

# An Empirical Study on Branding in Cardiovascular Segment of Pharmaceutical Industry

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**Abstract**—Purpose- This study is focused for understanding the strategies adopted in branding to influence the mind sets of the Health Care Professionals in Cardiac division. The objective behind selecting this topic was that branding is the next coming evolutionarily step for the Indian pharmaceutical market as it is already established phenomenon in international market on a very wide spectrum. Indian pharmaceutical industry also understands the importance of branding and its long term benefits. According to the report by IBEF, the Indian pharmaceutical market has increased at CAGR by 17.46% in 2015-2016. It helps in building long term relationship between the HCP's, patients and companies which leads to prolonged life of a product and due to increasing competition in the market and to have a competitive edge over others, branding can be used as a tool for differentiation. Further this study also identifies the relevance of corporate branding in Pharmaceutical industry and facilitate in developing new strategies that can be used by pharmaceutical industry for branding of existing products and for their new product range also.

**Methodology**- This study was conducted on 50 Doctors dealing in cardiovascular segment in Delhi and Noida hospitals. The descriptive research with the help of questionnaire filling has been done. The statistical tools like mean, mode and standard deviation were applied to analyze the data.

**Results**- The result indicated that the role of advertisements, CME's, healthcare professionals, branded and generic drugs, packaging etc. maintained the brand strategies in the Indian pharmaceutical market. When it comes to the pharmaceutical companies, branding is considered to be the major factor that helps to differentiate between the companies with the help of logos, symbols and brand names.

## 1. INTRODUCTION

The policies of the Government of India are intended next to build more hospitals, boosting local access to healthcare, improving the quality of medical training, increasing public expenditure on healthcare to 2-3 per cent of GDP, up from the current level of 1 per cent. India is home to 10,500 manufacturing units and over 3,000 Pharmaceutical companies. India's Pharma exports stood at US\$ 14.7 billion in 2012-13, registering a growth rate of 11 per cent. India plans to increase its total exports to US\$ 25 billion by 2016 (Indian Brand Equity Foundation, 2013).

As per "Pharma Vision 2020", Indian Pharmaceutical market has an estimated value of about \$ 13 US billion for the year 2012 and expected to rise to about \$ 49 US billion for the year 2020<sup>3</sup> which is about 4 time fold increase in the market value.

## Indian Pharmaceutical Market Segments

According to Indian Brand Equity Foundation, 2016 the Indian Pharmaceutical market comprises of chronic diseases which needs the treatment for about a period of more than 6 months to 3 years where as acute diseases require the treatment for 1 to 3 months. Among the these cardiovascular disease which has been classified in chronic constitute 13 per cent of the market share; its contribution is likely to rise due to the growing number of cardiac cases in India

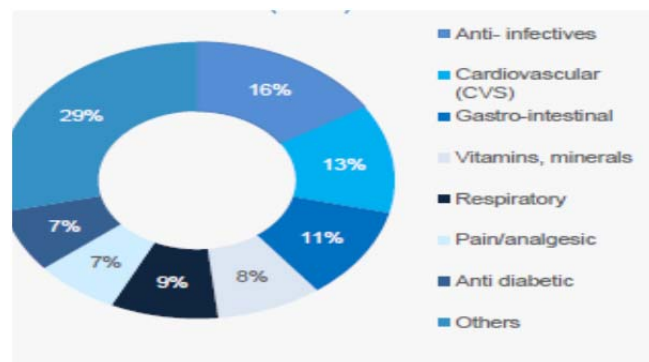
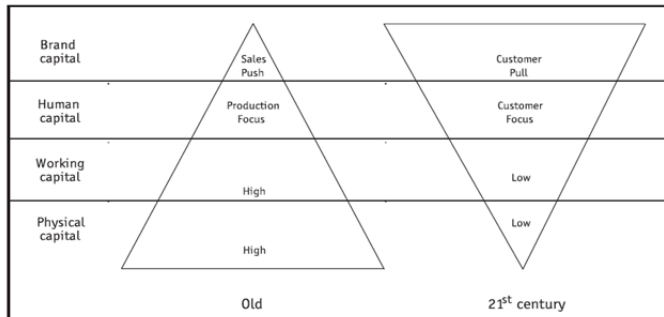


Fig. 1: Indian Pharmaceutical Market Segments,  
Source- IBEF, 2016

## Pharmaceutical Branding

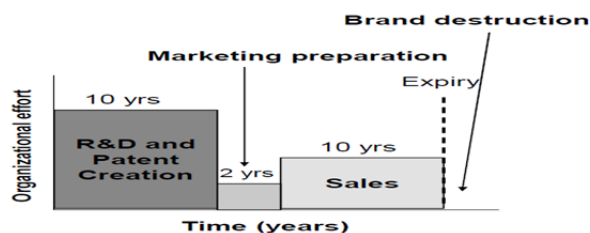
Many branding strategies used by consumer goods companies are not accepted in Healthcare field. There are strict regulations that don't allow companies from buying a physician loyalty by use of expensive gifts or holidays packages. According to Viitanen (2004) there are many changes in that took place in the business structure in pharmaceutical industry from the traditional to the 21<sup>st</sup> century business as shown in the following figure: (Bendraruk, 2005).



**Fig. 2: The transition of business structure from traditional business to 21st century business –adapted from Viitanen, 2004.**

As it is depicted in the old model is opposite to that of the new model which is being used by the industry in 21<sup>st</sup> century. Previously there use to be high physical capital investment and high working capital; previously it was all product focus. Manufacturing was being done and then sales are conducted according to the production of the company. But now scenario is completely changed; now the main focus of the industry is all on its consumers i.e. what there consumers want and according to their need the production of the company is decided and hence low working capital and physical capital is seen.

Currently the traditional approach to pharmaceutical brand positioning involves customers essentially reacting to statements developed by the marketing organizations so as to market their product in front of their consumers. (S.J.Kumar, 2013)



**Fig. 3: Lifecycle of a Brand in Pharma segment, Source: G.D Moss (2007) 'Pharmaceuticals- Where's the brand logic?'**

It is shown in the Fig. 3 that the efforts and time that the company put into creating a product is on a higher side. The first step in lifecycle of brand is that company spends 10 years in R&D and patent creation and then 2 years taken for marketing preparation and then the sales is done for about 10 years and at last the brand expires. So to reduce this loss and to get benefitted, the branding is required to elongate the life of product.

## 2. LITERATURE REVIEW

### Pharmaceutical Market Trends

Branding enhances the visibility of the medicines in pharmaceutical industry. They not only differentiate among

the brands but also increase the brand value. In this book titled "Pharmaceutical Marketing and Emerging Trends", **Anshal Kausherh (2006)** had explained about the changing global economy which has concern over healthcare. The author emphasized more on developing new strategies for reaching out the customers. DTCA - Direct to consumer advertising is the proposed new strategy. He suggested in crafting a competitive strategy which is consumer centric and country specific as it aims in better consumer satisfaction. Sales force play a very important role in building brands, therefore, pharmaceutical industry is spending billions of money in training them effectively, so that they can effectively implement the strategy in building brand in front of doctors and other stakeholder. A study by **Elling et al., (2002)** "Making more of Pharma's sales force" is highlighting the problems faced by the Pharmaceutical companies. They appoint the sales representatives to meet the doctors and have a word with him regarding the product of the company and make them prescribe in the prescriptions which will be dispensed by the retailers. This whole process increases the sales of the particular product which results in the increase of revenue which is the target of the Pharmaceutical companies. Thus, Pharmaceutical industry is adopting a systematic way in building impressive brand.

### Pharmaceutical Branding

The pharmaceutical branding helps to develop the differentiation in between the products for the pharmaceutical companies. In the study by **Josef Bendraruk (2005)** on Dose brand differentiate pharmaceuticals on 10 Czech Republic psychiatrist about brand and its emotional content differentiate pharmaceuticals as well as rational data derived from clinical studies and he concluded that emotional Branding in pharmaceuticals exists and pharmaceutical brands is likely to develop differently than the same consumer goods products it seems to build predominately on long term positive experience. According to **Veseline Dickov (2012)** implicated that the pharmaceutical industry generally focuses on innovations and technologies advancement in order to build favorable brand in the mindset of doctors as well as patients.

In the field consideration of branding procedure, the brand loyalty can be established via sustained campaigning and also price and product attributes do play a significant part in influencing customers and additional to these the brand communication including press, advertising, public relation, online, direct marketing should focus on emotional values. This has been studied by **Preeti (2005)** in her December 22, issue of 'Brand channel he did a study and it was focused to know about how pharmaceutical drug manufactures could utilize similar methods used in FMCG industry to connect with the consumer on emotional level, in order to build brand loyalty so as to prevent its shift from branded to generic. Similarly, **Isabelle Schuilling and Giles Moss (2005)** did a study on currently in the Pharma industry comparing to that of FMCG on his study on Branding Strategies, he concluded that

pharmaceutical is lacking behind FMCG industry in terms of Branding and can be benefited by understanding the strategies used by the FMCG to guide and formulate strategies on its basis for pharmaceuticals.

In the comparison of the scenario of 2004 and five years back, **Sharon Horstan (2004)** compiled that the current strategies adopted by the companies to enter into the market, and a result of his paper he concluded that competition has increased exponentially.

According to the report by EIU (The Economist Intelligence Unit, 1992), the role of branding in the pharmaceutical industry was being identified for main three factors i.e. to prevent communization, differentiation and to enhance lifespan of product. The current reason for branding has been largely seen as defense against generics. In the report by **Zahre Ladha (2005)** highlighted the importance of corporate branding and the impact of branding on the lifecycle and lifespan of the product. He focused on the competition and strategies for promotion, packaging, naming, advertisements by slogans and logos

Thus, by various studies it has been proved that pharmaceutical branding is the backbone for the pharmaceutical industries to maintain the image in the market place.

### 3. RESEARCH OBJECTIVES

- To understand the relevance of branding in Indian pharmaceutical industry with reference to Cardiac segment.
- To understand the impact of branding strategies in the doctors mindset.

### 4. RESEARCH METHODOLOGY

A total of 50 cardiologists were selected for the survey which aims in highlighting the increase of Branding in Indian pharmaceutical industry especially within health care professionals. There were various variables which were identified during the secondary research which was being done and on the basis of which the questionnaire were drafted, keeping all those variables in mind and covering all those variables.

### 5. RESULTS

The results analyzed proved the importance of branding in the Indian pharmaceutical sector. The various variables shown in the table 1 about their own importance in doctor's mind set as they help them in improving the brand image as well as its stability in the market.

**Table1: Mean Value of Variable**

S. No.	Statements	Mean	Standard Deviation
1	Advertisement create awareness of the product	4.12	0.517
2	Launch meetings keep me updated with new entries into market	4.12	0.594
3	Relationship with Med rep's influence the prescribing behavior	2.98	1.152
4	Free Samples provided are useful in maintaining the sense of branding	3.78	1.112
5	Aware of all the prescribing drugs of cardiovascular segment	3.87	0.792
6	Keeping updated with all brands I deal with	4.08	0.752
7	CME's conducted by the Pharma companies are very helpful in improving and updating the knowledge	4.10	0.789
8	Going Through the journals and brochures provided in leisure time	4.22	0.545
9	There is no difference in generic and branded drugs	2.18	1.257
10	Easy Names or catchy names are easy to recall irrespective of the products or drugs	3.98	0.638
11	Differentiating the companies on the basis of their logo	3.56	0.760
12	Organoleptic Character (taste Differentiation) is maintained by different brands	3.56	0.760
13	Organoleptic Character ( taste differentiation ) is maintained by different brands	3.44	0.972
14	Catchy Slogans always help in remembering the product	3.76	0.847

As per the values provided in above table 1: Advertisement reminds doctors of the new products that have been launched as the mean obtained for this is 4.22. For any product it is important that is recognized in the market and that is created by the help of advertisements and same is the case with the launch meetings which are being organized as to update, they are also help in keeping updated regarding the new entries into the market.

There is no difference between branded and generic drugs maximum number of doctors strongly disagreed to this statement which is very well evident in the mean obtained 2.18. The doctors when asked that catchy names are easy to recall irrespective of the products or drugs to this also most of them agreed to as names are to be written on the prescription and it should be easy and short so that it's not a tough job to

remember the product name because then doctors will opt for the drugs which have easy names and are easy to recall for this a mean of around 3.96 was obtained.

A mean of 3.56 was obtained for can they be able to differentiate on basis of their logos most of them were not sure about it but at the same time around 40% of the doctors agreed that yes they would be able to differentiate products on the basis of their logos. And for that organoleptic characters are maintained by different brands for this there was a 50-50 response obtained from the doctors but most of them were not sure that in case of cardiovascular medication this is taken into practice, one of them said 'this is being used in OTC medication to make a difference but not in prescription medication like in case of cardiovascular'. So, these above mentioned factors are very important to establish the brand image in front of doctors.

## 6. CONCLUSION-

Indian Pharmaceutical Industry is growing by leaps and bound in terms of better disease management and patient's compliance. Though life style diseases are taking toll on patients, but still Pharmaceutical industry is able to improve drug efficiency and better brand management in their respective domain. Henceforth, pharmaceutical companies when dealing with chronic diseases like Cardiovascular, cancer and diabetes have to be more efficient in utilizing the resources. This study was conducted in Delhi and Noida covering 50 doctors who were dealing with cardiovascular diseases. They were being asked about branding which is being used to by the pharmaceutical companies as a tool to have a competitive edge over their competition.

Based on the results obtained from both the secondary as well as from the primary research the conclusion can be understood in four ways. First iss about the awareness of branding, the advertisements create a brand image for any product in the market helping to create the awareness. In this procedure the brochures and CME's are helpful in improving and updating the knowledge. In terms of interest for the branding process, the logos, symbols and catchy slogans help to differentiate between the companies. Third part is about the desire of branding in which branded drugs are considered to be the more effective than generic drugs. Last is the action in terms of branding, where the competition has a positive impact on the quality of products.

In this way, pharmaceutical companies are competing with best management practices and better branding techniques in order to maintain their distinctiveness in the market. Companies are regularly reviewing the product portfolio, building customer centricity and achieving organizational agility, so that they can maintain their contemporary significance.

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