

# **Impact of Promotional Mix Strategies adopted by Pharmaceutical Companies on Consumer Buying Behavior with reference to Pune City**

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## **ABSTRACT:**

### **Purpose**

This paper aims to study the perception of end users i.e., the buyers/consumers who purchase over the counter medicines when they see the advertisement either on television or on any such platforms. When a particular consumer sees the advertisement them, he makes a purchase decision when it comes to buy such products or medicines at that time which factors effects on his purchase decision if the marketers can know those factors it can help them in redesigning and restructuring their marketing strategies.

Design. Methodology, Approach -Both primary and secondary research methods were employed. Data was collected from 200 participants; questions were Likert scale based on the parameters of consumers changes in likes \dislikes, their purchase intentions and the impact of promotion mix elements. In this study, the researcher had set some questions, which were asked, to the consumers to fill, which was then analyzed to know the actual impact. The respondents were from different parts of Pune, Maharashtra, India. It was observed that the influence of promotional mix elements on consumer's changes, their purchase intention of over-the-counter drugs also changes significantly. Promotional mix elements -sales promotion, Internet Marketing, and Publicity are significantly related to the education of the consumers.

**Key words:** Consumer, Promotion, over the counter drugs and Promotional Strategy etc

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## **Introduction:**

The Indian Pharmaceutical industry has been an important contributor to growth to the global outcome when it come to the export of the healthcare products. The Indian pharmaceutical industry is globally respected and is one of the most successful industries in India. It has been contribution hugely to India's healthcare outcomes and the overall economics growths and development.

According to a report published by McKinsey and Company, Indian Pharmaceuticals 2020, the Indian pharmaceutical industry, and Indian pharma market is expected to grow leading to the affordability of healthcare goods for all the sectors of the society.

## **Literature Review:**

Generally, we classify the medicines into generic drugs and prescribed drugs (Chiu, 2015). The main reason for the classification is based on whether a consumer buys the medicine, or the doctor gives a prescription of the medicine. In such case even if the consumer is a buyer or he/she is the end user who also pays for the medicine, he/she is not the decision maker who decides which medicine to buy from the market. Criterion for a division is whether a product is marketed to the medical profession or directly to the consumers (Macro, 2016). The findings of this study were helpful to understand sales promotion techniques that significantly influence consumer's impulse buying behavior. The researcher the Price discount, free samples, Buy-one Get-one free, found it and Loyalty program were used as sales promotion tools to check its impact on impulse buying behavior (Lemont, 2014). Buy 1 get 1 free and loyalty programs were having the highest impact on consumer's impulse buying behavior which is generally observed in the buying process of over-the-counter drugs (Weerathunga and Pathmini, 2015).

## **Practical Implications -Need of Study-**

Healthcare products promoted through the traders (medical shops) for over-the-counter drugs, some products are promoted through the medical professionals (doctors) where the buyer need the prescription from the authorized doctor. In that case, the promotional tactics and efforts are targeting to either to the trader or a medical professional but there are some products such as over

the counter drugs the promotion has to be done by targeting to the end buyer or a consumer. There were no such studies found which studies the impact of Promotional Mix Strategies adopted by Pharmaceutical Companies on Consumer Buying Behavior with reference to Pune City.

**Objectives:**

1. To find the most preferred promotional mix element by the consumer with respect to medicines and over the counter drugs.
2. To investigate the factors affecting consumer's perceptions of over-the-counter drugs
3. To study the effect of promotional activities of pharmaceutical companies on consumers' perception
4. To examine the perceived importance by the consumers of the promotion of prescribed drugs.

**Hypotheses:**

H0: The buying intention of over-the-counter drugs and promotional mix elements are not significantly related.

H1: The buying intention of over-the-counter drugs and promotional mix elements are significantly related.

**Data Collection instrument:**

The instrument to collect the primary data from the respondents was the structured questionnaire.

**Sampling frames**

400 samples (assuming infinite number of consumers in entire Pune region, 95% confidence interval and 5% error)

**Sampling Method:** Non-probabilistic convenient sampling

## Data Analysis tools

Descriptive statistics, one-way ANOVA (using SPSS), the data is parametric on ordinal scale which means the order in between the variable was not fixed. In the statistical analysis of the data, a one-way ANOVA test was used for statistical analysis. This test is used to compare the means of two or more samples. This test is used only for numerical data, or data based on the responses collected.

### Descriptive Statistics- Perceived importance of promotion mix element.

The table given below shows the perceived importance of pharmaceutical elements and their descriptive statistics. This table was also used to test the hypothesis H<sub>1</sub>-Buying intention of OTC drugs and perceived importance of promotional mix elements is significantly related.

Promotion mix element	N	Min	Max	Mean	Std. Deviation
Advertisement	400	1.00	5.00	3.7950	1.05154
Direct marketing	400	1.00	5.00	3.7150	1.01308
Sales promotion	400	1.00	5.00	3.8250	1.00094
Internet marketing	400	1.00	5.00	3.8850	1.09991
Publicity	400	1.00	5.00	<b>4.0450</b>	1.05867
Overall Mean				<b>3.8871</b>	

Table: Perceived importance of promotion mix element

From the table, it is observed that Publicity is the most important promotion mix among all in consumers' perception. The overall mean of 3.8 on 5-point scale indicated that all the promotional mix elements are 78.00% important in consumers' perception.

## Descriptive Statistics- Factors affecting buying decision of over the counter medicine

The table given below shows different factors which consumer consider while buying over the counter drugs. This question was asked to know and understand the factors which affect the selection and purchase behaviour of the respondents.

Factors considered while making a purchase decision of over-the-counter drugs	N	Min	Max	Mean	Std. Deviation
Family's and friends' opinion and recommendation	400	1.00	5.00	3.5925	1.09290
Pharmacist's opinion and recommendation	400	1.00	5.00	<b>4.0700</b>	.88717
Product brand or producer	400	1.00	5.00	3.7100	1.01166
Pharmaceutical company's country of origin	400	1.00	5.00	3.4200	1.16059
Product advertisement	400	1.00	5.00	3.4325	1.12410
Package design	400	1.00	5.00	<b>3.0350</b>	1.27390
Overall Mean	400			<b>3.5433</b>	

Table: Factors affecting buying decision of over-the-counter drugs

From the above table, it is observed that Pharmacists' opinions are the most influential while buying over-the-counter drugs. It was observed that package design is least important for consumers while buying OTC drugs. Overall mean 3.5 indicates that all the factors moderately influence by 70% on the buying decision of OTC drugs. However, std. deviation values for almost all factors is high (more than 1), which indicates that responses are widely distributed around the mean values. Therefore, more investigation is required to draw conclusions.

### Descriptive Statistics of Customers' level of Agreement with promotional activities:

The table given below shows different statements and respondents were asked to rate their level of agreement. This question was asked to know customers degree of agreement regarding promotional activities.

Customers level of agreement towards Promotional Activities	N	Min	Max	Mean	Std. Deviation
I prefer domestic brands of OTC drugs rather than foreign brand.	400	1.00	5.00	3.6825	.92131
I take into consideration opinions and recommendations from the medicine shop staff when I choose over-the-counter medicines.	400	1.00	5.00	<b>3.810</b>	1.00070
Package design influences my purchase decisions.	400	1.00	5.00	<b>3.077</b>	1.18955
I buy over-the-counter medicines of which I have seen or heard in an advertisement.	400	1.00	5.00	3.370	1.03236
Overall Mean	400			<b>3.532</b>	

Table: Agreement with promotional activities

Overall mean 3.5 in the table indicates that promotional activities have a positive effect on consumers' perception. However, we cannot neglect high std. deviation values which indicate that responses are widely distributed from the mean values.

### **Descriptive Statistics- Perception of frequency of promotional through media**

The table given below shows different promotional media/public relations which are used for the promotion of pharmaceutical products. The respondents were asked to rate the frequency of the use of these promotional media for the promotion.

Promotional Media	N	Min	Max	Mean	Std. Deviation
Television	400	1.00	5.00	<b>4.1975</b>	.86334
Newspaper/ magazines	400	1.00	5.00	3.8875	.95242
Brochures/ pamphlets	400	1.00	5.00	3.5200	.99351
Signboards/ hoardings	400	1.00	5.00	3.5825	1.01527
Internet	400	1.00	5.00	4.1400	1.01636
By Medical Camps & exhibitions	400	1.00	5.00	3.6775	1.09155
Other	400	1.00	5.00	<b>3.0800</b>	1.22161
Overall mean				<b>3.7264</b>	

Table: Perception of frequency of promotion

Overall mean indicates that consumers perceive that pharmaceutical companies 75.00% use almost all the media for promotion. Again, the high std. deviation values indicate a wide

distribution of responses around mean. Therefore, concrete conclusion may not be drawn based only on descriptive statistics.

### **Descriptive Statistics- Perceived objective of promotion**

The table given here shows the objectives of promotional mix plan. The question was asked to know the respondent's response towards the objective of promotional plan of pharmaceutical companies.

Objectives of promotion	N	Min	Max	Mean	Std. Deviation
To inform	400	1.00	5.00	4.0700	.89560
To persuade	400	1.00	6.00	3.7525	.82337
To remind	400	1.00	5.00	3.7900	.89325
Valid N	400				

Table: A descriptive statistics of Perceived objective of promotion

The above descriptive statistics show that 78.00% of consumers believe that promotions done by pharmaceutical companies are done to inform them about the drug.

### **Hypothesis Testing:**

Responses administered were sent for the hypothesis testing. The hypothesis was tested by using SPSS. To test the hypothesis one way ANOVA was calculated.



H<sub>0</sub>: Buying intention of OTC drugs and perceived importance of promotional mix elements are not significantly related.

H<sub>1</sub>: Buying intention of OTC drugs and perceived importance of promotional mix elements are significantly related.

For this hypothesis One way ANOVA is used in SPSS. The result is displayed in the following table.

Promotional tools		Sum of Squares	df	Mean Square	F	Sig.	Significant/ Not Significant
Advertisement	Between Groups	23.794	4	5.948	5.629	.000	Significant
	Within Groups	417.396	395	1.057			
	Total	441.190	399				
Direct marketing	Between Groups	16.928	4	4.232	4.258	.002	Significant
	Within Groups	392.582	395	.994			
	Total	409.510	399				
Sales promotion	Between Groups	4.136	4	1.034	1.033	.390	Not Significant
	Within Groups	395.614	395	1.002			
	Total	399.750	399				
Internet marketing	Between Groups	38.930	4	9.733	8.663	.000	

	Within Groups	443.780	395	1.123			Significant
	Total	482.710	399				
Publicity.	Between Groups	26.525	4	6.631	6.227	.000	Significant
	Within Groups	420.665	395	1.065			
	Total	447.190	399				

Table: Hypothesis Testing-  $H_1$

From the table, it is observed that except for the sales promotion p-value F test for all other promotional mix elements is less than .05. This indicates that the F test value falls in the rejection area under the bell curve of distribution. Therefore, the null hypothesis ‘Buying intention of OTC drugs and promotional mix elements are not significantly related’ cannot be accepted. Therefore, we accept alternate hypothesis  $H_1$ -partially. In other words, it can be said that as the influence of promotional mix elements changes, the buying intention of OTC drugs also changes significantly.

### Major Findings:

1. It was found that as the influence of promotional mix elements on consumer’s changes, their purchase intention of over-the-counter drugs also changes significantly. Here companies need to identify the exact promotional mix element, which has a positive effect on buying intention.
2. As the age of the consumer differs, his/ her perception of promotional mix elements also differs significantly except in the case of advertisement and personal selling.

3. Promotional mix elements -sales promotion, Internet Marketing, and publicity-are significantly related to the education of the consumers. That means the mean of these promotional mix elements and mean of education differ from each other significantly.

**Suggestions:**

Companies should have exclusive promotional mix elements and tools for OTC drugs and prescribed drugs. Because for OTC the influence of promotional mix elements significantly affects re-buying intention.

The demography of potential consumers must be studied well because it significantly affects the perception of promotional mix elements. If the company wants its potential consumers to buy/recall/recommend their products promotional practices also must be designed accordingly. This study only found that there is a significant relationship between demography and perception of promotions.

**Conclusion:**

Marketing mix strategies include different tools and techniques, which are used by the pharmaceutical companies to increase sales. In the study of the impact of promotional mix strategies on the pharmaceutical company, it was found that as the influence of promotional mix elements on consumers change, their purchase intention of over-the-counter drugs also changes significantly. Here companies need to identify the exact promotional mix element, which has a positive effect on the buying or re-buying intention. As the age of the consumer differs, his/ her perception of promotional mix elements also differs significantly except in the case of advertisement and personal selling. A promotional mix element which includes sales promotion, Internet Marketing, and Publicity are significantly related to the education of the consumers.

That means the mean of these promotional mix elements and mean of education differ from each other significantly.

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