Introduction:

Pharmaceutical Market

The Indian Pharmaceutical Industry today is in the front rank of India’s science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously.

Playing a key role in promoting and sustaining development in the vital field of medicines, Indian Pharma Industry boasts of quality producers and many units approved by regulatory authorities in USA and UK. International companies associated with this sector have stimulated, assisted and spearheaded this dynamic development in the past 53 years and helped to put India on the pharmaceutical map of the world.

Growth Scenario

India’s pharmaceutical industry is now the third largest in the world in terms of volume. Its rank is 14th in terms of value. Between September 2008 and September 2009, the total turnover of India’s pharmaceuticals industry was US$ 21.04 billion. The domestic market was worth US$ 12.26 billion. This was reported by the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers. As per a report by IMS Health India, the Indian pharmaceutical market reached US$ 10.04 billion in size in July 2010. A highly organized sector, the Indian Pharma Industry is estimated to be worth $ 4.5 billion, growing at about 8 to 9 percent annually.

The Top 10 Pharmaceutical Companies in India

Pharmaceutical Companies in India are developing at a faster pace and this industry holds the pride of being the second largest growing industry in India. This sector offers a lion’s share toward the economic development of the country. It has been predicted that by the year 2015, the Indian Pharmaceutical Sector would be the third largest industry all over the globe with an output of 20 billion US dollars.

Above all, the Government of India has many schemes for the development of pharmaceutical industry like tax breaks, proper clinical procedures and new procedures for manufacturing of drugs. The names of leaders in Pharmaceutical sector in India are given below:
The Top 10 Pharmaceutical Companies in India:
- Ranbaxy
- Dr. Reddy’s Laboratories
- Cipla
- Sun Pharma Industries
- Lupin Labs
- Aurobindo Pharma
- GlaxoSmithKline Pharma
- Cadila Healthcare
- Aventis Pharma
- IPCA Laboratories

Future Prospects
Up until 2015, we expect pharmaceutical sales to rise by 8% p.a. to just under EUR 20 bn, compared with an increase of 6% in the world as a whole and 5% in Germany. But even then, India’s share in the world pharmaceutical market would only come to slightly over 2% (Germany: 7%). In Asia, India looks set to lose market share, as other Asian countries are registering even stronger growth.

**India's pharmaceutical industry on course for expansion**

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Sources: Global Insight, VCI; Forecast: D8 Research

**Ethical Pharmaceutical Marketing**
Ethical Pharmaceutical Marketing is the marketing of drugs through prescriptions.
Ethical Pharmaceutical Marketing as stated by the *IFPMA (International Federation of Pharmaceutical Manufacturers and Associations) is:
The ethical promotion of prescription medicines is vital to the pharmaceutical industry’s mission of helping patients by discovering, developing and marketing new medicines. Ethical promotion helps to ensure that healthcare professionals have access to information they need, that patients have access to the medicines they need and that medicines are prescribed and used in a manner that provides the maximum healthcare benefit to patients.
The effectiveness of Ethical Marketing lies in the decisions taken by healthcare professionals to prescribe medicines to patients. The pharmaceutical industry has an obligation and responsibility to provide accurate information and education about its products to healthcare professionals in order to establish a clear understanding of the appropriate use of prescription medicines.
*(The IFPMA Code of Pharmaceutical Marketing Practices sets forth standards for the ethical promotion of pharmaceutical products to healthcare professionals, and for member companies’ interactions with them.)*

Prescription Drugs are those that fall under two schedules of the Drug and Cosmetics Rules, 1945: Schedule H and Schedule X. Drugs falling under Schedule G require the following mandatory text on the label: “Caution: It is dangerous to take this preparation except under medical supervision” and hence are not advertised to the public voluntarily by the industry.

**OTC Pharmaceutical Marketing**
‘OTC Drugs’ means drugs legally allowed to be sold ‘Over The Counter’, i.e. without the prescription of a Registered Medical Practitioner. In India, though the phrase has no legal recognition, all the drugs that are not included in the list of ‘prescription drugs’ are considered as non-prescription drugs (or OTC drugs).

The Indian market for over-the-counter medicines (OTCs) is worth about $940 million and is growing 20 percent a year, or double the rate for prescription medicines. The government is keen to widen the availability of OTCs to outlets other than pharmacies, and the Organization of Pharmaceutical Producers of India (OPPI) has called for them to be sold in post offices. Developing an innovative new drug, from discovery to worldwide marketing, now involves investments of around $1 billion, and the global industry’s profitability is under constant attack as costs continue to rise and prices come under pressure. Pharmaceutical production costs are almost 50 percent lower in India than in Western nations, while overall R&D costs are about one-eighth and clinical trial expenses around one-tenth of Western levels. India’s long-established manufacturing base also offers a large, well-educated, English-speaking workforce, with 700,000 scientists and engineers graduating every year, including 122,000 chemists and chemical engineers, with 1,500 PhDs. The industry provides the highest intellectual capital per dollar worldwide, says OPPI.
Drugs which do not require a prescription are also promoted via the doctor because:

- Marketing through medical representatives is less expensive than mass media advertised marketing. This makes proprietary medicines higher priced than equivalent ethically promoted drugs.
- Doctor influence is strong in patient purchase behavior.
- Distribution of OTC allopathic medicines is limited to drug licensed stores (mainly pharmacies).

Advertising to the General Public
The Drug & Magic Remedies (Objectionable Advertisement) Act mentions a list of ailments for which no advertising is permitted. It also prohibits misleading advertisements, which, directly or indirectly, give false impressions regarding the true character of the drug; make false claims, or are otherwise false or misleading in any particular respect. The DCGI's office—in collaboration with OPPI—has released a Voluntary Code on OTC Advertising, which is being followed by all OPPI member companies.

Currently, there is no specific law, which prohibits the advertising of prescription drugs although industry practice is not to advertise prescription-only drugs. The DCGI's office is considering coming out with a notification prohibiting the advertising of any drug, which legally requires a doctor’s prescription for its purchase.

The following OTC medicines advertising can be seen on TV in India:
- Digestives
- Antacids
- Anti-flatulents
- Cold rubs and analgesic balms/creams
- Vitamins/tonics/health supplements (especially herbals and Ayurvedic-registered)
- Medicated skin treatment
- Analgesic/cold tablets
- Antiseptic creams/liquids
- Glucose powders
- Cough liquids
- Throat lozenges
- Medicated dressing (band-aids)
- Baby gripe water.

The Role of Advertising in Ethical Pharmaceutical Marketing
The Indian market poses a challenging task to the advertising industry. The advertising message has to reach a billion people, speaking more than 18 different languages and scattered all across the Indian subcontinent.
Advertising of drugs and pharmaceuticals is really a big challenge. The current Indian population has crossed the one billion mark. For public awareness, providing the basic information about safety and efficacy of drugs is a very difficult task. Currently, pharmaceutical companies, in their marketing strategy, target physicians first. The medical representatives of different companies visit practicing physicians personally and give them detailed information of drugs like activity spectrum, strength, side effects, contraindications and mode of use. The medical representatives do most of the advertising of the drugs. The other forms of drug advertising include seminars and workshops organized by companies to provide information about the drugs to the physicians and patients.

With an eye to become more visible to their customers, Indian pharma companies realize that they need to get into a major branding exercise. With intense competition, it is becoming more important to build an emotional bonding and a relationship of trust and comfort with the customer to ensure loyalty and hence consistent sales. Hence there is a need to differentiate a product from competition and establish a positive image of the drug and the company in the eyes of the customer.

In fact, a distinct brand image is the best security a company is likely to have against competition. Therefore companies are spending more and money with an extensive effort on brand building.

The importance of branding in the pharma industry is also evident from the several brand acquisitions in the recent years. The fact that 25 percent of Pfizer's revenues come from one brand (Lipitor) has often been cited as the importance of branding.

Branding pharma products is much like any other brand-building initiative. The goal is to make your own brand distinguishable against products that are becoming increasingly similar in the decision-maker’s mind. However, there are some peculiarities to branding in the pharma industry.”

The differentiating factor is that pharma companies deal with an intermediary, i.e. the doctor, controlling what consumers might or might not end up purchasing. So most branding activities in the Industry do take that into account and most marketing and communication programmes are focused on building brand equity with the doctor.

The Role of Event Management in the Pharmaceutical Market
Event Management has taken a root in pharma marketing. Many progressive companies are using this tool to propagate their brands. Ranbaxy, Dr. Reddy’s Laboratories, Wockhardt, Glaxo, Novartis, Aventis, Knoll (Abotts), Zydus Cadilla etc are using Event Management extensively to garner sales. There are different types of tools used in event management.

- Organization of Street Shows through Patient’s Awareness Programme
- Organizing Health Camps
- DTC Approach (Direct To Customer Approach)
• Organizing Doctors Meet
• Organizing a Contest for Doctors
• Application of Social Marketing in Event Management