their position and their competitor's strategies and then decide whether to continue with the same strategies or to alter it according to the changing scenario. Whether to become a market leader or to become a market niche depends upon the strategies selected by the companies.

OTC Marketing of Drugs Vijay Bhangale (2007) state that Doctors and consumer when asked views on which categories were suitable for OTC, both groups were interested to more OTC treatments for Cough & cold, muscle pain, cuts & burns, diarrhea and skin problems and also both Doctors as well as consumers are ready to accept OTC drugs. One of the key factors behind in a successful Rx-to-OTC switch is great consumer awareness.

Worldwide OTC

According to a new research report by Global Market Insights Worldwide OTC Drugs Market is expected to surpass US \$178 bn. by 2024.^[2] Increasing healthcare awareness among people and cost-effectiveness with OTC drugs will promote this industry. Switch from Rx to OTC drugs serves as high impact rendering factor on Pharmaceutical industry growth over the forecast period. OTC painkillers have use in the treatment of fever, headaches, flu, colds, musculoskeletal injuries, toothaches, and menstrual cramps which will shoot demand. Some common ailment has considerable growth in cold, cough and flu segment and this demand is increasing due to number of individuals catching cold and flu multiple times in a year. Pharmaceutical Industry major players are concentrating on new product development and acquisition strategy to gain market share.

Marketing Strategy

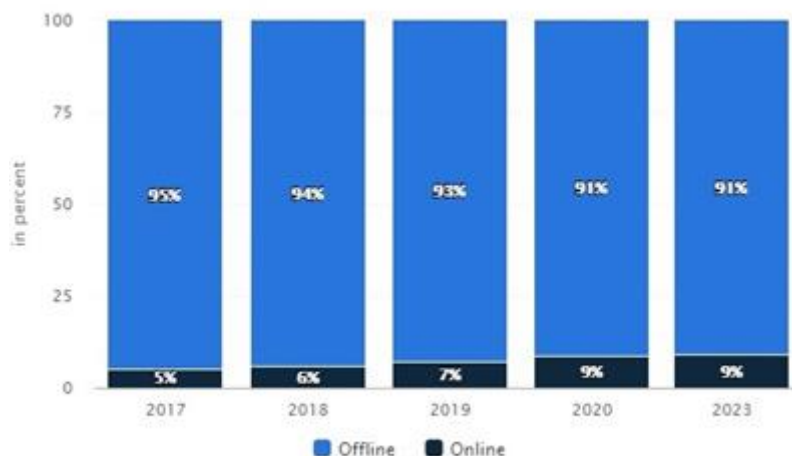
There is various strategies use by pharmaceutical companies to promote over the counter drugs. These strategies are as below:-

A] Push and Pull Strategy:- Through **Push strategy** the market intermediaries, such as the distributors, wholesalers and retailers are offered a variety of incentives to push the OTC drugs in the health care market. Normally, in this strategy, the distributors are motivated to promote these drugs to the wholesalers, who, in turn, promote the drugs to the retailers, who finally push the drugs to the consumers. In **Pull strategy** customers are motivated by drug manufacturers to buy OTC drugs from retailers through various promotional programmes. This strategy is more effective in strong brand identity, high brand loyalty situation.

B] Integrated marketing communication (IMC) tools: - IMC has adopted as the best possible way to promote OTC medicines effectively. The major elements of IMC are as below:-

- 1) **Advertising:-** This is very effective and commonly applied as mass media by most of the companies to popularize their OTC drugs. Advertisement can be seen on television, outdoor media, transit media etc.
- 2) **Personal Selling:-** Personal selling is a person to person dialogue between chemist/retailor or doctor and Seller. Through this strategy sales person of pharmaceutical company attempt to convince the chemist or doctor to buy their medicines.
- 3) **Word-of-Mouth: -** This is quite popular strategy. The benefit company get from this strategy is revealed by further information. Among all consumers 70% are influenced

by the recommendations of their peers while 90% of 18 to 24-year-olds trust medical information acquired through social media while one-third of the adults search online to understand a medical condition. OTC drug company brands have great opportunity to work with respected pharma industry influencers and thought-leaders.



Source: - Statista, 2018

- 4) **Sales Promotion:**-It consist activities other than advertising, personal selling and public relations which are used in promoting sales of OTC drugs. Premium coupon, distribution of samples, off-price selling etc. are the few examples of sales promotion techniques applied by pharmaceutical companies.
- 5) **Online Marketing:** - It is one of the newer pharmaceutical marketing tactics to be used by drug manufacturers. Social media is often used to get attention online because many OTC drug marketer use social media to market their drugs. Patients also get information online about treatments for their health conditions. In the OTC Pharmaceutical market, 9% of total revenue will be generated through online sale by 2023. By the year 2023 the sales channel will have a gradual shift from the offline stores to online stores. In the year 2017 there was only 5% in the online sales but by the year 2023 the online sales will shoot up to 9% (Statista, 2018).^[3]

C] Value-driven content creation:- The perfect mix of value-driven, blog content, emotive messaging, social media posts, and eye-grabbing visuals, this particular campaign in on the importance of caring for one another. When building a such campaign around a particular OTC drug or topic, develop an emotional message that encourage a wealth of user-generated content, using a well-crafted message for social sharing.

D] Guerrilla marketing: - This strategy is very aggressive in the competitive world. In this strategy constantly think creatively by marketers. Guerrilla marketing occurs in unexpected ways. Sometimes OTC drug marketer might directly target their competitors in some unexpected way. Most of the companies consider this as a good method for being able to stand out from the crowd. This is also one among the more risky sorts of OTC drug marketing because sometime the norms are challenge.

E] Emotional Connections: - Frequently, health care purchases are the result of a much more rational decision-making process than other products. Most of the people buy a OTC drugs just because it is advertised by his or her favorite celebrity or he/she finds the aesthetics of the pill appealing. Most of the ailments are related to health and body and this things which are precious to everyone, it does make sense to try to induce the sentimentality. E.g.:- Pain treatment is a common goal for many OTC drugs. A positive storytelling with a remarkable pain relief can touch the emotional harmonies of the people.

F] Customer Loyalty Programme:- This is also very effective marketing strategy applied by OTC drug marketers. There are certain OTC drug are buy on an as-need take place but some drugs like vitamins and supplements are generally consumed daily. This regular use makes the OTC industry in boom state. Loyalty programme can increase repeat purchase rate. Loyalty programs are part of relationship with a company. A decent loyalty program can make or break a business.

Conclusion

This above study shows us that successful marketing strategy of the OTC product applied by Pharma companies can be performed well. OTC drug marketers use some traditional marketing strategy and also use some aggressive and modern strategy like guerrilla marketing, customer loyalty programme etc. to attract customers towards their drugs. Most preferred OTC drugs are Vicks, Strepsils, Amrutanjan, Zandu balm, Revital, crocin, Hajmola, Eno, Volini spray, Dettol, Itch guard, Horlicks, Bournvita etc. Every Pharma company take more extra and different efforts for increasing awareness of health all over the world and slow and steady progress of OTC medicines towards becoming a regular category in buying through various online and offline mode. Among all media influencer's television is the strongest for effective marketing. In the early success of OTC switches innovative integrated media strategy would be one of the major reasons.

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