

**“MANAGEMENT OF SALES PERSONNEL
IN PHARMACEUTICAL INDUSTRY
(A STUDY FOR MUMBAI REGION
FOR THE PERIOD 2002-2007)”**

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For the Award of Degree of
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(Management Faculty)

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CERTIFICATE

CERTIFIED that the work incorporated in the thesis "**Management of Sales Personnel in Pharmaceutical Industry (A study for Mumbai Region for the period 2002-2007)**" submitted by **Shri. Mahesh Keshav Karajgikar** is carried out by the candidate under my guidance. Such material obtained from other sources has been duly acknowledged in the thesis.

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DECLARATION

I hereby declare that this research entitled "**Management of Sales Personnel in Pharmaceutical Industry (A study for Mumbai Region for the period 2002-2007)**" submitted by me to the Tilak Maharashtra University, Gultekadi, Pune 411037 for the award of the Degree of Doctor of Philosophy in Management Faculty is my original work.

I further declare that to the best of my knowledge and belief, this research work has not been submitted earlier to this or any other university for the Award of this or any other Degree.

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Place: Pune

Date: 25th November 2010

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CHAPTER – I

INTRODUCTION

1.0 INTRODUCTION

The pharmaceutical industry in India is among the highly organized sectors. This industry plays an important role in promoting and sustaining development in the field of global medicine. Due to the presence of low cost manufacturing facilities, educated and skilled manpower and cheap labor force among others, the industry is set to scale new heights in the fields of production, development, manufacturing and research. Pharmaceutical manufacturing involves manufacturing of equipments and drugs in healthcare. Any drug development in pharmaceutical is an intensive and costly process. In the field of pharmaceutical, any drug producing company has a commercial license to research, develop, market and distribute drugs which are mostly concerned about healthcare.

India currently represents U.S. \$6 billion of the \$550 billion global pharmaceutical industry and its share is increasing at 10 percent a year, compared to 7 percent annual growth for the world market overall. Also, while the Indian sector represents just 8 percent of the global industry total by volume, putting it in fourth place worldwide, it accounts for 13 percent by value, and its drug exports have been growing 30 percent annually.

The “organized” sector of India's pharmaceutical industry consists of 250 to 300 companies, with the top 10 firms representing 37% of total Indian Pharmaceutical Market. However, the total sector is estimated at nearly 20,000 businesses, some of which are extremely small. Around 90 percent of India's demand for medicines is met by local manufacturing.

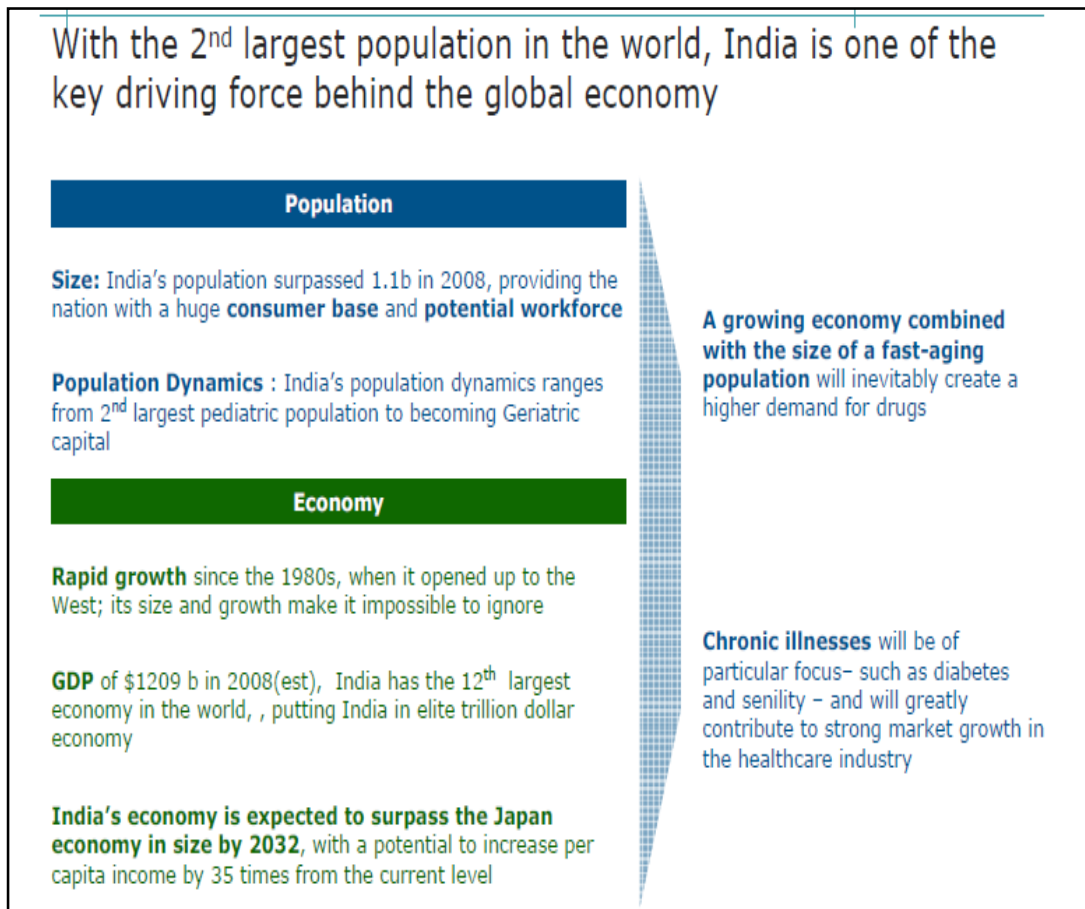
The Indian pharmaceutical market has achieved a tremendous growth and has showed further potential in terms of infrastructure, development and technology.

1.1 HEALTHCARE MANAGEMENT AND EXPENDITURE IN INDIA

The 1983 National Health Policy is committed to providing health services to all by 2000. In 1983, health care expenditures varied greatly among the states and union territories, from ₹ 13 per capita in Bihar to ₹ 60 per capita in Himachal Pradesh, and Indian per capita expenditure was low when compared with other Asian countries outside of South Asia.

Although government health care spending progressively grew throughout the 1980s, such spending as a percentage of the gross national product (GNP) remained fairly constant. In the meantime, health care spending as a share of total government spending decreased. During the same period, private-sector spending on health care was about 1.5 times as much as government spending.

Fig. 1 : India – Key Driving Force

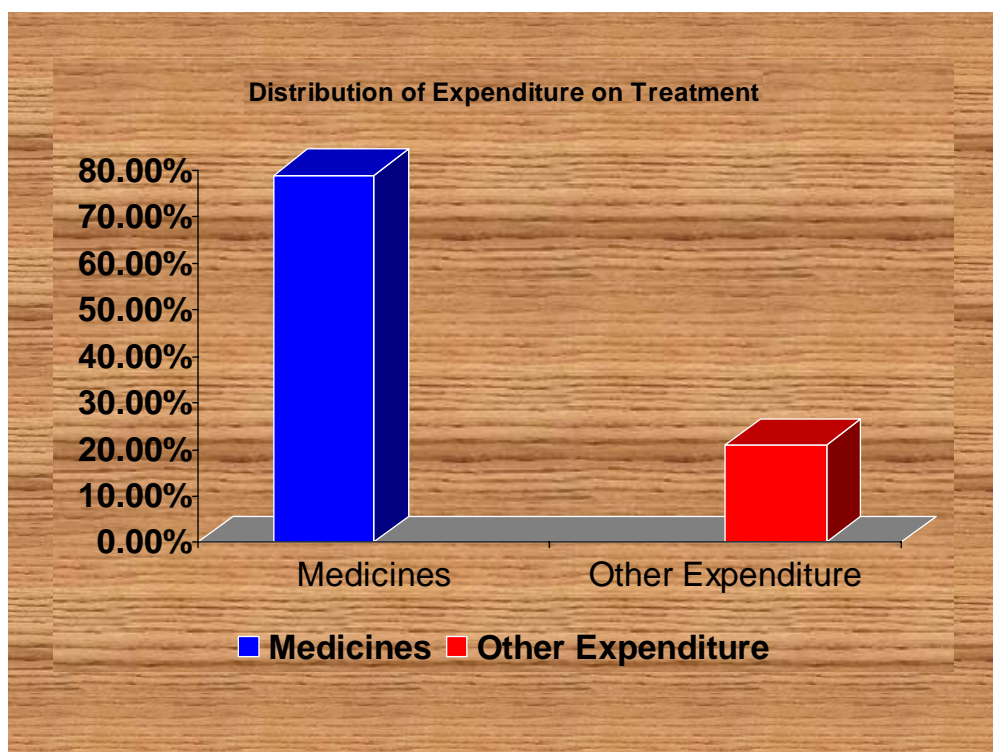


Source : EIU, Goldman Sachs Projections : Dreaming with BRICs : The Path to 2050

In the mid-1990s, health spending amounted to 6% of GDP (Gross Domestic Products), one of the highest levels among developing nations. The established per capita spending is around ₹ 32000 per year with the major input from private households (75%). State governments contribute 15.2%, the central government 5.2%, third-party insurance and employers 3.3%, and municipal government and foreign donors about 1.3 %, according to a 1995 World Bank study. Of these proportions, 58.7% goes toward primary health care and 38.8% is spent on secondary and tertiary inpatient care. The rest goes for no service costs.

The expenditure on healthcare will be more than double by 2012 and the healthcare spending is expected to increase from ₹ 86,000 crore (₹ 860 billion) in 2002 to ₹ 1,94,000- ₹ 2,70,000 crore (₹ 1,940- ₹ 2,700 billion) over the next ten years, according to a CII-Mckinsey (Confederation of Indian Industry-Mckinsey) study on healthcare in 2002.

Graph 1 : Criticality of Affordability of Medicines in India



Source: National Pharmaceutical Pricing Authority

Initially much care was not taken in relation to healthcare and pharmaceutical products. This was due to less number of pharmaceutical companies, lack of capital, and low income group of the major portion of the population. Accordingly it was felt essential to look forward for better healthcare management and allocation of funds. The graph below shows the impact of healthcare sector evident with households spending 11% more on

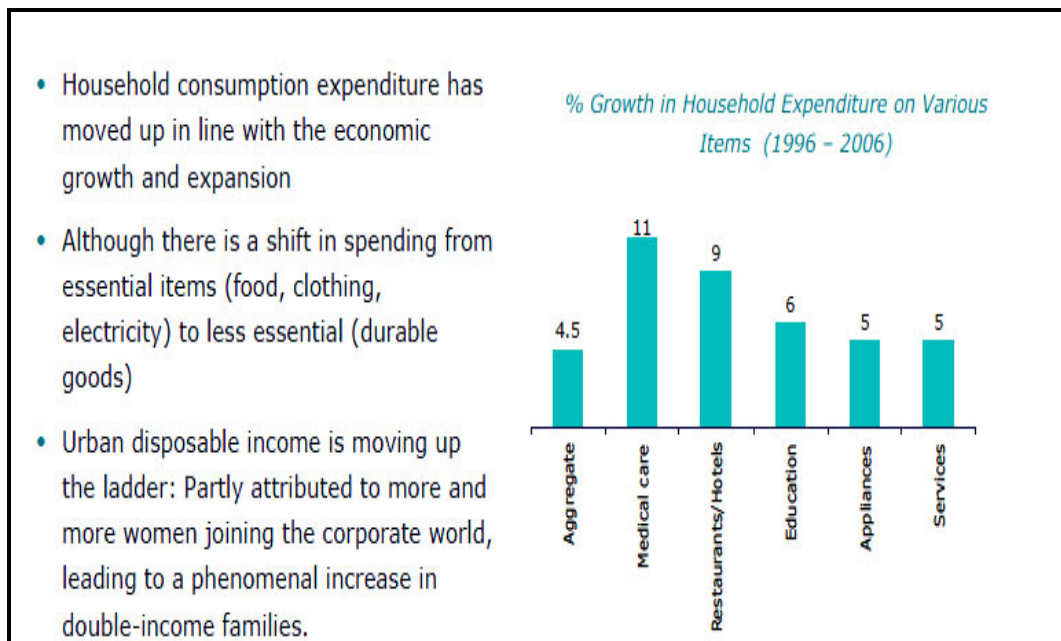
medical care compared to 1996. During the period of the study this percentage has gone up still higher because of increased economical status and health awareness.

Table 1 : Percentage growth in household expenditure on various items (1996-2006)

Type of expenditure	Aggregate	Medical care	Restaurants/hotels	Education	Appliances	Services
% Growth	4.5	11	9	6	5	5

Fig. 2 : Impact on the Healthcare Sector

Impact on the Healthcare sector evident with households spending 11% more on medical care compared to 1996



Source : National Council for Applied Economic Research (NCAER)

The fifth and sixth five-year plans (FY 1974-78 and FY 1980-84, respectively) included programs to assist delivery of preventive medicine and improve the

health status of the rural population. Supplemental nutrition programs and increasing the supply of safe drinking water were high priorities. The sixth plan aimed at training more community health workers and increasing efforts to control communicable diseases. There were also efforts to improve regional imbalances in the distribution of health care resources. Even in the present day context the same trend is predicted.

Primary Health Services and Medical Education in India

Health care facilities and population increased substantially between the early 1950s and early 1980s, but because of fast population growth, the number of licensed medical practitioners had fallen from the 1981 level of four per 10,000 to three per 10,000 by the late 1980s. In 1991 there were approximately ten hospital beds per 10,000 individuals.

In India, Primary Health Centers (PHCs) are the cornerstone of rural healthcare. Each PHC is targeted to cover a population of approximately 25,000 and is charged with providing preventive, curative and rehabilitative care. This implies, offering a wide range of services such as health education, promotion of nutrition, basic sanitation, the provision of mother and child family welfare services, immunization, disease control and appropriate treatment for illness and injury. The PHCs are hubs for 5-6 sub-centers that cover 3-4 villages and are operated by an ANM (Auxiliary Nurse Midwife). These facilities are a part of the three tier healthcare system; the PHCs act as referral centers for the Community Health Centers (CHCs), 30-bed hospitals and higher order public hospitals at the taluka and district levels. The Pyramid of the Health Services in India has district hospitals at its peak, followed by rural hospitals at tahsil and the P.H.C. (Primary Health Centers), Auxiliary Nurse Midwife in villages. Accordingly the need of the hospitals and the pharmaceutical products is consistently increasing. The following can be

stated to be the scope of development under the Ministry of Health and Family Welfare. The state wise data explains that the thickly populated state like UP has less number of hospitals as compared to Kerala. This also shows the uneven distribution of medical and pharmaceutical facilities.

The fast pace of development of the private medical sector and the burgeoning middle class in the 1990s; have led to the emergence of the new concept in India of establishing hospitals and health care facilities on a for-profit basis.

Indigenous or traditional medical practitioners continue to practice throughout the country. The two main forms of traditional medicine practiced are the ayurvedic system, which deals with mental and spiritual as well as physical well-being, and the Unani (or Galenic) herbal medical practice. A Vaidya is a practitioner of the ayurvedic tradition, and a Hakim (Arabic for a Muslim physician) is a practitioner of the Unani tradition. These professions were frequently hereditary. A variety of institutions offer training in indigenous medical practice. In the early 1990s, there were ninety-eight ayurvedic colleges and seventeen Unani colleges operating in both the governmental and non-governmental sectors.

With the increase in medical institutions in India, the pharmaceutical marketing has ample scope for the marketing its products. Especially in the changing economical environment and introduction of new science and technology, the pharmaceutical marketing is becoming more critical. The new medical professionals will look in a more scientific approach; accordingly, the pharmaceutical business has to play the significant role in this area. Following table shows the number of medical colleges, state wise in India, in 2008.

Table 2 : Number of Medical Colleges in India (state wise)

Sr. No.	Name of the State/UT	Number of Medical Colleges		Total number of medical colleges	Total number of MBBS seats	Total number of PG seats
		Govt.	Private			
1	Andhra Pradesh	11	21	32	4225	925
2	Assam	3	-	3	391	219
3	Bihar	6	2	8	510	246
4	Chandigarh	1 + (PG 1)	-	1	50	13
5	Chhattisgarh	3		3	250	44
6	Delhi	5	-	5	560	501
7	Goa	1	-	1	100	39
8	Gujarat	8	5	13	1755	838
9	Haryana	1	2	3	350	113
10	Himachal Pradesh	2	-	2	115	48
11	Jammu and Kashmir	3	1	4	350	197
12	Jharkhand	3	-	3	190	126
13	Karnataka	10	29	39	4755	1669
14	Kerala	6	12	18	2100	420
15	Madhya Pradesh	5	4	9	1120	395
16	Maharashtra	19	21	40	4560	1435
17	Manipur	1	-	1	100	67
18	Orissa	3	3	6	764	184
19	Pondicherry	1	7	8	975	192
20	Punjab	3	5	8	820	776
21	Rajasthan	6	2	8	850	354
22	Sikkim	1	-	1	50	-
23	Tamil Nadu	15	10	25	2865	1178
24	Tripura	1	1	2	200	-
25	Uttar Pradesh	10	6	16	1712	780
26	Uttaranchal	1	2	3	300	60
27	West Bengal	9	-	9	1105	186
	Total	138	133	271	31172	11005

Source: <http://pib.nic.in/release/release.asp?relid=36337>.

1.2 INDIAN PHARMACEUTICAL INDUSTRY AT A GLANCE

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.

It is an extremely fragmented industry with severe price competition and government price control.

The pharmaceutical industry in India has been largely driven by regulatory forces - the DPCO (Drug Price Control Order), which regulated the prices of bulk drugs, and formulations and the Indian Patent Act, which granted process patent to bulk drugs in the past and product patent from Jan. 2005 onwards.

These regulations have resulted in the growth of the indigenous pharmaceutical industry, increased availability of bulk drugs at prices lower than those prevailing in other markets, high level of competition in the domestic market, and the emergence of the India as a key exporter of bulk drugs in the world market during the period 1970-1990.

In 1995, the Indian government as a member of the WTO (World Trade Organization) agreed to adhere to the product patent regime by 2005.

As part of Trade Related Intellectual Property Rights (TRIPS) the Pharmaceutical Industry will have the right to patent products as well as

processes throughout the world including India. The central theme of Trade Related Aspects of Intellectual Property Rights (TRIPS) is to ensure that the innovator's rights are protected.

Being a member of GATT/TRIPS (General Agreement on Tariffs and Trade/ Trade Related Intellectual Property Rights), India is also now having a process and product patents that will be consistent with the patent laws prevailing in the most developed countries.

With the expectation of a product patent regime, the parent companies of a number of multinationals have begun the process of increasing their stake in Indian operations. Multinationals started increasing the pace of new product launch and aggressively building market share by expanding their field force.

Similarly, in order to increase their presence in domestic and international markets, Indian producers also started following a number of strategies, such as, setting up manufacturing and marketing joint ventures overseas, building world class facilities for bulk drug production, entering into alliances with multinationals to launch new drugs and conducting clinical trials in India to enable multinationals to reduce development costs of new drugs.

1.3 THE SWOT ANALYSIS OF THE PHARMACEUTICAL INDUSTRY

It reveals the position of the Indian pharmaceutical industry in respect to its internal and external environment.

Strengths

- ❖ Indian manufacturers are one of the lowest cost producers of drugs in the world. With a scalable labor force, Indian manufactures can produce drugs at 40% to 50% of the cost to the rest of the world.

- ❖ Indian pharmaceutical industry possesses excellent chemistry and process reengineering skills. This adds to the competitive advantage of the Indian companies. The strength in chemistry skill helps Indian companies to develop processes, which are cost effective.

- ❖ The growth of middle class in the country has resulted in fast changing lifestyles in urban and to some extent rural centers. This opens a huge market for lifestyle drugs.

- ❖ Today Indian pharmaceutical industry is cluttered with close to 20,000 pharmaceutical companies. This is quite high as compared to the number of companies in any other country. Out of these 20,000 companies around 250 to 300 are in organized sector, some 7,000 to 8,000 are in small scale sector whereas others are in unorganized sector.

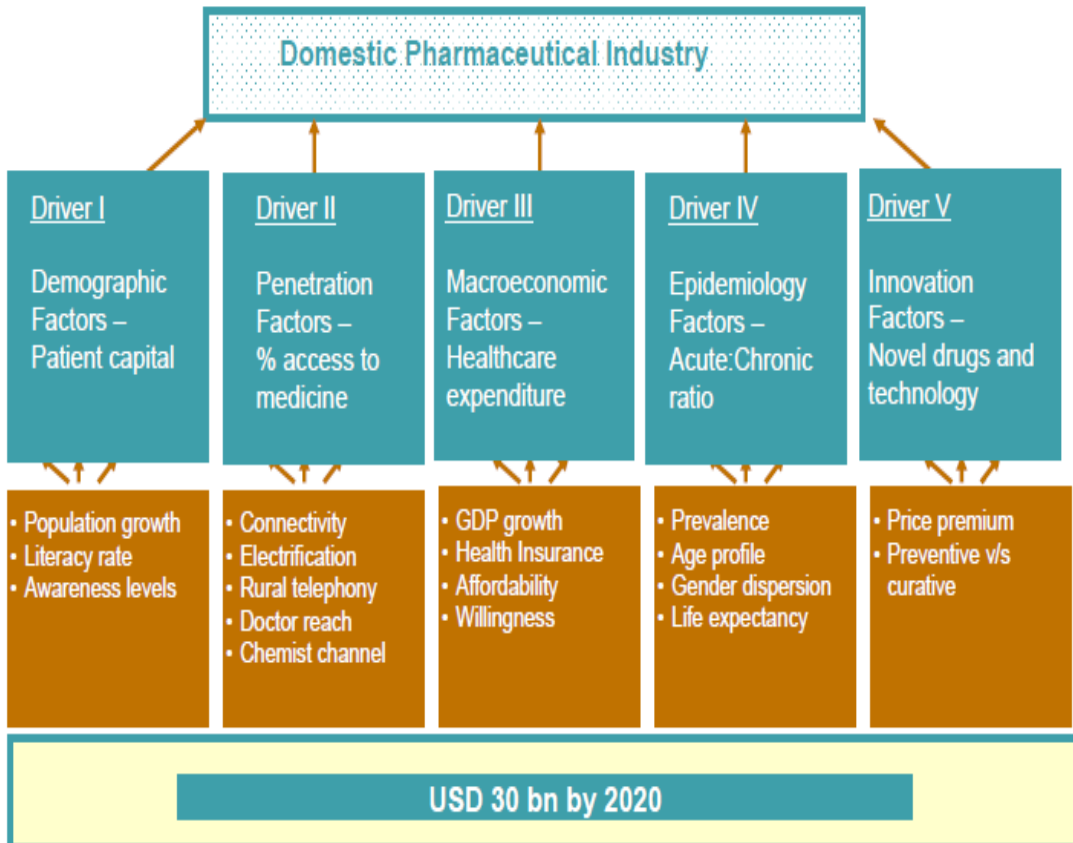
- ❖ There are around 80,000 to 1, 00,000 brands for different formulations available in the Indian market, which is mammoth.

Following table shows the growth drivers of domestic pharmaceutical industry which are broadly various factors like

demographic, epidemiological, macroeconomic, penetration and innovation factors-

Fig. 3 : Domestic Pharmaceutical Industry

Strong Fundamental Drivers of growth which leads us to hold promise for the future ... to become \$30 Bio by 2020



Weaknesses

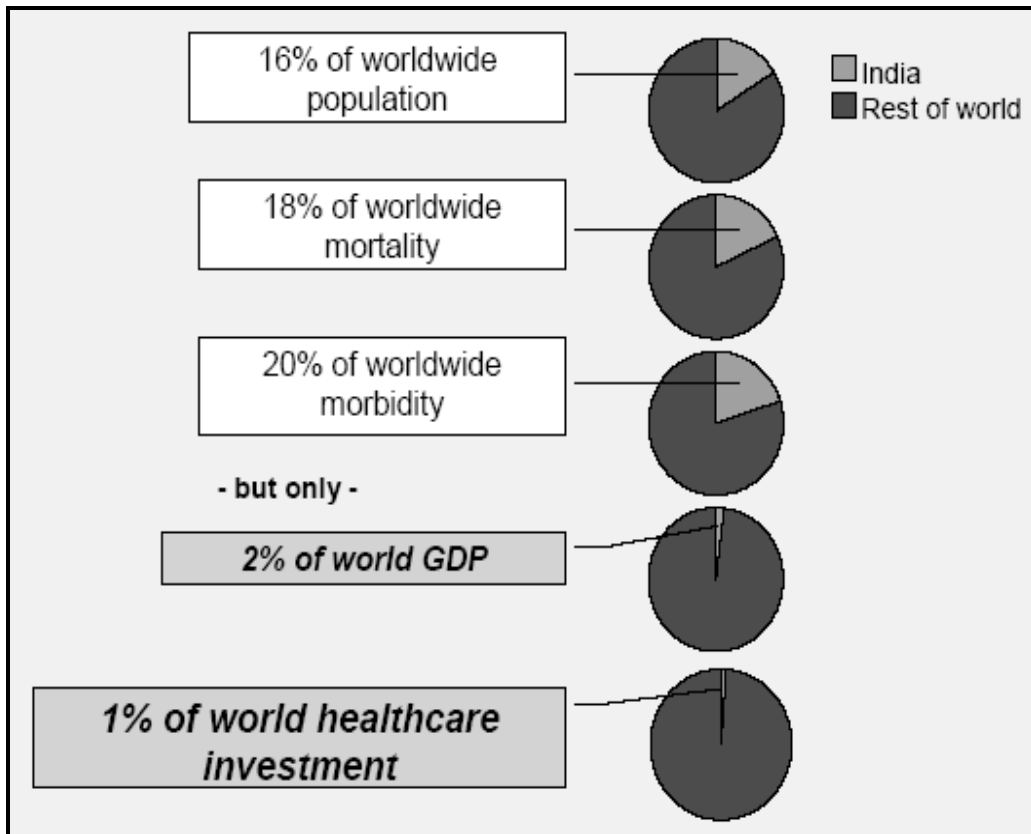
- ❖ The Indian pharmaceutical companies are governed by the price regulation. Over a period of time, this regulation has reduced the pricing ability of companies. The NPPA (National Pharmaceutical Pricing Authority), which is the authority to

decide the various pricing parameters, sets prices of different drugs, which may lead to lower profitability for the pharmaceutical companies. The companies, which are lowest cost producers, are at advantage while those who cannot produce have either to stop production or bear losses.

- ❖ India with a population of over a billion is a largely untapped market. In fact the penetration of modern medicine is less than 30% in India. To put things in perspective, per capita expenditure on health care in India is US\$ 93 while the same for countries like Brazil is US\$ 453 and Malaysia US\$189.
- ❖ Till January 2005, Indian pharmaceutical sector was marred by lack of product patent, which prevented on one hand, global pharmaceutical companies to introduce new drugs in the country and on the other hand discouraged indigenous innovation and drug discovery. However, this had provided an upper hand to the Indian pharmaceutical companies.
- ❖ Indian pharmaceutical market is one of the least penetrated in the world. However, growth has been slow to come by. As a result, Indian majors are now relying on exports for growth. To put things in to perspective, India accounts for almost 16% of the world population while the total size of industry is just 1% of the global pharmaceutical industry.

Following diagram shows the disease burden in India, which is high whereas our investment in healthcare is bare minimum-

Fig. 4 : Disease Burden in India



Source : World Development Report 2006

- ❖ Share of Indian pharmaceutical industry is estimated to be as low as 1-2% in the world pharmaceutical market. The Indian pharmaceutical industry ranks 4th in terms of volume and 14th in terms of value in the global pharmaceutical industry.
- ❖ The amount spent on research and development by Indian pharmaceutical companies was roughly around 2% a few years back which has now increased in recent years, due to adoption of product patents from 2005 onwards. Now R and D expenditure is approximately 4 – 6%

- ❖ Due to very low barriers to entry, Indian pharmaceutical industry is highly cluttered with most of the local pharmaceutical manufacturers.

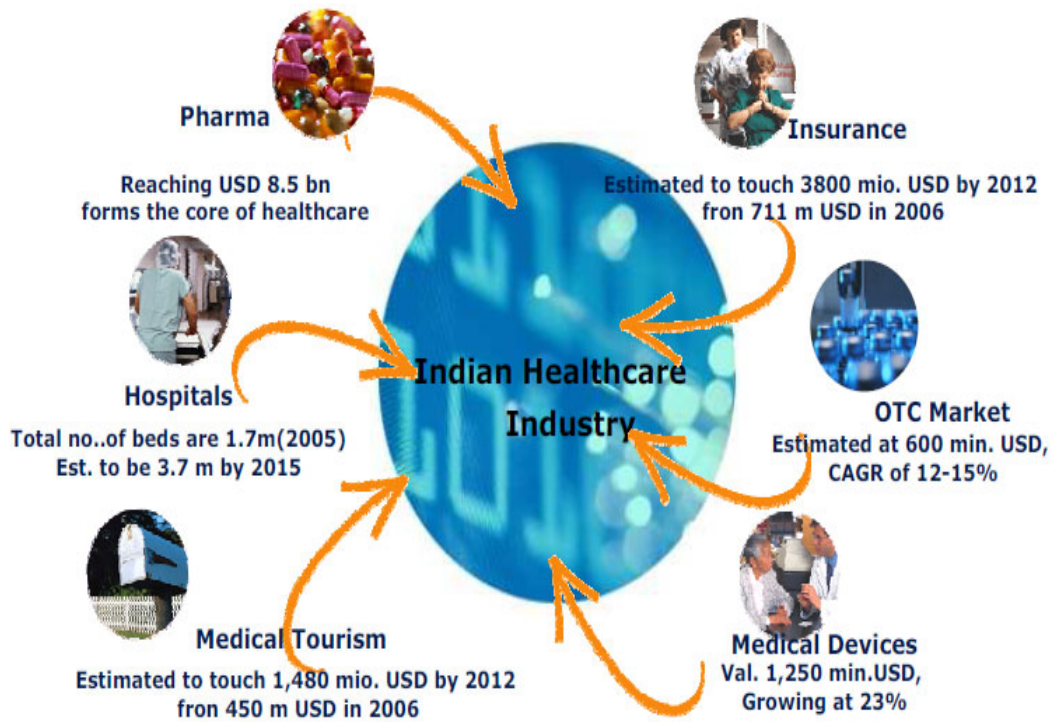
Opportunities

The migration into a product patent based regime since Jan.2005 is likely to transform industry fortunes in the long term. The new product patent regime will bring with it, new innovative drugs. This will force domestic pharmaceutical companies to focus more on R&D. This migration could result in consolidation as well. Very small players may not be able to cope up with the challenging environment and may succumb to giants.

- ❖ Large number of drugs going off-patent in Europe and in the US between 2005 to 2009 offers a big opportunity for the Indian companies to capture this market. Since generic drugs are commodities by nature, Indian producers have the competitive advantage, as they are the lowest cost producers of drugs in the world.
- ❖ Opening up of health insurance sector, growing medical tourism industry and the expected growth in per capita income are key growth drivers from a long-term perspective. This leads to the expansion of healthcare industry of which pharmaceutical industry is an integral part.

Fig. 5 : Indian Healthcare Industry

GDP and Interplay of allied factors would help in pushing market to a new level



Source : ORG – IMS

- ❖ Being the lowest cost producer combined with FDA approved plants; Indian companies can become a global outsourcing hub for pharmaceutical products.
- ❖ There is a much scope for development of pharmaceutical marketing as Health awareness due to various campaigns run by the Government and NGO's (Non-governmental organizations) are in vogue. Pharmaceutical marketing should be looked from the business as well as social responsibility point of view.

- ❖ The income group is increasing this has created the demand for healthcare products. The purchasing power of the common man is consistently increasing which demands better quality products from Pharmaceutical industry

Threats

- ❖ Threats from other low cost countries like China and Israel exist. However, on the quality front, India is better placed relative to China. So, differentiation in the contract manufacturing side may wane.
- ❖ The short-term threat for the pharmaceutical industry is the uncertainty regarding the implementation of VAT (Value Added Tax). Though this is likely to have a negative impact in the short-term, the implications over the long-term are positive for the industry.

The industry has since come a long way and is regarded as one of the robust industries supplying medicines at affordable price. In light of this "SWOT" discussion, the role of the sales personnel becomes more critical and hence it has been decided by the Researcher to study such a role in detail under the proposed study.

1.4 NATURE OF PHARMACEUTICAL BUSINESS

The drug industry, the medical profession and the patient have a unique relationship. The industry makes product which it cannot sell to the patient (consumer) directly. On the other hand, the medical profession cannot treat the patient without drugs produced by the industry. Thus the

industry and medical profession are interdependent with a common aim. The primary objective of this joint effort is to alleviate pain and suffering. It must make reasonable profits to help in the research of newer drugs.

Role of advertisement in Pharmaceutical marketing is controlled in nature as compared to other industries viz. Consumer, Consumer durables and Service industry. The word 'advertise' is derived from the Latin word 'advertere' which means 'to turn towards'. Advertising is generally regarded as a legitimate means of fostering the competition that drives a free market economic system. The moral justification is that consumers benefit. Businesses that satisfy consumers will prosper at the expense of those that do not. Drug advertisements which include product information are circulated thru medical representatives to health professionals through visual aids, journals, leave behind literatures and the mail. Persuasive advertising highlights the product's beneficiary properties. The market of the pharmaceutical products largely depends on how the pharmaceutical sales personnel can function or work. In light of this statement it becomes necessary to influence the working of the personnel.

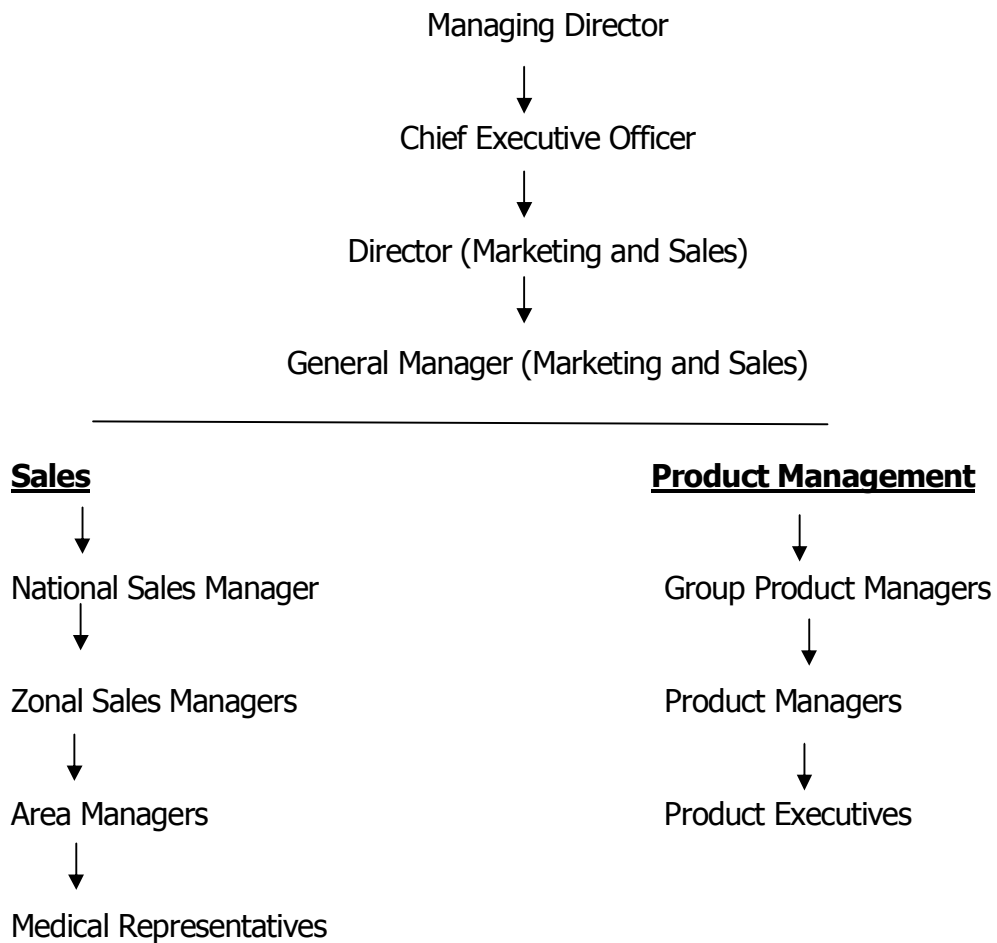
The pharmaceutical marketing has lot of hindrances and barriers in deciding the sales territories; selection and recruitment procedures of the sales personnel should be scientific and qualitative. The pharmaceutical business has to work on two lines-

- a) Ethics of the business and
- b) Sales promotion of the business organization.

In light of this, nature of pharmaceutical business has to work for betterment of the society.

The marketing and sales of the pharmaceutical products is carried out by means of the marketing organization comprising Head of Marketing and Sales or Vice-president (Mktg.), General Manager (Mktg.), National Sales Manager, Product Management Team in Head office and Medical Representatives, field managers in the field. At each of this level, how the marketing strategies can be drafted in order to achieve the set sales targets is the prime concern area. Hence it is proposed to analyze in the study how to promote, educate and train the sales personnel so as to achieve, the desired result.

Fig. 6 : Organogram of Marketing and Sales Department



Marketing is an exciting dimension of human activity; all organizations are involved in marketing. The core of marketing is increasing the consumption of marketed products and services.

Pharmaceutical marketers offer samples, gifts, services to doctors to get prescriptions for their products.

Marketing is the value delivery process of companies or organizations. The objective' of marketers is lifestyle change, increasing the customer base, ensure customer retention, and finally increased throughput from customers.

Marketing is improving market penetration, Marketing begins by visualizing the target market based on demographics and other market characteristics and titrating the product or service to the market.

Pharmaceutical marketers go geography by geography and target doctor segment by doctor segment. The idea of all marketers is to develop a huge market base for the product or service, and build habits.

Following are some of the dimensions, strategies, and tools of marketing:

Essentiality of Sales Management for Customer Conversion

For pharmaceutical companies the day of the medical representative starts and ends with customer conversion or doctor conversion. Customer conversion is the fundamental premise on which all pharmaceutical marketing activities are pegged on. Right from the highest authority in pharmaceutical marketing, to the MR, all activities are directed towards higher and higher customer conversions. Reams of market research data are analyzed to map

market characteristics, prescribing habits, Practice density, market receptivity, and pharmaceutical purchase patterns and so on. This is done to ultimately convert the doctor. Target audiences are identified, behavioral patterns analyzed, and their needs, wants, and desires are understood.

Value is something that is perceived by the prospect or customer. A doctor may find price advantage to patient to be of value; or a doctor may value a service input from a pharmaceutical company such as a sponsorship to a Continuous Medical Education (CME) program or a medical grant for conducting a free medical camp, and thereby a doctor will reward the company with prescriptions.

Value may also be in the form of regular visits, friendliness, and positive strokes from a medical representative - here the relationship is valuable to the doctor, value may come from intangibles or tangibles. Value can come from material things for the personal use of a doctor or for his clinical use. Ultimately there is an exchange process here, value from the company is transferred to the doctor, and the doctor rewards the company with prescriptions.

The ultimate pharmaceutical marketer sells hope to the doctor: a hope that the marketed products will satisfy the patient and will indirectly improve his or her practice, a hope that an association with the pharmaceutical company will empower the doctor and make the doctor upwardly mobile, and he can improve his status, personal life, quality of clinical services to his patients, personal material comforts and so on.

These may ultimately improve the physical, material and intellectual quality of life, educational attainments, moral and cultural fiber.

Among pharmaceutical marketers, competition is on value delivery. Better the value - more the customer delight.

It is the prescription generation for the pharmaceutical products which decides the value and volumes of pharmaceutical market. With this View, a survey was conducted in Mumbai region to find out the factors affecting the decision of doctors while prescribing a product:

Sample Size

100 Doctors have been chosen from different places. 10 doctors each from South Mumbai, Bandra, Borivali, Virar, Thane, Dombivli, Kalyan, Karjat, Panvel, Alibaug.

Result and Discussion

1) Factors influencing prescription behavior of Doctors

After doing a pilot survey of doctors, major factors influencing their peer prescription behavior were found. Then respondents were asked to give marks out of 10 to each factor as per importance. Average marks were then calculated to find out important factors influencing prescription behavior.

2) Most Important Factors

Following Table 3 indicates that Doctors are quality, price and availability conscious persons. Quality of medicines is most important for doctors, as it is not only helps curing the disease but also helps in building their reputation. Doctors on the basis of company image and consistent results with a product, judge the quality of products. So company image is

also on high priority in their mind while prescribing medicines along with Regular Visit of Medical Representative.

Table 3 : Factors determining the doctor's preference

Rank	Factors	Average
1.	Product Quality	9.89
2.	Availability	8.50
3.	Price of Product	8.46
4.	Regular Visit of Medical Representative	8.37
5.	Company Image	8.20
6.	Research Molecule	7.90
7.	Literature/Updates/Journals	7.54
8.	Personality of Medical Representative	7.40
9.	Sponsorship for conferences	7.00
10.	New Combinations	6.90
11.	Medical Education Programmes	6.35
12.	Packaging	6.20
13.	Incentives	5.34
14.	Personal Gifts	4.94
15.	Samples	4.78
16.	Free disease detection camps	4.70

Except for Alibaug, Panvel, Karjat, Virar, Purchasing power of patients in other area was not a concern area. Availability of products especially newly

launched drugs is questionable in doctor's minds so physicians before prescribing a new drug either wait for sometime or check at near by chemist counters.

Other Important Factors

A regular visit by a smart, dedicated, well groom medical representative having soft skills is the best tool of promotion for a pharmaceutical company. Presenting good quality literature, journals and sponsorship for conferences or personal tours are preferable promotional tools in comparison to organization of free camps, personal small value gifts, samples.

Factors which help in Brand Recalling

Doctors have to remember many brands of different companies. After doing a pilot survey, the researcher short-listed five factors that help them in recalling brand names while prescribing. Doctors were asked to rank the factors in order of importance that help in brand recall.

Table 4 : Doctor's Preference for Short Brand Names

Rank	Factors
1.	Name related to Molecule/Disease/Organization
2.	Short and easy to remember/pronounce Brand Names
3.	Table top/in chamber reminders
4.	Constant reminder (Calls, mailers etc.)

Above table clearly shows that physicians prefer short brand names related to molecule or indication or organization.

Brand Shifting

Doctors were asked whether they shift from one brand to another brand in same therapeutic category-

Yes 88%

No 12%

Most of the Doctors shift from one brand to another brand in same therapeutic category due to one or the other reason.

Reason for shifting from one brand to another in same therapeutic category:

After doing a pilot survey, the researcher short-listed five reasons that lead to brand shifting. Doctors were asked to rank these reasons in order of importance-

Table 5 : Reasons for Shifting from One Brand to Another

Rank	Reasons
1.	Price
2.	Introduction of Newer Molecule
3.	Persistence of the Medical Representative
4.	Promotional effort of the company
5.	Trial of a new brand.

Table 5 depicts that a sharp drop in price by the competitor brand is the most important reason for a doctor to shift their prescription to the competitor brand. Physician also gives a trial to a new research molecule launched in the same therapeutic category. Regular visits and regular demand by medical representatives supplemented by promotional efforts of company also influence doctors.

Relationship Marketing

Many pharmaceutical companies have developed doctors' database of their birth dates and anniversary dates. These companies greet their key

customers and present them with gifts to build long term relations. Physicians were asked whether such activities like greeting on birthdays, Anniversary etc. influence them to prescribe products of a particular company.

<u>Yes</u>	<u>No</u>
42%	58%

58% of the doctors believe that such activities do not influence them to prescribe products of a particular company. Some doctors may consider it as an invasion of their privacy.

Medium of Information and Communication

Doctors were asked whether they use the Internet to know more details about products, new drugs, their efficacy and side effects.

<u>Yes</u>	<u>No</u>
55%	45%

Then Doctors were asked whether they are in favour of promoting medicines through Internet and mailers instead of Medical Representative.

<u>Yes</u>	<u>No</u>
04%	96%

Doctors have accepted the Internet as mode of information providing but they have not accepted it as a medium of communication and promotion of medicines. A Medical representative is still considered by huge majority as a better medium of communication and promotion by physicians. The

researcher is of the opinion that medical representatives provide human touch and more personalized service to physicians.

Sources of Information

After doing the pilot survey, five sources of information for updating knowledge by doctors were short-listed. Physicians were requested to rank these sources in order of preference to update their knowledge.

Table 6 : Sources of Information

Rank	Sources
1.	Conferences and Continuous Medical Education Programmes
2.	Medical Representative
3.	Journals and Conferences
4.	Mailers from Pharmaceutical Companies
5.	Internet

Scientific conferences and continuous medical education programmes by reputed medical bodies or associations are considered to be best source of information.

Bonding with customers and CRM (Customer-Relationship-Management)

From gaining a real time market intelligence that aids strategy to building strong customer relationships, CRM plays a major role in shaping the pharmaceutical business in India.

Need for a Customer-Relationship-Management (CRM)

The pharmaceutical industry is changing rapidly. Specifically within the pharmaceutical industry, the era of blockbuster drugs is low, with product launches dropping and lots of drug patents expiring. The results are increased competition and margins trending down. This combined effect puts tremendous pressure on sales and marketing teams to drive revenue growth.

Pharmaceutical medical representatives get very limited time of doctors and physicians to make every interaction count. This is the only time, they get to interact with, and influence them. As with other industries, sales representatives act as the backbone for the Indian pharmaceutical sector, driving the huge business of drugs and therapies.

Marketing activities in the fields of pharmaceutical and healthcare, involve gifting, merchandizing, branding and other freebies; distribution of literatures, flyers, visual aids, and other marketing communication tools are done to strengthen the central message.

Training of the field force in pharmaceutical marketing is vital and required to successfully influence the target market segments. Training

ensures better body language, vocalization, verbalization, pronunciation, confidence, and eye contact. Thereby, the objectives of the pharmaceutical organization are realized.

The trick for successful marketing is ensuring positive word-of-mouth, support from opinion builders in society and conformity pressure in the target prospect group to achieve the desired objectives of the marketer.

Doctor will make a prescribing choice based on parameters such as friendliness of MR, service inputs from the marketer, safety, efficacy, quality, supply and availability of the medicines and other parameters of marketing communication activity.

1.5 COMPETITIVE MARKET AND MARKETING PROCESS

Marketing 'warfare' in the pharmaceutical market place cannot be wished away. Because in the process of marketing, there are various aspects relating to revenue flow and asset creation. The stakes are very high. A pharmaceutical product's success will be measured by its market share, ROI (Return on Investment), profits generated, and number of units sold. And all these quantitative parameters will matter a lot - because everyone has a higher authority to which he has to justify. Even the highest authority will have a board of directors or some powerful individuals/financiers, share holders to justify to and offer explanations.

Importance of Pharmaceutical marketing and Role of Sales Personnel

The importance of marketing is such that today marketing is no more a departmental function, it is an organizational process and applicable to all kind of organizations. In marketing of pharmaceutical, everyone is involved - from the highest authority to the receptionist.

Management science and marketing science are all the more important in the 21st century for organizations. Marketing is a sophisticated form of warfare. It involves communication, media management, positioning, promotion, influencing, and value delivery.

Marketing is vital for the nation's health and wealth. Without competition and marketing, market penetration of products and services will suffer. Healthy marketing competition is a must to ensure efficiency and effectiveness.

The main promotional thrust of the pharmaceutical industry is through its medical representatives. Medical Representatives profoundly affect the way a doctor prescribes. Their bottom line of detailing is "Please prescribe my drug". They are invariably polite and reasonably knowledgeable. Before meeting a doctor they study the doctor's prescribing habits on the basis of information gathered from local nearby chemists and a preview of patients' prescriptions. They also get to know something about the doctor's likes and hobbies, family life and social interests and generally cultivate them.

Some medical representatives categorize doctors according to whether they are 'conservative' or 'risk takers. Conservative doctors will not try out a

new product unless it has proven itself. Risk takers are willing to try out new products; reps will try and obtain a commitment to use new products on a few patients. Conservatives will start using new products only when used by opinion formers or local consultants, also called 'educationally influential physicians', hospital consultants in major hospitals whose prescriptions are imitated by other practitioners.

As the major source of information to a majority of doctors and pharmaceutical medical representatives have a role in helping practitioners to know about the drugs available in the market and their costs. It is the practitioner's duty to use drugs while taking care not to be unduly influenced by their sales speech. Give aways, Gifts, given under the sales promotion may be personal when given to an individual or impersonal when given for a cause. A donation to the AIDS (Acquired Immune Deficiency Syndrome) fund of the hospital may be impersonal; a donation to the hospital director is personal.

Marketing Process

While many pharmaceutical companies have successfully deployed a plethora of strategies to target the various customer types, recent business and customer trends are creating new challenges and opportunities for increasing profitability. In the pharmaceutical and healthcare industries, a complex web of decision-makers determines the nature of the prescription for which direct customer (doctor) of pharmaceutical industry is responsible. Essentially, the end-user (patient) consumes a product and pays the cost. Use of medical representatives for marketing products to doctors and to exert some influence over others in the hierarchy of decision makers has been a time-tested tradition.

Typically, sales force expense comprises an estimated 15 percent to 20 percent of annual product revenues, the largest line item on the balance sheet. Pharmaceutical marketing is a specialized field where medical representatives form the backbone of entire marketing effort. Pharmaceutical companies also appoint medical representatives and assign them defined territories. Medical representatives meet doctors, chemists and stockiest as per company norms. Medical representatives try to influence prescription pattern of doctors in favor of their brands. The pharmaceutical distribution channel is indirect with usually three channel members i.e. depot / C & F, stockiest and chemist. Pharmaceutical companies appoint one company depot or C & F agent usually in each state and authorized stockiest(s) in each district across the country. Company depot/ C & F sends stocks to authorized stockiest as per the requirement. Retail chemists buy medicines on daily or weekly basis from authorized stockiest as per demand. Patients visit chemists for buying medicines either prescribed by a doctor or advertised in the media. Here patient is end customer and doctor is direct customer for any pharmaceutical company. But for doctor, patient is more important so he wants an effective supply chain management from prescribed company. And for pharmaceutical companies their customer that is doctor is more important that's why they emphasize more on supply chain management. Ultimately end consumer is benefited out of this. For marketing of pharmaceutical products, companies require more and more skilled field force to develop good rapport with their direct customers (doctors). Moreover field force should have good product knowledge and USP (Unique Selling Points) of their products over other so as to convince doctors and PULL the demand for their products i.e. from Doctor to Retailer to Stockiest to C & FA (Clearing and Forwarding Agents) to company.

1.6 SALES PROMOTION AND PHARMACEUTICAL MARKETING

Sales promotion and Advertisement are basically the two important features used to promote the sale of the product. But they differ in their ways. Advertising Over The Counter products (OTC products) on one hand, is the form of mass media communication directed towards influencing the end consumers. Whereas sales promotion, on the other hand deals with the mass communication directly towards informing and influencing the customers i.e. doctors and channel partners of distribution. Both the sales promotion and advertisement help in product promotion; they enable a firm to face the competition in the market for its survival. They promote the brand and also are useful in the launch and introduction of new products. They lead to increase in production, which in turn reduces the overhead expenses. Hence it helps in bringing down the selling price. But, they also have certain disadvantages as its very costly method of product promotion.

Thus it can be concluded from the following study, that pharmaceutical marketing is to be done with a lot of restrictions, as it is a scientific marketing and should be implemented as per the guidelines of FDA (Food and Drugs Administration authority) and DCGI (Drug Controller of Government of India), the products should not be misrepresented to the consumer, which may seriously harm them.

Sales Promotion

To some advertising includes all forms of mass media communication directed towards influencing the end consumer. Sales promotion on the other hand, includes the forms of the mass communication directed towards informing and influencing the customers like doctors and channel partners

e.g. stockiest, distributors, retailers etc. The term sales promotion cannot be taken to mean what is commonly does. Sales promotion is only a part of the promotion. Basically promotion is an "exercise in information, persuasion and influence". Promotion has come to mean the overall coordination of advertising, selling, publicity and public relations. Promotion is helping function, designed to make all other marketing activities more effective and efficient. It is concerned with the dissemination of information to wholesalers, retailers, customers (both actual and potential) and to the salesman.

Advertising

The purpose of advertising OTC pharmaceutical products is no different from that of advertising any other product-namely, to produce an awareness that will favorably motivate the customer to utilize (or prescribe) your product. The major differences lie in the restrictions placed upon ethical pharmaceutical advertising by the availability of suitable advertising media and government regulation on both the federal and state levels.

Compared to other consumer use products, advertising in the ethical pharmaceutical market is extremely restricted. By definition, the ethical pharmaceutical market "prohibits" communication directly with the consumer. Mass advertising media, such as television, radio and national magazines, as well as local mass advertising media such as newspapers and hoardings are not utilized unlike for over the counter products.

The traditional pharmaceutical advertising media for exposing a product message are - professional/scientific journals, magazines, direct mail to doctors, hospital displays and service items such as educational films, medical illustrations, textbooks etc. In recent years an attempt has been

made to utilize other advertising media, such as TV/Radio for sponsoring Interview with doctors on different important scientific topics like diabetes, hypertension, cancer, Tuberculosis etc.

The distinction between the responsibilities of the advertising department and sales promotion department can best be described by their different methods of communicating the selling message. The advertising department primarily employs written or visual messages, while the sales promotion department primarily relies upon the use of sales personnel in personal, primarily oral presentations. (Source: Advertising by Max A. Fern and Mickey C. Smith, Principles of Pharmaceutical Marketing)

Advertising is not only merely propaganda but it is a paid form of communication. The advertisers have to pay for the space and time used to communicate the message to his customers/consumers. A basic responsibility of a marketing manager is to ensure that the company's message reach its potential customers/consumers.

Objectives of Advertisement

- ❖ To create a demand for products by explaining it's utility for OTC (Over the Counter) products
- ❖ To announce a new OTC product or service
- ❖ To increase its sales by attracting new customers
- ❖ To create OTC brand preferences
- ❖ To expand the market for new buyers
- ❖ To assist the salesmen in their selling efforts
- ❖ To warn the public against imitation of the product of the firm
- ❖ To prepare ground for new products
- ❖ To make special offers through sales promotion

- ❖ To neutralize competitors advertising
- ❖ To enhance goodwill of the firm

Objective of any advertising is to communicate about the product and services to the prospective customers. Its long-term objective is to generate profit to firm. General objectives of advertising are to inform the customers about the attributes and uses of the product.

The advertisement of pharmaceutical products should be truthful. There should not be any wrong statement regarding its contents and their percentage. It should provide full details regarding the action and uses, proprietary name as well as the generic name, dosage form, mode of administration, side effects, treatment of toxic, effects, precautions and contraindications. W.H.O (World Health Organization) has passed this resolution regarding advertising of the pharmaceutical products.

The majority of pharmaceutical products and their direct advertisement are prohibited according to the Drugs and Magic Remedies (objectionable advertisements) act, 1954. However, general/home remedies, OTC (Over the Counter) products, such as, pain balm, inhalers, antiseptic creams etc., which do not require any prescription for their purchase, can be advertised by any of the direct methods of advertisement. Except OTC products, a consumer (patient) should not use a medicine without proper prescription of a physician.

Television is the latest and the fastest growing medium of advertising especially for OTC products. It is very effective medium because it appeals to both the eye and ear. The product can be demonstrated and explained on the television. However, it is very costly method of advertising. Radio advertising

is becoming more popular these days and the advertisements are generally transmitted through commercial services of All India radio. Radio advertisements carry an effective appeal as they reach out to all sections of society. People can listen to them even when they are busy with other activities. The big pharmaceutical companies are creating goodwill amongst the customers by generally sponsoring health related programs (e.g. Hallo Doctor on Sahyadri channel) on TV and radio to popularize themselves and also as a part of social responsibility by educating consumers.

Personal Contact or Detailing

It is a process of sales promotion by personally meeting doctors by the medical representatives and sales personnel. The pharmaceutical companies engage persons (medical representatives, sales representatives and field managers) for making personal contacts with sellers or prescribe and influence them in favor of their products. Almost all the pharmaceutical companies for the following reasons, prefer it-

- ❖ It provides an opportunity to inform the doctors about new products of the company/new trials, studies conducted for the existing brands during their personal visit.
- ❖ It also helps to refresh the memory (brand reminders) of doctors regarding the old/existing brands of the company.
- ❖ Doctors may have doubts regarding a particular product of the company which can be clarified/sorted out during medical representative's call.
- ❖ It provides the company with an opportunity to demonstrate and explain its products.

Direct Mailing

In this method a mailing list of registered medical practitioners, chemists and druggists is prepared. Letter, leaflets, folders and catalogues are sent to them regularly through mail to inform them of the details of the products manufactured and marketed by the firm. Mail advertising has a personal appeal because it is addressed to a particular person. It also maintains secrecy in advertising. The main drawback of this technique is that it has the limited coverage.

Miscellaneous Methods

Posters, hoardings and electrical displays are also used for advertisements of OTC products. The posters are pasted on walls. Billboards are part on electrical poles and at crossings. Colorful electrical lights in artistic designs or neon signs are put up at railway stations, bus stops and other public places. Outdoor advertising is highly flexible and attracts immediate public attention. Many pharmaceutical firms offer gift items to the physicians and retailers for their ethical products. These table top items may be diaries, ball pen, penholders, desk trays, key chains, paperweights, calendars, etc. These table top articles are meant for the daily use and therefore they continuously remind use of the products. Generally the brand names/company name along with its composition and product positioning statement is printed or inscribed on these items.

Market Research

Marketing occupies an important position in the organization of a business unit. Pharmaceutical Marketing means the performance of business activities that direct the flow of medicines and services from manufacturers to patients via doctors, chemists/stockiest. The modern concept of marketing is

customer/consumer oriented. Production under the modern setup is carried out based on market requirements.

Now a days it is not possible to run a business successfully simply by guessing the demand of the product in the market. There has to be a systematic and scientific attempt to find out the capacity of the market to absorb a particular type of product. Such attempts to forecast the future of the market in regard to a product or services are collectively called 'Market research'.

Market research is defined as systematic objective and exhaustive research and study of the facts relevant to any problem in the field of marketing. Market research, deals with the facts and problems, relating to transfer and sales of particular products and services from producer to consumer.

Indian Pharmaceutical Marketing: A Tight Rope Walk

Typically, a pharmaceutical company (Research Pharmaceutical Company) spends around \$800 million over 12 to 15 years to bring a single new drug into the market. The chance of any one drug eventually making it to the market after successfully completing all phases of clinical trials and regulatory scrutiny are 1 in 10.

As India has signed GATT and TRIPS agreement, product patent is now in vogue since Jan.2005, Indian companies will have to upgrade and make their R & D dept. more pro-active in terms of discovering new drugs. Financially also, they will have to keep themselves ready to shelve out huge spending on R & D which is presently around 4% as against 12-14% spent by the Multi National Companies.

In Indian context, a pharmaceutical company would need to launch at least four drugs every year, in order to maintain their growth. Considering the fierce competition in Indian Pharmaceutical sector, high R & D cost, the Product patent in vogue, less availability of physician's time for Pharmaceutical company medical representatives, pharmaceutical companies in India have to fine-tune their marketing efforts to boost sales.

Quite clearly, pharmaceutical companies are taking their marketing activities more seriously than ever before. Currently the pharmaceutical market is faced with following challenges in the formulation and implementation of marketing strategies.

- ❖ Regulations with respect to what marketing tactics are permissible
- ❖ Pressure from the government, customers for controlling drug prices
- ❖ Getting eye share and mind share and thus substantial prescription share from the doctors
- ❖ More and more MNCs will now enter Indian market as now Product patent is in vogue.

In such a scenario, Pharmaceutical marketing has to think innovatively and cater to the market.

The Legal and Regulatory Environment

The legal and regulatory environment is another crucial aspect of a firm's environment that impinges on long-term operations and alternatives. Government regulations of business everywhere have been steadily

increasing. Such regulations limit the choices that managers can make and may also affect the profitability of proposed projects.

The current legal and regulatory environment of the pharmaceutical industry in India is a result of several statutes enacted over a period of more than a hundred years. These statutes or enactments can broadly be categorized into two areas:

1. Those pertaining to quality control of the pharmaceutical industry such as quality control, safety and standards of all the drugs manufactured and marketed in the country and those imported in the country. All these are under the purview of the Union Ministry of Health (Directorate General of Health Services).
2. Those pertaining to other aspects of manufacture and marketing of drugs such as investment, foreign collaboration, licensing of production facilities, pricing, trademarks, patents, import of capital equipment, raw materials and technology. All these aspects come under the purview of different departments like the ministries of Petroleum, Chemicals and Fertilizers, Industry, Finance, Law, Commerce and labour of the Central Government.

Some of the more important legislations are listed hereunder. Pharmaceutical marketer has to be aware of these and also should possess some insight into these statutes and their implications.

1. The Opium Act, 1878.
2. The Poisons Act, 1919.
3. The Dangerous Drugs Act, 1930.

4. The Drugs and Cosmetics Act, 1940.
5. The Industries (Development and Regulation) Act, 1951.(IRDA)
6. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954.
7. The Trade and Merchandise Marks Act, 1958.
8. The MRTP Act, 1969.
9. The Drug Price Control Order (DPCO), 1995.
10. The Patents Act, 1970.
11. The Foreign Exchange Regulation (FERA) Act, 1973.

Consumer Movement

Another important area of the regulatory environment is the consumer movement. Consumer movement is certainly intensifying. Drug Action Committee, Drug Action Forum – while these and other consumer groups, strictly speaking, do not regulate your business directly, they do generate government activity in the affairs of business. Their influence cannot be undermined; nor can their importance.

Following information gives an insight into few of the regulations affecting the pharmaceutical industry:

The Drug regulator annually fixes the maximum retail price of medicines that contain any one of the 74 raw materials that are under the price control of the government, as per the Drugs Price Control Order.

The Drugs Price Control Order (DPCO) 1995 is an order issued by the Government of India under Section 3 of the Essential Commodities Act, 1955 to regulate the prices of drugs. The Order provides the list of price controlled drugs, procedures for fixation of prices of drugs, method of implementation

of prices fixed by Government and penalties for contravention of provisions among other things.

National Pharmaceutical Pricing Authority (NPPA) is vested with the powers for implementing provisions of DPCO. Only 74 out of 500 commonly used bulk drugs are kept under statutory price control. All formulations containing these bulk drugs either in a single or combination form fall under the price control category.

The price is fixed through after considering all possible costs in packaging, conversion and material costs, as well as the excise duty, by the NPPA. Costs involving packaging and conversion contribute about one-third of the price that consumers pay for medicines.

NPPA carries out the price-fixing exercise as a step to bring in uniformity of cost among all the formulations containing price-controlled drugs across the country.

NPPA give a free reign for those drugs which do not come under price-control, allowing them to increase the price by up to 10% annually.

Introduction to Patent Scenario

Patent is a form of intellectual property rights. Copyrights, Trademarks, Geographical Indications, IC Layout designs, Trade Secrets, Industrial Designs are other forms of intellectual property rights. Copyrights protect original works of authorship. Trademarks (and Service marks) protect against misuse of a name and/or symbol. Patents protect innovation. Patent gives a right to prevent others from practicing a claimed invention.

A patent may be viewed as contract between a nation and the inventor giving the inventor exclusive right to manufacture, use or license his invention for a specific period and in exchange the inventor describes the details of his invention to permit those skilled in the art to employ it and it rewards the patentee a legal monopoly to make use of his invention to his economic benefit.

No patent is granted in India for the end product in the case of food, medicinal items or chemical substances. Legal protections of such items only cover the method or process of manufacture. This means an imitator can escape the charge of infringement by producing a product already patented with minor variations in the process of production.

Some examples which are patentable include New Chemical entities, new process of manufacture, new fermentation process etc. and some examples which are not patentable include methods of detection/diagnosis or treatment of disease, analytical methods, and methods of agricultural cultivation, set of cards or games.

Drugs which will be Affected by the New Patent Rules

The TRIPS (Trade Related Intellectual Property Rights) Agreement requires WTO (World Trade Organization) member states to introduce patent protection only to products "invented" after 1 January 1995 i.e. products for which a patent application has been filed in a WTO State after 1995. This means that, in accordance with TRIPS, products already on the market cannot be given patent protection, because if they are already marketed, they are not new, and so do not meet the TRIPS conditions necessary to grant a patent. Therefore, only new drugs or new indications, formulations or processes invented after 1995 should be patentable in all WTO Member countries.

Impact of Patent Regime on Pharmaceutical Industry

With the introduction of Product Patent in India in January 2005, it was predicted by many that the golden age of Indian pharmaceutical companies was close to an end. From 1970 some of the Indian companies took full advantage of regulatory system, which supported Process patent in favour of Indian companies. This policy helped some of the ambitious Indian companies to develop and produce in India, cheaper versions of successful molecules, through indigenous alternative processes. The government's drug policy encouraged and supported domestic industry to lay a strong foundation due to lack of intellectual property rights. The price of drugs in India remained one of the lowest, basically due to three reasons:

1. Government Regulations like Drug price control order
2. Intense competition from large number of companies having similar or 'me- too' products.
3. Lack of intellectual property rights

Impact on Drug Promotion

The promotional strategies and promotional mix that were employed before the patent era are no longer adequate or effective. The promotional cost has increased substantially and likely to go up further. Only those companies that are innovative are likely to make a dent in the market. In today's highly competitive environment, it is not adequate to be just customer oriented; one has to be equally competition oriented.

During the pre-patent era, products were launched in India in a hurry to be ahead of the competitors in the race. The one that managed to launch the product first, had the edge in establishing the brand. It was a well-known fact that at least a few more competitors were in the fray. The objective of

the prime mover was to gain as much 'lead period' as possible, whereas the second and the third movers attempted to minimize this lead and to grab maximum possible market share. Companies will not hesitate to pump-in more resources because of the monopoly that they may enjoy for a particular new molecule.

In earlier days companies were not giving enough importance to marketing strategies like product differentiation, product positioning or market segmentation etc. Pricing was the most important factor deciding promotional strategies and inputs. However, in future, when one does not expect many other companies to launch the same molecule with different brand names, the strategy naturally has to be geared to the long term objective of building a mega brand. Marketing companies will be compelled to give high priority to the coining of an appropriate brand name, creating product differentiation to justify why customer needs to shift from existing brands to theirs and develop product positioning so that the customer perceives the product in the right perspective. Moreover, the brand needs to be targeted to the potential customers through a proper segmentation study. It is not entirely appropriate to say that these aspects were overlooked earlier. But the marketing companies are bound to focus on these aspects more seriously and are likely to take the help and expertise of market research companies or advertising agencies, as very few companies have their own market research department.

In the brand building process, companies will spend a considerable portion of the budget, before the launch of a new product, in initiating multi-centric trials involving the provision of sending samples to the 'Opinion leaders'. This will not only reduce the time for opinion leaders to start using the new product but also help the companies to prepare speakers for their

medical symposia and seminars at the time of the product launch. Multinational companies may prefer to bring the speakers for their symposia from their R & D centers; the scientists directly involved in the development of molecule or those who are involved in the clinical trials. This will also compel the Indian companies to organize their symposia and seminars in innovative ways, so that they are neither ignored nor belittled by their target customers.

The cost of participating in national conferences or conventions has become very expensive. Many multinationals have their stalls designed and erected by international advertising agencies. They have a tremendous impact on the participating delegates. This compels the Indian companies to also participate in more professional manner and assign this task to the event management agencies.

Impact on Prices

It is accepted that pricing includes developmental expenses. Beginning with R & D expenses to the stage of plant and machinery, all expenses go to the costing of finished product. But the amount recoverable on an annualized basis is related to both the market forces and the laws of the land. The main impact of the proposed globalization of patents would be on the prices of medicines which would go up and may make it extremely difficult for the poor people of India to afford them.

Impact on Availability

The availability of new drugs from indigenous sources of the domestic companies would be totally out of question. Availability could be an issue as only research organization will market its researched product initially for approved period.

Impact on Medium and Small Scale Sector

The existing industry, particularly in the medium and small scale sectors will over a period of a decade or so, after the introduction of new patent regime, may face serious de-growth as they will have no possibility of taking up new products. They will have to use innovative marketing techniques to sell their present product range and may be able to launch products whose product patents are expired.

Impact on Technology

With the acceptance of TRIPS, transfer of technology is likely to accelerate. Most of the leading multinational companies are present in India having substantial equity participation in their Indian counterparts. With the policy permitting them to increase the share-holding, they have already expressed interest in bringing their latest technologies to manufacture additional bulk drugs to improve present facilities.

Indian indigenous sector have better opportunities to enter into technical collaboration with the firms underrepresented in India.

Impact on Research and Development

To establish an identity in the International market, Research and Development (R & D) activities have to be strengthened with substantial investment by Indian firms. As a result of the availability of the patents in drugs and medicines, Multinational companies will not be interested to establish separate R & D centers in India. In fact, it will be difficult for domestic companies to be able to match multinational company's potential in R & D sector, sales turnover and world-wide infrastructure for patenting and promotion of their products. Further to achieve significant performance on

the basic R and D front in India, Government will have to come forward in a big way to support public and private efforts on a long term basis.

General Agreement on Tariffs and Trade (GATT)

The General Agreement on Tariffs and Trade (typically abbreviated GATT) was negotiated during the UN Conference on Trade and Employment. GATT was formed in 1949 and lasted until 1993. In 1993, the GATT was updated (GATT 1994) to include new obligations upon its signatories. One of the most significant changes was creation of the World Trade Organization (WTO). The 75 existing GATT members and the European Communities became the founding members of the WTO on 1 January 1995. There are a total of 153 member countries in the WTO.

The purpose of the GATT is the "substantial reduction of tariffs and other trade barriers and the elimination of preferences, on a reciprocal and mutually advantageous basis."

Now that the GATT is a reality and has come into force, the Indian companies are visualizing the best possible means to encounter the situation.

The more forward looking and internationally minded among them have evolved a two-fold strategy:

1. To strengthen R & D capabilities during the 10 year transitional period.
2. To enter into strategic alliance with research-based companies abroad for setting up joint ventures in India or licensing in patented new Drugs.

Both the Government policy of granting automatic approval for joint ventures in which foreign investment is up to 51 percent (which is applicable to the Drug industry) and the new incentives being considered for total R & D should go a long way to encourage indigenous companies to adopt the future strategy.

There are a number of aspects concerning the prices of drugs in the Post GATT after January 2005 period. The first and foremost issue is that a real difference comes in only regarding drugs which are under patent in any one of the WTO member countries. For the large number of drugs on which patents have already expired there need not be "any fear of a price rise because there is no real change in any aspect. Indian Government has issued a list of nearly 300 essential drugs required in healthcare; high percentage, nearly 90% of these drugs are out of patent. These drugs are usually sufficient as far as major healthcare needs, i.e. about 90 to 95% of healthcare is covered by these drugs. In number of instances new patented drugs are only "me-too" molecules and it is not true that the newer drug is better than the old off-patent one. Very rarely is a new-patented drug absolutely irreplaceable in treatment.

The FDA should demand that every new drug should be tested against the best existing drug in that category and only if new drug shows some marked advantages, it should be allowed into the market. Doctors should also be explained that they should not easily discard existing drugs in favor of new drugs.

Another important issue is that many new drugs under patent coming mainly from the USA, is on what are called as life style drugs, such as for Obesity, against Parkinsonism, Alzheimer's disease etc. and are not for what are called as diseases of the poor.

So after 2005, as per a WTO consultant, 85% of the Indian drug market will be generic and 15% will be covered by patents. Patented drugs may be costly. In 1970, Japan was in a similar situation. Now Japan is third in pharmaceutical production, i.e. the challenge coming due to globalized competition.

Trade Related Aspects of Intellectual Property Rights (TRIPS)

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) was negotiated with other international trade agreements during the Uruguay Round trade negotiations of the GATT (General Agreement on Tariffs and Trade) from 1986 to 1994. As one of the World Trade Organization (WTO) agreements, it is totally binding for all WTO member states.

The TRIPS Agreement sets minimum standards in the field of intellectual property (IP) protection (such as copyrights, patents, and trademarks) that all WTO Member countries have to respect. To achieve this goal, WTO Members have to modify their intellectual property laws to make them consistent with the new WTO standards. For instance, the TRIPS Agreement states that all patents shall be available for at least 20 years from the filing date, whereas before TRIPS the patent term varied greatly among countries (7, 10, 17 or 20 years). All WTO Members have to incorporate this 20-year patent term in their own patent law.

Impact of TRIPS on Indian Pharmaceutical Industry

Before TRIPS, pharmaceutical patents and other intellectual property rights on drugs were widely recognized among major industrialized countries, but not in many developing countries. As there were no international standards on the scope of patent protection, countries had very different

regulations on IP protection according to their own needs. Patents were simply not available for pharmaceutical inventions in these countries, which implied that no one could claim an intellectual property right on such products. As a result, copies of medicines protected by a patent in other countries were widely available, usually at a lower price than the original patented drug. The copies were either manufactured by local companies or imported, without having to ask the patent holders' permission. This practice is now coming to an end. Copies of patented drugs will remain on the market but it will no longer be possible to manufacture and market copies of new patented medicines, unless the original manufacturer has chosen not to seek any patent protection there.

Under the TRIPS Agreement, all WTO Members have to make patents available for pharmaceutical inventions in their countries. A company that has invented a new pharmaceutical product or process has, since 1 January 1995, been able to apply for at least a 20-year patent protection in any WTO Member country. The inclusion of pharmaceutical patents in the new WTO/GATT rules has the potential to exacerbate the problem of access to drugs in developing countries, by limiting or even disabling direct competition (generics) to new medicines until the relevant patents expire.

Taking into account the transitional periods allowed to developing and least-developed countries by the TRIPS Agreement.

It is only in regard to transitional periods that the TRIPS Agreement takes into consideration Member States' different levels of economic development. Developed countries were given until 1996 to comply with TRIPS standards by modifying their patent law if necessary, developing countries had until 2000, and least-developed countries have until 2006 (with

possible renewal). The transition periods were provided to developing and least-developed countries to give them enough time to implement the various TRIPS standards on intellectual property rights (copyrights, trademarks, patents, etc) at national level.

However, as patents were not available for any pharmaceutical products in some developing countries in the pre-TRIPS era, a supplementary transitional period is allowed for countries still not granting patents for pharmaceutical products when the WTO came into force in 1995. This 5-year supplementary period means that the developing countries affected do not have to grant pharmaceutical products patents before 2005, unless they decide to revise their patent law before.

Developing Countries Obligations under TRIPS

Since all WTO Members are bound by the TRIPS Agreement, its minimum standards for IP protection must be included and implemented in national laws within the transitional periods allocated. These are only minimum standards however, and WTO Member countries may provide for greater IP protection than required in the Agreement. For instance, in Europe and the United States, pharmaceutical patents may be extended (beyond 20 years) for up to 5 years, to compensate for the long delays in obtaining marketing approval for a drug. The patent extension will vary from country to country (since there is no international standard) depending on the date of marketing approval. However, the pharmaceutical patent cannot be extended for more than 15 years from the date of marketing approval in European countries, and 14 years in the United States.

The main TRIPS standards, relating to pharmaceutical, that countries must include in their patent law are:

- ❖ Availability of patents for both pharmaceutical products and processes inventions that are new, involve an inventive step and are capable of industrial application.
- ❖ Protection of the product directly obtained using a patented process;
- ❖ Availability of procedures at national level to enable patent owners to protect their rights against infringement.

In addition, if exceptions to patent rights and compulsory licenses are incorporated in patent legislation, they should be, respectively, limited and conditional to conform to the TRIPS Agreement.

Indians are very good in Process Technology and Indian Scientists could develop their own process once any new molecule was introduced overseas and the molecules were introduced in Indian Market within a span of 3 to 5 years. This is because India was not a signatory to the Paris Convention and was not member of GATT at that time. New molecule introduction with minor variations in process technology by Indian companies was called as Piracy by original Researchers.

However, with the policy of Industrial Liberalization and to bring a global discipline, a number of issues connected with International agreement on trade related Aspects of Intellectual Property rights have been discussed and the negotiations concluded in 1993. The outcome of the final Uruguay round of discussion is the GATT Agreements, 1994, the final text signed by 115 countries who are members of WTO.

The objective of the TRIPS agreement is protection and enforcement of intellectual property rights to promote technological innovation and to the transfer and dissemination of technology for the mutual advantages of producers and users of technological knowledge. It contains specific provisions and scope of Patentability of Drugs and agrochemicals. The TRIPS agreement also provides that patents shall be available and patent-right enjoyable without discrimination as to the place of invention, field of technology and whether products are imported or locally produced. On fulfillment of certain conditions EMR (Exclusive Marketing Rights) will be allowed to the patentee to protect the innovations or product patent and prevents other from making, selling or distributing such products even if manufactured by alternate process.

Since patentability extends to products or process the terms of the patent would be applied for twenty years for Product patent and then twenty years for process patent, particularly in the chemical field including drugs and pesticides. In the case of drugs and medicines, patents will be available for its usage forms, dosage forms and their combinations. New process would be patented and new dosage forms etc. would also be patented and this kind of monopoly protection in some forms or the other would in a period of 10 to 15 years, cover almost 70 to 80% of turnover in the pharmaceutical industry.

Under TRIPS agreement, developing countries including India are entitled to delay the enforcement by ten years for amending their Patent rules and regulations. Indian Drug industry shall have access to manufacture the drugs which are currently under Patent as a result of filing application before 01.01.1995 in any country in the world and the off-patent drugs in the generic forms, provided that the processing technology is developed in India.

Various aspects in pharmaceutical industry in relation to Patent right, GATT, TRIPS and other regulatory aspects has made it to determine newer strategies for the development of the market.

The pharmaceutical companies all over the world have been using well tried and time tested promotional strategies that have proven results. However, the rising cost of drug development and shortened product life-cycles have forced the companies to examine newer ways of creating innovative promotional strategies to maximize revenue potential for their brands. The cost and limited success of traditional marketing methods has been the major reason for the companies to look into alternative marketing strategies world over. Various challenges faced by the pharmaceutical marketers are:

- ❖ With increased patient load, doctors are busier
- ❖ There is an explosion of new and useful information
- ❖ Doctors are receiving more calls from pharmaceutical sales representatives and though the calls are typically for just two to three minutes, many doctors are refusing to meet or speak to pharmaceutical representatives
- ❖ Doctors are inundated with direct mail advertising, reducing the effectiveness of direct mail.

In the meantime, the pharmaceutical marketers are finding it difficult to recruit and train good medical representatives. Retaining good representatives has become even more difficult. The preference for the job of a medical representative is low among new graduates. This is mainly because of the poor working conditions, high sales pressure and intense competition within the industry. All these aspects will make the Indian pharmaceutical

companies to look at additional, more efficient and cost effective methods of marketing being tried by companies in developed countries. E-marketing has been adopted by many of the companies there, as an alternative, cost effective media. The internet has many of the qualities of traditional media; it can provide in-depth content seen in print advertising, the real time impact of television, the immediate response of direct mail and mass reach of outdoor advertising. The internet is however, not without challenges and is unlikely to replace direct selling or any other channels completely. Furthermore, a significant proportion of the doctor population still do not use internet in India and also the problems of availability of electricity, network etc.

In light of this introduction the researcher has undertaken the study of "Management of Sales Personnel in Pharmaceutical Industry". The next chapter deals with Importance, Research Methodology, Objectives and Hypothesis of the Study.

CHAPTER – II

IMPORTRANCE, RESEARCH METHDOLOGY, OBJECTIVES and HYPOTHESIS

2.0 IMPORTANCE OF THE STUDY

Since long, the main approach to selling pharmaceutical was focused on frequency and coverage as the main drivers of sales. Until recently, it was true that increasing the number of medical representatives, and therefore the number of details executed by the sales force, did increased revenue and sales.

More recently, changes in the market place, particularly in the major Western European countries, have driven a shift in how companies are approaching their customers. As healthcare costs rise, attempts at rationalizing or standardizing prescribing have increased. The main aim of these approaches is to increase the prescribing of generics and drugs that are perceived to be more cost effective. Within the industry, there also has been a shift in research and development toward more specialized and niche products.

The effect has been to reduce the freedom of individual physicians to prescribe what they think is the most appropriate drug and to, instead, prescribe from a formulary or restricted list. Within the industry, there also has been a shift in research and development toward more specialized and niche products, which do not require huge multi-detailing sales forces. Instead, such products demand an approach that moves away from only

considering individual doctors to treating physician practices and hospitals as accounts.

These changes mean the role of the sales person has evolved to a model which requires talking to multidisciplinary teams about, not just the individual drugs, but therapy and disease areas. This does not mean that we no longer need to call on individual prescribers, but that we should call on a number of different customers within a hospital or practice who have a hand in the decision making process around what drugs are prescribed or placed on formularies. No longer is it the decision of any one individual as to what drugs are used; it is down to many individuals acting as teams with many factors influencing their decisions. The role of the Account Manager is to ensure they know who the relevant individuals are, the parts and roles they play, and the influences and factors that help them develop their views and opinions, which ultimately lead to their role in the final decision or outcome.

This Account Management approach now means that the representative can, and should, call on a number of different customers within the hospital or practice, including nurses, pharmacists, general practitioners and specialists. The desire is to ensure that everyone in the account has the required understanding and information about the company's products to allow them to make an appropriate and well informed decision about which drugs become the drugs of choice in that particular account.

Fundamental to a successful Key Account Management strategy is the effective utilization of the resources that the company wishes to deploy. In order to make sure that the company and your own resources are most effectively used, it is crucial that we ensure we are communicating

appropriate and differentiated messages to the right customers in the priority accounts.

This has meant an evolution of the role of the sales person from being highly knowledgeable about a small number of drugs or products to increasingly becoming disease area experts and highly effective at building rapport and relationships across multidisciplinary groups in the relevant accounts. The focus is now on building and developing effective relationships with the right accounts, rather than a share of voice approach. This means that the Account Manager has to be able to first, identify the correct accounts from the territory and focus the appropriate level of time and investment on the accounts which are going to drive the biggest ROI (Return On Investment).

The messages that need to be given may differ. For example, a different message may be required for doctors compared to pharmacists. It is vitally important to understand the customer's individual needs and wants, and tailor the approach to this at all times, keeping an eye on the bigger picture at an account level.

Key Account Managers need to understand the bigger picture and wider implications of the impact of other groups such as payers on the decisions that are being made in the modern health services.

What this means in practice is a move away from armies of sales representatives purely focused on detailing products, towards a focus on building and managing long term relationships with an account, be that medical practitioners, hospital or a group of practitioners or hospitals in a territory. The key challenges will be ensuring that we understand enough

about the customers and the influences in each account to ensure that we utilize the appropriate level and mix of resources – be that our time, money, sponsorship, support or education for each account. And ensuring that we look to maximize the ROI (Return on Investments) and return on the efforts we put in.

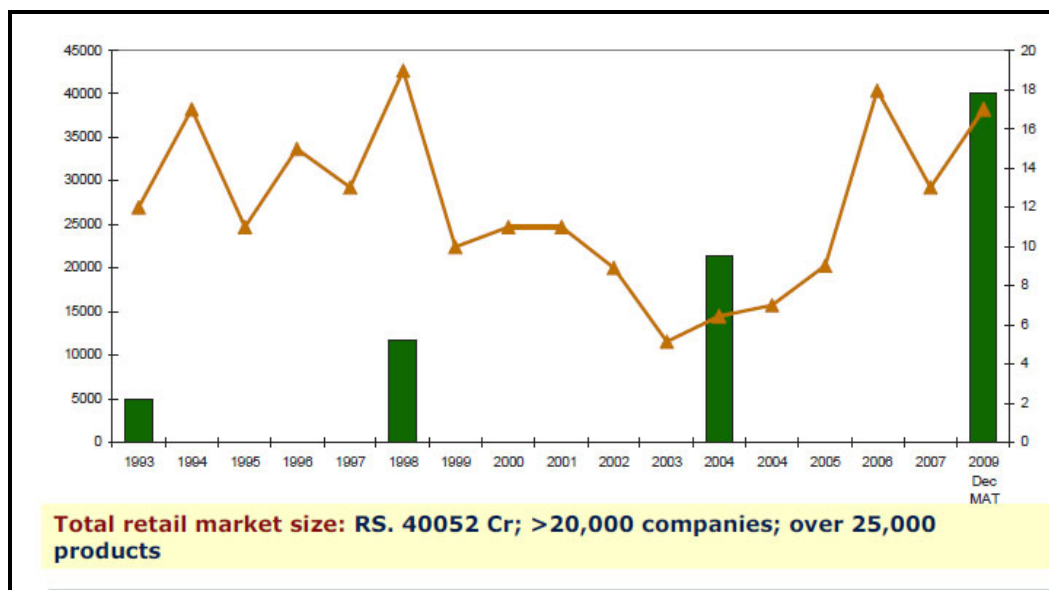
Successful companies and sales people in the pharmaceutical industry going forward will understand the value in identifying the accounts that will generate the greatest return on their investment and will be able to develop and maintain commercial business relationships that generate mutual trust and value for all parties, including patients.

Not only the skills of the medical representatives need to be upgraded but also the resources they have internally. Such resources can either be human with the support of internal Medical Experts or through Web tools using the Internet technology. Technology exists to allow for a better message differentiation customized to the specific prescriber needs and constraints.

The changing scenario in Pharmaceutical marketing reflects three times growth in next decade plus the Indian Pharmaceutical Market in special, is ranking 14th in world market. This aspect underlines the importance of the study of management of sales personnel. The following details related to the changing scenario and world market position explains the importance of the subject.

Changing Scenario

Graph 2 : Indian pharmaceutical market will triple over the next decade



Following trends will influence the growth of the Indian pharmaceutical market over the next decade:

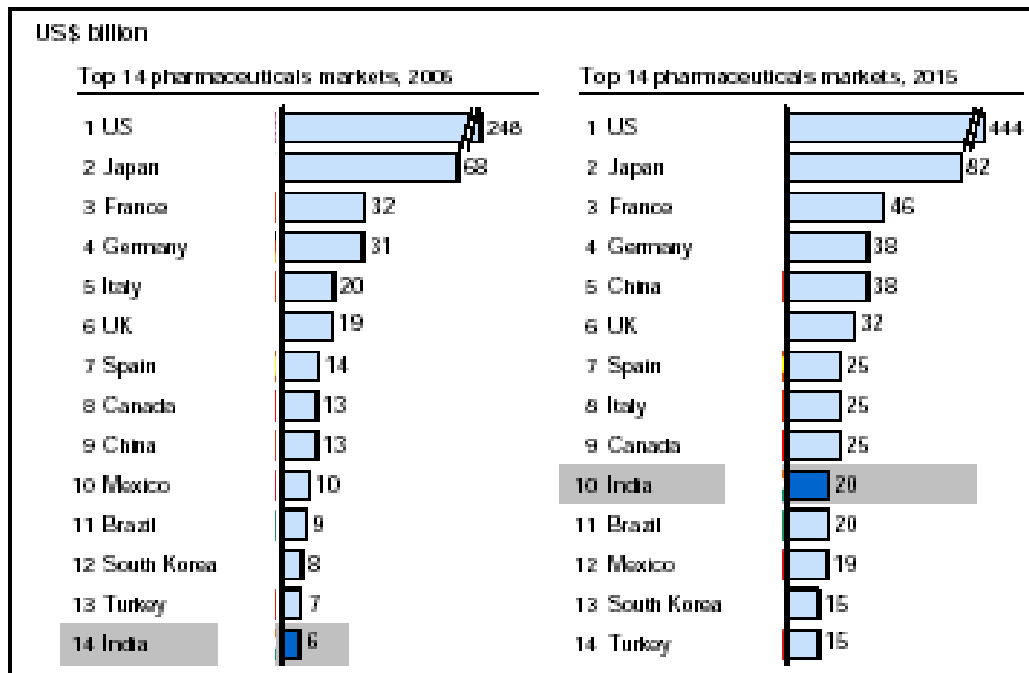
- Doubling of disposable incomes and the number of middle-class households,
- Expansion of medical infrastructure, greater penetration of health insurance,
- Rising prevalence of chronic diseases, adoption of product patents,
- Aggressive market penetration driven by the relatively smaller companies.

We believe that from a market size of US\$6.3 billion in 2005, the Indian pharmaceutical market will grow to about US\$20 billion by 2015. This implies a compounded annual growth rate (CAGR) of 12.3 per cent. This growth

will be materially higher than the annual growth rate of 9 per cent witnessed during 2000 to 2005.

In terms of scale, the Indian pharmaceutical market is ranked 14th in the world. By 2015, it will rank among the top 10 in the world, overtaking Brazil, Mexico, South Korea and Turkey

Graph 3 : India is projected to be the 10th Largest Market by 2015

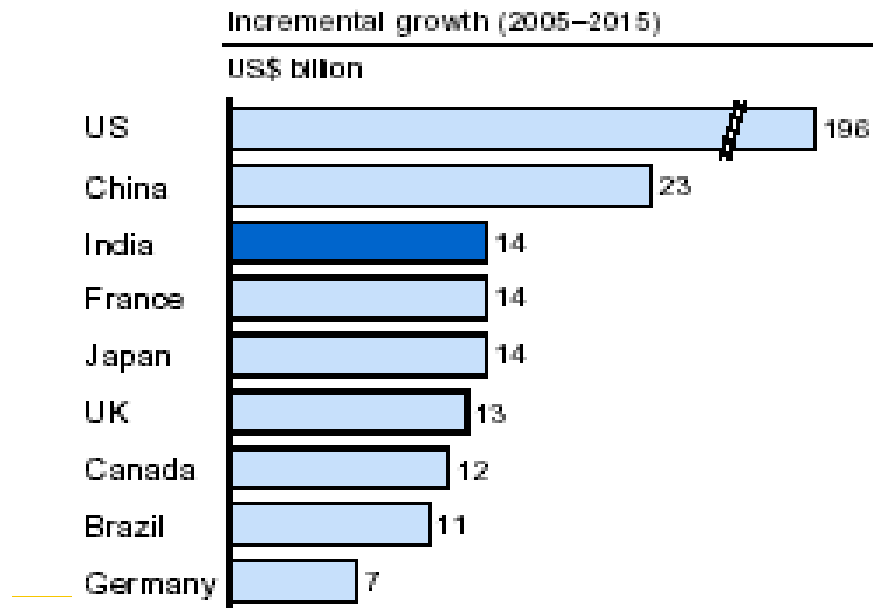


Source : IMS World Review

Table 7 : Country wise absolute growth during 2005-2015

Name of the Country	Projected International Absolute Growth US \$ billion
US	196
China	23
India	14
France	14
Japan	14
UK	13
Canada	12
Brazil	11
Germany	7

Graph 4 : By Absolute Growth India will be among the Top 5 Markets globally during 2005 to 2015



Source : IMS World Review

Pharmaceutical marketing in India is undergoing a surge of change. At every level the field force needs to be fully equipped with the latest techniques to act in time (pro-active approach) "knowledge management" is a key to organizational success in modern days. Constant flow of information is a must, especially to the middle management, which is the backbone of the company.

After the emergence of the internet in India and the increasing awareness about its usage, more and more doctors, chemists, hospitals and pharmaceutical companies are gearing to take optimum advantage of these changing circumstances.

In such a scenario, a web-based software is not only the most appropriate choice for sending the routine reports of the medical representatives and the managers but it is also an extremely cost effective alternative to the traditional methods of data collection and processing.

Pharmaceutical company managers have already started using web-based reporting system or web-based distribution system software's, which help them save a significant amount of time. This gives them more selling time in the field rather than spending time on collecting and analyzing data and then initiating action.

2.1 NEW TRENDS IN PHARMACEUTICAL SALES

Changes in the pharmaceutical market require companies to change their approach and business model. In the past, medical sales forces have mostly called on doctors and other prescribers to promote their products. This approach was focused on transactions and on increasing share of voice.

Turnover among medical representatives was often high, making it difficult to build relationships with the customers. Several representatives from the same company might be calling on the same customer to promote different or the same products, presenting further challenges of coordination.

In recent years, the market for pharmaceutical companies in the developed world has become more complex. Companies need to adapt for several reasons:

- ❖ The increasing numbers of influencers and stakeholders involved in prescribing/purchasing decisions e.g. PCTs (Primary care trusts) in the UK
- ❖ Challenges to achieving quality interactions with customers (clinical and non-clinical)
- ❖ New channels for marketing messages
- ❖ Increasing resistance among physicians and other stakeholders to high call frequency by medical representatives.
- ❖ Generally heightened scrutiny of the industry's promotional practices
- ❖ Impact of Pharmaco economics on buyers
- ❖ Widening the term customer to include people who are not direct prescribers.
- ❖ Tailoring messages to address customer needs.
- ❖ Using new sales channels and/or different people to meet the needs of the new customer base cost-effectively.
- ❖ Incorporating market access considerations (e.g. regarding pricing) into the product R & D process.

At the same time, the increased focus on profitability at the customer level, the lack of new blockbuster drugs and a tighter squeeze by pricing and reimbursement authorities seems to have put an end to the arms race of the past, leading to a freeze or even a reduction in sales force sizes.

The Vital Questions

These changes are driving alternatives to the traditional sales and marketing routes. The focus is now on smarter use of resources and better meeting of customer needs. To be successful, companies need to move away from a transactional focus on share of voice and calls per day to managing all interactions with customers to create best value for them and the company.

This requires an improved understanding of customers and their needs. A successful strategy will answer these questions:

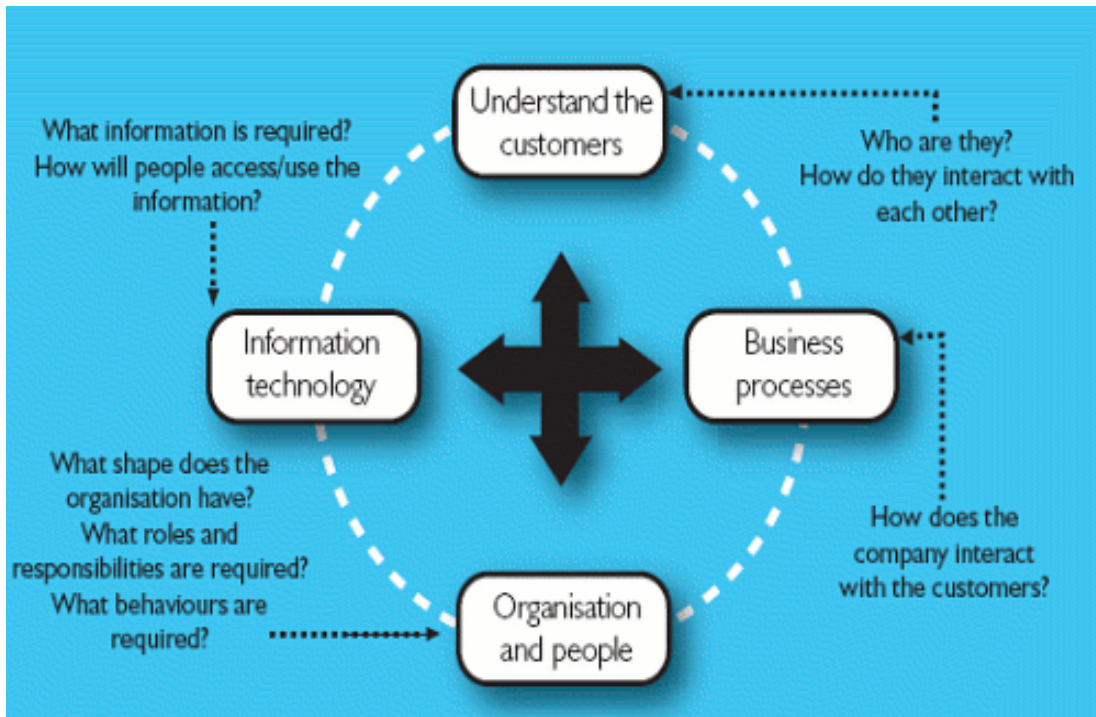
- ❖ What information do we have about the market? How can we fill any gaps?
- ❖ Who are the customers and influencers?
- ❖ What are the relationships between the customers? How strong are the influences?
- ❖ Who are our key customers?
- ❖ What are the best and most cost-effective channels (events, direct sales force, and call centers) to engage with the customer?
- ❖ Who in the company is best placed to engage with the customers?
- ❖ How can we best co-ordinate our activities with key customers across the business?
- ❖ How will we incentivize, manage and organize those parts of the organization interacting with customers? How will we measure success?

- ❖ What information do we have about the customers, and where is it held?
- ❖ What other information is available but has not been systematically captured (e.g. medical representative's knowledge)?
- ❖ What can we do with this information?

Changes in business processes, organization and IT are necessary to meet customer needs. When focusing on the customer and the intended interactions with them, many companies will find that their existing processes and internal structures are ill-equipped to put the new strategy into practice. Organizational silos may prevent the transfer of information, create bureaucracy and lead to internal conflicts (over responsibility or authority) that get in the way of engaging with the customer. Internal business processes need to be developed that successfully implement the selected strategy, and an organizational structure needs to be created in which these can be implemented efficiently. Information needs to be gathered in a comprehensive and systematic way, capturing what the company needs to know about its customers and its interactions with them.

The organization has to have the needs of customers, as well as the product portfolio, at heart. This could include a profit and loss approach to individual customers and customer groups to ensure that their needs are met in a profitable way. Accountability, or at least responsibility, for a particular customer should be assigned to someone in the organization. Several people in the organization may still interact with the same customer but there will be a clear focus, better co-ordination and consistent relationship management. The organization should be aligned around the customers, with all other functions and processes supporting this structure.

Fig. 7 : Four Functions of Organization relating to Customer



2.2 CHANGING THE STRUCTURE

Some pharmaceutical companies have already changed their business processes and organizational structure, internationally. For example:

- ❖ New sales forces have been created to engage with new customer groups, e.g. by targeting PCTs (Primary care trusts).
- ❖ Traditional GP sales forces have been reduced to reflect the increasing influence of other parties on prescribing. In 2004, Takeda UK replaced its entire sales force with a team of PCT account managers, with budget responsibility and decision-making powers.
- ❖ Other companies have changed their first line managers to area account managers with matrix responsibility for secondary care

and account management teams, to ensure a consistent and coordinated account approach.

- ❖ Allergen in the US formerly used separate agencies to develop messages for the company's sales force and the managed markets account. This remit has now been given to one agency, which ensures that the marketing messages and the sales pitch support each other.
- ❖ In January, Pfizer announced its plan to build a leaner and more flexible organization that places customer focus alongside brand focus. Pfizer is piloting new selling models, moving from a transactional to a relational approach.

According to Pfizer, the pilot models highlighted key benefits including better access to physicians, positioning as a partner, enhanced customer knowledge and use of fewer resources. Reducing the number of management layers will bring leaders closer to the customer. In the US, one of Pfizer's five business units will focus on managed care and market access. Pfizer's European organizations have already been reorganized to increase customer focus and accountability.

Responsibilities of Pharmaceutical Companies in Changing Scenario

The whole organization must have the needs of customers, as well as the product portfolio, at heart. The transformation to a customer centric structure is not an easy undertaking, but will deliver competitive advantage. Companies need to:

- ❖ Ensure that customer interactions are managed across all relevant functions
- ❖ Target and segment key customer groups and align to them as the market changes
- ❖ Measure in real time the effectiveness of interactions with customers
- ❖ Model influences between customer groups and plan sales and marketing interventions to maximize impact
- ❖ Ensure that medical representatives, marketers and other commercial staff who interact with customers are focused on providing the best service and building relationships.

Comprehensive, robust and complete information on the customers is key. This involves collecting all available customer information and making it accessible to everyone who needs it. This approach requires a fundamental shift in mindset and activity, a long-term commitment to building customer relationships, a change in the way that people are assessed and incentivized, and a robust infrastructure that allows customer information and analysis to be shared across the company.

To better meet customer needs and engage new decision-makers, pharmaceutical companies will have to change. Companies who are committed to delivering customer value, have confidence in their ability and are brave enough to make radical changes sooner, rather than later, will race ahead of the pack.

2.3 MARKETING OF PHARMACEUTICAL PRODUCTS IN INDIA

Pharmaceutical marketing is a typical marketing and deals with mainly medical professionals and C & F agents, stockiest / distributors/retailers. For marketing different pharmaceutical products companies require more and more skilled field force to develop good rapport with their direct customer (doctor). Moreover field force should have good product knowledge and Unique Selling Proposition (USP) of their products over other so as to convince doctors and PULL the demand for their products i.e. from Doctor to Retailer to Stockiest to CFA to company. In this system, doctors are the core customers and the major thrust is given to build and retain these customer because they are pulling the demand for products hence companies also give main emphasis in building and retaining these customers.

All efforts are being put for generating secondary sales i.e. from stockiest to retailer. Now-a-days the companies are Ensuring of auto demand with limited availability and maximum liquidation of the products is the main characteristic of this approach. For retaining and developing customers, the companies normally provide gifts like sponsorship for various conferences like RSSDI (Research Society for the Study of Diabetes in India), FOGSI (Federation of Obstetric and Gynecological Societies of India), APICON (Association of Physicians of India Conference) etc. For example Dabur having PASS (Professional Academic and Scientific Services) activities for promoting its chronic therapy range. The relationship between clinicians and representatives has always been good and pharmaceutical companies have provided, and still provide, the major economical support for customers' continuous medical education. Something needs to be done to find a solution to this problem that takes into account the needs of both pharmaceutical

companies and their representatives on one side and physicians on the other, for a better professional interaction. Sometimes they were also mixed with CSR (Corporate Social Responsibility) activity sponsorship like free health camps, diabetic camps etc. Of late the pharmaceutical companies also ventured into the rural areas and along with doctors they are also approaching the RMP doctors to bridge the gap between the product and their ultimate customers – the patients.

Over the last couple of years, pharmaceutical marketing professionals are slowly changing their strategies. This drift is driven by market forces. Patients' understandings of the disease and disease management have also seen a positive shift. Today, a doctor is subject to a lot of questioning and reasoning by the patients both about the disease and disease management. Hence, we see some of the products in the "direct-to-consumer" mode of sale wherever the regulatory requirements permit. For Indian companies marketing differentiation coupled with aggressive selling is the key.

It is on this backdrop, it has been considered that the topic of this research assumes importance in the Indian context.

2.4 RESEARCH METHODOLOGY

Introduction

Pharmaceutical industry is a growing industry for all time. Pharmaceutical business requires specialized sales personnel for increasing the effectiveness of its products, accordingly extensive field work and library work has been carried out in order to collect the information for research purposes.

The separate methodology has been carried out for the purpose of collection and analysis of data. Primary source of data collection, secondary source including various web sites has been utilized for collection of data.

Primary Source of Data Collection

Primary source of data collection is first hand information for collection of the data. Questionnaire, personal interview, survey are the means used for collection of data. The separate questionnaire is prepared for doctors, wholesalers, retailers, field workers and top management has been prepared and circulated. The top management personnel have been interviewed in order to collect their views.

Secondary source of data collection has been utilized by the researcher such as bulletin, journals, magazines, manuals, reports and internet facilities. This is already published matter suitable for the research data.

Both primary and secondary source of data collection has its own limitations, but to make the information reliable the sample technique has been used, i.e. sufficient number of samples from available population has been scrutinized.

For the purpose of analysis and interpretation of data the various techniques are used such as table, graphs and trend analysis. This proves to be the effective use of statistical techniques for reaching at right conclusion.

Techniques Used

The researcher has listed top ten Pharmaceutical companies in Mumbai Region based on their sales performance. These top ten companies and their sales are as under-

Table 8 :Top 10 companies market in Mumbai region

		JULY MAT 2010		
		Val in Crs.	Val MS%	Val Gr.
	MUMBAI	2,577.3	100.00	25.55
1	CIPLA	197.5	7.66	11.43
2	PFIZER	184.3	7.15	38.01
3	SUN	144.6	5.61	25.93
4	ZYDUS CADILA	117.9	4.58	41.19
5	TORRENT PHARMACEUTICAL	113.4	4.40	39.87
6	EMCURE	100.4	3.89	22.82
7	SANOFI AVENTIS	89.8	3.49	70.40
8	UNICHEM	83.2	3.23	17.48
9	RANBAXY	82.5	3.20	21.12
10	PIRAMAL HEALTHCARE	78.1	3.03	34.71

SOURCE: ORG-IMS Data, JULY MAT 2010

MAT-Moving Annual Total

Mumbai region usually comprises of Mumbai metropolitan area, Thane and Raigad Districts. Usually pharmaceutical companies have Mumbai as a separate region and rest of the districts of Maharashtra are considered separately. This is not a generalization.

Data relating to these top ten companies pertaining to Mumbai region has been obtained and that the strength of the field force has also been obtained. Based on the data with the use of random sampling method the

data for the study was identified ensuring that all the areas of all the top ten companies are represented in the sample so that it will be a representative sample for the Pharmaceutical industry in Mumbai region.

Table 9 : Selection of sample for the study

Sr. No.	Name of the Company	No. of Div.	Approx. field force in India	Approx. field force in Mumbai Region	Sample selected Approx. 15%	Response Received %
1	Cipla	20	8000	1035	155	121
2	Piramal Health Care	17	7000	885	132	91
3	Alkem	11	5000	698	104	79
4	Mankind	05	5000	685	102	74
5	Lupin	11	5000	680	102	84
6	Zydus Cadila	11	4500	622	93	68
7	Sun Pharmaceutical	14	4000	550	82	62
8	Aristo Pharmaceutical	05	4000	489	73	49
9	Ranbaxy	14	3500	465	70	50
10	Glaxo Smith Kline	11	2500	312	46	35
	TOTAL			6421	959	713
					14.93%	74.34 %

Source: Field Survey Data

Questionnaire

With a view to obtain data from the field, two different well designed questionnaires, one for the Medical Representatives and the other for Field managers, have been prepared and are administered. The responses received have been tabulated and statistically analyzed.

Sampling Procedure

The Researcher has listed out the number of the MRs in Mumbai Region. While doing so it was ensured that each identified Pharmaceutical company's MRs are covered in the selection of sample. The District level

identification of the MRs is on random basis. This will ensure representative sample for the study.

a. Secondary Data

Secondary data has been collected from various books from both the disciplines namely marketing management and Human resources discipline, Magazines, Periodicals, and Web sites.

b. Data Analysis

The data so collected from the field visits has been tabulated and with the help of graphs statistically analyzed.

c. Secondary Data

Secondary data has been collected from various books from both the disciplines namely management and human resources discipline, magazines, periodicals, web sites and interaction with the number of field as well as marketing executives of various pharmaceutical companies who are having major business from Mumbai Region (here the term Mumbai region is referred to specially carved out area from Mumbai and its vicinity which has been defined earlier in this thesis)

2.5 OBJECTIVES

Once the importance of the subject is understood in the right perspective it can be seen that the management of sales personnel in pharmaceutical industries has also great bearing on the Human Relations Development discipline. Hence, while formulating the objectives of this study

along with marketing management and the HRD aspect has been borne in mind. The objectives of this study are enumerated hereunder.

1. To analyze the role of management in the development of efficiency of sales personnel.
2. To study the role of Management of sales personnel in relation with work training of sales personnel and improvement in the quality and achievement of given targets.
3. To analyze the role of management for extending better working conditions to the sales personnel.
4. To analyze correlation between various marketing techniques, schemes and sales achievements in pharmaceutical industry.
5. To analyze remuneration, schemes applied to the pharmaceutical sales personnel (cost-benefit analysis)

2.6 HYPOTHESIS

The marketing of pharmaceutical products is typically distinct from the marketing of other products say consumer durables, industrial products etc. The marketing channels are also different as has been brought out in chapter I of this thesis. In light of this fact, the following hypothesis has been drafted.

1. The specialized skill is required for the pharmaceutical sales personnel as it is a specialized scientific type of marketing as compared to other products.
2. The competition in pharmaceutical industry has resulted in special training requirements of its sales staff.
3. The traditional methods of recruitment of sales staff are not useful for recruitment in this modern age.

4. The field staff has to play the vital role in promotion of sales. Especially they require specialized communication skills.

Pharmaceutical sector is one of the sectors wherein the human resource comprises of the qualified personnel. These personnel are also extensively trained in their respective areas of specialization. Prior to 1991, before embarking upon the introduction of economic liberalization and adoption of globalization policies, the entire scenario of Pharmaceutical companies has undergone a sea change. There are lots of mergers and acquisitions in Pharmaceutical companies. Because of the presence of multinational companies, there is a definite change in approach of MNCs as well as Indian Pharmaceutical companies towards marketing as well as human resources management. This has necessitated the study of the changed scenario in regard to Marketing management and Human relations management. Besides, there is heavy input of technology up-gradation which has also given rise to new techniques of communication and handling of Pharmaceutical marketing. It is on this back drop, this research study has relevance in the present day context.

2.7 SCOPE AND LIMITATIONS

Mumbai Region as understood in the Pharmaceutical Marketing phraseology is quite a large area spread over area of Mumbai District area 437.71 km² (169 sq mi), Thana District 9,558 km² (3,690 sq mi), and Raigad area 7,148 km² (2,760 sq mi) thus the total area of the Mumbai region works out to 17,143.71 km².

There are more than 300 pharmaceutical companies which are catering to the population of this area. Hence it was possible only to obtain

data from the representatively selected top ten pharmaceutical companies, having major market share in this region.

This region is metropolitan area where all the means of communication are available. Speed is the essence of the movement of both people as well as goods. Literacy level of this area is quite high, compared to the environment of the interior parts of Maharashtra.

Taking into consideration the varied nature of Mumbai Region's geographical area under study, the findings are applicable in similar situation elsewhere in India. There will be slight variation depending upon the location and the rest of the environment. The Mumbai region has been selected because of its varied nature.

CHAPTER – III

REVIEW OF LITERATURE

3.0 INTRODUCTION

The subject is related to Marketing concept of the pharmaceutical industry. It covers not only the marketing management but also encompasses the human resources development (HRD). In both the disciplines there are number of books, periodicals available for reading both from overseas authors as well as Indian authors. Number of articles are also being published which deal with the various aspects of this subject. The researcher has had, the opportunity to read a lot of material on both these disciplines and has reviewed the following books and periodicals to appraise him so as to what has been so far published which can have direct or indirect bearing on this research study. It is pertinent to note that there are number of books authored by Philip Kotler on marketing and those books are really worth for the Marketing management. Hence this review of literature covers a couple of books of Philip Kotler which is inevitable. There are few books which are referring to the Indian marketing scenario. However, after the globalization the whole world has become one and gradually the approaches to marketing management are also steadily becoming global.

3.1 OVERSEAS REVIEWS

Sanjay Bajpai - CEO, SS Third Eye Institute, Philadelphia, USA
"Pharmaceutical Marketing Planning: A Practical Guide" (2010)

This comprehensive text provides practical information on marketing practices within the pharmaceutical industry. It explains the fundamentals of

marketing a pharmaceutical or biotech product based on “real-world” approaches, and will also help students and marketers develop strategic thought processes for solving marketing problems; assisting with the development of a marketing plan for any product.

The chapters cover a basic definition of marketing strategies and tactics also included is an indispensable overview of marketing planning. It covers the understanding of opportunities and threats and discusses the latest thoughts on how to understand market structure and identify the market place. It will help with the understanding of the competition of the company marketing the product and the core components of the basic product strategy platform.

The book has been written keeping in mind the US marketing environment and cannot be applied in totality to the Indian marketing situation. However the book provides an insight about the various aspects of marketing which might gradually come to the Indian context as a consequence of Globalization of the Indian marketing environment.

E. M. (Mick) Kolassa - PhD: Journal of Pharmaceutical Marketing and Management

The Journal of Pharmaceutical Marketing and Management is a valuable multidisciplinary journal devoted to solving the problems inherent in the management and marketing of pharmaceutical products and services. The journal maintains a vigorous policy of publishing quality research reports of interest to individuals involved in the manufacturing, wholesale,

institutional, retail, regulatory, organizational, and academic components of the pharmaceutical industry.

In addition to valuable research and informative book reviews, each issue of the Journal of Pharmaceutical Marketing and Management regularly presents the poster Papers section, providing succinct reports of pilot studies, early results, and provocative findings from investigations and similar applications. These brief reports provide early dissemination of new and valuable professional data, informing the reader of potentially important developments.

Mickey Smith : Pharmaceutical Marketing in the 21st Century

Pharmaceutical Marketing in the 21st Century helps professionals in the pharmaceutical field anticipate and prepare for market changes and advances, and it guides them in adjusting their marketing strategies to remain competitive in the coming era. Ideal for product managers, planners, and strategists, this book puts the past twenty years of pharmaceutical into perspective and uses it as a basis for predicting the next twenty years. Internationally relevant, this book is now available in Japanese language also.

Distinguished contributors provide a formal conjecture on the nature of various aspects of pharmaceutical marketing in the early part of the 21st century. Utilizing their experience and expertise, they provide pharmaceutical professionals with guidelines for marketing in the coming years. Readers gain insight into what the future may hold in these areas: pricing, product development, distribution, promotion, retailing, market research, and other areas. Experts who make professional speculations in Pharmaceutical Marketing in the 21st Century include these among others.

C. Charles - Hospital Health Care Management

Health status is considered as the state of health of a specified individual, group or population. Conceptually, health status is the proper outcome measure for the effectiveness of a specific population's medical care systems, although attempts to relate effects of available medical care to variations in health status have proved difficult.

In this book invaluable knowledge to physicians and health care professionals by examining and promoting the technologies – existing and emerging that offer the best treatment options, while considering the logistical implications of delivering the highest possible standard of treatment is available. The author has discussed about introduction to health needs and healthcare plans and programmes, health care financing and delivery, children and healthcare services, health care disparities and public health services etc. However this researcher has observed that the whole discussion is keeping the US environment and standards prevailing thereat.

Throughout the healthcare industry, improving the overall standard of patient care has become the primary aim of physicians, medical facilities and pharmaceutical suppliers worldwide.

Philip Kotler : On Marketing : How to create, win and dominate markets.

For more than three decades, Philip Kotler has been the authority on marketing for business graduate students around the world. (His seven text books on various aspects of the topic are available in 18 languages in 58 countries. Comprehensive yet clear, this new compendium finally synthesizes Kotler's vast experiences and proven ideas into a single accessible resource. Three initial sections address a series of strategic, tactical, and administrative

concerns, ranging from identifying opportunities and building brand equity to utilizing outside intelligence and evaluating performance. A brief fourth part titled "Transformational Marketing" offers Kotler's perspective on "the revolutionary impact on the marketplace and marketing practice of the new technologies ... and new media" including the Internet, fax machines, sales-automation software, cable TV, video conferencing, and "personal newspapers."

Philip Kotler - "Marketing Management":

This edition has been called as "Millennium Edition" because it will appear just as a new millennium begins and just as the pace of change in the marketplace is accelerating. It is an opportunity to look back at the past as well as forward to the future, to retain the best of what was as well as to focus on what will be. This new edition reflects a major effort to feature the marketing ideas, tools and practices companies will need to operate successfully in the New Millennium. Hundreds of mini-case examples have been added to illustrate what leading companies are doing to meet the challenges of the new environment. Throughout the book, the author has shown how the World Wide Web and e-commerce are dramatically altering the marketing landscape. At the same time, this special Millennium edition continues to build on the fundamental strengths of past editions:

1. A managerial orientation. This book focuses on the major decisions marketing managers and top management face in their efforts to harmonize the organization's objectives, capabilities, and resources with marketplace needs and opportunities.
2. An analytical approach: This book presents a framework for analyzing recurrent problems in marketing management. Cases

and examples illustrate effective marketing principles, strategies, and practices.

3. A basic disciplines perspective: This book draws on the rich findings of various scientific disciplines--economics, behavioral science, management theory, and mathematics--for fundamental concepts and tools.
4. Universal applications: This book applies marketing thinking to the complete spectrum of marketing: products and services, consumer and business markets, profit and nonprofit organizations, domestic and foreign companies, small and large firms, manufacturing and intermediary businesses, and low and high-tech industries.
5. Comprehensive and balanced coverage. This book covers all the topics an informed marketing manager needs to understand: it covers the major issues in strategic, tactical, and administrative marketing

M. C. Cant, J. W. Strydom, C. J. Jooste (2006)

In their book, titled "Marketing Management Text and Cases" have covered Text and Cases is also a valuable resource for anyone trying to market a product or service. This volume integrates understandable marketing concepts and techniques with useful tables, graphs, and exhibits. Three leading experts in marketing management, teach you how to market any business.

Marketing Management: Text and Cases is divided into two sections to accommodate a wide variety of interests. The first section is an essentially a textbook that offers a complete overview of marketing management, and describes the steps necessary for successful company-to-customer interaction.

Marketing Management: Text and Cases also contains fifteen new case studies to challenge the more experienced marketing student. These cases provide a wide variety of managerial situations for small, medium, and large companies as well as entrepreneurial cases to expose readers to the types of analyses needed for those examples. From the creation of a new water park to marketing algae products, these case studies provide backgrounds, histories, trend analyses, and data to reveal the companies, situations and possible solutions.

Marketing Management: Text and Cases covers essential managerial elements of marketing, including:

Paul Peter James H Donnelly, "Marketing management: knowledge and skills"

John Doorley Reputation Management: The Key to Successful Public Relations and Corporate Communications.

Reputation management is the most important theme in corporate and organizational communication today. Leading corporate communicators and educators John Doorley and Helio Fred Garcia argue that most CEOs (Chief Executive Officers) don't actually pay much heed to reputation and this is to their peril. Heads of government and non-profit agencies don't do much

better managing the reputation asset, as recent scandals demonstrate. Yet, when leaders get reputation right over the long term, they follow certain principles, like the ones described here for the first time by Joe Hardy, one of the world's most successful builders.

This book is a how-to guide for professionals and students in public relations and corporate communication, as well as for CEOs and other leaders. It rests on the premise that reputation can be measured, monitored, and managed. Organized by corporate communication units (media relations, employee communication, government relations, and investor relations, for example), the book provides a field-tested guide to corporate reputation problems such as leaked memos, unfair treatment by the press, and negative rumors--and it is this rare book that focuses on practical solutions. Each chapter is fleshed out with real-world experience by the authors and their 25 contributors, including Lynn Appelbaum, The City College of New York; Gail Belmuth, International Flavors and Fragrances, Inc.; Kenneth Berkowitz, Healthcare Marketing and Communications Council; Roberta Bowman, Duke Energy Carolinas (formerly, Duke Power); Sandra Boyette, Wake Forest University; Andrea Coville and Ray Thomas, Brodeur; Lou Capozzi, Publicis; Steve Doyal, Hallmark; Anthony Ewing, Logos Consulting Group; Ed Ingle, Microsoft Corporation; James Lukaszewski, The Lukaszewski Group; Tim McMahon, McMahon Marketing; and Judy Voss, the Public Relations Society of America.

Lin Gensing-Pophal : The HR Book: Human Resources Management for Business

Many businesses understand the need for good HR management. After all, hiring, keeping and managing employees are a mission-critical activity that affects a business's ability to succeed.

However, a gap often exists between understanding the importance of HR management, and the ability to effectively manage different HR issues. For business owners and managers who find themselves facing this gap, The HR Book is an excellent resource.

The first part of The HR Book tackles the hiring process. Employers learn how to create a job ad, reach potential hires, review applications, prepare for and conduct interviews, check references, select the final candidate and make a job offer.

The book then addresses issues affecting hired staff. Topics include: intellectual property rights, contracts, company policies, issues related to pay and work hours, benefits, employee absenteeism, performance evaluation and dealing with employee problems. Each subject is touched on briefly, with a comprehensive overview of HR issues being the final result.

One of the most useful aspects of this book is that each section is based on legal HR issues. From the hiring process forward, each section includes information on Canadian and U.S. legal guidelines, helping employers manage their employees – legally. For example, in one section, the author outlines prohibited areas of pre-employment questioning. In another, the need to have employees sign an acknowledgement stating they have read the employee handbook is explained.

Another useful aspect of this book is the various templates included, such as the letter confirming employment, personnel record, non-disclosure and non-competition covenant, disciplinary warning letter and dismissal letter.

The HR Book addressed both Canadian and U.S. employers, where different laws affect employers depending on their location. Due to these variations, each sample contract should have included information on which local and regional laws that were taken into account when each sample contract had been drafted. This would have helped employers understand whether they could use the templates in their location.

Overall, The HR Book is an excellent resource that is designed to help employers hire and manage their employees.

As stated hereinabove the book is best suited for the Canadian and US employees and the employers as the labour laws in those countries vastly differ from those prevailing in India. However, it exposes the reader to the labour laws environment and the approach of the managements.

Philip Kotler-Marketing management

Managing Advertising P. Kotler on marketing- The best advertising is done by satisfied customers. Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. There are five stages in development of an advertising program. In first stage advertising objects are set. Second stage involves calculating a budget that takes in to account product life cycle stages, market share,

consumer base, competition, product and advertising frequency. In third stage, advertising message is chosen and executed. Ad's desired reach, frequency and impact are debated in fourth stage to decide on media. Sale effect of advertising is debated in fifth stage. In the product promotion mix, sales promotion, public relations and direct marketing are important elements. Sales promotion consists of diverse short-term incentive tools to stimulate greater purchase of products. It includes tools for consumer promotion (like coupons, prizes, and price –off, patronage rewards), trade promotion (advertising and display allowances, free goods) and business and sales- force promotion (trade shows and conventions, contests for sales representatives). Public relations involve a variety of programmes to protect or promote a company's image and that of its products. Its main vehicles are publication, events and public service activities. Direct marketing is an interactive system that uses one or more media to effect a measurable transaction at response at any location. Major channels for direct marketing include face-to-face selling, direct mail, catalog marketing, telemarketing and direct response marketing, kiosk marketing and e- marketing.

Philip Kotler, Waldemar Pfoertsch- B2B Brand Management

B2B Brand Management basically outlines (in great detail) the three main components of the business branding model conceived by Philip Kotler and Waldemar Pfoertsch. The former is renowned as one of the "titans" of marketing and is Distinguished Professor of International Marketing at the Kellogg School of Management; Pfoertsch is Professor of International Business at Germany's Pforzheim University.

The book is a well laid out book and adopts a fairly straightforward approach. Subsequent to the introductory chapter, the book outlines in great

detail the three main components of the Kotler-Pfoertsch business branding model:

- Branding Decisions (i.e. the decision to brand or not to brand);
- Branding Dimensions (the mechanics of B2B branding) and,
- Acceleration through branding which focuses on the implementation of a B2B branding program.

The introductory (first) chapter starts the ball rolling by pointing out some of the obvious differences between marketing business products (such as transport trucks) versus jeans and breakfast cereals. But Kotler-Pfoertsch deals mostly with the nuances of business “marketing” versus the nuances of business “branding”. Everyone knows that business buyers think they are more “rational” than consumer buyers and underestimate the emotional component of their own purchase decisions but it’s a bit more complicated.

B2B Branding Decisions (to Brand or Not to Brand)

Business “branders” are still trying to make the case for business branding: how business marketers continue to lag behind their consumer counterparts; how the increased complexity of business products and more competition (globally) is increasing the need for business branding. But the most interesting aspect is their take on what motivates business “branders” – risk reduction is noted as a factor for 45% of B2B marketers (versus 14% on the consumer side).

Branding Dimensions

This section presents an excellent review of the mechanics of business branding – the need to establish the essence of a brand and the need for a consistent and integrated brand strategy. A strong case is made for aligning brand and corporate strategies – but Kotler-Pfoertsch never really explains

the difference between the two. A lot of time is spent on brand architecture and various branding options such as Corporate versus Classic versus Family brands – but the authors keep reverting to the importance of “corporate” branding in the B2B world.

Acceleration through Branding

The section outlines a 5-step plan for implementing a brand strategy:

1. Brand Planning
2. Brand Analysis
3. Brand Strategy
4. Brand Building
5. Brand Audit

Each provides an exhaustive review of all five steps for implementing a branding process but this is the section that may scare the socks off many business marketers. The ‘Brand Strategy’ section alone throws six more concepts at the reader: brand positioning, brand mission, brand value, brand promise, brand architecture and brand core! This whole section can be overwhelming and certainly justifies the comments of one reviewer who “counted 50 different terms for brand management”.

The book finishes off with three sections including: ‘Success Stories’ which details the brand strategies of eight well known brands including FedEx, Samsung and IBM; ‘Brand Pitfalls’ which discusses (rather thinly) five branding issues which are not necessarily specific to the business branding process.

In summary -- this is definitely the most comprehensive treatment of business branding to date. B2B Brand Management has one of the best bibliographies for B2B papers, books and articles that is available. Many of the B2B branding principles are supported by case studies and examples – albeit (as one reviewer noted) there could be more “hard core” industrial case studies. And there are too many case studies drawn from the B2C world.

The book does cover business branding from A to Z – but it could be a bit intimidating for real B2B marketers who want to know more about day-to-day and real-world practices.

Philip Kotler : Marketing Management (12th Edition)

This highly-esteemed and widely adopted classic has long been considered the most student accessible text for the management courses in marketing. The eleventh edition, expanded yet streamlined, builds on the fundamental strengths of the past editions while highlighting recent trends and developments in marketing. The text is woven around an emphasis on four key themes: -- Customer Relationship Management -- Brand Building -- Internet/Technology Revolution -- Marketing around the Globe It explores how the traditional theories and practices of marketing management are responding to emerging technological and market realities. Written with a multidisciplinary perspective, this balanced, comprehensive coverage also addresses the needs of practicing managers to understand the strategic, tactical and administrative aspects of marketing against the new challenges and opportunities in the marketplace. Supplemented by diverse examples, illustrations, case studies, and stimulating exercises, the text brings the essentials of the subject into sharp focus, enhancing student confidence in identifying and resolving problems. New to this Edition and Special Features:

-- An entirely new Chapter 2 focuses on the impact of the Internet on marketing and consumers. -- Numerous examples of online companies and marketing illustrate how technology is changing business theory and practice. -- Chapters 19 and 21 dealing with marketing's communication function merged into a single new Chapter 20. -- New ideas and emerging trends in marketing explored in greater detail. -- New published research findings added to every topic. -- Over 100 new examples and mini cases of good and bad company marketing practices added to supplement/replace older examples. -- The application section includes several new types of challenging practical exercises. -- Updated marketing memo and marketing insight boxes in addition to completely new marketing for the new economy boxes. -- new marketing debate and online marketing today questions added to end-of-chapter exercises. -- Companion

3.2 INDIAN AUTHORS

B. V. S. Prasad –Indian Pharmaceutical Going Global

Indian pharmaceutical companies are going global and emerging as MNCs. Even though Indian pharmaceutical started to internationalize in the 1960s, it gained momentum only in the 90s and the trend continues to increase in the current decade. Initially Indian companies targeted emerging nations to globalize and now they are focusing both on developed and developing countries.

There are huge opportunities available for Indian companies to tap worldwide due to the increase in population and disease. As the developing countries embrace globalization and urbanization, the lifestyle of people in there is undergoing major changes and it causes many diseases that are similar to those of the developed world. Hence, tremendous opportunities

exist for Indian companies in developed markets like the US, Europe and Japan as well as developing markets like Brazil, Russia, India, China, South Africa, and Mexico. Most of the pharmaceutical major's blockbuster drugs will go off patent in the coming years. This also spells out great opportunities especially for generic drug manufacturers.

In order to tap these opportunities, Indian companies are going global through exports, Joint ventures, Mergers and Acquisitions and Greenfield Investments. Indian Companies are also engaging in Contract Research and Manufacturing Services. On the other hand, Indian companies are also out-licensing their products to global pharmaceutical firms. This book gives insights into the various strategies followed by Indian companies to go global, various markets tapped by them and their experiences in globalization.

This book edited by B. V. S. Prasad has been divided in three sections. The first section deals with Growth Trends, the second section deals with expansion Global Footprint, and the third section deals with the corporate experiences. The first section traces the evolution of Indian pharmaceutical industry, its growth over the years and its globalization. The Patent Act 1970 played a significant role in promoting the pharmaceutical industry in India. This section also contains an article titled "Mergers and Acquisitions Trends in the Pharmaceutical sector" authored by Shivaji Shukla. Besides consolidation in the domestic industry and investments by the US and European firms, the spate of mergers and acquisitions by Indian companies has ushered in an era of the Indian Pharmaceutical MNC.

Anshul Kaushesh: Pharmaceutical Marketing-Emerging Trends

This book gives an insight into marketing trends in the pharmaceutical industry. It looks at the challenges of generic drugs, new product

development, global competition, role of branding, Direct-to-Consumer Advertising (DTCA), emerging sales channels like the Internet and more. The book is valuable in a time when new medicines and vaccines are being developed to fight new diseases like H1N1 Flu, Avian flu etc.

P. G. Ramanujam: Marketing of Healthcare Services

In recent years, the healthcare sector has become very competitive and is changing rapidly. The rise of the patient as a consumer, the introduction of innovative technologies and a new breed of entrepreneurial managers are the main factors behind this industrial metamorphosis. Today's healthcare market has become consumer driven. Patients are better informed and they know more about health and medical services. It is against this background that the author has developed this book.

The findings and suggestions of the study are useful not only to the academicians, teachers, students, hospital management and its personnel, but also to the government and health policy makers in formulating the future policies and strategies of the healthcare sector.

Dr. Nidhi Shah

In her book titled "Human Resource Development in Healthcare - a comparative study of hospitals in India and USA, has lucidly articulated easily implementable recommendations for much needed improvements in the quality of healthcare with a human touch both for healthcare providers as well as healthcare recipients. She has identified gaps that, if addressed, may improve the quality of healthcare provided in the US and abroad. The comparison outlined highlights the importance of human resources development regardless of where care is being provided in the world. Her

findings rightly suggest curriculum and culture have to be changed if the quality of healthcare and patient satisfaction is to be improved.

Dr. Shah has rightly pointed out that Total Quality Management will help in strengthening motivational environment. Higher the motivation, greater would be the commitment towards quality. She has pointed out imaginative attention is called for to combine use of professional techniques with attitudinal orientation and persuasive approach.

Dr. Shah has rightly observed that there is no an increased awareness that healthcare is a service sector which requires a human orientation to be developed and sustained both at primary health centers in rural areas, as well as nursing homes and hospitals in urban areas. The need for synchronization of the professional approach of healthcare providers and the humanitarian interests of the healthcare recipients is being increasingly felt. Growing international cooperation in the healthcare sector at governmental and non-governmental levels has also accorded primacy to its human resource perspective.

Prof S A Sherlekar : Marketing Management (Unknown) 2010

Today's world has been overtaken by knowledge quake after knowledge quake in quick succession, that permit all branches of industry, management of which rests on the shoulders of pioneers, who need to know and know well its innards for survival, progress and a better day.

Albeit 12th Revised and Enlarged Edition of 1997 reprinted year after year until the closing of 2005, this 13th Revised Edition opens up an

altogether new world. So powerfully bright, is its radiance that it springs the enterprising reader to the top, floor after floor of knowledge by the page.

Anita Mishra

In her article on Marketing Communications Strategies has discussed in greater detail the importance and scientific approach to the marketing communication particularly while communicating the marketing strategies. According to her a marketing communications strategy will set out exactly how to promote an organization, initiative, product or service across a whole range of different media – from advertising campaigns to search engine optimization. It should set clear objectives so that you can measure success and crucially, it should provide the best solution within the available budget. It is part of the marketing mix, which includes all the means by which a company communicates directly with present and potential customers. It is the process of presenting an integrated set of stimuli to a target with the intent of evoking a desired set of responses within the target market and setting a channel to receive, interpret and act upon messages and identifying new communication opportunities. Marketing communication is a systematic relationship between a business and its market. There are eleven different communication tools available to the marketer: personal selling, advertising, sales promotion, direct marketing, public relation, sponsorship, exhibitions, merchandising, the internet, word of mouth and corporate identity. These communication tools constitute the marketing communication mix. Each element of this communication mix should integrate with other tools of communication mix so that a unified message is consistently reinforced. Sales promotion comprises various marketing techniques , which are often used tactically to provide added value to an offering with the aim of accelerating sales and gathering market in that particular segment. In pharmaceutical marketing communication the main

objective is to make an impression and more important is to make an impression long lasting. In the current rat race several national and multinational pharmaceutical companies have gained remarkably for their exceptional communication strategies for sales promotion. While many pharmaceutical companies have successfully deployed a plethora of strategies to target the various customer types, recent business and customer trends are creating new challenges and opportunities for increasing profitability. In the pharmaceutical and healthcare industries, a complex web of decision-makers determines the nature of the transaction (prescription) for which direct customer (doctor) of pharmaceutical industry is responsible. Essentially, the end-user (patient) consumes a product and pays the cost.

Mukesh Chaturvedi - "Customer Relationship Management an Indian Perspective"

In his above book, he has discussed the origin of CRM (Customer Relationship Management) in the West in the 1990s when the initial response was not up to the expectation. CRM means extensive use of technology in the business. The book presents the Human side of CRM. According to Mr. Chaturvedi, in the long-term CRM can be successful only due to its 'human' face.

CRM was born in the 1990s in the West. In the initial phases, the over enthusiastic businesses invested almost US\$ 400 billion. But, the very same businesses were disheartened very soon primarily because there were no returns visible. And, there were no quick results mainly because 80 per cent of the investments were made in technology. 'CRM' meant 'technology' to them then; 'CRM' means 'technology' to them even today. However, no

business need bother so long as it is ready to go by the 'human' aspect of CRM, and take technology only as a facilitator. This book is an attempt to present this 'human' side of CRM. He has discussed in detail Customer Managed Relationships, MINI-Marketing, types of CRM, Building blocks of CRM and Customer Relationship Management by Indian Firms, Customer strategies etc. It is very true that in marketing of any goods or services, the human aspect of business cannot be lost sight of. The thrust should be to ensure greater use of technology up-gradation in facilitating to fulfill the customer's expectations. The authors' belief is that, in the long-term, CRM can be successful only due to its 'human' face.

CHAPTER – IV

PROFILE OF PHARMACEUTICAL INDUSTRY

4.0 INTRODUCTION

The first Indian pharmaceutical company, Bengal Chemicals and Pharmaceutical Works, which still exists today as one of 5 government-owned drug manufacturers, appeared in Calcutta in 1930. These five public sector drug-manufacturing units under the Ministry of Chemicals and Fertilizers are: Indian Drugs and Pharmaceutical Limited (IDPL), Hindustan Antibiotics Limited (HAL), Bengal Immunity Limited (BIL), Bengal Chemicals and Pharmaceutical Limited (BCPL) and Smith Stanistreet Pharmaceutical Limited (SSPL). In addition, there are a number of pharmaceutical manufacturing units under the control of state governments such as Goa Antibiotics Ltd. and Karnataka Antibiotics Ltd. For the next 60 years, most of the drugs in India were imported by multinationals either in fully-formulated or bulk form. There are 24,000 licensed pharmaceutical companies. Of the 465 bulk drugs used in India, approximately 425 are manufactured here. India has more drug-manufacturing facilities that have been approved by the U.S. Food and Drug Administration than any country other than the US. Indian generics companies supply 84% of the AIDS drugs that Doctors without Borders uses to treat 60,000 patients in more than 30 countries.

The Indian pharmaceutical industry currently tops the chart amongst India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. A highly organized sector, the Indian pharmaceutical industry is estimated to be worth \$ 6 billion, growing

at about 10 percent annually. It ranks very high amongst all the third world countries, in terms of technology, quality and the vast range of medicines that are manufactured. It ranges from simple headache pills to sophisticated antibiotics and complex cardiac compounds; almost every type of medicine is now made in the Indian pharmaceutical industry.

The Indian pharmaceutical sector has expanded drastically in the last two decades. The Pharmaceutical industry in India is an extremely fragmented market with severe price competition and government price control. The Pharmaceutical industry in India meets around 90% of the country's demand for bulk drugs, drug intermediates, pharmaceutical formulations, chemicals, tablets, capsules, orals and injectables. There are approximately 300 big and medium scale Pharmaceutical companies and about 8000 Small scale units, which form the core of the pharmaceutical industry in India.

In future it will be a growth period of the Indian Pharmaceutical Industry. The growth is expected to emerge from three major areas:

1. Contract research and development services.
2. Export led business of generics and bulk drugs and
3. Growth in specialty therapeutic areas in the domestic market.

The growth in the institutional segment is likely to raise the market for diagnostics.

Increasing industrialization, literacy levels and urbanization are likely to increase the health awareness of the general public. Consequently the demand for preventive medicine in general and immunological like tetanus

toxoid, triple antigen (DPT), measles vaccine, Hepatitis vaccine, anti-rabies vaccine, polio vaccine and typhoid vaccine are likely to increase.

Companies are likely to pay greater attention to their human resources development effort in general and management developmental programs in particular.

The present state of armed truce between the trade and the industry is likely to continue in the future. But with a difference. The industry is likely to be united more closely than before.

Companies, which have strong research, focus and competence only can achieve a sustainable growth and performance in the borderless future market place. Now the companies are steadily increasing their investment in Research and Development.

Companies that think strategically are the ones that are likely to succeed in the future. Marginal firms are likely to be marginalized. Strategic thinking plays an even greater role in the coming years. Unless the pharmaceutical companies in India start preparing for future competition right now by upgrading in all areas it could be very difficult to exploit growth opportunities. It might become difficult even to survive any longer.

The industry will continue to be in consolidation mode and mood. The last few years have seen a spate of mergers and acquisitions of brands as well as companies. Indian companies continue to be aggressive in pursuing merger and acquisition strategies to gain access to international markets and to reinforce their position. Strategic alliances too will be on the rise

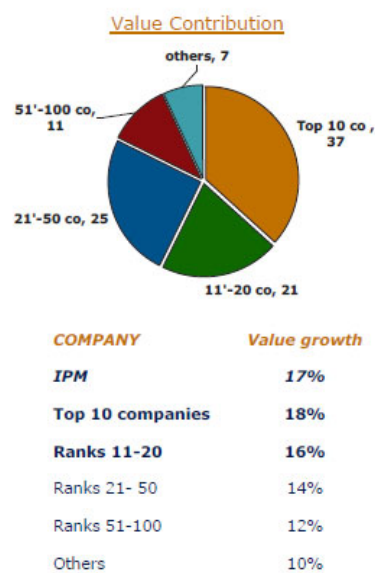
particularly in the areas of contract research, contract manufacturing and product licensing.

The top ten pharmaceutical companies in Indian market are listed here under:

Cipla ranks first with largest value growth rate of 18% and volume growth of 15.3%, with an annual value turnover of ₹ 2155 crores and at the bottom of the table is Aristo Pharmaceutical with 18.6% value growth rate and 20.1% volume growth on an yearly turnover of ₹ 966 crores. The other pharmaceutical companies which tops in top 10, in Indian Pharmaceutical market are Ranbaxy, Glaxo, Piramal, Zydus Cadilla, Sun pharmaceutical, Alkem, Mankind, Lupin . The total scenario in this regard has a positive impact on growth of pharmaceutical industry which is explained hereunder with the help of table as well as graphic presentation.

Table 10 and Graph 5 : Top 10 Companies Driving Market

COMPANY	Value in cr	Value growth	Volume growth
IPM	40,052	17.0	16.3
CIPLA	2,155	18.0	15.3
RANBAXY	1,968	13.7	13.9
GLAXOSMITHKLINE	1,743	18.0	18.1
PIRAMAL HEALTHCARE	1,644	22.8	21.5
ZYDUS CADILA	1,485	21.2	21.7
SUN PHARMA	1,450	22.9	16.6
ALKEM	1,286	22.5	28.0
MANKIND	1,101	27.9	26.9
LUPIN LIMITED	1,098	16.3	20.1
ARISTO PHARMA	966	18.6	20.1



Source: March 10, ORG-IMS Data

4.1 ADVANTAGE INDIA

As regards the pharmaceutical marketing in the world, India is becoming one of the front runner destinations because of its second largest population in the world, the pace of development of its economy, adoption of technological advancements, economical medical treatment cost and also availability of world renowned physician's etc. Following are the advantages of Indian Healthcare Scenario:

- ❖ **Competent workforce:** India possesses a skillful work force with high managerial and technical competence.
- ❖ **Cost-effective chemical synthesis:** The track record for development, particularly in the area of improved cost-beneficial chemical synthesis for various drug molecules is excellent.
- ❖ **Legal and Financial Framework:** India is a democratic country with a solid legal framework and strong financial markets. There is already an established international industry and business community.
- ❖ **Information and Technology:** It has a good network of world-class educational institutions and established strengths in Information Technology.
- ❖ **Globalization:** The country is committed to a free market economy and globalization. Above all, it has a 70 million middle class market, which is constantly growing.

Fig. 8 : Significant developments across the value chain during the last decade

Diseases	<ul style="list-style-type: none"> • 18% of worldwide mortality, 20% of worldwide morbidity; 16% population • Fastest growing diabetes population; large infectious mass • High prevalence of AIDS, Oncology, and chronic ailments
Consumers	<ul style="list-style-type: none"> • Better informed & aware consumers • Healthcare spend up to 6% of GDP per capita (from 3% in '02)
Customers	<ul style="list-style-type: none"> • Doctor density improved from 0.55 per 1000 patients in 2000 to 0.65 per 1000 in 2004 • Organization of the hospital sector
Marketing	<ul style="list-style-type: none"> • Increased focus on 'brand building' • New market opportunities emerging: Rural, OTC
Distribution chains	<ul style="list-style-type: none"> • Organization of the retail sector- opening up of retail chains • Entry of international players into the distribution chains
R&D and Manufacturing	<ul style="list-style-type: none"> • Largest number of FDA approved manufacturing plants outside the USA • More than 150 ANDAs and DMFs each (in 2004)
Legal	<ul style="list-style-type: none"> • Acceptance of IPR • Development of a common body to monitor patents & pricing

Source : ORG - IMS

Consolidation

After many years, the international pharmaceutical industry has discovered great opportunities in India. The process of consolidation, which has become a popular phenomenon in the world pharmaceutical industry, has started taking place in the Indian pharmaceutical industry as well.

Booming Sales

India is gaining importance as a manufacturer of pharmaceutical. Between 1996 and 2006, sales of pharmaceutical were up by 9% per annum and thus expanded much faster than the global pharmaceutical market as a whole. Demand in India is growing markedly due to rising population figures, the increasing number aging population and the development of incomes. As

a production location, the country is benefiting from its wage cost advantages over western competitors, when it comes to producing medicines.

Medical Tourism

The concept of medical tourism is an age old concept. In this digital era, half a million people travel across the globe for health purposes. People from developed and affluent countries are moving out of their own countries to other destinations, seeking solitude, natural and holistic remedies and eco friendly experiences. Medical Tourism is one such new area that is ripe with potential.

- ❖ **Medical travel:** When an individual travel across the border and outside one's customary environment to seek healthcare services.
- ❖ **Medical Tourist:** Upon arrival, such an individual is called a medical tourist.
- ❖ **Medical Tourism:** Traveling to a destination in another country to receive medical, dental and surgical care because the destination enables better access to care, provides higher quality care or offers the same treatment at a more affordable price.

India is economical medical tourism hub, major or minor, and is equal to the major hubs in terms of quality of staff and equipment. Prices average at a fifth of the United States, with particular deals in dentistry and diagnostic imaging, which approach a tenth the price. India deals with a higher proportion of major surgery tourists than minor surgery and check up tourists than the other major hubs, which has given rise to specialist hospitals across India .These hospitals are far out of the reach of most Indians and cater specifically to foreign tourists for very specific needs – for example some

centers will focus strongly on the heart surgery while others will deal with joint replacement.

Medical tourism is actively promoted by the government's official policy. India's National health policy 2002, for example, says, "To capitalize on the comparative cost advantage enjoyed by domestic health facilities in the secondary and tertiary sector, the policy will encourage the supply of services to patients of foreign origin on payment. The rendering of such services on payment in foreign exchange will be treated as 'deemed exports' and will be made eligible for all fiscal incentives extended to export earnings.

Best hospitals for medical tourism in India: The list is not exhaustive but illustrative.

- 1) Apollo Hospital, Chennai
- 2) Indraprashta Apollo Hospitals, New Delhi
- 3) Escorts heart Institute and Research Centre, New Delhi
- 4) Max Super Specialty Hospital, New Delhi
- 5) Wockhardt Hospital and Kidney Institute, Kolkata

India's strengths in Medical Tourism

- ❖ Indian medical centers provide services that are in fact uncommon elsewhere.
- ❖ World-class treatment at competitive prices is available.
- ❖ Availability of skills, knowledge and resources.

- ❖ India's quality of care is world class, competing with any other industrialized country.
- ❖ Indianism: With Ayurveda becoming increasingly popular across the globe, this ancient Indian therapy can be used as a non-surgical treatment for various ailments along with the meditation and yoga. This gives the touch of Indianism to the treatment.
- ❖ The diversity of tourist destinations availability: Leisure tourism is already very much in demand in India as the country offers diverse cultural and scenic beauty. India has almost all sort of destinations like high mountains, vast deserts, scenic beaches, historical monuments, and religious temples, etc. known for its hospitality for tourists.

Medical tourism in India is growing at a rate of 30 percent per year. It is estimated that India will earn US\$ 2.2. Billion a year through medical tourism by 2012.

4.2 PENETRATION IN THE WORLD MARKET

Exports

The Domestic pharmaceutical sector has been expanding and has is estimated at US\$ 11.72 billion (₹ 55454 crore) in 2008-09 from US\$ 6.88 billion (₹ 32575 crore) in 2003-04. Indian exports are destined to various countries around the globe including highly regulated markets of USA, Europe, Japan and Australia.

Export of domestic drugs and pharmaceutical from 2003-04 to 2008-09 are given in table below:

Table 11 : Growth rate of Domestic Indian market.

S. No.	Domestic Indian market (figure in ₹ crore)	Growth Rate (%)
2003-04	32575	7.28
2004-05	34128	4.77
2005-06	39989	17.17
2006-07	45367	13.45
2007-08	50946	12.30
2008-09	55454	8.85

Source: Annual Report 2009-10, Department of Pharmaceutical, Government of India

Pharmaceutical Export Promotion Council (Pharmexcil)

The Department had played a pivotal role in the formation of Pharmexcil consequent to the recommendation from 9th Five Year Annual Plan Working Group Report on Drugs and Pharmaceutical. In the light of this, the Department constantly interacts with Pharmexcil in their work areas. The role of Pharmexcil is for facilitation of exports of Drugs, Pharmaceutical, Biotechnology products, Herbal medicines and Diagnostics, to name a few. It is authorized to issue Registration-cum-Membership Certificate (RCMC) which is one of the requirements for the importers and exporters of commodities. In addition to this, Pharmexcil is concerned with giving export thrust to the various products through visits of delegations to various markets abroad, organizing of seminars, workshops and exhibitions. As a major area of work, Pharmexcil also holds Buyers/Sellers meets and compiles detailed data base

on pharmaceutical exports and problems in exporting pharmaceutical group products of Pharmaceutical.

Table 12 : Top 20 destinations of Indian Pharmaceutical products during 2008-09

S. No.	Importing country	2008-09 (figure in ₹ Crore)
1	USA	7103.27
2	Russia	1519.20
3	Germany	1441.87
4	Austria	1417.15
5	UK	1233.09
6	South Africa	1126.75
7	Canada	1090.43
8	Brazil	1018.89
9	Nigeria	1001.74
10	Ukraine	687.22
11	Israel	686.22
12	Netherlands	669.98
13	Spain	620.02
14	Turkey	614.20
15	China	561.53
16	Kenya	543.86
17	Vietnam	536.62
18	Belgium	520.90
19	Italy	57.85
20	Mexico	501.54

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS) Kolkata

Ethical Marketing

Ethical marketing is an honest and factual representation of a product, delivered in a framework of cultural and social values for the consumer. It promotes qualitative benefits to its customers, which other similar companies, products or services fail to recognize.

Ethical marketing frames messages in a way that the consumer identifies with. It encourages companies to integrate cultural, social, economic and environmental values into their culture, strategy and actions, and reinforces the positive values of the brand, creating a strong 'citizen brand'. This is all done on a voluntary basis, and is generally an offering above and beyond statutory requirements.

Through the effective use of ethical marketing and corporate social responsibility, companies are able to positively contribute to society and manage the environmental impact of their organization, whilst maintaining and even growing the contribution to their bottom line. It can have direct benefits on businesses and can help secure long-term competitiveness.

Ethical marketing in Pharmaceutical companies should observe following guidelines:

Promotional practices must be consistent with patients' benefit, must be ethical and must be in good taste.

- ❖ Information provided must take account of customer needs and must be based on product information as it has been approved by the local authority, derived from the approved Basic Product Information.

- ❖ Event sponsorship must be clearly disclosed and the primary objective of a meeting must be scientific in nature.
- ❖ Hospitality must be appropriate, in good taste consistent with local practices and secondary to the main purpose of the meeting.
- ❖ Gifts must be modest and relevant to the practice of medicine.
- ❖ Personal incentives to prescribe are prohibited.
- ❖ Samples must be handled with the prime objective of familiarizing the customer.
- ❖ Sales representatives must have appropriate training and product knowledge.

Compensation for healthcare professionals must be provided only for actual, reasonable and necessary services

Since the end of the 1980s, India has been exporting more pharmaceutical than it imports. Over the last ten years the export surplus has widened from EUR 370 m to EUR 2 bn. At 32% in 2006, the export ratio was about twice as high as in 1996 and will likely rise further in the coming years

The government started to encourage the growth of drug manufacturing by Indian companies in the early 1960s, and with the Patents Act in 1970, the pharmaceutical industry developed with greater space. This

Patent Act removed composition patents from food and drugs, and though it kept process patents, these were shortened to a period of five to seven years.

The lack of patent protection made the Indian market undesirable to the multinational companies that had dominated the market, and while they streamed out, Indian companies started to take their places. They carved a niche in both the Indian and world markets with their expertise in reverse-engineering new processes for manufacturing drugs at low costs. Although some of the larger companies have taken small steps towards drug innovation, the industry as a whole has been following this business model until the present.

Until the 1970s, India's pharmaceutical market was mainly supplied by large international corporations. Only cheap bulk drugs were produced domestically by state-owned companies founded in the 1950s and 60s with the help of the World Health Organization (WHO). These state-run firms provided the foundation for the sector's growth since the 1970s. Back then, Indian government aimed to reduce the country's strong dependence on pharmaceutical imports by flexible patent legislation and to create a self-reliant sector. In addition, it introduced high tariffs and limits on imported medicines and demanded that foreign pharmaceutical companies reduce their shares in their Indian subsidiaries to two fifths.

This made India a less attractive location for international companies, many of which left the country as a consequence. Especially Indian Drugs and Pharmaceutical Ltd. (IDPL) are credited with speeding up the development of a national pharmaceutical industry. In the 1980s, however, the decline of state-run companies began - among other things because of

increasing central government bureaucracy and insufficient corporate governance.

By contrast, the weakening of the Patent system and numerous protectionist measures sped up the development of a major national pharmaceutical industry on a private-sector basis, which made it possible to provide the population with a large number of drugs.

Legal changes in India, in 2005, made it considerably more difficult to produce "new" generics. Foreign pharmaceutical, which enjoy 20 years of patent protection, can no longer be copied by means of alternative production procedures and sold in the domestic market. Hence, a reorientation was required in India's pharmaceutical industry. It now focuses on drugs developed in-house and contract research or contract production for western drug makers. The sector's development is slowed by major infrastructure problems. These are, above all, qualitative and quantitative shortcomings in the power and transport sectors.

In 2001, India's pharmaceutical industry became the focus of public debate when CIPLA, the country's second-largest pharmaceutical company, offered an AIDS drug to African countries for the price of USD 300, while the same preparation cost USD 12,000 in the US.

This was possible because the Indian company produced an all-in-one generic pill which contains all three substances (Stavudine, Lamivudine and Nevirapine) required in the treatment of AIDS. This kind of production is much more difficult in other countries as the patents are held by three different companies. In the final analysis, the price slump was a result of

India's lax patent legislation. In 2005, patent legislation was tightened, so India's pharmaceutical sector had to adjust.

4.3 DEVELOPMENT OF INDIA'S PHARMACEUTICAL INDUSTRY

Up until the 1970s, India's pharmaceutical market was mainly supplied by large international corporations. Only economical bulk drugs were produced domestically by state-owned companies founded in the 1950s and 60s with the help of the World Health Organization (WHO). These state-run firms provided the foundation for the sector's growth since the 1970s. Back then, Indian government aimed to reduce the country's strong dependence on pharmaceutical imports by flexible patent legislation and to create a self-reliant sector. In addition, it introduced high tariffs and limits on imported medicines and demanded that foreign pharmaceutical companies reduce their shares in their Indian subsidiaries to two-fifths.

Large Market Share for Generic Drugs

As there was no efficient patent protection between 1970 and 2005, many Indian drug producers copied expensive original preparations by foreign firms and produced these generics by means of alternative production procedures. This proved more cost-efficient than the expensive development of original preparations as no funds were required for research, which contained the financial risks. This spending may come to as much as EUR 600 m for only one drug. This kind of money could previously only be raised by large corporations in the industrial countries.

The competitiveness of generics producers is based on cost-efficient production. In this field, Indian companies are currently in top position. At

one-fifth, India's share in the global market for generic drugs is considerably higher than its share in the overall pharmaceutical market (approx. 2%). At the same time, India's pharmaceutical companies gained know-how in the manufacture of generic drugs. Hence the name "pharmaceutical cy of the poor" which is frequently applied to India. This is of significance for the domestic market as disposable income is as little as EUR 1,900 per year for roughly 140 million of the total of 192 million Indian households, which means the majority of Indians, cannot afford expensive western preparations.

Exports of Pharmaceutical Products

In 2006, India's pharmaceutical industry exported products worth EUR 3 bn, up from only EUR 650 m in 1996, which was due to the fact that demand for low-cost generic drugs is strongly on the rise, above all in the US, Europe and Japan. At 22%, export growth in 2006 was even twice as high as the global average and in Germany (roughly 11% each). Meanwhile, India's export ratio has reached 32% about double the figure registered ten years ago. For some time now, India has exported more pharmaceutical products than it imports. Over the last ten years, the export surplus has risen from about EUR 370 m to currently just under EUR 2 bn. Slightly over 80% of the drugs are sold to the US and Europe, where Indian companies are benefiting from the population's purchasing power as well as regulatory changes (greater cost-consciousness). By contrast, traditional sales markets such as Russia, Southeast Asia, Africa and Latin America have lost its importance. However, only 60 production locations of India's pharmaceutical sector have been certified by the World Health Organization, which implies they comply with the strict quality standards imposed by the US Food and Drug Administration (FDA), Compliance with FDA standards is the precondition for selling products on the important US market.

4.4 POPULATION GROWTH AND PHARMACEUTICAL BUSINESS IN INDIA

India's pharmaceutical sector is receiving a major boost from population growth. According to UN estimates, the population total looks set to rise from 1.1 bn at present to 1.4 bn in 2020. Up until 2020, India will see as many children being born as there are people living in Germany, France, the UK and Italy together. By 2025, India will probably have overtaken China as the world's most populous Country. Its population growth results, not least from higher life expectancy. This is attributable, among other things, to improved preventive healthcare. Of course, though, average life expectancy in India is still markedly lower than in western countries. While the figure is 64 years for men and 66 years for women in India, life expectancy in Germany is 76 years for men and 82 years for women.

The ageing of the population in India offers considerable market opportunities. According to a UN estimate, the share of people over the age of 65 in the total population will rise from 5% currently to 8% in 2025. This would mean roughly 55 million more people aged 65 and over, than today. As a result, typical age-related illnesses such as cancer, diabetes and cardiovascular diseases will be more wide-spread. The pharmaceutical sector will also receive a boost from the gradual spreading of civilization diseases such as obesity and diabetes. According to PricewaterhouseCoopers (PwC), the number of Indians with diabetes will reach approx. 74 m in 2025 (currently 34 m); this is roughly the population of Turkey today. In the developing countries as a whole, there could be just fewer than 230 m. diabetes patients. This development should benefit India's generics manufacturers.

Upcoming Extra-Urban Markets in India

Rural Market Coverage

Indian pharmaceutical companies are eyeing the global markets and employing tactics to grab a piece of the international consumers' wallet. But for long, rural market in India was unattended by most of the pharmaceutical companies. The top companies cover over 80% in urban markets but rural reach is around 30% whereas 70% of Indian population stays in rural market.

This fact is been realized by most of pharmaceutical companies and thus they have started focusing now on rural coverage either through the separate division or through existing field force.

Marketing Activities of Pharmaceutical Companies in Rural Areas

Rural marketing activities of many pharmaceutical companies have been traditionally restricted to markets with stocks of the concerned product; and stocking them with the chemists or dispensing doctors. Not much emphasis was given to employing novel marketing strategies to woo the rural Indian doctors and patients.

The pharmaceutical industry as such needs a lot of facilities and experts. As these facilities and experts are available only in the urban areas, our market comprises predominantly of urban areas (70 percent of the total market) and hardly 30 percent in rural areas.

About 70 percent of India resides in villages, which (according to various sources) comes approximately to 74, 26,17,747 of the whopping 1.1 billion of the total Indian population. In India, only 30 percent of the population has access to quality medicines and the treatment gap in almost

every chronic disease segment is more than 65 percent. Therefore, the opportunity is huge.

The best and the largest of pharmaceutical companies used to reach only Class 1 and II towns. Still in many pharmaceutical companies, marketing in the villages possibly includes some unplanned taxi tours or they leave it to the stockiest network to make the goods available without any doctor promotion in the rural areas. Hence, the villages present a huge untapped market.

The rural market is indeed very large and is growing. There is an estimated 20 million middle class households spread across 6, 00,000 villages in rural India, which is equal to the number of middle class households in urban India. In addition, the disposable income in rural India is much more as compared to urban areas. Food, shelter and primary education are virtually free in rural areas, whereas a substantial chunk of the income in urban areas is spent on these. As a consequence, the spend on healthcare in rural India is also increasing.

4.5 THE RURAL MARKET AREA

Given the potential of the rural markets, these days, companies are more open to reaching the rural consumer than even before. However, most of the products that are being advertised and marketed aggressively are the low risk-low involvement products like pain balms, lozenges, cough and cold syrups.

The high risk-high involvement products like cardiac or cancer products are not advertised or marketed through media as regulations

prevent this. However, companies have often taken the community-welfare route to educate the rural consumers about a particular disease segment and make them aware of the treatments available. Companies are conducting healthcare workshops in the rural areas by tapping the doctors there. Such programmes offer mutual advantages to both the parties concerned. The doctors benefit through the increased footfall of prospective patients and companies benefit through the brand awareness and possibility of increased prescriptions.

For instance, Sorento Healthcare Communications has been associated with Piramal Health Care (PIL) for over the last two years for an Epilepsy outreach programme launched under the banner 'Reach More, Teach More'. With an 85 percent treatment gap in epilepsy management in India, PIL was keen to make the most of the opportunity by spreading its reach to towns beyond their current coverage.

Strepsils lozenges has chosen to build brand awareness in the villages through traditional means like billboards at bus stands, branding buses, hoardings, promotions at jatras and melas.

They have also done rural road shows in the interiors of Maharashtra in a traditional lawani set up. The objective was to generate sufficient word-of-mouth so that the brand remains on tip of the tongue when the consumers actually decide to make the purchase.

As far as Pinkoo Gripe Water, the flagship brand from the Ajanta Pharmaceutical stable, is concerned, the product was a rural product from the very beginning. The promotion too was rural oriented, ranging from stalls at fairs to showing slides in cinema halls. They also have vans that move across

regions. They also educate tertiary health workers, who work in smaller villages. They train and brief them so that they can try to promote the products. For Pinkoo Gripe Water, the entire promotion strategy is executed in local languages.

High fundas of metro marketing do not work in rural markets and companies should focus more on what the rural customer/consumer understands and what he likes. One of the strategies implemented by the company is by organizing a 'healthy baby' contest.

A good example of rural promotion of healthcare products is the Goli Ke Humjoli Campaign, which helped trigger the sales of a whole range of oral contraceptive brands. The entire market grew by a good 22 percent and created an excellent platform for low-priced contraceptives in India.

The Speed Breakers

Despite of 70% population staying in rural India, thought comes to mind then what was stopping the pharmaceutical companies from exploiting the full potential of rural markets? Many companies try to make sense of the rural opportunity, but they often give up due to lack of skill sets, expertise and experience to reach these unexplored territories. This is because most of the companies evaluate this opportunity in a knee-jerk manner and give up when it becomes logistically unmanageable.

Few examples of companies like P & G and Reckitt, with their OTC offerings try to reach the rural markets, more through their FMCG expertise and network. The biggest problem that marketers face today is the cost of reaching the rural consumer. Rural markets tend to be far more spread out in

contrast to the urban markets that are very concentrated and in compact geographies.

Absence of Regional Brands

As far as prescription products are concerned, there is always a trickledown effect with companies contacting the city-based specialists first, when promoting a new prescription product. After the product satisfies him, it is prescribed by the layer of General Practitioners (GP) under them. Slowly and steadily, this product then finds flavour with the GPs at the grass root level and that is how a product reaches the doctors in the class II cities and villages.

The pharmaceutical industry may be the only industry in India that cannot boast of rural or regional brands. The pharmaceutical industry is fraught with various social and regulatory issues, in addition to various business issues. This is because human life is at stake here.

With various norms in place for quality of the product, pricing, packaging and huge investments that are needed for pharmaceutical R & D and manufacturing, it is not possible for a small regional or a rural player to come up with a standardized product for the rural as well as urban markets. Also, in these areas, chemist is the biggest influencer and plays a significant role in the purchase process as he often recommends products to consumers.

Thus, it will always be an urban to rural flow and not other way round. However, it can so happen that regional players offer products in nutraceutical or ayurvedic segment to the consumers.

Yet, there will never be a situation, where a rural brand will present a threat to an MNC brand. Not sure of this situation in Rx business, but surely in the OTC business one sees many local brands doing very well. There are many examples in Kerala where one finds a good number of ayurvedic brands advertised on satellite local channel very well especially in the cough, cold and supplements areas.

A Different Ball Game

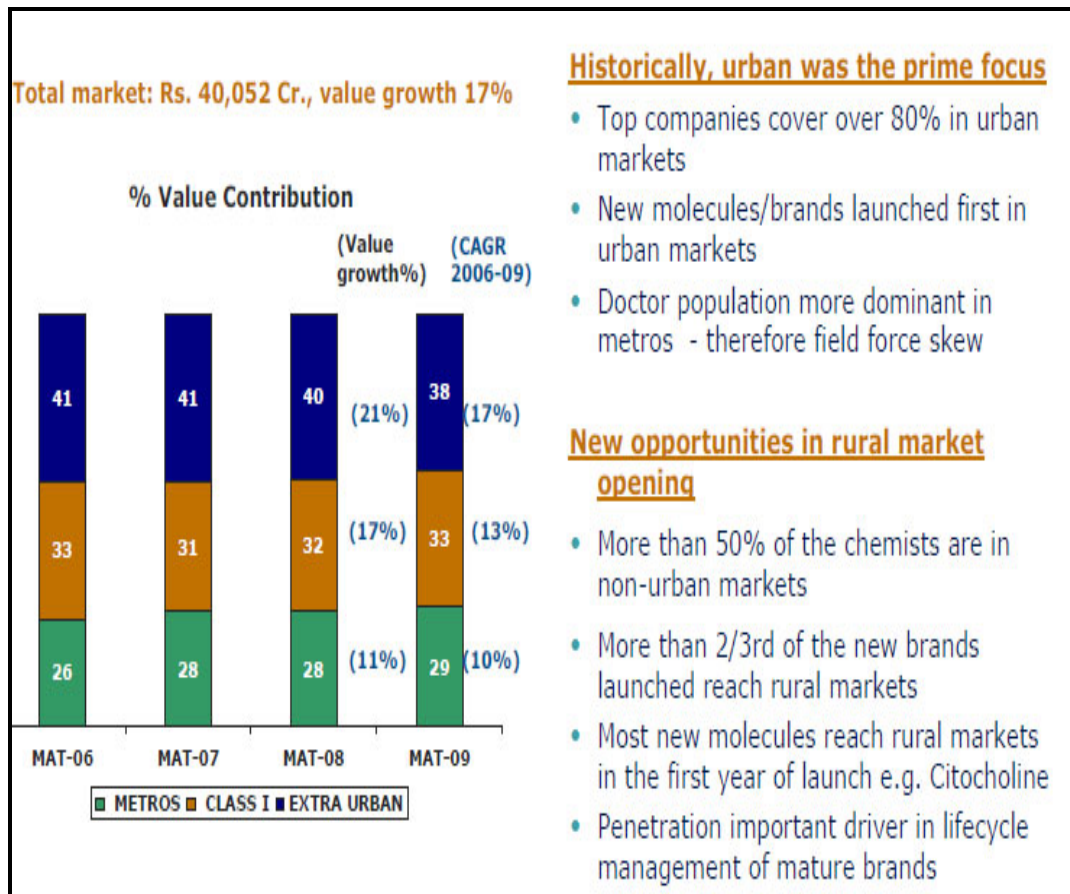
The typical Indian villager is a poor, superstitious and ignorant man. Most of the villages do not even have a health centre or a doctor. In these circumstances, the pharmaceutical companies have to play the dual role of an educator and provider. In addition, each village is different in its ethnicity, values and culture. Thus, the companies require adopting different strategies for different villagers. The companies would also have to price their products strategically keeping in mind the spending power of villagers.

All the effort and resources that go into rural marketing are appropriate as not only are rural markets big, but they also present untapped potential. The rural consumer is also highly brand loyal unlike the fickle urban consumers. The rural Indian consumer is a value conscious consumer. "For instance, if he buys Crocin and it works, he will swear by it. He will not accept anything else. In case he is used to a blue Crocin and a chemist gives him a white tablet, he will not accept it. Considering this, though it will be a mammoth task for companies to come across the right formula for success in rural areas, nonetheless, the effort and investment will not be useless as every penny spent will yield them loyal customers, who trust not just the efficacy of the brand, but also the company as a whole.

From the below information, it is quite evident that rural market is started gaining importance, apart from urban market, in terms of the rural market coverage by more pharmaceutical companies, pharmaceutical brand availability, launch of new molecules, etc.

Fig. 9 and Graph 6 : Extra Urban Markets

The Pharmaceutical Industry has started to see gains from the Extra-urban markets and this will be a key driver of the next wave of growth for Pharmaceutical Companies



Source: ORG-IMS Data

With low-cost manufacturing, high-quality research and manufacturing facilities and educated personnel, the Indian pharmaceutical industry presents both a competitive threat and partner opportunities with MNCs.

The days when the Indian pharmaceutical industry was synonymous with cheap generic drug production, are passing. While generics continue to play a major part in the industry's success, many companies have started down the long road of drug discovery and branded product development.

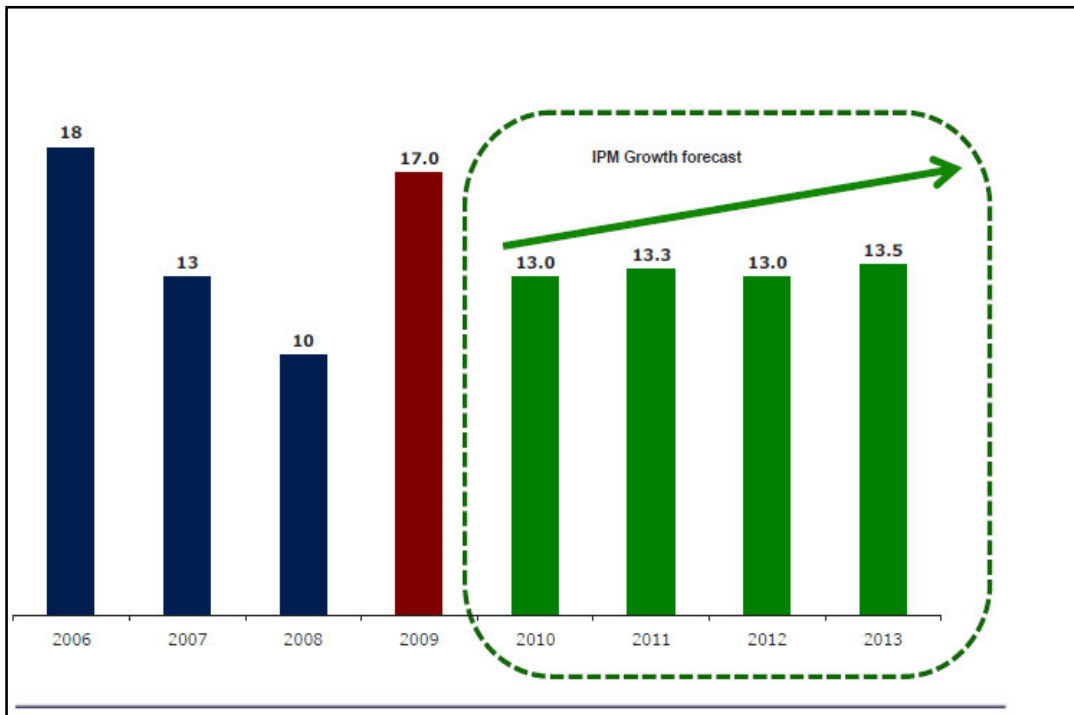
India is the world's fourth largest producer of pharmaceutical by volume, Accounting for around 8% of global production. In value terms, production accounts for around 1.5% of the world total. The Indian pharmaceutical industry directly employs around 500,000 people and is highly fragmented. While there are around 270 large R & D based pharmaceutical companies in India, including multinationals, government-owned and private companies, there are also around 5,600 smaller licensed generics manufacturers, although in reality only around 3,000 companies are involved in pharmaceutical production. Most small firms do not have their own production facilities, but operate using the spare capacity of other drug manufacturers.

The advent of pharmaceutical product patent recognition in January 2005 changed the ground rules for Indian companies. In the run up to the new post-patent era and since, the Indian industry has been evolving. R & D departments are moving away from reverse-engineering in favor of developing novel drug delivery systems and discovery research.

4.6 PROJECTED FUTURE GROWTH OF INDIAN PHARMACEUTICAL MARKET

Taking into account the factors stated above, the Indian Pharmaceutical Industry has poised to achieve still higher growth rate which has been depicted in the following graphic presentation.

Graph 7: Indian Pharmaceutical Market (IPM) indicates a growth of 13-15%



Job Opportunities

The pharmaceutical -sales field, often called "recession-proof," is popular because it offers excellent salary potential, great benefits, flexibility, and opportunity for growth. An aging population, the shift away from clinical treatment of illnesses in hospitals, and the fact that people seek a good quality of life as life expectancies continue to increase, these are some of the factors spurring the growth of the pharmaceutical sector. The pharmaceutical industry is among the largest, most stable, and fastest growing businesses in the entire world. The industry has grown 300 percent in the last decade, according to the Hay Group, a global organizational and human-resources consulting firm.

The pharmaceutical salesman's job is also seen as somewhat prestigious. "A pharmaceutical sales representative sells a technologically advanced product to highly intelligent physicians in a very professional environment," writes pharmaceutical sales recruiter Pat Riley, summing up the field's appeal. Riley is author of several e-books on how to break into pharmaceutical sales.

Pharmaceutical employers frequently seek those with at least two years of sales experience, preferably business-to-business sales. Previous jobs that offered strong sales-training programs also are viewed favorably. A record of promotions can be a big plus. Of those with no sales experience, candidates with a healthcare or clinical background may have an edge. A strong record of accomplishments is also important.

Other traits mentioned by experts as helpful in landing a job in this field are being organized, goal-driven, creative, polished, persuasive, motivated, energetic, trustworthy, willing to learn, aggressive, smart, ethical, confident, ambitious, positive, self-starting, patient, persistent, a problem-solver, a team player who also performs well independently, a good time-manager and prioritize, and a great communicator. Additional desirable traits include good listening skills, integrity, negotiation skills, and presentation skills. It's generally OK to be money-motivated. You should have good physical stamina for the long hours and all the driving you will likely to do, as well as carrying hefty sample and promotional cases. You may be required to travel and relocate. For example Pfizer, which states on its sales careers page that the company seeks "college graduates, experienced salespeople, junior military officers and anyone else with the intellect, experience and stamina to take on the challenges of a fast-track career." The company further seeks those with "the technical knowledge and business competencies we're looking

for," as well as those who are creative self-starters with an interest in medicine or science, and strong interpersonal skills.

Networking is a huge advantage in getting into pharmaceutical sales because most firms advertise vacancies only when they are unable to fill them by word of mouth.

4.7 PROFILE OF MUMBAI REGION

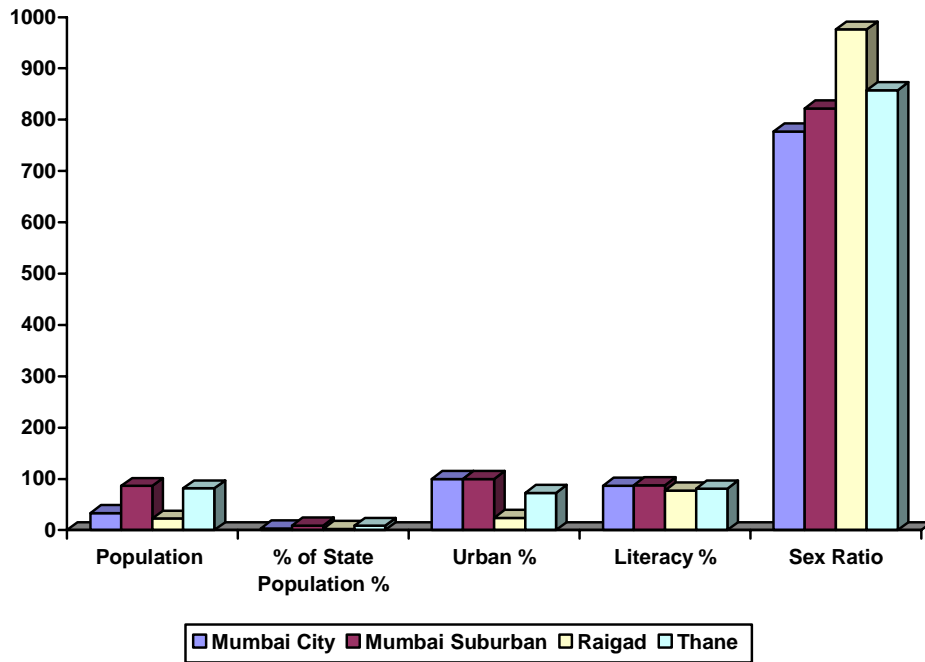
The term Mumbai Region used in this study refers to area carved out by the pharmaceutical industry for its smooth marketing operations. The population of this region and its classification has been shown in the following table. This table also shows the demography of the area as well as its urban classification, literacy and sex ratio. This is a composition which relates to the generation of demand for pharmaceutical products in this area under study.

Table 13 : Population of Mumbai Region

Name	Area (km²)	Population (2001 census)	% of State Population	Urban (%)	Literacy (%)	Sex Ratio
Mumbai City	67.7	33,26,837	3.44	100	86.4	777
Mumbai Suburban	369	85,87,000	8.88	100	86.9	822
Raigad	7,148	22,07,929	2.28	24.2	77	976
Thane	9,558	81,31,849	8.4	72.58	80.67	858

Source: Web site of Konkan division

Graph 8 : Population of the Districts, its % to the State, Urban Classification, Literacy Classification and Sex Ratio of the Identified Area



Every company depending on its product range, marketing strategy, potential market study, location of its headquarters, etc. and its targeted goal defines the area of operation of its sales staff. However, pharmaceutical companies by and large have defined Mumbai Region consisting of Greater Mumbai and the surrounding districts which have been shown in the below detailed map.

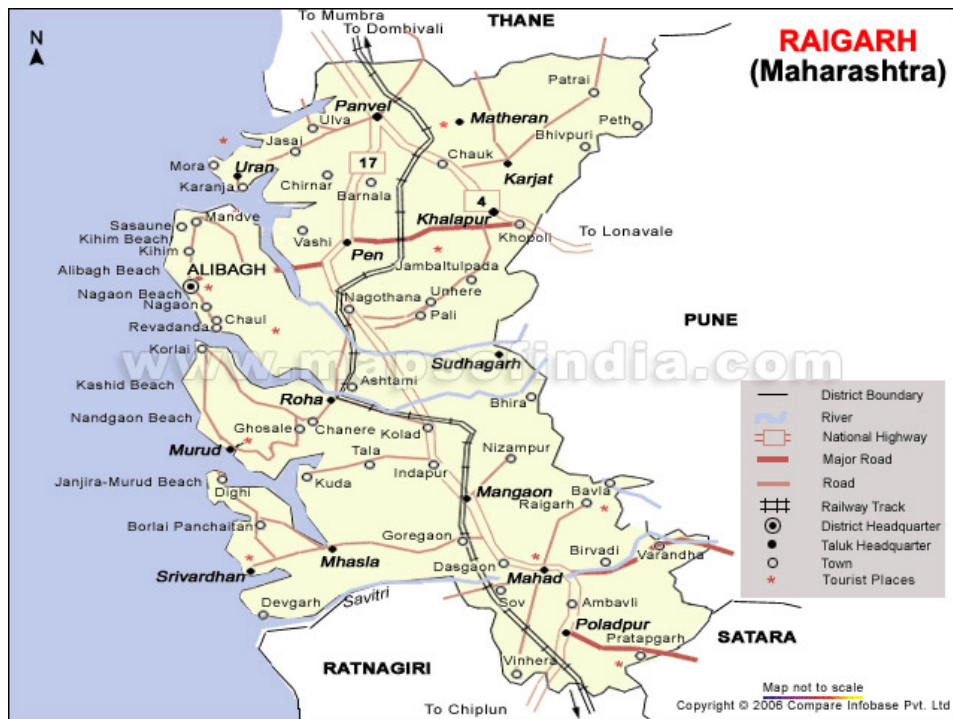
Map of Mumbai District



Map of Thane District



Map of Raigarh District



For most of the pharmaceutical Companies, this region forms geographically, Mumbai city and Mumbai suburbs, Thane district and Konkan region which has great marketing potential.

The Mumbai Region features are as under :

Mumbai Region as understood in the Pharmaceutical Marketing phraseology is quite a large area spread over area of Mumbai District area 437.71 km² (169 sq mi), Thana District 9,558 km² (3,690 sq mi), and Raigad area 7,148 km² (2,760 sq mi) thus the total area of the Mumbai region works out to 17,143.71 km².

There are around 300 pharmaceutical companies which are catering to the population of this area. Hence it was possible only to obtain data from the representatively selected top ten pharmaceutical companies, in Mumbai region, having major market share.

This region is more or less metropolitan area where all the means of communication are available. Speed is the essence of the movement of both people as well as goods. Literacy level of this area is quite high, compared to the environment of the interior parts of Maharashtra.

CHAPTER – V

RECRUITMENT AND SELECTION OF SALES PERSONNEL

5.0 INTRODUCTION

It is important to understand the high attrition rate in Indian Pharmaceutical sector, which stands presently around 35% taking into consideration the Recruitment and Selection of Pharmaceutical sales personnel, and various reasons behind the attrition rate are as follows:

Controlling Attrition

In an ideal world, employees work hard, love their job, worship their workplace, feel like a family and would never leave. But in the real world, employees quit at the drop of a hat. In today's scenario, it is the major challenge before the pharmaceutical companies to control the high attrition rate.

As the Indian pharmaceutical industry grows exponentially, companies are taking the big leap from survival strategy to competitive strategy. Hence, there is a constant thirst for the best and the brightest of employees, and the result is heavy attrition.

In addition, there are several other reasons as to why employees quit. The reasons are too varied to be clubbed together, but the bottom line remains the same—it is all about money!

Therefore, it is no wonder that the compensation levels in the industry are heading north. Companies are literally bidding for talent and luring away employees with attractive salaries and designations. While HR experts define it the function of demand and supply, it is a serious concern for employee retention.

A Critical Issue

After IT and BPO, it is now the pharmaceutical sector that is facing the issue of high attrition rates. For most HR managers, employee retention is the biggest challenge.

Talent or human resource is a major asset for any company. Company Invest high amount of money for their recruitment, selection and training and what happens to company if these talents or employees leave the organization in short while seeking new opportunities.

Indian Pharmaceutical Industry is one of the fastest growing knowledge based sector with annual attrition rate of around 30-35% compared to the global pharmaceutical attrition rate of 10-12% per annum. Current statistics show that higher attrition rate problem mainly exists in Marketing and R&D departments.

Major reasons for high attrition rate, stated by employees during the survey are-

1. Inadequate salary or compensation plan. The immediate gain in salary package was found to be responsible for job change in 61 per cent of the cases.
2. Poor management
3. Uninteresting job

4. Lack of motivation

Job Lacking Opportunity for Future Advancement

Leaving company by the employee not only leads to loss of money for the company in his training and development of knowledge but it also increase the threat of information security if employee moves to rival company and loss of the business.

Whenever a well-trained and well-adapted employee leaves any organization, it creates a vacuum. The organization loses key skills, knowledge and business relationships, and it is not an easy task to find a sustainable substitute. Situation is worse when it happens at a critical (decision making) position, as there is a scarcity of such technical resources in the market. Attrition directly affects the company. Recruiting and training programmes for employees is an expensive affair. The company has to invest a lot while recruiting an employee.

Attrition is a universal phenomenon and no industry is devoid of it, but the degree fluctuates from industry to industry. Major pharmaceutical companies in India are age-old and established, having their own culture and work practices and therefore, employee turnover will be a common phenomenon in such companies. Attrition is a serious issue in the pharmaceutical industry because the industry is knowledge-based and hence employees are its "assets".

Many HR experts believe that money, though a key factor, is not the only one which makes employees quit. Attrition also happens when people hate their working conditions, do not like their team-mates or perhaps do not

like what they are doing. There are also cases when people leave their job for family reasons or when they wish to migrate.

Experts also believe that organizational culture has a great impact on who stays and who goes. And the culture of an organization is determined by the quality of the relationship between bosses and their subordinates. According to a popular saying, employees never leave the company, they leave their bosses. An inefficient boss creates poor work culture, which is one of the frequent reasons for quitting.

Employers often fail to understand the importance of providing opportunities for development of their employees or their career growth. A conducive working atmosphere, good culture, training and career growth with adequate salary are some provisions that control attrition.

Every employee comes to his organization with some aspiration. An organization is viewed as a place where employees meet their aspirations of growth and development, values of trust, teamwork and transparency. If a company respects them and their skills, realize their potential and provide them with a healthy environment to learn and grow with flexible compensation, employees take that as a strong reason to stay on.

Recognizing the contribution of outstanding achievers also inspires others to try hard and put in their best. A good organizational behavior also focuses on areas like training, career development and believe in equipping workforce better on the professional front.

Experts say that good organizational behavior is instrumental in extending the tenure of employees in the organization as it increases their

self-esteem, confidence, morale and motivation. A substantial growth of employee's self-esteem is as important as the concept of learning in the industry. Otherwise, experts fear that pharmaceutical organizations will meet a sorry fate as far as retention policies are concerned.

Attrition is the Function of Demand and Supply

The demand comes from the growth of the industry and the policy of the company. These two things decide whether there is a demand of fresher or experienced employees. On the other hand, the supply comes from the educational institutions and the market. Normally the supply from the educational institutions is enough to meet the demands of the pharmaceutical industry, there is a lack of experienced people in the industry, which in turn has created an imbalance. The imbalance is crucial to the growth of the industry. While the industry is growing, not all companies are capable of taking fresh people and groom them. Hence, the current status demands experienced people and shortage of skills or retaining existing employees pose an issue for the industry.

In the current scenario, the demand of experienced and good employees is actually outstripping the supply. In such a situation, higher salary structures pose a major challenge in controlling attrition levels in the industry. Moreover, the salary growth plan is not well defined as well. All this encourages poaching by companies offering higher salaries. Though the salary is decided keeping in line with the market trends, the qualification, experience and the attitude of the individual matters. Salary or even increments are dependent very much on what kind of value adding the person is or will do in the organization.

Besides, HR experts from the industry believe that out paying is not a winning tactic for companies. The organization's reward strategy reflects its power to drive quality employees. Apart from salary, recognition of work is a healthy retention strategy. If the organization values its employees, recognizes and appreciates their skills and work, it pays. It is important to keep an eye on fast track people who are intelligent and excellent performers. Performance is a primary requirement; therefore, excellent performers should be valued. They should be identified, nurtured and provided growth opportunity.

HR's Role and Strategies

As the struggle for reducing employee attrition rates is intensifying, recruiters are putting renewed efforts in identifying talent, which is committed and productive. However, while everyone is competing for talent, in experts' opinion, a hiring spree can be a blunder sometimes. Stringent recruitment process could help reduce attrition to a certain extent.

An internal referral mechanism is also very useful in reducing attrition rates in companies. A thorough analysis of a candidate's background or behavior pattern, adaptability or liking would help the organization with good resource pool and less attrition rates.

Hiring slayers rather than stars is yet another strategy. According to experts, some of the most talented people often have the tendency to move on. The reason being their eagerness to climb by shifting from one company to another. Frequent job hoppers are not the ultimate gainers. "They gain or earn only in terms of money but those who opt to work in one organization for long are able to learn and gain experience which pays in the long term,"

An efficient HR focuses on creating a good work culture and work out different strategies in line with organizational philosophy. According to experts, HR managers must use the combination of growth, learning opportunity and pay attention to employees' personal needs and participation. The needs of the employees should be regularly gauged through open communication, polls and feedback mechanisms to maintain consistency in performance and high motivation levels.

Pharmaceutical employers need to understand the same and deal this issue on a war footing so as to avoid loss of good employees and, also the business.

This brings to the issue of recruitment and selection. If these initial steps are flawless, it also helps in reducing the attrition.

5.1 SIGNIFICANCE OF RECRUITMENT AND SELECTION PROCESS

"Recruitment and selection refers to the chain and sequence of activities pertaining to recruitment and selection of employable candidates and job seekers for an organization".

Every enterprise, business, and entrepreneurial firm has some well-defined employment and recruitment policies and hiring procedures.

Importance of Recruitment is given below:

- ❖ Attract and encourage more and more candidates to apply in the organization.

- ❖ Create a talent pool of candidates to enable the selection of best candidates for the organization.
- ❖ Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- ❖ Recruitment is the process which links the employers with the Increase the pool of job candidates at minimum cost.
- ❖ Help increase the success rate of selection process by decreasing number of visibly under qualified or overqualified job applicants.
- ❖ Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time.
- ❖ Meet the organizations legal and social obligations regarding the composition of its workforce.
- ❖ Begin identifying and preparing potential job applicants who will be appropriate candidates.
- ❖ Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants

Factors Governing Recruitment

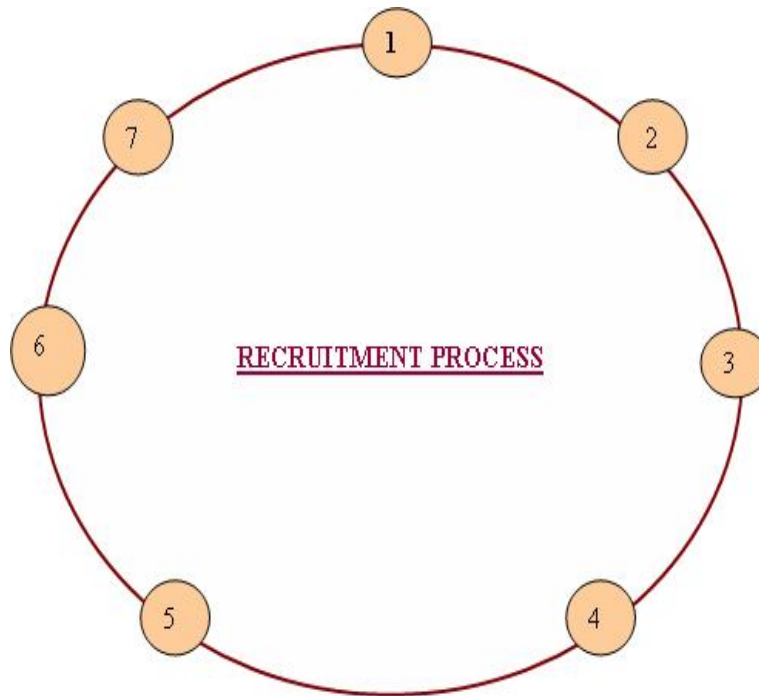
External Factors

- ❖ Supply and demand
- ❖ Unemployment rate
- ❖ Labour market
- ❖ Potential social
- ❖ Sons of soil
- ❖ Image

Internal Factors

- ❖ Recruitment policy of the organization
- ❖ Composition of temporary and part time employees.
- ❖ Preference to local people even by multinationals as they understand local language.
- ❖ Size of recruitment
- ❖ Cost of recruiting

Fig. 10 : The General Recruitment Process



1. Identify vacancy
2. Prepare job description and person specification
3. Advertising the vacancy
4. Managing the response
5. Short-listing
6. Arrange interviews
7. Conducting interview and decision making. The recruitment process is immediately followed by the selection process i.e. the final interviews and the decision making, conveying the decision and the appointment formalities.

Recruitment and Selection are perhaps the most important tasks for an organization. Recruitment refers to the process of searching and appointing prospective candidates in an organization. An organization must undertake

the recruitment procedure if it wants to appoint the right people under its employment.

According to **Edwin B. Flippo**, "Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization".

"A process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applications from which new employees are selected".

"Recruitment is the activity that links the employers and the job seekers".

Objectives of Recruitment

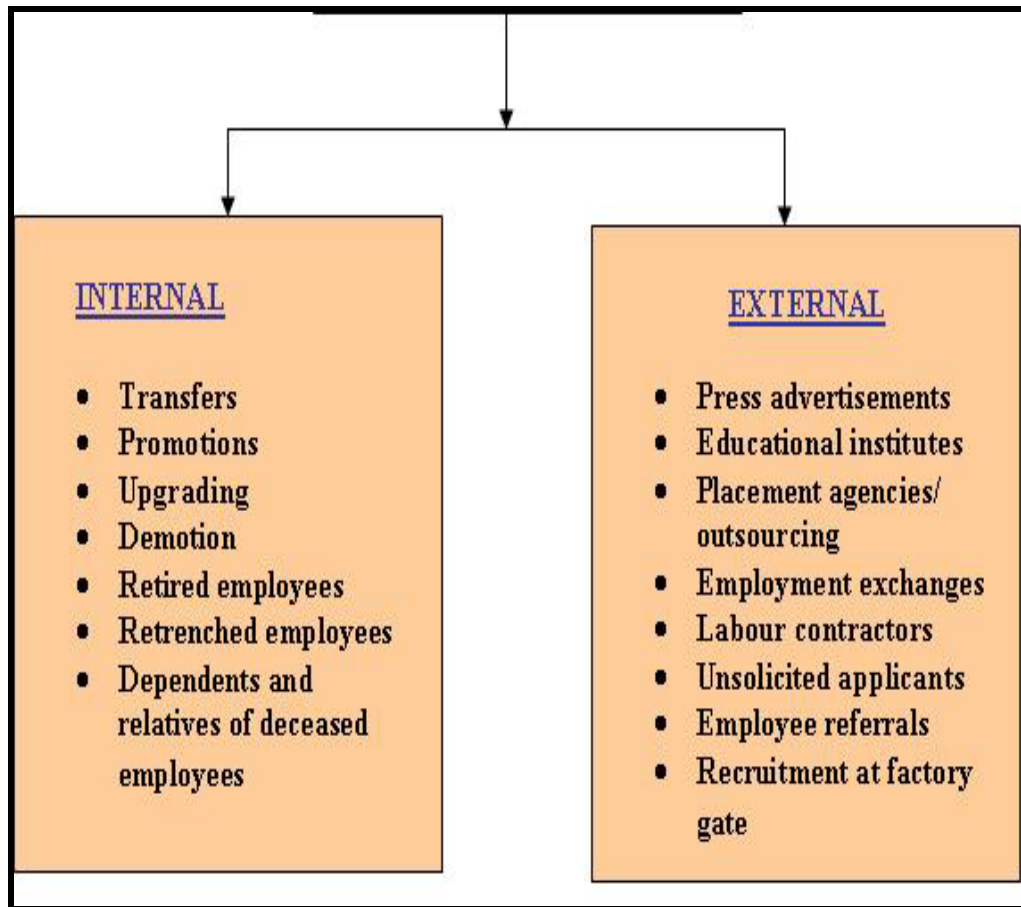
- 1) Support the organization ability to acquire, retain, and develop the best talent and skills.
- 2) Determine present and future manpower requirements of the organization coordination with planning and job analysis activities.
- 3) Obtain the number and quality of employees that can be selected in order to help the organization to achieve its goals and objectives.
- 4) Create the pool of candidates so that the management can select the right candidate for the right job from this pool.
- 5) Attract and encourage more and more candidates to apply in the organization.

- 6) Increase the pool of candidates at minimum cost.
- 7) Acts as a link between the employers and the job seekers.
- 8) Infuse fresh blood at all levels of the organization
- 9) To search or head hunt people whose skill fit the company's value.
- 10) To induct outsiders with a new perspective to lead the company.

Sources of Recruitment

Every organization has the option of choosing the candidates for its recruitment process from two kinds of sources: internal and external sources. The sources within the organization itself (like transfer of employees from one department to other, promotions) to fill a position are known as the internal sources of recruitment. Recruitment candidates from all the other sources (like outsourcing agencies etc.) are known as the external sources of the recruitment.

Fig. 11: Sources of recruitment



Why Does Organization Prefer Internal Sources?

- Internal recruitment can be used as a technique of motivation.
- Suitability of internal candidate can be judged better than the external.
- Candidates as “known devils are better than unknown angels”.
- Employee’s psychology needs can be met by providing an opportunity for advancement.

- Employee's economic needs can be met by providing an opportunity for advancement.
- Cost of selection can be minimized.
- Cost of training, induction, orientation, etc can be minimized.

5.2 SELECTION PROCESS

The main objective of a selection procedure is to determine whether an applicant meets the qualification for a specific job, and then to choose the applicant who is most likely to perform well in that job.

The entire process of selection begins with an initial screening interview and concludes with a final employment decision. When a selection policy is formulated, organizational requirement like technical and professional dimensions are kept in mind. Selecting a suitable candidate can be the biggest challenge for any organization.

According to Dale Yoder - "Selection is the process in which candidates for employment are divided into 2 classes - those who are to be offered employment and those who are not."

1) Pre Interview Screening

This is generally the starting point of any employee selection process. Pre Interview screening eliminates unqualified applicants and helps save time. Applications received from various sources are scrutinized and irrelevant ones are discarded. A preliminary Interview is conducted.

2) Preliminary Interview

The application of candidate whose screening is successful is found to be eligible for the preliminary interview which covers the personal as well professional details of the prospective candidate.

3) Final Interview

This interview is formal in depth conversation conducted to evaluate applicant's acceptability.

4) Medical Examination

If all goes well, then at this stage, a medical examination is conducted to make sure that the candidate enjoys sound health and does not suffer from any serious ailment.

5) Checking References

Most application forms include a section that requires prospective candidates to put down names of a few references. References are contacted to get a feedback on the person in question including his behavior, skills, conduct etc.

6) Job Offer

A candidate who clears all the steps is finally considered right for a particular job and is presented with the job offer. An applicant can be dropped at any given stage if considered unfit for the job. Only after successfully clearing all the hurdles, an applicant can enjoy the feeling of being selected for a particular job.

7) Induction Programme

New entrants after joining are given induction programme. It helps the new employee to understand and develop a sense of identification with the company and he can clearly understand his job and will be able to perform his work in good manner.

5.3 HR POLICIES AND PROCEDURE

HR department deals with the management of human resources. It is responsible for the creation of harmonious working relations among the participants of the organization. It effectively deals with the process of planning, directing, developing, and utilization of human resources available to the company. Personnel department basically involved with the management of personnel or human resources. Personnel management is the planning, organizing, directing, and controlling the procurement, development, integration, maintenance and separation of the human resources to the end that individual, organizational and social objectives are accomplished.

Recruitment Checklist

- ◆ Has the vacancy been agreed by the responsible HOD?
- ◆ Is there up-to-date job description?
- ◆ What are the conditions of employment for their vacant positions?
- ◆ Has a candidate specification been prepared?
- ◆ Has the manpower requisition form been submitted earlier?
- ◆ Has the job advertisement been agreed?

- ◆ Have the interview arrangement been made?
- ◆ Have unsuitable candidates held in reserved been informed?

Explanation of Recruitment Process

Steps in Recruitment process are as follows:

- 1) **Requirement Gathering:** Requirement gathering starts with the job description provided by the different department. The manpower requisition forms are provided by the HR department and then filled by the respected departments. Job description contains criteria such as qualification, professional experience, designation in the organization, urgency of manpower requirement in the organization.
- 2) **Analysis of the Requirement:** It is a clear requirement with a detailed explanation. A clear understanding enables a recruiter to provide a valuable manpower to the required department in terms of giving them a right candidate that matches up their requirement and to provide a candidate with good opportunity to sharpen his skills and achieve his personal goals.
- 3) **Sourcing of CVs:** In order to find the relevant profile for the job, it is very essential to search the CVs. This can be done in following ways:
 - ◆ Casual application from local places.
 - ◆ Contacts through the present employees.
 - ◆ Data bank
 - ◆ Portals, such as Naukri.com
 - ◆ Former employee
 - ◆ Campus interview.

- 4) **Screening of CVs:** This is very important step. It decides whether the CV matches the job description given by the department head. In this step the recruiter has to study the following details in deep—
 - Date of birth
 - Highest qualification
 - Experience
 - Skills
 - Expected salary, etc.

- 5) **Arranging the interview:** After screening the CVs, the interview schedule is scheduled by the recruiter. Once the schedule is fixed, candidates are called for interview.

- 6) **At the time of interview:** Candidate is given the personal data form to fill before the interview. Personal data form covers all the in depth information of candidate. Personal data form and resume attached to it is handed over to the interviewer before an interview. Then preliminary interview and final interview is conducted.

- 7) **Medical Checkup:** Selected candidates are sent to medical checkup with pre medical checkup form. The main objective of this test is to detect whether the applicant is physically fit to perform work or not and to protect the employer from worker compensation claims.

- 8) **Reference Check:** Reference check is made for an experienced candidate. Many employer request name, contact number,

address of reference for verifying the additional background information of the candidate.

- 9) **Documentation:** After the reference check is positive, candidate is called for further procedure of documentation. After documentation the candidates are provided with offer letter.

- 10) **Induction Programme:** New entrants are given induction programme. It helps the new employee to develop the sense of identification with the company. The newly entrants is given information about the major products, departments and organization, key statistics. This helps the newly joined employees to understand their work in a better way.

Criteria for Recruiting a Medical Representative

A Check List

1. Age

It is advisable to select them young, usually between 21 and 25 years.

2. Education

Depending upon the level of technical knowledge required for promoting your products you can decide on this.

3. Experience

It may be advisable to select a fresh graduate with good scholastic record and extracurricular activities. Some companies prefer limited experience of a year or two in similar companies. In the case of an experienced candidate look for his accomplishment, tract record, etc.

4. Appearance

A pleasing personality is always preferred.

5. Manners

He / she should have good manners as he moves in a sophisticated highly educated class.

6. Voice and Expression

There should be clarity of voice, modulation and grammar

7. Reactions

Alertness, quickness of response.

8. Drive

Ability to stimulate, enthuse others and self-assurance.

9. Intelligence

Comprehension, reasoning ability, keenness and smartness is expected of him/her.

10. Interest

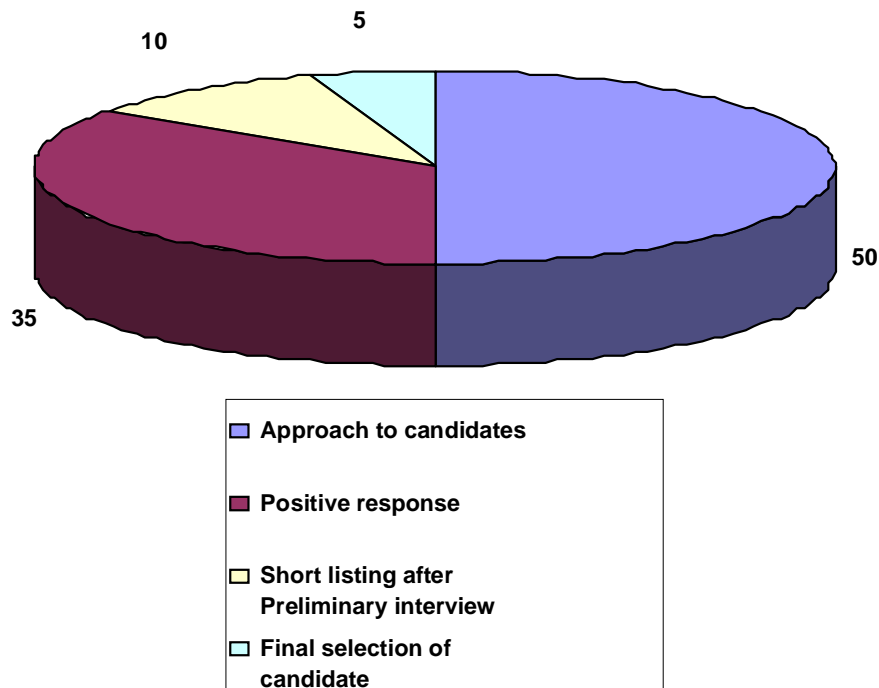
Sincerity of ambitions and personal goals, interest in other people.

Recruitment Process

Table 14 : Recruitment Process

Recruitment Process	No. of Candidates
Approach to candidates	50
Positive response	35
Short listing after preliminary interview	10
Final selection of candidate	05

Graph 9 : Recruitment Process

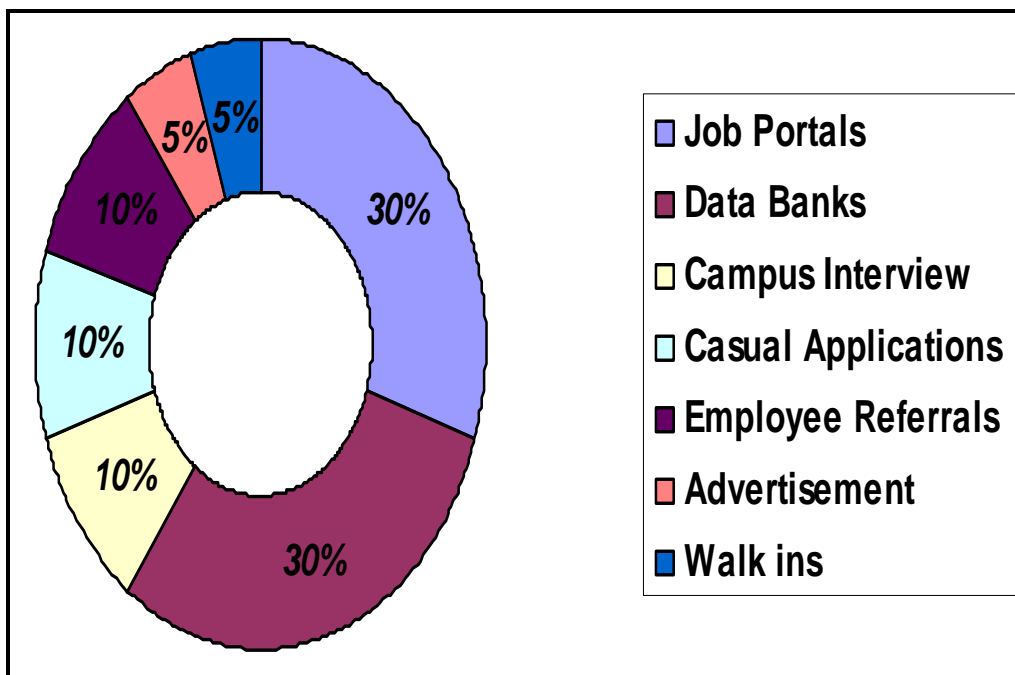


The above graph no. 8 represent the number of candidates gets selected after the final interview. This graph is taken to show the number of approaches to candidate is much more than the candidates who actually get selected after the final interview.

Table 15 : Sources of Recruitment

Sources	% of Recruitment
Job Portals	30%
Data Banks	30%
Campus Interview	10%
Casual Applications	10%
Employee Referrals	10%
Advertisement	5%
Walk ins	5%

Graph 10: Sources of Recruitment



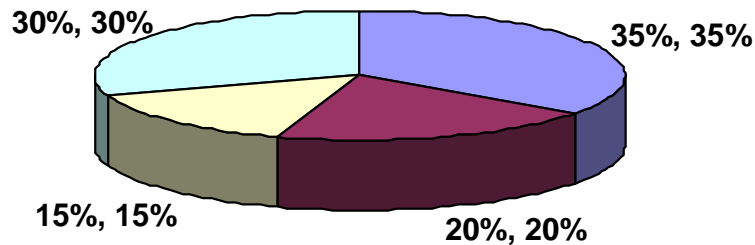
The graph represents the sources of recruitment. The percentage of usage of all sources is not same, the company is using job portals as 30% which are major source of recruitment, 30% data is from data banks, 10%

from campus interview, 10% from Casual application, 10% from employee referrals 5% from advertisement and 5% from walk ins.

Table 16 : A Survey of Factors Affecting the Recruitment Policy of the Company

Sr. No.	Preference given by the employee	Percentage
1	Pay Package	35%
2	Work Profile	20%
3	Organizational Culture	15%
4	Company's name and Fame	30%

Graph 11 : Factors Affecting Recruitment Policy



1 Pay Package	2 Work Profile
3 Organizational Cultures	4 Company's name and Fame

According to this survey, 35% employee says about pay package, 20% work profile, 15% organizational control, and 30% company's name and fame.

The selection and recruitment of sales personnel is a critical aspect in Pharmaceutical industries because it has to face many challenges existing in the market. The selection of right person for the right job is the basic need of the Pharmaceutical industry. The employer has to consider following challenges before pharmaceutical marketing. This is because before selection he has to study the challenges and select the team which can meet out these challenges.

Recruitment Process Outsourcing (RPO)

RPO has largely been associated with Business Process Outsourcing (BPO) wherein an employer outsources all or part of its recruitment process to external service provider. RPOs have often been confused with other placement agencies which have cropped up throughout India. In fact there is a huge difference between their way of functioning and credibility. Rajesh Ranjan, Research Director, Everest group says, "RPO has different kind of elements. First is sourcing, where you need to source right kind of resumes, candidates etc. It is followed by screening of those resumes. After that you need to take care of the logistic requirements. Interview of the candidate and then processing an offer letter are some of the key elements of this recruitment cycle. RPOs take up multiple recruitment processes and they handle it on ongoing basis. RPO will be responsible for outcome of these processes. This is the difference between RPO and normal recruitment placement agencies." That said, interestingly, the Indian industrial sector has not yet warmed up to RPO as a recruitment concept, much less the pharmaceutical and health care sector.

Untapped Opportunities

It is strange that Indian pharmaceutical industry which is by volume fourth in the world has minimal penetration of RPO. There are different

reasons put forth to explain this seeming lack of interest. RPO as a concept has already taken healthy shape in the western world. In India it is still at a nascent stage. Companies are looking for higher quality with increased efficiency and this has gained momentum especially post the economic downturn."

Many times pharmaceutical companies have their own internal recruitments. The capabilities of external recruitment firm are also sometimes a point of concern for pharmaceutical companies, as pharmaceutical recruitment calls for a basic understanding of the pharmaceutical industry as well.

The critical business issue in pharmaceutical is attrition in front line sales. Leading pharmaceutical companies use CSO's (Contract Sales Organization) or contracting as a solution. Over 5 percent of sales personnel are hired from campus and this is done by in-house resourcing /recruitment teams. Most back fill recruitment is in up country locations; most of the large/established recruitment firms have little or no capability in addressing that market. Such recruitment is also done through local firms."

India has one of the biggest clusters of pharmaceutical companies in the world. India has an astonishing figure of more than 20000 registered pharmaceutical companies. Many complex operations are part of day-to-day activities in this industry. Moreover, many geographical, linguistic and cost effective advantages of India made many overseas companies set their operations in India. In this scenario RPOs can play a crucial role in fulfilling their manpower requirements. Outsourcing is the current mantra of pharmaceutical industry and is being used more strategically as an ongoing

part of a company's overall business strategy. Outsourced activities can be in various fields' right from the drug discovery to workforce mobilization.

RPO will benefit pharmaceutical companies which are either setting up new business lines/project or surge hiring as a result of new product launches. Based on various delivery models (onsite/off site, hub-spoke etc), the benefits to this industry will be reduction of recruiting/hiring costs, increased candidate quality and pipeline, decreased expenditures with external search firms and contract recruiters, and decreased cycle time to fill rates. It also results in the transfer of ownership of primary hiring functions, so that client can re-allocate internal resources to core business and has greater flexibility to manage variable hiring volume (surge hiring) and to ensure 100 percent order fulfillment."

Indian pharmaceutical companies would definitely like to go global. In this scenario RPOs can play a great role. Pharmaceutical companies require a specific talent pool, so quality of hiring services is very important. There are many pharmaceutical companies in India so the competition for the talent is also very intense. So they need a specialist help to attract right kind of talent. If pharmaceutical companies tap such RPOs, then it will really help them.

"Most large pharmaceutical companies especially MNC's have experienced (the benefits of) RPOs as there is a better understanding of the concept and its benefits. With the Indian market offering competitive and cost-effective prices, we are also witnessing higher degree of responsibility being placed in RPO whether it's KPI's, timelines, CSAT etc. We are likely to see more and more companies from overseas looking at India for outsourcing their recruitment function. Also, RPO is not all about cost. It also means ownership of the processes and better understanding of the market which

leads to faster TAT (Turn-Around-Time) for their hiring which has certain impact on the business,”

The Future Strategy Relating to RPO

RPOs have done credible work in many industries. Western world has long since understood the benefits of dealing with RPOs. Indian industries need to do a lot to attain and remain in the same league of their Western counterparts, and the pharmaceutical industry is no different. For this reason, the use RPOs will be a reality in future.

Expert expects the RPO market to pick up in 2010. There has been lot of activity in the pharmaceutical space whether it M & A (Mergers and Acquisitions), JV's (Joint ventures) being formed, rural foray etc. and with economy on the recovery path, this should provide greater amount of opportunities in the coming years for us. When various pharmaceutical therapeutic products go off-patent in the next few years, it is expected that requirements in area of manufacturing (expanding/new capacities), sales and marketing areas will go up very significantly, specially for sales.

By 2012 many drugs are going off patent and this scenario is expected to bring a revolution in the Indian pharmaceutical industry as experts predict the sale of generic drugs will go up by a few billion dollars. This business expansion should translate into a good business opportunity for RPOs as well.

CHAPTER – VI

**MANAGEMENT AND TRAINING OF SALES
PERSONNEL IN PHARMACEUTICAL
INDUSTRY**

6.0 INTRODUCTION

The objective of pharmaceutical marketing is to make profits through satisfying customer needs and wants. Hence, the marketers have to understand the real needs, wants, belief and attitude of customers towards products and services.

With Product patent being implemented in India, the operating dynamics of the Indian pharmaceutical industry are poised for significant changes. The pace at which Indian companies were able to introduce new formulations till now is likely to slow down considerably. One of the biggest changes for the future would be the focus on 'marketing' that would get significant momentum to drive corporate performances. In short, understanding customer needs and expectations would become the mantra for success in years to come.

Marketing is an exciting dimension of human activity, which is also true for Pharmaceutical marketing. The core of marketing is increasing the consumption of marketed products and services. Pharmaceutical marketers by means of free samples and other marketing techniques, induce the doctors to prescribe requisite medicines.

Marketing is the value delivery process of companies or organizations.

The objectives of marketers can be listed as follows:

1. Change in lifestyle of the customer.
2. To increase the customer base.
3. To ensure customer retention.
4. Customer/consumer satisfaction and income earning from consumers. This may be called as value exchange.
5. Marketing is improving market penetration. Marketing begins by visualizing the target market based on demographics and other market characteristics and titrating the product or service to the market.

The idea of all marketers is to develop a huge market base for the product or service, and build habits. For pharmaceutical marketers, developing favorable prescribing habits is the ultimate aim of Pharmaceutical marketing.

6.1 MANAGEMENT OF MARKETING PERSONNEL

Motivational Factor for Sales Personnel-Work Environment

Following are certain core elements to cultivate loyal employees by motivating them:

- ❖ Create a vision and a clear career path.
- ❖ Foster a culture where every employee feels respected and valued.
- ❖ Encourage a workplace where employees can feel free to create a future for themselves and their families.

- ❖ Develop a system of rewards and recognition to keep your employees motivated.

Each of these elements is dealt in detail as follows:

- ❖ **Create a Vision and a Clear Career Path**

When a new employee comes on board, he should receive a full orientation that includes a clearly defined career path, including the steps and competencies required to advance along that path. If you are a small company that might be as simple as deciding who is going to run things if and when you retire. On a larger scale, succession planning involves developing a "bench" of talented individuals who are prepared to assume leadership roles as your company grows. A succession plan should be closely tied to your growth plan. Sure, you might have enough crew leaders to handle the work you have now, but what if you grow and have to expand yourself, do you have the leadership talent ready now to assume those future leadership positions.

- ❖ **Foster a Culture where Every Employee Feels Respected and Valued**

Every member of your team, no matter how young or old, experienced or inexperienced, has a talent and a unique perspective to offer. Respect starts with recognizing that talent and encouraging individuals on the team to participate in discussions and decision making on every level. Whether it's a strategy session on how best to approach a particular job, or a weekly team meeting to discuss on-going business issues, including everyone in the process will help

encourage a sense of engagement in the business that will result in long-term, loyal employees.

Another way to show you value your employees is to trust them to do their jobs. If you are constantly micro-managing them, you are not encouraging them to become leaders themselves. So, the next time you are tempted to tell an employee what to do, stop yourself, and encourage him to make the decision on his own.

❖ **Encourage a Workplace where Employees can Feel Free to Create a Future for Themselves and their Families.**

Organization should encourage employees to develop their strengths and their passions, also should leave room for employees to think outside the box, and develop their own customized career path. This involves a system of regular performance reviews, where employees and their managers can quantify performance, target areas for improvement and set specific goals to help them achieve the competencies they need to move along their chosen career path.

❖ **Develop a System of Rewards and Recognition to Keep your Employees Motivated.**

A company need not be a multi-million dollar enterprise to give the employees the rewards and recognition they deserve. The first step to this kind of motivation is to understand what your employees consider a great reward. This can be as simple as a "job well done" in a staff meeting, or even a gift voucher to their favorite restaurant/cinema. No matter what the reward, there is no doubt that a little recognition will go a long way toward motivating your employees to continue the great work they do for you.

Pharmaceutical marketing is a specialized field where medical representatives form the backbone of entire marketing effort. Pharmaceutical companies also appoint medical representatives and assign them defined territories. Medical representatives meet doctors, chemists and stockiest as per company norms. Medical representatives try to influence prescription pattern of doctors in favor of their brands.

Lady Medical Representatives

It is pertinent to note that the field of medical representatives (MRs) has now no more remained the monopoly of the male MRs. More and more ladies are also opting for the medical representative job and showing fabulous performance. They also take up the higher responsibilities of field managers, and also have made entry into the product management team based at the corporate office in the marketing department. Today it is a common sight to see a lady medical representative (MR) or lady field executive waiting alongside a group of male MRs for her turn to call on a doctor. Likewise, at cycle meetings and product launch meetings, the sight of a lady Product Executive (PE) or lady Product Manager (PM) conducting the meeting is also a familiar sight. But such was not the case two-three decades ago.

Traditionally, in the 1970's and early 1980's, the Indian pharmaceutical industry, like most other industries, was a male dominated industry. Girls graduating in pharmaceutical in 1980's were chosen mainly for quality control or packing department, while post-graduate ladies were chosen either in analytical development or formulation development or they ended up teaching at pharmaceutical colleges. On their part, ladies too, preferred to

tread only on the tested paths and hardly dared to experiment with newer career options.

Then came a wave of change in the late 1990's. With more girls opting for pharmaceutical than boys, a few girls ventured into the unexplored terrains of pharmaceutical marketing and sales. Indian companies such as Gufic Laboratories, Unichem and Lupin Laboratories were among the foremost to give ladies a chance in the typical male-dominated jobs such as MRs and PEs (Product Executives).

With regards to presence of women in pharmaceutical sales, a few sales managers have expressed that lady MRs have good employment potential for they are highly punctual, disciplined, good at planning the day's work, persistent and persuasive by nature and they showed high commitment and dedication. However, they are more suitable for metro cities rather than interior towns and many preferred working part-time in the mornings and afternoon only. Critics however express that they are more suitable for general practitioner (GP) based selling or hospital working rather than work for specialty divisions. They prefer to finish their calls early and many do not like to wait for late night calls on important specialists. Further, after marriage, most of the lady MRs take long breaks for maternity leave, which affects the sales and growth of the territory. This is an issue that we have to accept. Balancing her biological role as a mother and the demands of a selling career can be very tough and in all fairness, family takes precedence over career for those few months or years. Increasingly, many mothers are returning back to their career in sales and many, with their persistent efforts, have made it to higher levels of Area Sales Managers, Regional Managers and a few with that extra drive have even assumed responsibility for national sales.

Likewise in pharmaceutical marketing too, ladies have risen from being Medical Executives and Product Executives to even VP-Marketing and Sales. Coping with frequent touring has been the only major deterrent faced by some lady PMs with small children at home. While many take a full break for a while, a few have tried out other novel approaches. The necessity of being closer to home during the early years of motherhood has led many lady PEs and PMs to set-up their own small consultancy services in product management, medico-marketing, designing, advertising, etc. while they are away from the mainstream, they have still managed to stay tuned-in with their industry and have managed to strike a balance between the different roles that they play.

On their part, to curb the tendency of resignation after childbirth, the industry will do well to work out a flexible option of working from home for lady Marketing Executives for those critical months/years after childbirth or have a policy of 'no-tours' for a maximum of one-two years after childbirth. With the internet connectivity of modern day, it is possible to be physically away from the work place, yet send in your output by the end of the day. A few adjustments at the organizational level may be required but the loyalty that comes with such an approach is tremendous. In Western countries, companies have already experimented with such options and have expressed total satisfaction with the results.

Most of the pharmaceutical companies in India have their medical representatives union. It could be an internal or external union. Even in states like west Bengal, Area Managers too have their unions. For a pharmaceutical company to manage their field force is to also manage their unions well so as to have a harmonious field working relations which will ensure smooth working and achieving the set sales targets. Keeping the same

in mind, the following information throws light on national medical representatives union body i.e. Federation of Medical Representatives Association of India (FMRAI) and role of FMRAI in bargaining with pharmaceutical industry.

Collective Bargaining in Pharmaceutical Industry

The medical representatives in India and world over are not exception to the collective bargaining and to protect their interest. They have their trade union associations company wise and also have federation of all their associations. The following brief presents the scenario of the trade unions federations. They are very well united and well organized.

Federation of Medical Representatives Associations of India (FMRAI)

FMRAI was first formed at Hyderabad in 1962 where it aimed to improve living conditions of the Medical Representatives. It has travelled a long way in building itself as real trade union body.

Federation of Medical Representatives Associations of India (FMRAI) represents the trade union strength in Indian pharmaceutical sector. With over a lakh of members who are the backbone of Indian drug marketing and a structured organizational set up of 304 local units.

Few pharmaceutical companies have their internal union of Medical representatives which may or may not be attached to FMRAI.

FMRAI demanded the Govt. to recognise the medical representatives as workmen by clearly defining in the Trade Union Act. It was a lengthy struggle. In 1976 when the democracy of the country was shadowed under

state of emergency, a law was enacted as Sales Promotion Employees' (Conditions of Service) Act which was applicable to those medical representatives whose monthly earning was only ₹ 650 per month. This deprived a vast number of medical representatives out of the purview of the Act. FMRAI demanded the Govt. to remove the wage ceiling from the Act. Meanwhile, FMRAI in its conference in 1978 included sales representatives of other industries also and demanded the Govt. to extend the benefit of the Act to sales representatives of all industries. In pursuance of these demands FMRAI staged nationwide agitation and several rallies were staged before the Parliament at New Delhi.

The Govt. ultimately removed the salary ceiling for the Medical and Sales Representatives who are legally known as Sales Promotion Employees. But the Govt. agreed to extend the benefit of the law only for 11 industries which FMRAI did not agree. In India, enactment of Sales Promotion Employees (SPE) Act, took place in 1976, by the central government.

FMRAI formulated a 27 point common charter of demands which consists of not only extension of benefits of all labour laws for the field workers but also demands for the people on medicines.

Nearly 40 large companies including multinational drug companies have recognised FMRAI as trade union for their field workers and regularly signs wage agreement. Regular meeting on day to day grievances of the field workers is also held with these companies. In regional level, some smaller companies also recognise FMRAI through its zonal committees.

FMRAI has become the only national organisation for the field workers in the country having functioning centres known as local units in 300 cities

and towns of the country. Its membership has reached nearly 40,000. FMRAI associates its activities with several central trade unions of the country and its members participate to the national programme when jointly called by the central trade unions.

FMRAI has also joined All India People's Science Network (AIPSN) which is a national organisation for science movement. AIPSN actively work in the areas of health and pharmaceutical. Jointly with AIPSN and with its own initiative, FMRAI has campaigned for a Rational Drug Policy. FMRAI is considered as an important policy critic on pharmaceuticals policy of the Govt. FMRAI in the states actively worked with health action groups and local branches of Indian Medical Association, convened seminars, conventions and other campaigned in different occasions. FMRAI also held number of national seminars at New Delhi along with doctors, scientists, and economists. FMRAI has several publications on the health and drug situation of India. It is the only national trade union which observed nationwide strike against attempt of changing the patents act.

FMRAI publishes its organ 'FMRAI News' every month which has a circulation of 25,000 each issue.

As the only functioning national federation of the pharmaceutical industry, FMRAI is strongly fighting against the effects of Globalisation.

Aims of FMRAI

1. FMRAI is the only national trade union of the Medical and Sales Representatives in India.

It is an omnibus organisation of all field workers of nearly all companies having marketing activity. But for many companies FMRAI function as union of the field workers with individual companies.

2. It aims to mobilise company wise field workers to protect their trade union rights. It aims to earn recognition of various companies in all industries to improve working and service conditions. It also tries to develop grievance committee in all companies so that through bilateral discussion, problems in day to day work could be resolved.
3. Through national movement and local mobilisation always resist victimisation of the field workers. Unjust actions of the management like termination of service or stopping of wages and expenses, etc. are always fought by the organisation.
4. It also mobilise its members for change in the labour laws like extension of minimum wages, determining the statutory work rules, bonus and gratuity to all.
5. FMRAI demands and agitate for strict implementation of Sales Promotion Employee (Conditions of Service) Act for all. This is a

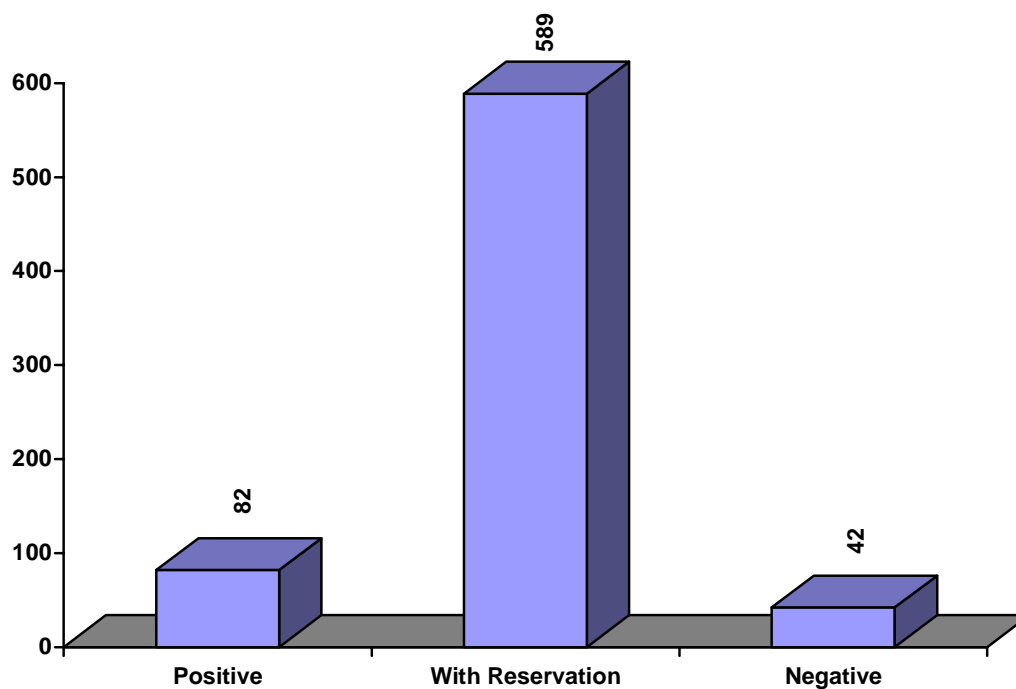
specific Act created to regulate service conditions, leave rules, etc. for the field workers.

6. They campaign and agitate for strengthening of the Public Sector Drug companies. FMRAI is also a constituent of the Committee for Public Sector Trade Unions.
7. FMRAI is also a constituent of National Platform of Mass Organisations which is a national organisation of several large trade union federations. It is fighting for resisting the ills of globalisation and liberalisation policy framed under the dictate of World Bank and IMF.
8. Since long time, they have been campaigning for a Rational Drug Policy and access of essential medicines for people. It has also worked with the national pharmaceutical companies to resist the changes in the Indian Patents Act, 1970 to defend the self reliance in drug industry. FMRAI has also worked with the organisations in the science movement for self reliance and for reduction of drug prices.
9. They campaign for national integrity and defend secularism. Every year on 2nd March it observes nationwide national integrity and unity day. This organisation also fights against war, imperialism and terrorism.

Above information shows that union of the medical representatives are well organized and also the overall industrial relations of the pharmaceutical industry with their medical representative unions are satisfactory.

Table 17 and Graph 12 : Perception of Sales Personnel about Management’s Approach to the Trade Union

	Positive	With reservation	Negative	Total No. of respondents
Medical Representative	82	589	42	713
Percentage	11.50%	82.60	5.90	100%



From the above presentation it will be seen that 11.50% of the medical representatives feel that the managements approach towards the

trade union is positive. 82.60% MRs have reservations and 5.90% of the MRs feel that the management's approach is negative.

Following are some of the actions initiated by Pharmaceutical industry:

1. India's ₹ 50,000 crore pharmaceutical industry employs around five million people, of which two million are medical representatives. The Indian Drug Manufacturers' Association (IDMA), Organization of Pharmaceutical Producers of India (OPPI), and Indian Pharmaceutical Alliance (IPA) plan to ask the government to exclude medical representatives from the purview of labour laws.
2. In 2007, the drug industry—largely represented by top pharmaceutical firms in Maharashtra—had urged the Maharashtra government to exclude medical representatives and pharmaceutical sales and promotion workers from the protection of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act. The ruling Congress government tabled a draft Bill in the assembly in July 2007 to introduce the exemption but could not go ahead with this because of opposition from other parties. The Bill has been put off presently.

FMRAI has initiated a country-wide movement on 8 hours work for Medical Representatives which began on 1 May, 2007 and spread throughout the country.

6.2 CHALLENGES BEFORE PHARMACEUTICAL MARKETING

Management of training for sales personnel has become more relevant and important because of the challenges that are being faced by pharmaceutical marketing in the modern era. For many entrepreneurs, pharmaceutical sales and marketing business has always been fascinating. As the industry was able to smartly resist various economic turmoil's compared to other industries in past, even in the current slowdown, the market has been flooding with newer companies day after day. These companies market wide range of products in the area of operations, and some of them are even able to create their own niche, while many land up with a bunch of issues that prevent them from performing and capturing a significant market share.

Following are some of the challenges which pharmaceutical companies are facing in the market.

- a) **Development of a Committed Sales Team** — This is the foremost job of a company ready to operate in the field. A sales team is the force that pushes a company towards its goal. But initially a company may face hardships in getting the right candidate. Even if they do get one, their retention is on the lower side. The candidates working as medical representatives (MRs or reps) with a newly launched company are not confident of their future career. Most of them join for the sake of getting exposure for six months or a year to strengthen their resume for an established company, and launching their career in pharmaceutical sales. However, there are few medical representatives who consider working with a company as an opportunity to perform and

grow faster. This class of reps is of the opinion that after establishing themselves within the company they will have immense scope to grow. In order to develop committed sales teams, the company should provide an environment where the entire sales team could develop a similar feeling towards sincere and committed work.

b) **Availability of Products** — A company cannot succeed if its products are not available freely, because there are other options that are already available for every product in the market, unless it is highly specific. Newer companies come up with distribution channels everyday but if the distributors do not have faith in the company, the availability of the product becomes a problem. Regular visits, development of rapport and liquidation of stocks from every point will solve the problem to a great extent. Companies should come up with some lucrative plans and strategies to woo at least chemists located near to doctor's clinic in order to promote their products.

c) **Clinical Effectiveness of Medical Representatives (MR)** — When a dedicated sales team is built and products are freely available; it is time for the company to develop clinical effectiveness of the team, because the fact is that competition is fierce. Everyday a doctor faces around 10-15 MRs and it is the MR's in-clinic effectiveness that makes him/her stand out. It has been observed that most new companies start their marketing operations by simply giving a brief about the product details and making MRs learn the details by heart. As a result, MRs are not able to draw the attention of doctors and they just become a part of the mob inside

a clinic. To draw and hold the attention of doctors and convert them into a valuable customer, MRs should be well equipped, and that is only possible if they have been exposed to proper training and induction before and after going to the field.

d) **Winning the Confidence of Doctors** — Sound product knowledge, customized and confident detailing, comprehensive competitor knowledge and rich information about the market are some of the tools which help MRs to win the confidence of their prospective customers. 'Why should a doctor prescribe my brand, how should I be different from others, how am I creating my niche—these are some of the questions an MR should know the answers to, in order to create a favorable environment. This aspect becomes more crucial for an existing company as well as for a new company, which is starting its marketing operations or trying to establish itself in the market.

e) **Payment from Distributor / Stockiest** — Established companies have a fixed payment system (Cheque/DD in advance or payment on a fixed term and condition) but a newly launched company struggles to get payment from market. The best way to ensure payment in such cases is to liquidate the stocks on a regular basis. If there is regular movement in stocks with payment collection, the stockiest feels that he is getting return on his investment and he takes interest in placing more orders, while ensuring payment to the company. Here it is seen that greater the liquidation, earlier the payment. Stockiest and retailers are reluctant to hold enough stock of a newly launched company since there are new ones coming up every other day, which is why

companies should make their distribution channels realize by their working pattern that they are in the market for the long run. Once they realize that, they will co-operate with the company all the way. After all, they are earning out of it.

f) **Higher Attrition Rate** — Many medical representatives do not visualize their future with a newly launched company. Many such companies also do not pay their sales team on time. If companies want to win the confidence of their sales team members, they should provide them a cordial environment to work in and ensure timely payment of salary and incentives. Then the gap can be bridged up to a great extent.

g) **Recent Government Regulations** - Medical Council of India (MCI) is all set to amend the Professional Conduct, Etiquette and Ethics regulations. In December 2009, MCI has recommended various degrees of punishment for doctors who accept gifts worth 1000 rupees or more from any pharmaceutical or allied healthcare company.

The punishments range from censure (for accepting gifts valued at between 1,000 and 5,000 rupees) to removal from the Indian or State Medical Register for a period of more than one year (for accepting gifts worth more than 1, 00,000 rupees).

It merits mention that in making this particular recommendation, MCI has done away with the blanket ban on gifts imposed last month when the regulations were first issued. The recommendations also address other grey areas including sponsorship of travel and lodging of medical practitioners

participating in a conference, the issue of monetary grants and the question of clinical research funding.

The monetary limits and the punitive clauses for infringing any of these regulations are similar to those defined for gifts.

The modifications come in the wake of popular demand for a review of some of the clauses in the regulations. Ever since the regulations have been issued it has been felt by doctors and Industry alike that some of the clauses in the regulations leave a lot of room for ambiguity. The argument is that if the involved parties are not clear on the regulations, they won't even realize if and when they have infringed them. To set the record straight and to facilitate a strict implementation of the guidelines, MCI has been mulling an amendment in the regulations for quite some time now. It is expected that MCI will come out with the amended version of the regulations in a few months.

In this context it is pertinent to mention that a lot of debate has been generated in industry circles on the meaning of the regulations as also on their exact interpretations and possible implications. Experts have been voicing their opinions on the issue from various platforms and have been emphasizing on the need to dispel doubts and ambiguity surrounding the existent clauses. In a recently organized seminar, various shades of opinion were expressed on the need to resolve confusions surrounding the regulations.

An expert committee was assigned the task of coming up with specific recommendations aimed at facilitating modifications in the regulations, something that would ensure strict implementation. The expert committee

comprising doctors, representatives from OPPI (Organization of Pharmaceutical Producers of India), legal experts, regulators and representatives from the medical devices industry met in Mumbai on the 8th March 2010 and after wide ranging discussions reached a consensus on the final set of recommendations to be sent to MCI.

6.3 ORGANIZATION SET UP OF SALES DEPARTMENT

Organogram of Marketing and Sales Department



6.4 MARKETING FUNCTIONS

In order to survive in this highly competitive global marketplace, it is extremely essential for Pharmaceutical organizations to have an effective integrated marketing communication plan in place. Having knowledge about the various types of markets that exist in the world, and in particular in Asia which is perhaps the most rapidly growing market, will help achieve this objective. It is imperative for every pharmaceutical organization to integrate technology with the marketing communication to make their presence felt.

A marketing program in order to be successful must have a right mixture of:

- a) Marketing mix
- b) Market research
- c) A quality product
- d) Extensive distribution network acceptability
- e) Strong dose of promotion coupled with a right price.

A unique feature of the pharmaceutical market is that it is one of the most fragmented markets in the country.

The Four E's

At strategic level, an organization's knowledge of their customers is an acknowledged key asset. At operational level, industry needs to evaluate and measure the four E's of performance to witness dramatic results from the sales and marketing process:

1. Efficiency
2. Effectiveness
3. Empowerment
4. Enhanced accountability.

In this system, doctors and retailers are the core customers and the major thrust is given for building and retaining these customers. Here retailers are also core customers as most of the times they are substituting the products based on their own discretion. For retaining and developing customers, the companies normally provide utility gifts to remind the products on daily basis.

There can be various ways through which a business organization can achieve success in the market, but if all those ways can be addressed as above, then it can be rightly said that the triangular linkages or the relationship between these three parties (company, customers and competitors) determine the success and failure of pharmaceutical marketing strategies.

Achieving Excellence in Marketing

Excellence is a state of mind. It is a constant quest, a burning desire to do better. Excellence and the pursuit of it is no longer a matter of choice in a highly competitive industry like the Indian pharmaceutical industry. It is mandatory. The following are ten major principles, which can help an organization, achieve excellence and more importantly, continue to excel.

1. Customer Orientation

The whole marketing activity is concerned with customer orientation. The importance of customer service and that an organization exists only to

satisfy the needs and want of a customer must be understood not only by the marketing staff, but by the people working in production, purchase, finance and distribution departments. All the departments should be working as a team to deliver a “need satisfying” entity called the product.

2. Quality

The quality of your products and services must truly be outstanding. What is needed is an uncompromising attitude to practice it.

3. Innovation

Innovation gives an organization its cutting edge. It keeps the organization ahead. Innovation is an essential ingredient of excellence. Innovation is spotting unmet need and exploiting that with a matching product or service.

4. Perceivable Differentiation

To create perceivable differentiation in your products and marketing strategies, you must stay close to the market at all times, listen to what it says and above all, act on what you hear.

5. Distinctive Competence

In pharmaceutical marketing in India, sales force competence and commitment are very crucial determinant success factors. In addition to your own distinctive competence, improve your sales force competence and commitment by investing in appropriate training and development activity and by instituting proven positive reinforcement programs.

6. Effective Segmentation

In pharmaceutical marketing, segmentation assumes greater importance. Segmentation of the product strategy, at the market level, customer level, and at the customer level, by age, sex and the stage of the disease, has to be synchronized and must achieve a perfect product market customer-consumer fit.

7. Strategy

In the era of fierce competition, strategy is always the king. Corporate strategy determines marketing strategy. Innovative corporate strategies have pushed many small and medium sized pharmaceutical companies in India into the big league during the past few years.

8. New Product Development

New product development is not only crucial for the growth of a company but also vital even for its survival. Concentration on building winning brands is necessary to overcome product obsolescence.

9. Build a Winning Team

People in any organization, make all the differences. The vital difference between excellence and the mediocrity. Between winning and losing, between success and failure. Build a team of positive minded, strong willed, intuitive managers. This is crucial. A winning team of committed managers can help your company achieve success. By demonstration, delegation, and decentralization and by empowering you can build a winning team of managers. A winning team of managers can set the pace for marketing in your industry.

Functions of Sales

- 1) In pharmaceutical marketing the main function of the sales team is to communicate effectively and convince the doctors about their products. This completely depends on the in-clinic performance of the sales people where they actually get very meager time of a busy practitioner.
- 2) The in-clinic performance will be result oriented, provided the sales people have adequate product knowledge, good communication skills, effective in time management and of course good mannerism.
- 3) Sales people are the only link between the company and the market place, thus the market intelligence need to be shared by the sales people with the company executives in time, so as to be more market oriented rather than sales oriented.
- 4) The sales team needs to have excellent business relations with the channel partners like C and F Agents, Stockiest, Distributors and with the Chemists as the entire out-clinic success will depend on these relations.

Drafting of Budgets (Sales Targets)

The top marketing management team at Head Office has a responsibility of preparation of sales target i.e. budget for next financial year. The budget is prepared taking into consideration various aspects such as last three years product wise, unit wise, and value wise performance, which establishes the sales trend for the said period.

The projected sales target has a relation with various territories, areas, regions, zones, and on national basis achievements. The budget is also related to change in market dynamics, government regulations, customer behaviour, and such other factors.

The budget prepared by the Head Office is circulated to all the field staff well before the commencement of ensuing financial year and for this the better management is required. Management is to work on three grounds:

- a) To plan for attainment of budgets.
- b) To prepare execution plan along with the marketing strategies.
- c) To develop the machinery for continuous evaluation of field performance.

The budget can be prepared by making use of following standard formats.

Zonal Business Manager

Table 18 : Products wise Sales Projections – 2006-07

Name of ZBM: _____ HQ. _____

Products	Code	Pack	Net Price	Months of the year commencing from the financial year i.e. April to March												Total 2006-07	Growth %
				A. 06	M 06	J 06	J 06	A 06	S 06	O 06	N 06	D 06	J 07	F 07	M 07		
A	B01	300 ml															
B	C01	100 ml															
C	D01	15 ml															
D	C34	100 ml															
E	C45	15 ml															
Total Units																	
Total value (₹ lacs)																	

The above format gives zone wise product wise, month wise, sales projections for the next financial year which is 2006-07 as an example for preparing the budget. This is a standard format which can be used for such budget preparation. However it may differ slightly as the needs of the company.

BUDGET 2006-07

ZONAL BUSINESS MANAGER

Table 19: Month wise Sales

Value in ₹ lakhs

Area Manager Name HQ	Actual									Projections			Total 2005- 06	Growth %
	Apr 05	May 05	Jun 05	July 05	Aug 05.	Sept. 05	Oct. 05	Nov. 05	Dec 05.	Jan. 06	Feb. 06	Mar 06.		

The zonal business manager will send the above format to his team of area managers who in turn will fill up this data for their respective areas. As normally the budget exercise commences in December and ends by March in all respects and prepares the sales personnel for the next financial year. The actual sales occurred from April to December is been taken and the projected sales for Jan, Feb, March are predicted based on the last three to five years sales trend which prevents from going wrong in the projections.

rate of any pharmaceutical company ideally should not be less than the average Indian Pharmaceutical Market Growth.

Table 22 : MASTER CALL LIST

Code No.	Doctor's name and Address with Pin code.	Degrees/Specialty	No. of patients seen per day	Products Selected	Dates of visits and samples / gifts / leave behind literatures etc. distributed												Products prescribed and No. of Rx. per month			
					A	M	J	J	A	S	O	N	D	J	F	M				

(Note: Coded 1 to 25 will be V.I.P. Doctors who will be visited twice every month.)

The above format is to be maintained by each medical representative and to be updated every month based on the doctor visits and promotional campaigns undertaken. This format also gives information about doctor's telephone number, E-mail Ids and date of births, based on which a pharmaceutical company can create a personal contact with top very important doctors.

Table 23 : Top 25 Chemists list

Name: _____ H.Q. _____

Sr. No.	Name of the retailer	Town / Area	Name of the key person	April		May		June	
				A	B	A	B	A	B

The above format is an illustration. In practice the format covers all the months of the financial year.

A= Dates met

B= Total personal order booking (POB)

Note: In POB column, please indicate rupee value only

Apart from meeting doctors on day to day basis, Medical Representative has to meet chemists surrounding the doctor's clinics. The visit to the chemists gives the information to a medical representative regarding the doctor's prescription habits, also the company's products are prescribed or not, availability / expiry of the company products which helps him to plan his in clinic activities as well as the out clinic performance.

Table 24 : Sales review and my work review

	Apr.	May.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Target (₹ Lacs)												
Primary Sales (₹ lacs)												
Secondary Sales (₹ Lacs)												
Stock inventory (Incl. in Transit) As on 1 st of the month ₹ lacs.												
Value of Goods return (₹ in Lacs)												
Overdue outstanding more than 45 days as on last day of the month (₹ in lacs)												
Value of expiries (₹ in lacs)												
Total no. of days worked in the month.												
No. of days on leave												
Total no. of Doctor Calls												
No. of Evening calls												
No. of Consultants met												
No. of G.Ps met (MBBS) Non MBBS and Dentists												
No. of Missed calls.												
No .of Drs. Missed continuously for 3 months												
No. of Retailers met												
P.O.B. ₹												

The most important aspect of the pharmaceutical marketing is to achieve the targeted sales month after month. In order to review the sales performance above format comes handy giving the information about the month wise targets and the primary and secondary sales achievement against the same. Above statement also gives the valuable information about the

goods returned from a stockiest to the C and F agents and from retailers to stockiest. Good returned need to be looked seriously as this shows that the prescription generation is not commensurate with the availability of the stock. This statement also throws light on the business economics part as it speaks about the payment outstanding at the stockiest level which needs to be recovered in the stipulated period.

Table 25 : Primary Sales Comparative Chart (Units)

Name: _____ H.Q. _____

Sal es. 01- 02 Uni ts	Sal es. 02- 03 Uni ts	Sal es. 03- 04 Uni ts	Sal es. 04- 05 Uni ts	Produ cts	Uni ts	April			May			June			Apr.- Jun. (Cum)	
						Tg t.	Ac h.	Las t Yr. sal es	Tg t.	Ac h.	Las t Yr. sal es	Tg t.	Ac h.	Las t Yr. sal es	Tg t.	Ac h.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
				A*	300 ml											
				B	10 x 10s											
				C	200 gm											

* A, B and C are illustrative.

(This is just a specimen. In reality the further three quarters are also added to complete the format.)

Above format gives at a glance sales picture for last four years, product wise which helps the sales personnel to compare with their present

year's performance and help to take corrective steps wherever needed. Primary sale is the sale registered at the stockiest level and secondary sale is the sale registered at the chemist level.

Table 26 : Secondary Sales Comparative Chart (Units)

Name: _____ H.Q. _____

Products	Units	April		May		June		Apr.- Jun. (Cum)	
		Last Year	Current Year	Last Year	Current Year	Last Year	Current Year	Last Year	Current Year
A*	300 ml								
B	10 x 10s								
C	200 gm								

* A, B and C are illustrative.

(This is just a specimen. In reality the further three quarters are also added to complete the format.

It is the secondary sales which gives information about the supply against the demand. In other words it reflects on the prescription generation for the said product and sales occurred against the same.

Table 27 : Missed Calls Summary

1	2	3	4	5	6	7	8	9	10	11	12
13	14	15	16	17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44	45	46	47	48
49	50	51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70	71	72
73	74	75	76	77	78	79	80	81	82	82	84
85	86	87	88	89	90	91	92	93	94	95	96
97	98	99	100	101	102	103	104	105	106	107	108

Likewise the number of doctors could vary up to 250. (This doctor coverage number differs from company to company). Each number represents the name of the doctor from the Doctors list.

The Medical Representative is expected to cross the number which he has missed meeting them during the month.

This information helps MR to cover the missed doctors positively in the next month on priority.

Marketing Research and Public Relation

Marketer, in order to gain information, conducts market research, which in Indian Pharmaceutical industry can be as simple as chatting with doctors, retailers and hospital administration or as complex as surveying a nationally representative sample of specialists or corporate hospitals and identifying the emerging health care needs. Marketing research data only provides a base for action in the market place, the action which has to be

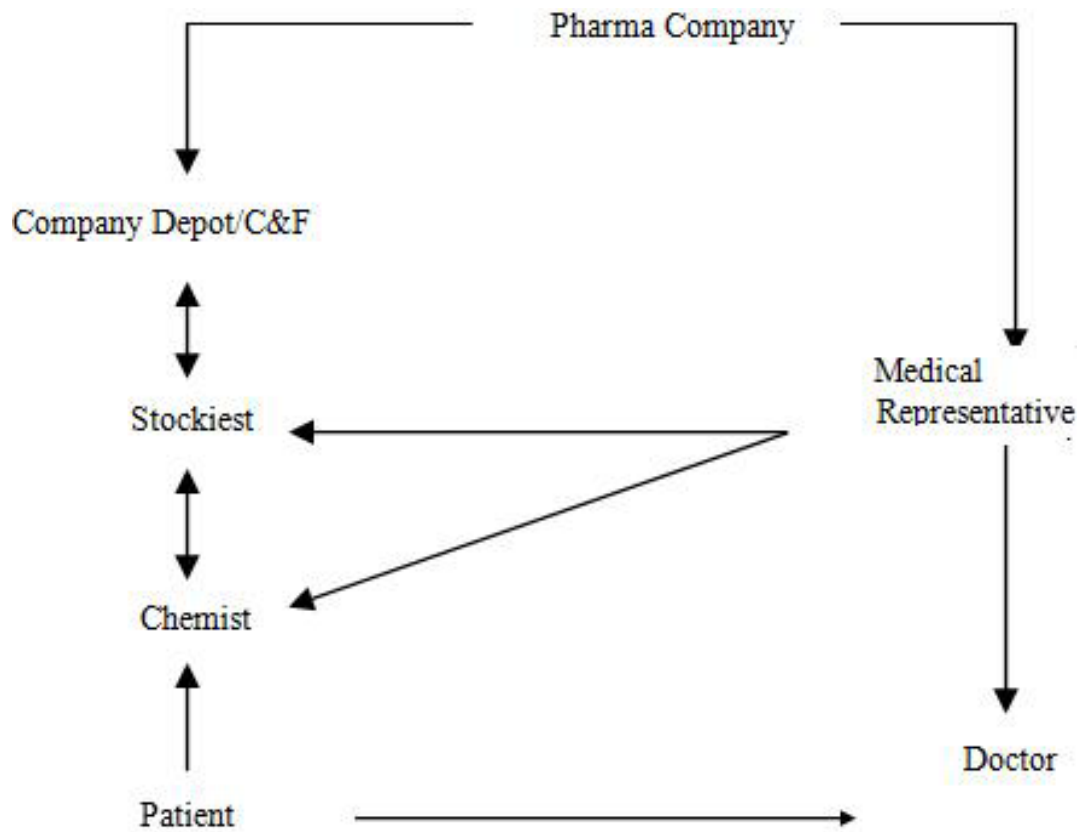
implemented through various mix's of promotion. It is important to understand that the promotional mix for any brand or organization is dependent upon the mix of advertising, personal selling and public relation. Over use of personal selling in pharmaceutical via medical representatives and limitations on advertising pharmaceutical products due to FDA (Food and Drugs Administration) restrictions, presents an opportunity to explore the role of and exploit the Public relations function in the pharmaceutical industry.

Very few pharmaceutical marketers in India use public relations as a marketing tool. Many of them think, Public Relation entails sending out a few press releases, holding a few conferences and conducting some event when company launches a new molecule or product. In reality, Public Relation usually ends up making a point at a very personal level. Its impact in the industry is seen at several levels affecting doctors and brands. Prudent use of Public relation has also helped the organization in creating a positive platform for direct response communication.

6.5 DRUG DISTRIBUTION AND BRAND MANAGEMENT

The pharmaceutical distribution channel is indirect with usually three channel members i.e. depot/C & F, stockiest and chemist. Pharmaceutical companies appoint one company depot or C & F agent usually in each state and authorized stockiest in each district across the country. Company depot / C & F send stocks to appointed stockiest as per the requirement. Retail chemists buy medicines on daily or weekly basis from authorized stockiest as per demand. Patients visit chemists for buying medicines either prescribed by a doctor or advertised in the media.

Fig. 12 : Supply Chain of Indian Pharmaceutical Market



The traditional model of pharmaceutical marketing has undergone a sea change. Companies have moved on from being primarily sales-oriented to now realizing the significance of services marketing with the focus on cross selling.

Apart from their regular distribution channels, which end with the Retail chemist, companies involved in pharmaceutical sales and marketing operations have to deal with doctors, and to some extent, patients too. With

this recognition of the importance of services marketing, most top companies have set up separate Customer Relations Departments (CRD). Such a department is usually responsible for providing an above average level of service to Doctors and Patients, who are both the actual customers, giving business.

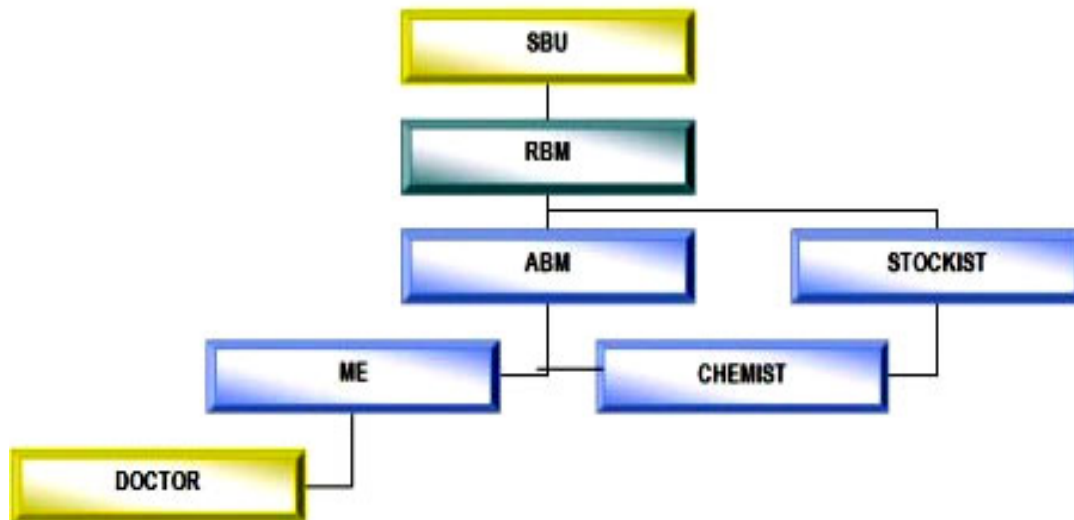
With a diversified business approach to its products, A team of Medical Representatives (MR)/Marketing Executives (ME) with the Area Business Manager(ABM) supporting them by coordinating, directing and trying to solve their problems related to service for doctors located in their respective markets.

Customer Focus through Marketing Strategy

The diagram given below shows the strategy of capturing business. The doctor writes his advice to patients in terms of medicines / treatment and the patients purchase these medicines from the Retail Chemist. The Retail Chemists purchase their stocks of medicines from the Company through its distribution channel. Very often, between the Company stockiest and the Retail Chemist, there may be two or three more levels of Wholesalers, Mini Wholesalers and the like. This thus demonstrates the existence of a long supply chain to sell company medicine and gain market share.

The doctor is thus a centre point around which all sales of the company hang. If he decides not to patronize its products, the company has no option but to knock on the door of another doctor, and another doctor, and so on. Therefore, it becomes necessary to promote and maintain strong relations with the medical profession. This establishes the rationale of a separate and full-fledged CRD (Customer Relations Departments).

Fig. 13 : Distribution Channels



SBU = Special Business Unit

RBM – Regional Business Manager

ABM = Area Business Manager

ME = Marketing Executive/MR=Medical Representative

Many a times drugs promoted through medical representatives/ professional service representatives, do not appear on the shelves of the retailing chemist. This can be attributed to ineffective distribution system. Although distribution is recognized in India as an important function, many pharmaceutical marketers accord it a mere supportive role. Super stockiest / stockiest, distributors and C and FA's (Carrying and Forwarding Agent) have traditionally been very loyal to pharmaceutical marketers. Problems, if any, were always sorted out amicably and changes, when at all, were concerned only with adding or deleting stockiest in the distribution chain. Over time when AIOCD (All India Organization of Chemist and Druggist) mobilized retailers in every state, pharmaceutical companies found their freedom to appoint stockiest restricted by retailer pressure.

There have been other changes too. One may view the distribution set up as a concentric pattern with patients at the center with each ring representing a link in the chain. It must be noted that some rings prefer by passing the next one. Some companies, for instance, deal directly with stockiest, whereas some high end products that require highly sensitive servicing are distributed directly to doctors.

It is often true that effective distribution along with right pricing differentiates a success from a failure in market place. In India, most companies market a vast portfolio of products (that others are also selling) and pricing decisions are delegated. In a market with many brands meeting the same need, even the rare marketer who begins by formulating a program based on inputs from the doctors and patients often ends up glossing over question of profit while setting the price. In the old days production volume were often kept fixed (either by the company or the licensing authority). In this state costs were easy to measure and simple cost plus pricing used to work. Also marketers had to live under the rules of Drug Price Control Order (DPCO), the government price fixing instrument for essential drugs. Since liberalization began in 1991 the DPCO has been losing its grip and the prices of many formulations, allowing market forces to play the regulator. Other aspects of liberalization have made companies hungry for growth. In such a dynamic state of existence where growth is both desirable and achievable, pricing is less simple. Lack of strategic thinking leads to chaotic pricing. Everybody agrees that intelligent pricing can be used as a critical edge for any product. Yet in the pharmaceutical industry, trends suggest that enough thought is not being given to such serious decisions.

6.6 BRANDING IN PHARMACEUTICAL MARKETING

Branding is a key issue in the pharmaceutical industry; product managers have evolved into brand managers and are beginning to understand the dynamics of brand equity that lie at the heart of product development and marketing. However, with no established 'best practices' in brand management, those tasked with steering brands around the various hurdles and challenges presented by pharmaceutical markets must use all available learning and experience to help build the leading brands of the future.

Branding in pharmaceutical industry largely depends on the type of product. Branding strategies for Over-the-Counter (OTC) drugs would differ from branding strategies for Prescription drugs.

Pharmaceutical products are no longer just drugs, they are brands. Through a brand, it is possible to communicate a promise, an essence, and aspiration. And, branding builds loyalty.

In the past and even today, pharmaceutical industry branding is not prominent compared with the consumer and business-to-business segments—but that is largely by choice. For decades, a pharmaceutical company's brand success formula was simple: discover a drug that was needed, introduce it to the doctor via a medical representative, and watch the prescriptions get filled. What is more, the products themselves, secured under a decade of patented protection, were almost guaranteed to generate large profits. Integrated brand strategies were unheard of and unimportant. Pharmaceutical branding is an important way of creating awareness among the public to the potential benefits of drugs and medicines. The marketing

process and branding give the public ready knowledge of what the product is about and thereby induces them to buy that particular product from among many other similar products in the market.

Marketing teams are spending more and more resources on getting the name of the pharmaceutical product right. However naming a drug or medicine is not the same as naming an electronic consumer product. Careful thought and consideration to all important factors is required for a pharmaceutical product. If the product is going to be sold internationally then the name should not be wrong when translated into the local languages.

The second most important part of pharmaceutical branding is the product logo design. The logo has to be in tune with the target market with the exact font and colors. Iconic pharmaceutical logo design or illustrative logo design can create a great impact on the consumers.

Then comes packaging. The packaging of all the dosage forms viz. tablets, capsules, injections, ointments, inhalers, suppositories, powders etc. is very important. The packaging, colour of labels etc. should be quite distinctive so as to stand out in chemist shelves.

Also psychological issues are carefully examined. Take the tablet shape and color. If a tablet is large, and might seem difficult to swallow, dark colors such as black will be avoided because they make it seem even larger.

Pharmaceutical branding also heavily depends on the marketing and promotional materials. Everything from brochures to the product leaflet has to be crafted to reflect the brand and appeal to the target market. Pharmaceutical products for children should have bright colored cut outs and packaging to appeal to children.

6.7 PROSPECTS AND PROBLEMS OF SALES PROMOTION IN PHARMACEUTICAL MARKETING COMMUNICATION

A marketing communications strategy will set out exactly how to promote an organization, initiative, product or service across a whole range of different media – from advertising campaigns to search engine optimization. It should set clear objectives so that you can measure success and crucially, it should provide the best solution within the available budget. It is part of the marketing mix, which includes all the means by which a company communicates directly with present and potential customers. It is the process of presenting an integrated set of stimuli to a target with the intent of evoking a desired set of responses within the target market and setting a channel to receive, interpret and act upon messages and identifying new communication opportunities. Marketing communication is a systematic relationship between a business and its market.

There are eleven different communication tools available to the marketer: personal selling, advertising, sales promotion, direct marketing, public relation, sponsorship, exhibitions, merchandising, the internet, word of mouth and corporate identity.

These communication tools constitute the marketing communication mix. Each element of this communication mix should integrate with other tools of communication mix so that a unified message is consistently reinforced. Sales promotion comprises various marketing techniques which are often used tactically to provide added value to an offering with the aim of accelerating sales and gathering market in that particular segment. However,

the entire sales promotion in Pharmaceutical industries is now governed by rules and regulations.

In pharmaceutical marketing communication, the main objective is to make an impression and more important is to make an impression long lasting. In the current rat race several national and multinational pharmaceutical companies have gained remarkably for their exceptional communication strategies for sales promotion. While many pharmaceutical companies have successfully deployed a plethora of strategies to target the various customer types, recent business and customer trends are creating new challenges and opportunities for increasing profitability. In the pharmaceutical and healthcare industries, a complex web of decision-makers determines the nature of the transaction (prescription) for which direct customer (doctor) of pharmaceutical industry is responsible. Essentially, the end-user (patient) consumes a product and pays the cost.

The pharmaceutical industry is the world's one of the largest industry due to worldwide revenues of approximately US\$2.8 trillion. Pharmaceutical industry has seen major changes in the recent years that place new demands on payers, providers and manufacturers. Customers now demand the same choice and convenience from pharmaceutical industry that they find in other segment. Indian Pharmaceutical Industry is poised for high consistent growth over the next few years, driven by a multitude of factors. Top Indian Companies like Ranbaxy, Dr. Reddy's, CIPLA Lupin Laboratories, Sun Pharmaceutical and Zydus Cadila have already established their presence.

Role of Field Managers in Pharmaceutical Industry

Becoming a First Line Manager

Representative Development in most companies is pretty well thought out and documented. Whole departments are structured around bringing new representatives into the business and speed up as fast as possible, with all key skill areas of the role, being covered by predominantly in house training teams. After initial training, first line managers, often supported by additional trainers and coaches, focus much of their efforts on continually developing representative skills during their field training, in order to make them as good a sales person as possible.

It is commonly agreed that the first line manager's role is critical to a pharmaceutical company. Logic would therefore suggest that the efforts put in to developing first line managers both towards the job and whilst in it would also be high; however this was not always the case.

Historically, the development of potential sales managers was traditionally quite ad hoc. New manager development was likely to be the responsibility of the current first line manager who was developing a likely successor; ongoing development was left to the national sales manager.

Because of the increasing sophistication of the pharmaceutical industry, the sheer competition from domestic as well as multinational companies (MNCs), there is a need for large teams of capable first line managers. Today, compared with even ten years ago, many companies, especially the larger organizations, have more people involved in the processes of developing potential managers and current managers, than ever

before. Many of the large companies have gone down the route of having dedicated management trainers and coaches devoted to developing the skill sets of this group. Others, without dedicated in house resource, will often use external training companies to develop the necessary skills. Across the board companies will admit to spending considerably more time, money and effort on developing line management than a decade ago.

Anyone aspiring to a new role as a manager should carefully study the job description and competencies associated with the role and with the help of their line managers are able to draw up a developmental plan which will give them the experiences and training they need to be able to do the job successfully.

Learning through Experiences

New managers have to learn to work and achieve their results through others. This is a tough lesson to learn. It is advised that one who wants to move into a line management role is to get experience of this as part of his development plan before taking up a post. Look for ways you can work through others, for example being a coach or trainer and note how your communication style affects other people's performance.

Sales Managers identified talented representatives in the sales force and worked with them to help them develop towards their chosen career. There is a clear belief that having the best possible team at line management level and by giving them the skills and competencies they need, will really drive the business forward. Our objective is to have tight development plans which are regularly monitored and assessed and help individuals achieve their management aspirations as soon as possible."

There are formal training courses, assessment and development centers, home learning techniques, and support for professional qualifications available. The emphasis is on continual personal development where the competencies and skills necessary to grow are identified and then the manager and employees look at ways to fill gaps. A robust and well developed career framework forms the basis for all development plans right through from representative level through to senior sales management positions.

Selection of first line managers has also become increasingly sophisticated in the pharmaceutical industry in the last 10 years. The process of recruitment of first line managers has become more stringent as companies have recognized how critical getting the right person for this role is.

Typically recruitment of a first line manager will be a two-stage process with a screening interview with either HR or the second line manager and then an assessment centre. Assessment centers will usually be built around a competency based recruitment model and include a number of exercises such as a competency based interview, a presentation, a team exercise, an in tray exercise and business exercise. Additionally many companies will also use psychometric testing, including personality profiling and verbal and numerical reasoning to give a further insight into a candidate.

Whichever way you look at it, getting a manager's position in today's pharmaceutical industry will be no easy ride. Successful candidates will have put in plenty of preparation in terms of a robust and structured personal development programme; they will also for the most part have been tested in a rigorous selection process. Getting to management, for most, is not an easy

route; it requires preparation to pay up in terms of commitment to getting the job.

Salesman/Sales Personnel

A person who is engaged in selling of goods to customer is known as a "salesman". It is generally said that salesman are born and not made. However, it is not true these days, because any person who wants to adopt a sales profession gets intensive coaching and training. The success of a firm mainly depends on the performance of their sale force. Therefore, it is essential to engage well-qualified, trained, energetic and young person's as the company's sales force. The salesman in Pharmaceutical industry is called as Medical Representative.

Qualities of a Salesman

The sales man has personal, mental, social qualities and vocational skills

Personal Qualities

A good salesman must have an attractive personality. He must possess good health and sound physique. A salesman's job involves a great physical strain because of its touring nature. So only the person with a good health can work effectively. He should have a clear voice and his tone of speaking should be natural so as to impress the persons dealing with him. He should also be well dressed because it adds to his charming personality always creates a good impression on buyers.

Mental Qualities

A good salesman should possess a sound memory, presence of mind, imagination, foresightedness, sound judgment and initiative. He should be intelligent enough to understand the nature and requirement of potential buyers. He must have the imagination to look at things from the viewpoint of customers. A salesman can win regular and permanent customers only through good mental qualities.

Social Qualities

A good salesman must have a liking for people and the ability to mix with them. He must not be shy and have reserved nature. He should be sincere, dependable, cooperative and honest. A salesman has to deal with different types of customers. Therefore he should have patience to listen to them i.e. his customers and remove their objections. He should always be polite and courteous while dealing with his customers. He must help the customers in selecting the right type of goods. Courtesy costs nothing but wins favor and permanent customers.

Vocational Skills

A good salesman must have specialized knowledge of selling techniques. Salesmanship is a highly skilled profession. It requires certain training and aptitude to have a thorough knowledge of the product, customers and competitive products already available in the market. Such knowledge is essential to handle objections of the customers and also for convincing them to buy the product. A person cannot be good salesman unless he has the required ambition and enthusiasm to become a successful salesman.

Steps in sales promotion process:

- Step I - Defining the sales promotion target.
- Step II - Setting sales promotion objectives.
- Step III - Setting the sales promotion budget.
- Step IV - Developing the sales promotion strategy.
- Step V - Selecting type of sales promotion.
- Step VI - Coordinating the plans.
- Step VII - Evaluating sales promotion effectiveness.

Skills Required for Sales of Pharmaceutical Products

In this era of cut throat competition Medical Representatives (MRs) are facing several problems when they are in the field for sales call. These problems are either associated with their customers (doctors) or themselves. Problems associated with customers are such variables (their busy schedule, own belief and their different personalities) which are beyond the control of MRs. But what they can sort out their own problems like their poor communication skills, inadequate product and market knowledge and other technical skills which make a lot of difference inside the clinic of the doctor.

Managerial Efforts for the Improvement of the Effectiveness of a Medical Representative:

- ❖ The medical representative's initial impression upon his customer largely determines his future interactions with the doctor and the degree to which the customer will like him.

- ❖ First impressions are the best impressions even in selling. One has to create in the first visit a positive impact and reinforce it subsequently. Pleasant manners, well groomed appearance, sober, conservative dress sense, confident approach, will help create a favorable first impression. One should avoid flashy dresses and flamboyant approach.
- ❖ Familiarity helps up to a point. The more familiar a medical representative to his customer the more his doctor will like him. The marketing implication is to decide on the right frequency. Frequent visits will certainly help more than infrequent visits. Two visits in a month are ideal.
- ❖ The medical representative is more persuasive if his customers perceive him as credible.

Feedback

- ❖ Apart from marketing a product, the medical representative has to give feedback from the field to the company which he represents. Usually the feedback should include the following vital points:
- ❖ Customer's perceptions regarding your products.
- ❖ Customer's complaints about your products.
- ❖ Distinctive strengths and weaknesses of competing products and services.

- ❖ Price and credit policies of competitors.
- ❖ Future plans of competitors.
- ❖ Competitors' performance in relation to sales volume, reputation financial soundness, research activities etc.

All these skills require regular practice to be perfect. But it is important to adopt other steps which make an instant effect. When a fresher starts working in the field even after training her/him, bears number of inhibitions which prevent them from making an effective sales call.

Some of these inhibitions can be overcome by regular practice and consistent effort while others have an instant solution. Some of these instant requirements which may help MRs create their own niche inside the doctor's clinic and pave their way to be successful sales professional.

First impression about a medical representative reflects at least seven information to a customer:

- ❖ What is his income level?
- ❖ What is his education level?
- ❖ What is his social position
- ❖ How sophisticated he is?
- ❖ How confident he is?
- ❖ What is his moral character?
- ❖ Whether he is trustworthy or not?

All this information is scanned by the customer within few seconds as the MR enters doctor's clinic. If all these information are positive, the MR will have an opportunity to win the loyalty of the customer. Everyday a top doctor attends calls from 5-10 MRs approximately. When all these MRs are waiting outside the clinic, unconsciously every MR looks at the attire of each other. If you are well dressed, you develop a positive self image about yourself and vice versa. So you can imagine how your dressing sense influences your customer? It is a very common scenario in the field that an MR hardly bothers about his attire most of the time but becomes well groomed when it is the time to work with his senior. This practice should be restricted. Good attire is essential ingredient to create a good impression. It always pays off.

Self Confidence

Once you are well dressed, you have already taken a step towards a successful sales presentation. This will also help you to build self confidence. The best way to develop your self confidence is to "perceive that you are confident". When you meet people, look them in the eyes, smile a pleasant smile and listen to them carefully. Everyday remind yourself that you have done something well. Reward yourself for all your good deeds. Rehearse the detailing of the products /sales presentation thoroughly, before you have to make it inside the clinic. Have complete knowledge of your product and allied services. If you are not good at your product knowledge, your self confidence will break. Keep vigil on your competitors. It will help you out to highlight your product and services in much effective way. At the same time it will boost up self confidence. Reading inspiring books will add to it.

Discard Worry

In spite of having all the tools in their kit, most of the time MRs are worried about the response of the doctor. This makes them defensive even

before the detailing started. Worry is a hidden psychological barrier which stops them from communicating confidently. These worries are not caused by the perceived response of the customer (doctor) but due to the problem of MRs themselves like poor knowledge about product, market and competitor, fear of rejection etc. The best way to cope with this problem is stop worrying, think of your success stories not the failure. You can use relaxation techniques to combat this unwanted worry.

These are not the only tools for successful detailing but these are the factors which create the right ambiance for a productive sales call. An optimum utilization of this ambiance can be done when the MR works persistently at their basics like communication skills and knowledge about their product and services, market and competition and improve their selling and technical skills.

To build customer relationships and to promote marketed products of the pharmaceutical company.

Link to Strategy

To contribute to present revenues and help maximize the profitability of future products through the implementation of marketing and sales programs with external customers.

Key Accountability's of Medical Representatives/Field Managers

Sales and Expenses

- Achieve sales objectives for marketed products.

- Achieve market share objectives
- Achieve specific objectives for pre-marketed products.
- Develop and maintain expense budgets related to territory activities like CHE (Continuing Health Education), Continuing Medical Education (CME), different medical camps and travel.
- Work within budget

Territory Business Planning

- Create and implement territory business plan
- Plan and execute CHEs/CMEs
- Achieve reach and frequency objectives
- Identify and follow-up on specific actions

Product and Therapeutic Knowledge

- To obtain and maintain comprehensive product knowledge, knowledge about therapeutic market and competitors strategies.

Selling/Communication Skills

- Appropriate usage of selling material
- Effectively and consistently use selling and communication skills to gain commitment from customers (internal and external)

- Develop advocates in the medical community who are able and willing to discuss with their colleagues issues related to the adoption, or maintenance of companies products.
- Bring customer issues to the attention of concerned departments in the organization, and where appropriate, take the lead in dealing with these issues and do necessary follow up.

Administration

- Ensure timely completion and accuracy of all administrative responsibilities including: Timely work report writing and sending, timely expense statement, monthly tour planning submission, correspondence and other duties as required.

Skills and Experience

- B.Sc. and/or B. Pharm
- Pharmaceutical sales experience
- Experience in working on computers
- Must have a valid driver's license and willing to travel
- Fluent in oral and written English and regional language.

Key Competencies required to be Successful in this Role

Organizational Strategy

- Develop a network of influential customers
- Educate and influence customer thinking
- Listen to and understand the customer
- Represent customer concerns within organization
- Anticipate customer needs; give high priority to customer satisfaction

Organizational Knowledge

- Have a clear understanding of companies business plan and strategic direction
- Understanding of and ability to apply knowledge about products for specified indication
- Keep abreast of current developments and trends in Critical Care
- Possess superior selling skills
- Possess computer skills (i.e. application and communication software)

- Plan and implement innovative cost-effective education programs that assist in achieving business goals

Interpersonal

- Build effective working relationships with a variety of people
- Look for win-win solutions
- Respected both internally and externally as a team player and sales professional
- Relate to people in an open and respectful manner
- Work effectively with those outside formal line of authority
- Help generate consensus within the team or work group
- Volunteering to help in order to support team priorities

Leadership

- Work with minimal supervision
- Think strategically/proactively
- Self directed/managed
- Identify market opportunities

- identify market threats and provides way to deal with them

Communication

- Communications are timely, clear, effective and appropriate for audience
- Express ideas and opinions openly and constructively
- Take the time to actively listen; obtain understanding of communication through feedback
- Maintain logic and clarity in pressure situations

Risk taking and innovative thinking

- Decisions are timely and based on logical assumptions and factual information
- Understand the implications of decisions and recommend strategies to deal with negative outcomes

Change Management

- Confidently handles day-to-day work challenges; flexible
- Willingness and ability to adjust to multiple demands, shifting priorities, ambiguity and rapid change; resilient in the face of constraints, frustration or adversity

Performance Management

- Develop plans that are comprehensive, realistic and effective to meet goals

- Proper allocation of resources, including own time by setting priorities
- Establish efficient work procedures to meet objectives
- Learn from experiences; actively pursues learning and self-development
- Seek feedback and welcoming unsolicited feedback
- modifying behavior in the light of feedback

6.8 PROFILE OF A MEDICAL REPRESENTATIVE

The survival of a Pharmaceutical company depends upon the sales of its products which it is manufacturing. There comes the need for employing Medical Representatives. They are engaged to boost the sales. They are appointed by private and public sector pharmaceutical companies. Besides handsome salary and promotional avenues the field, does have a bit of glamour also.

In order to promote the sale of medicine, a medical representative has to contact physicians, hospitals, nursing homes, druggists, stockiest etc. in specified areas to introduce medical products of his company to promote sales. He is required to plan daily visits to doctors, hospitals, nursing homes, chemist shops, etc. in his area. He is required to introduce to physicians and others, medical products of his company and to explain their merits. He is required to follow up his visits to ascertain the views regarding the products

of his company and induce clients to prescribe his company's products to customers.

He is required to maintain proper record of receipt and distribution of samples which is open for inspection by his Area Manager. He offers credit facilities, commissions, etc. to the customers as authorized by his company. He books orders and forwards them to the controlling office for compliance. He submits daily reports of his canvassing activities to the Area Manager and gives suggestions for improving sales. He is responsible for collection of payment. The Medical Representative will accept introduction of new product by the company and fully cooperate in making it a success. A Medical Representative is required to work as per the work schedule given to him from time to time, dividing his work into two sessions, morning and evening according to the guidelines given to him by his Area Manager/company. A Medical Representative is allotted a specified sale target to achieve in a year within a specified area. His success is assessed on that basis.

Although a degree in Pharmaceutical or Science with Biology is preferred, any degree holder with a flair for selling and one who can deliver the goods is considered suitable. Appointments are made mainly by selection/interview in response to advertisements which appear in leading newspapers. While established Pharmaceutical companies prefer 1 or 2 years experience as Medical Representative, other may not consider it essential.

A successful Medical Representative should have:

1. Skillful communication abilities;
2. Command over spoken and written English and local language;
3. Should possess initiative and strong motivation to achieve extraordinary results;

4. Should be career conscious and willing to work hard;
5. Should be prepared for extensive traveling and willing to reside anywhere in India;
6. Be energetic and result-oriented;
7. Should have a pleasing personality and analytical abilities;
8. Above all, should display self-confidence.

The job is quite lucrative but demanding and the aptitude of a person counts a lot in this career.

You are required to dress yourself in a neat and presentable manner. While on duty, a Medical Representative is required to carry a detailing bag and keep it in good condition all the time. The bag should normally contain literature, samples, sales-aids, diary, etc. required for the planned work of the day. The Medical Representative is required to complete his diary, daily so as to keep a record of his daily visits to doctors/chemists/stockiest etc.

After selection, a medical representative is generally given special skill development training of varying duration by various companies. Theoretical training is provided on anatomy, physiology, pharmacology, salesmanship, profile of Indian doctors, market, and product knowledge followed by field training in which he is familiarized with selling techniques. During field training, a fresher is supposed to work with a senior Medical Representative or field manager, who, in turn, demonstrates the practical aspects of the job.

Super Sales Person

Seven most common drives or motives needed to make it to the top of the sales club in any organization are as under:

1. Need for Status

Top sales people are conscious of and enjoy their image and reputation. They seek recognition as proof of their ability and performance.

2. Need for Respect

They want to be treated with respect. They want to be perceived as experts capable of advising on what is right and appropriate, in their field.

3. Need for Routine

Sale people do not shun routine or hate to be disciplined as is properly believed. Most top performers like routine and hate having it disturbed.

4. Need for Control

Top performers in sales enjoy people. They are not unduly concerned whether other people like them.

5. Need for Achievement

While money is a prime motivator, top sales performers are keen to accept newer challenges and to break their previous performance record for the sheer excitement of achievement.

6. Need for Stimulation

While the top sales people are normally calm and relaxed people, they thrive on challenge. They welcome any stimulation by way of challenges from outside, to satiate their higher than average energy levels.

7. Need for Honesty

The best sales people have a strong need for honesty which gives them the moral courage and conviction necessary to excel in their vocation of persuasion. At the same time they are not rigidly moralistic. They have faith and belief in the products they sell.

A medical representative can make a very promising career in pharmaceutical marketing on the basis of his sales performance and ability to manage customers. His sales performance is assessed on the basis of his ability to achieve targets fixed by the company.

He can rise to the posts of:

- (i) Area Manager
- (ii) Regional/ Zonal Manager
- (iii) Divisional Sales Manager/Divisional Controller
- (iv) Dy. Marketing/Dy. Sales Manager
- (v) Marketing/Sales Manager

Promotions to the next higher positions are purely on merit. Those having a degree in Pharmaceutical can also be promoted on the manufacturing side as

- (i) Product Manager,
- (ii) Group Product Manager,
- (iii) Marketing Manager. A Medical Representative who has a flair for marketing and can show extra-ordinary results can rise to the highest position of Marketing Manager.

The specialized skills are required for the development of sales personnel in Pharmaceutical industry accordingly it is necessary to arrange for the training of sales personnel.

TRAINING

Training Makes Perfect

A thorough knowledge of the product and the basics of marketing, imparted through a training session, will make a medical representative and field managers, better equipped to improve performance in the field.

It is vital that a medical representative should know how to go about selling his product/service. And a training programme organized by the company, will help him get oriented to the product and its benefits, and also how to market it in perfect way.

Ideal Conduction of Effective Training Programs

There are many things that need to be taken care of while conducting such a typical training module. First of all, the appropriate participants must be identified and invited. New recruits and even medical representatives who have been in the field for some time, but will benefit with training can be invited for the session. The duration of the module will depend on the number of products that are to be explained and marketing skills which are to be taught.

Care must be taken to see that the participants are invited early so that they can book their tickets and keep themselves free for that stipulated period. It should be ensured that the dates for the programme do not clash

with sales closing days as this may have a direct impact on sales closing. The Training Manager should be the overall in-charge/ coordinator for the training programme. On one day during the session, preferably a Sunday, the participants may be taken to a scenic/tourist spot nearby. The break will charge them up considerably. They may also be taken for a tour of the manufacturing unit of the company so that confidence is instilled in them about the standard/quality of manufacturing of the products that they are promoting.

The training hall/class room should have various posters with motivational messages clipped/pasted on the walls.

Time must be slotted on all days for the Training Manager to take short sessions on selling and marketing skills, the Dos and Don'ts of the trade, communication skills and so on. If at any point of time, it is felt that representatives are losing interest in the programme they can be asked to take part in small games or interesting puzzles. It would be best, if such short breaks of around 10 minutes can be given frequently throughout the programme.

Every training programme should have at least one session every day regarding the work involved in the sales administration department, distribution department and personnel and human resource development department. Ideally, these sessions should be held towards the latter half of the day. Thus the representatives will get an idea of how to fill up various reports, deadlines for submission of various reports, incentive schemes in force, travel policies and so on.

These classes will also clear any doubts regarding distribution policy, credit policy, process of appointment of stockiest/distributors, etc. Complete clarity should be given about leave rules, how to claim payment against various perks/allowances, insurance facilities available, prospects for career growth/promotions within the organization and so on.

It would be good, if, on the concluding day of the session certificates/medals are awarded for overall performance, written tests, detailing, etc. This would prove highly motivational for the representatives. The training managers should prepare an honest dossier on the performance of each participant. This should be shared with the Line Managers concerned for their information, follow-up and to take care of while jointly working with each medical representative.

A Typical Training Agenda

Day-1

09:00 am - 09:15 am	Welcome address by the CEO/Sales and Marketing Head
09:15 am - 11:30 am	Human physiology—Introduction to all systems in the human body by a medical practitioner
11:30 am - 11:45 am	Tea break
11:45 am - 01:00 pm	Details about a particular system—by a medical practitioner (in relation to the product to be taken up in the afternoon)
01:00 pm - 02:00 pm	Introduction to the product
02:00 pm - 02:45 pm	Lunch break
02:45 pm - 04:00 pm	Mode of action of the product Salient features of the product vis-à-vis important competitors' products—by Product/Marketing Manager

	concerned Market share vis-à-vis important competitors' products Selection of right customers for the product Marketing strategy being followed for the product Detailing, story demonstration and practice by all
04:00 pm - 04:15 pm	Tea break
04:15 pm - 06:00 pm	Question and answer session—by Product/Marketing Manager concerned clarifications on doubts, if any, raised by the audience—interactive session
06:00 pm - 10:00 pm	Reading/practicing by participants in their respective rooms
10:00 pm - 10:45 pm	Dinner
11:00 PM	Bed

Day-2

09:00 am - 09:30 am	written test on the system and product taught on Day-1 supervision by Training Manager
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The welcome address by the CEO/Head, Sales and Marketing should include the importance of training in inculcating good fundamentals and product knowledge in all medical representatives. This will help them perform better in the field and face customers with confidence.

Lodging and Venue Arrangements

Ideally, participants in the training programme should be lodged at the same place as the venue. If the representatives have to share rooms those from different places should be clubbed together. There should be no

work/training on Sundays. All other holidays coming in between the training programme will be working days.

The Training Manager should jointly work with the medical representatives in various regions as frequently as possible so that he can base the curriculum of the training programme on the requirements at the ground/field level and make the necessary changes.

The standard training programme is designed in order to develop the skill in presentation of various working reports which are to be prepared by the field managers and medical representatives. These reports are essential in order to take the feedback of market position on one hand and to monitor the day to day working of the sales personnel on the other hand.

Preparation of report is a skillful exercise and it should be authentic, realistic and proper presentation of factual market information. The reports are useful in order to collect information and for managerial decisions. Medical representatives/field managers should be briefed about the same.

Taking into consideration span of control, it can be said that area manager has to monitor around 5 to 6 medical representatives working at various places in specific areas. Accordingly it is must to collect information and regular monitoring of field activities and working of medical representatives as per the approved monthly tour plan. Reports facilitate the proper control over the sales staff which basically serves two purposes:

- 1) Reports make the working of sales personnel in desired direction.
- 2) Reports are used by the top management for review, planning, controlling and coordinating the working of sales personnel.

Following reports are specimen reports however; some small changes are affected by the pharmaceutical companies as per their requirements.

Table 28 : Reports for Area Manager and Medical Representative

REPORTS	
Area Manager	Medical Representative
1. Standard tour programme and fare chart of team members.	1. Standard monthly work plan
2. Important doctors - self visit dates	2. Standard tour plan and area coverage
3. Missed doctor call report – Month wise	3. Doctor call list
4. Team members work analysis	4. Product wise prescriber’s list
5. Team members sales analysis	5. Chemists list
6. Team members major product analysis	6. Sales review and work review
7. Daily Field work report	7. Primary sales comparative chart
8. Monthly barometer	8. Secondary sales tracker
	9. Daily call report
	10. Missed doctor calls summary-month wise
	11. Personal order booking details

Table 29 : Specimen of Standard Tour Programme

Name: _____						H.Q. _____	
Date	Working Town	H.Q./ Ex. H.Q. / O.S.	Distance (Kms.)	Mode of Transport	Fare ₹	No. of	
						Doctors	Chemists

This tour programme is prepared by the Field Managers and sent to their respective seniors in hierarchy for approval before the commencement of the next month. This helps the senior managers to monitor the field movement of their juniors, the time spent in each town and the number of doctors and chemists to be covered on each working day.

Table 30 : Important Doctors - Self Visit Dates

Name: _____				H.Q. _____											
Sr. No	Doctor's Name	Town	Specialty	Dates of visits by self											
				Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar

The above report gives at a glance a picture of the manager's visit to the doctors for each month in the financial year. This helps the senior managers to track the missed important doctor calls which might affect on the prescriptions and thus the business of the company.

Table 31 : Team Members Work Analysis

Name _____ H.Q. _____

particulars	Dates of visits by self											
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar
Days in field												
Holidays												
Leave												
Meeting days												
Total												
No. of Doctors visited												
No. of Chemists visited												
Call avg. Drs/Chem.												
Personal Order Booking ₹												
No. of Doctors missed												
Target ₹												
Primary Sale ₹												
% achievement to target												
Samples quantity allocated												
Brand reminders												
Expenses ₹												

The above team members work analysis gives an insight to the Sr. Field Managers as regards the customer coverage, month wise sales performance in the respective headquarters as well as brief details of sales promotional activities implemented in the market place.

Table 32 : Team member's sales analysis

Medical Representative Name _____ H.Q. _____ Value in ₹ lakhs						
Month	Target	Primary	Secondary	Last Year Performance	% Achievement	% Growth
April						
May						
June						
Cumulative						
July						
August						
September						
Cumulative						
October						
November						
December						
Cumulative						
January						
February						
March						
Cumulative						
Year to date cumulative						

This is the most important report as it speaks about month wise, head quarter wise targets, its achievement in terms of primary and secondary sales, the percentage target achievement and the growth in sales over last

year. In this, primary sales refers to the sales registered at the stockiest place whereas the secondary sales refers to the sales registered at the Chemists counters which in true sense gives the information about the prescription generation for the specific product of the company. Ideally the primary and secondary needs to be close to each other which suggest that the demand and supply goes hand in hand. If primary sales are significantly more than the secondary sales which shows that there is heavy inventory at the stockiest place and commensurately the demand is lacking. If the secondary sales are significantly more than the primary sales which shows there is a great demand but the availability of the respective product is not commensurate.

Table 33 : Daily Field work report

Date _____ Place _____ Worked with Medical Representative

Contact Point ____ Time met at Contact point ____ a.m. Work finished at _____ p.m.

Morning	Code No.	Name of Doctor	Medical representative last visit date	Name of Chemist	Personal Order booking (POB) ₹
1				1	
2					
3				2	
4					
5				3	
Evening					
6				4	
7					
8				5	
9					
10					

The above report gives the idea about medical representative daily working pattern. Different companies have different policies in terms of total number of doctors and chemists to be met on a day to day basis. The report is an exemplary which shows that medical representative has to do 10 doctor's calls and five chemists' calls on a working day.

Table 34 : Monthly Barometer

Name of Manager _____ Month: _____

Weekly report sent on (Date)					Monthly report sent on (Date)	Next month tour programme sent to HO/ZBM on (Date)	Leave record of team sent to HR dept. on (Date)
Week 1	Week 2	Week 3	Week 4	Week 5			

The above report gives the details about the administrative work which a field manager has to do it for his team mates and keep the senior manager and the HRD at Head office. This is essential in order to monitor the timely feedback which needs to be sent by the respective sales personnel.

Marketing Oriented Approach

Competition between marketers will only intensify in global market place. Conflicts will continue to rise relating to customer conversion, in pharmaceutical. And in a free market place where competition is rife, finally - Customer Is the King!!

Between various pharmaceutical brands a doctor will make a prescribing choice based on parameters such as friendliness of MR, service

inputs from the marketer, safety, efficacy, quality, supply and availability, and other parameters of marketing communication activity. So the choice is the doctor's.

Marketing 'warfare' in the pharmaceutical market place cannot be wished away. Because in the process of marketing, there are various aspects relating to revenue flow and asset creation. The stakes are very high. A pharmaceutical product's success will be measured by its market share, ROI, profits generated, and no. of units sold. And all these quantitative parameters will matter a lot. Even the highest authority will have a board of directors or some powerful individuals (Share holders/financiers) to justify to and offer explanations.

Importance of Marketing

The importance of marketing is such that today marketing is no more a departmental function, it is an organizational process and applicable to all organizations, may it be pharmaceutical or any other industry.

Management science and marketing science are all the more important in the 21st century for organizations. Marketing is a sophisticated form of warfare. It involves communication, media management, positioning, promotion, influencing, and value delivery.

Marketing is vital for the nation's health and wealth. Without competition and marketing, market penetration of products and services will suffer. Healthy marketing competition is a must to ensure efficiency and effectiveness.

Management Related to Marketing

Knowledge Management: Key to Organizational Success

The pharmaceutical field force needs to be fully equipped with latest techniques to grasp every opportunity and handle complexities in the marketplace.

A pharmaceutical company typically employs a very large number of field forces (approx between 500 to 1000) to carry out day-to-day sales and marketing activities in the field. Almost 3/4th of this field staff is away from the head office at any given time. This makes ethical pharmaceutical marketing a classic example of complex brand marketing.

Adding to the complexity is the fact that, pharmaceutical marketing is an "indirect selling." This is because that the products are targeted to a highly qualified audience, namely doctors who will not prescribe the brand unless it is scientifically and logically explained.

Hence, evidently the field force of a pharmaceutical company needs to be fully equipped with latest techniques to grasp every opportunity arising in the marketplace to handle this complexity. This creates the need for a very strong control system over the team by the respective managers. The exchange of information from one end to the other end is required to flow smoothly and in minimum possible time. The information is then converted into product knowledge so that appropriate action can be taken. This forms the foundation of a successful field team.

Presently, the only mode of communication between the company head office and the field force is the "paper-based reporting system or thru Online reporting" Which is why most of the pharmaceutical companies insist on very stringent procedures of the reporting systems and every field employee is strictly expected to adhere to it. This task becomes more difficult when there are delays in postal or courier services to deliver the reports in case of paper-based reporting. In addition, the reports are prone to human errors at every level.

The ability of a pharmaceutical company to carry out these activities better than its competitors normally determines its success or failure. But the conventional processes are tedious and time-consuming. The parameters to decide, an effective reporting system should be based on: speed, accuracy, clarity and cost effectiveness.

In order to understand the needs of a pharmaceutical field force, it is necessary to know the functions of each level of the field force. The medical representatives create demand for the companies brand by visiting doctors and chemists. This demand has to be en-cashed by keeping adequate stocks at the stockiest.

The position of the front line managers is a very crucial one, since they guide and assist the medical representatives to perform their duties by physically working with them. In addition, they also have to ensure stock availability from various distribution points, so that the demand created by the medical representatives is met in time.

The middle management performs a dual role of working with the medical representatives and managers, thus motivating them to perform

better and discovering more and more avenues to increase sales. They are also responsible for the profitability of their respective teams.

Senior managers at head office like Sale managers and Marketing managers, along with the team of product managers are accountable for the overall business turnover and profits of the national operation of the company.

Conventional Processes and Limitations

Conventional manual methods of handling data create serious bottlenecks in terms of time spent in collecting and transferring the data from the various sales offices to the head office. Still, many of the pharmaceutical companies in India have been using manual methods for data collection through various reports from their field staff. Data is aggregated from a large number of such reports. This data which might be outdated and incomplete is used to arrive at crucial conclusions required for decisive strategic decisions. The data may be redundant and subject to human errors, hence important decisions based on such data either may be delayed or even may go wrong and thus may prove to be very expensive to the companies. This could adversely affect the performance of the company in the present competitive markets.

This entire process has some very evident flaws as can be seen from following examples:

The daily report of a medical representative, which is supposed to be received everyday at the head office, are received in bunches due to late sending and/or postal delay. Hence the whole purpose having a daily report is defeated.

Tour plans of next month, may reach the managers late and not just before the end of previous month and thus leaves them with no other option but to clear them, as there is no time left for revisions. Consequently, the manager's tour plans, which are always based on the tour plans of the medical representatives, get delayed and this vicious cycle continues.

Clearing of the expense statements is another time-consuming procedure, as it has to be ideally processed by the immediate manager who is acquainted with the territory better than head office. Since this is a complicated method it becomes more vulnerable to human errors.

Stock and sales statements of the stockiest and C & F agents come in late. As a result the managers cannot find out what are the teams total secondary sales and stock positions to take appropriate actions in time. Expiry details are received when it is too late.

The appraisals that are supposed to be a periodical activity often get delayed.

Monthly reports that give the feedback of the territory in totality also can be prepared only after the final sales figures are received to ascertain the level of performance.

Use of Newer and Faster Methods in Monitoring the Sales People

Looking at the above issues in terms of daily reporting, many pharmaceutical companies in India have taken initiative to introduce the on line precise reporting in a structured format, on day to day basis which saves the tedious job of physically writing the daily reports by hand and posting it the next day morning. Even in terms of the sales registered at the depots /

C & F Agents and Stockiest are now being made on line so that day to day inventory, sales registered, shortages, expired stocks as well as near expiry stock are being monitored at the Corporate office by the Marketing Staff.

Many companies in India have introduced a system for the sales personnel for sending at the end of the day, SMS (Short Messaging System) pertaining to the daily doctor calls and chemists calls to their immediate seniors. This system helps the senior managers to monitor their subordinates in terms of day to day field activities.

This is undoubtedly strengthening the monitoring and control by the marketing department on the overall sales function.

Expectations from Pharmaceutical Marketing

Pharmaceutical marketing in India is undergoing a surge of change. At every level the field force needs to be fully equipped with the latest techniques to act in time (pro-active approach). "Knowledge management" is a key to organizational success in modern days. Constant flow of information is a must, especially to the middle management, which is the backbone of the company.

After the emergence of the internet in India and the increasing awareness about its usage, more and more doctors, chemists, hospitals and pharmaceutical companies are gearing to take optimum advantage of these changing circumstances.

In such a scenario, a web-based software is not only the most appropriate choice for sending the routine reports of the medical

representatives and the managers but it is also an extremely cost effective alternative to the traditional methods of data collection and processing.

Most of the pharmaceutical company managers have already started using web-based reporting system or web-based distribution system software, which help them save a significant amount of time. This gives them more selling time in the field rather than spending time on collecting and analyzing data and then initiating action.

As the healthcare industry evolves, pharmaceutical reps keep pace with a new set of skills

The ever-evolving healthcare industry has very few constants, and the pharmaceutical sales industry is yet another piece of the puzzle that is in the middle of a major transformation. The traditional model of relying on field representatives to sell therapies still exists, but no longer does it consist of door-to-door salespeople carrying a suitcase full of samples to showcase their wares to doctors and hospitals. And as the nature of drug sales changes, so too do the skills required to succeed in the field.

The biggest lament from many seasoned sales reps is the lack of face time that they can get with potential customers. It is no secret that doctors are some of the busiest people in the society, and pharmaceutical sales personnel goes to any extent to catch their attention with gifts, trips and other perks. In today's Web-driven climate, however, e-mail and other electronic communication have replaced many of the face-to-face meetings and phone calls that successful salespeople once relied on to meet their quotas.

Another way that the job is changing is that sales reps are now also being called upon to fill the role of educator. The number of drugs on the market grows each year, and many of them treat the same conditions. As a result, sales jobs now require people trained in the intricacies of each of these similar medications, who are able to help patients and doctors understand the pros and cons of each option.

Still another change in how the profession is practiced is the way medical representatives are monitored throughout their reporting period. It used to be that sales professionals would turn in reports at the end of the week or month, and any feedback would be provided a week or two after that. With today's online tools, however, the reporting — and feedback — can be instant.

Mergers and Acquisitions Trend in India

Mergers and Acquisitions (M & A) interest in India is currently very high in the pharmaceutical industry. Size and end-to-end connectivity are major determinants in the global markets. To achieve them, Western MNCs have to look to Indian companies. India's changing therapeutic requirements and patent laws will provide new opportunities for big pharmaceutical for launching their patented molecules. India's strong manufacturing base will stand global generic companies in good stead. India is already known as a low cost development and manufacturing destination. The Indian companies excel as far as the back end of the pharmaceutical value chain is concerned i.e. manufacturing APIs and formulations. Over the past few years the Indian pharmaceutical companies have also stepped up their efforts in product development for the global generic market and this is viable with the DMF filings at the US FDA. During the period July 2003 to February 2006 there

were as many as 26 acquisitions by the Indian pharmaceutical companies which are given in the table below:

The major pharmaceutical mergers and acquisitions in 2007 can be enlisted as Wockhardt's acquisition of the French company Negma Laboratories for \$265 million and the US-based Morton Grove Pharmaceuticals for \$38 million Jubilant Organosys' acquisition of Hollister-Stier Laboratories of the US for \$122.5 million Alembic's buyout of the entire domestic non-oncology formulation business of Dabur Pharmaceutical for ₹ 159 crore.

The largest Japanese pharmaceutical innovator company, Daiichi Sankyo acquired Ranbaxy Laboratories in June 2008 in a \$4.6 billion deal.

US-pharmaceutical major Abbott today (22-05-2010) announced to acquire Piramal Healthcare for USD 3.72 bn (about ₹ 18,000 crore) to become the largest drug manufacturer in India.

NeutraHealth, a UK-based supplier of vitamins and supplements, agreed to be acquired by India's Elder Pharmaceutical for about £12.2 million (\$19.1 million) in cash due to uncertainty of future performance.

Table 35 : Acquisitions by Indian Companies

Announce date	Target	Acquirer	Deal Value (\$ mn)	Target Country
Feb.06	Betapharm	Dr. Reddy's	570	Germany
Dec.-05	Bouwer Bartlet	Glenmark	NA	South Africa
Dc.-05	Able Labs	Sun Pharmaceutical	23	US
Nov. -05	Nihon Pharmaceutical	Ranbaxy	NA	Japan
Nov. -05	Roche's API Facility in Mexico	Dr. Reddy's	58.97	Mexico
Oct.-05	Avecia	Nicholas Piramal	17.1	UK., Canada
Oct.-05	Servycal SA	NA	NA	South Africa
Oct.05	Target Researct	Jubliant Organosys	33.5	NA
Sept.-05	Explora Labs SA	Matrix Labs	NA	Switzerland
Sept.05	Valeant Mfg.	Sun Pharmaceutical	NA	US
July -05	Trinity Labs Inc.	Jubilant Organosys	12.3	US
June -05	Heumann Pharmaceutical Gambh and Co. Gen.	Torrent	NA	Germany
June -05	Dec Pharmaceutical NV	MatrixLabs	26.3	Belgium

June – 05	Genetic Product Portfolio	Ranbaxy	NA	Spain
June 05	Biopharmaceutical	Strides Arcolab	1	Latin America
Mar-05	Uno-Ciclo Harmonal Brand	Glenmark	4.6	Brazil
Feb.-05	Strides Latina	Strides Arcolab	6	Brazil
Feb. -05	Mchem Phama Group	Matrix Labs	NA	China
Dec.-04	Rhodia's Anesthetics Business	Nicolas Piramal	14	
June -04	Psi Supply NV	Jubilant Organosys	NA	Belgium
May -04	Trigenesis Therapeutics Inc.	Dr. Reddy's	11	US
April. 04	Laboratories Klinger Do Bras	Glenmark	5.2	Brazil
Dec.03	RPG Aventis Sa	Ranbaxy	0.4	France
July. 03	Alpharmaceutical Sas	Cadila Healthcare	6.2	France
Jul. 03	CP Pharmaceutical	Wockhardt	17.7	UK

The spree of acquisitions has made the world turn and look at the Indian pharmaceutical sector as a force to reckon with. The Indian pharmaceutical majors have been actively finding ways to meet the global challenges by way of acquisitions. The price pressures and shrinking margins apart from the legal hassles in certain markets have been compensated by entry into other countries especially European which have many fast growing open economies like Ireland.

CHAPTER - VII

DATA ANALYSIS AND INTERPRETATION

7.0 INTRODUCTION

As stated earlier that primary data was collected from the pharmaceutical sales personnel. In addition to the questionnaire the researcher had interaction with the various field managers and the senior marketing officials at the corporate level from where relevant information has been obtained and assessed.

Criteria for Organizing a Region/Area

A region or area is normally organized based on the geographical segmentation and also as per the convenience to the Pharmaceutical Company. By and large it was observed that the same criteria with marginal variation are being followed by the various pharmaceutical companies. For most of the pharmaceutical companies, Mumbai region comprises of Mumbai Metro, Mumbai Suburban, Thana and Raigad districts. These districts are sub divided into regions, areas, headquarters depending upon the potential of the market, penetration strategy (including the division wise product range) of the company. Geographically also it is convenient for the Senior Managers to move around in the field working with medical representatives which ensures complete customer coverage, building rapport with the target customers, better field control and also convenient in terms of communication.

Normal Span of Control for Area/Regional Manager

An Area Manager, who is normally a front line field position, controls 5-6 Medical Representatives (MR's). In metro city like Mumbai, a Area Manager based at Bandra will handle all the MRs based from Bandra to Borivali and ABM based at Kalyan will handle MRs based at Kalyan and Kalyan down i.e. Kalyan, Ulhasnagar, Ambarnath, Badalapur, Karjat etc.

Similarly, A Regional Manager will handle around 5-6 Area Managers. Each Pharmaceutical company has its own field control hierarchy and also the designations may differ for sales personnel in different companies.

Industry Level Salary and Perks

The gross salary package for a medical representative may range from ₹ 1.0 lakh to ₹ 2.5 lakhs per annum depending on the company profile, seniority etc. Front line field managers like area managers get a gross package of around ₹ 2.5 to ₹ 3.5 lakhs per annum. The Regional Business Managers get around ₹ 4 lakhs. It differs to a great extent in Indian companies as well as in multinational companies. This gross salary package is excluding the incentives earned by a medical representative.

The Perks differs in different Pharmaceutical companies. Sales personnel has Daily Allowance (DA) as well as Traveling Allowance (TA), Yearly performance based increments and Incentives. Incentives could be Product based, Sales Target (Monthly/Quarterly/Annual) achievement based. Many companies also give Kit allowance, Petrol allowance, Telephone reimbursement, Postage/courier expenses etc. Necessary proof of expenses need to be attached with the monthly expense statements and sent to HO after the approval from their immediate seniors.

Many companies have Sales / Performance related incentives in the form of foreign tours with Spouse or may be in India outing to different famous locations for specified period.

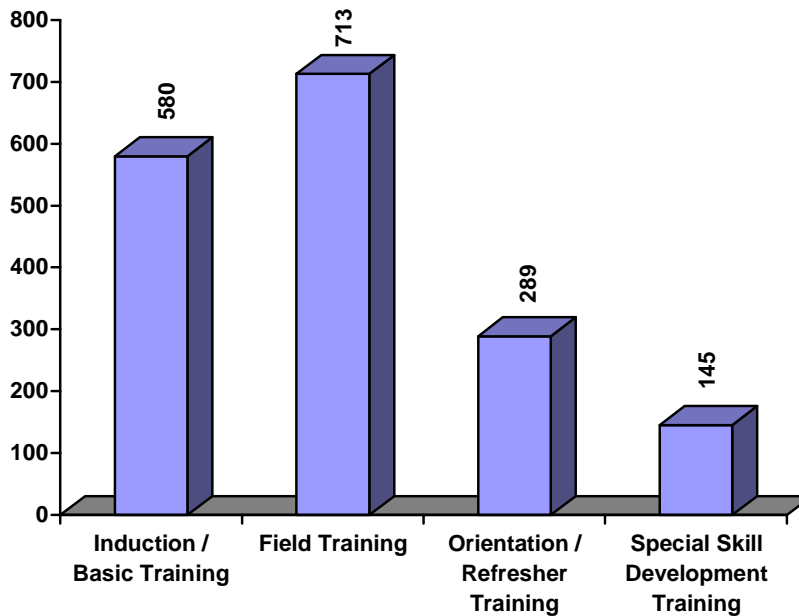
These all are motivational methods which helps them to achieve their set targets.

Table 36 : Different Training Programmes conducted by Pharmaceutical Companies for their Field Force

	Induction/ Basic Training	Field Training	Orientation/ Refresher Training	Special skill development Training	Total no. of respondents
Medical Representatives	580	713	289	145	713
	81.35%	100%	40.52%	20.34%	

Source: Filed survey data

Graph 13 : Different Training Programs conducted by Pharmaceutical Companies



Product promotion in pharmaceutical companies is different from Consumer industry, Consumer durable or service industry. In Pharmaceutical sector, Training of Sales Personnel is utmost important as the product promotion by Sales personnel, is to the well learned customers i.e. Doctors who in turn, if satisfied, prescribes the product/brand to the consumers i.e. the patients, the ultimate users of the products/brands.

A thorough knowledge of the product and the basics of marketing, imparted through a training session, will make a medical representative better equipped to improve performance in the field.

Different Pharmaceutical companies have different Training policies to train the field force-

1. Few companies, after the selection, put the sales personnel in field for few months to get the initial field exposure. During this period, on the job, field training is given by their immediate seniors for few days. After completion of may be 3 or 6 months, they are called for Full fledged training at the Company training centers or Head Office and training of 1 week or 2 weeks or up to 1 month is given depending upon the company, their nature of products etc.
2. Few companies, immediately on their selection of sales personnel, put them under training for few weeks and then send them into field. The Refresher training programmes are also kept regularly for the senior sales force who have spent couple of years in the company (MR's / Area Managers / Regional Managers/Sales Managers) in order to keep them updated keeping market, competition, new product launches etc. in mind.

Sales Target Setting

Exercise of target setting starts in most of the Pharmaceutical companies, somewhere 3 months in advance before the new financial year starts. Different Pharmaceutical companies have different financial year viz. April – March OR Jan. – Dec. etc. Most of the Indian companies follow April – March whereas most of the multinationals observe Jan. – Dec. as the financial year period.

The formats are sent to all level managers 3 months in advance. These formats are based on Head Quarter wise, Product wise(Dosage form/Sales pack wise), Month wise targets where generally a past data of last 3 years and projections for budgeted year is to be filled up based on the market trend, prescription analysis, seasonality of the products, different weather

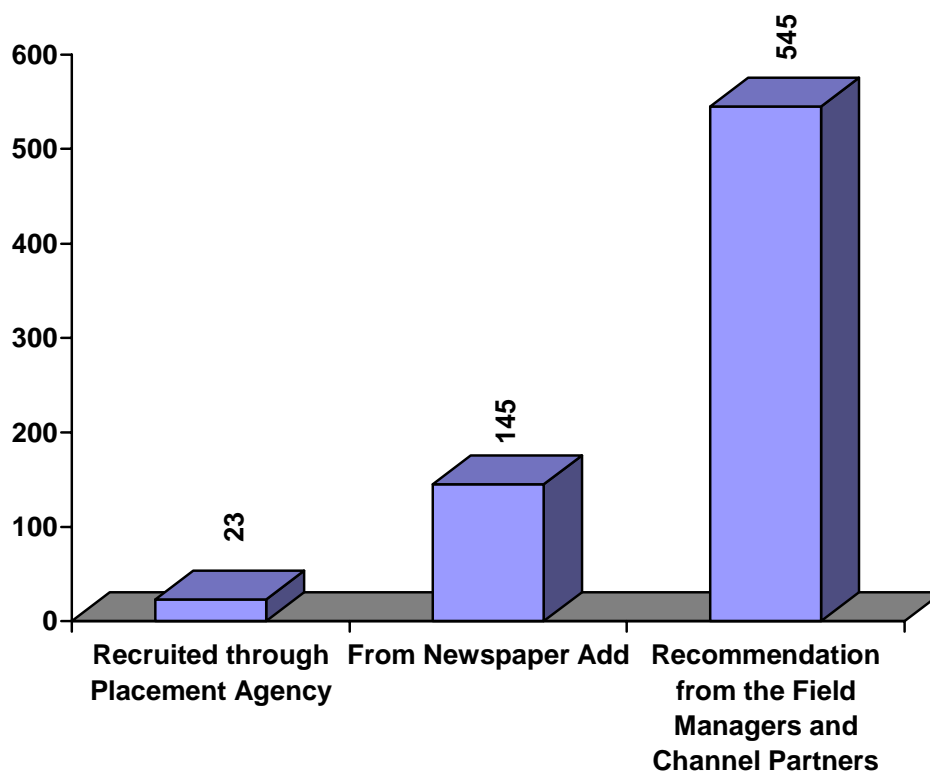
contingencies, disease patterns, company focus, field expansion etc. The senior field managers based on the past data and their intense interactions with their field colleagues makes Head quarter wise/Product wise/month wise sales forecasts in units and value and sends to marketing dept. at Head office.

After receiving the above data at HO, the data is compiled and matched with final corporate sales budget. Senior field managers from all 4 zones are called to head office and Budget meetings are organized, where the intense discussion on all aspects of budget is kept and also compared against the market trend as per the external market research organizations like ORG-IMS stockiest data, prescription audit data or C.MARC Prescription audit data etc. After all this exercise, budgets are finalized and sent to all the sales personnel for their own Head quarters, Areas/Regions/Zones etc. which they need to achieve on month to month basis and earn handsome incentives apart from their salary etc.

**Table 37: Selection / Effective Hiring Process for
Medical Representatives**

Recruited through placement agency	From News Paper advt.	Recommendation from the Field Manager/s and Channel partners	Total No. of respondents
23	145	545	713
3.23%	20.34%	76.43%	

Graph 14 : Selection / Effective Hiring Process of Medical Representatives



Broadly the pharmaceutical sector following the below detailed procedures, for selecting their field level personnel:

- ❖ Preparatory phase: competency modeling or job description by analyzing the job for which hiring is to be done and coming up with validated success factors.
- ❖ Preparing elimination factors.
- ❖ Preparing interview questions.

- ❖ Articulate interpersonal and cultural fit qualities for the company sourcing
- ❖ Preparing advertisements using success factors—advertising on job boards and newspapers
- ❖ Pulling profiles from job boards, own data bank
- ❖ Screening technical test/aptitude test: Using benchmarked data for eliminating candidates at each stage
- ❖ Psychometric profiling using validated tests.
- ❖ Prepare candidate for the next round by briefing on company, profile, culture, about interviewers.
- ❖ Interview: use line managers for the interview. Structured interviews have proven to be more reliable. One could use Behavioural Event Interview (BEI) which delves into a candidate's past experiences and behaviours to determine future success. Add to this, is a set of situational interviewing questions designed to test a prospective candidate's approach to real-life situations which he or she may encounter on the job
- ❖ Reference check to track past record and any exceptions

Following is the selection process of medical representatives in Eli Lilly:

Eligibility Criteria

Candidate should be Science or Pharmacy graduate.

Age

25 or below.

Experience

1 to 2 years.

Should have good communication skill.

Eligible candidates are put through the following process for their selection:

- 1) First written test:
 - a) Aptitude and
 - n) Knowledge test
- 2) After passing written test, Personal interviews are kept.
- 3) HR interview.
- 4) Medical fitness test.

7.1 MOTIVATIONAL TOOLS USED IN PHARMACEUTICAL MARKETING

Following motivational tools are used. It differs from company to company:

1. Lucrative incentive scheme which is either in cash or kind or may be both
2. Foreign tours confined to the Asian countries
3. New Year as well as gifts on various festivals
4. Yearly increment
5. Promotion to the higher grade
6. Internal Club Membership
7. Merit Certificate

7.2 TRAINING POLICY IN PHARMACEUTICAL COMPANIES

Broadly speaking the below detailed training programmes are conducted for the MRs.

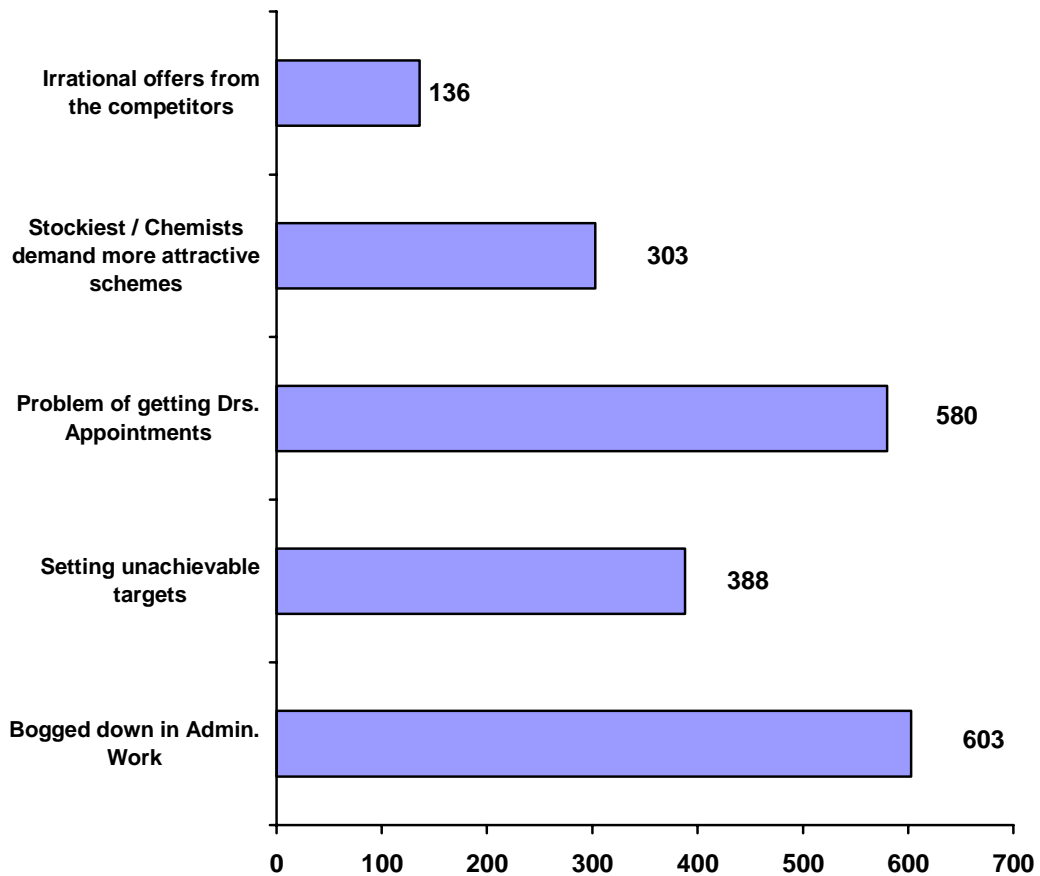
1. Programme duration 10 to 30 days.
2. One month's class room training.
3. 3 to 6 days field induction by the immediate senior.
4. After one or two year's, refreshers training programme.

In Piramal Health Care, it is named as Impact Training programme and in CIPLA, it is called as Face the Glass

Table 38 : Problems faced by the Medical Representatives

Bogged down by Administration work	Setting of unachievable targets	Problem of getting Doctors Appointment	Stockiest /Chemists demand more attractive schemes	Irrational offers from the competitors	Total No. of respondents
603	388	580	303	136	713
84.6%	54.4%	81.4%	42.5%	19.1%	

Graph 15 : Problems Faced by the Medical Representatives



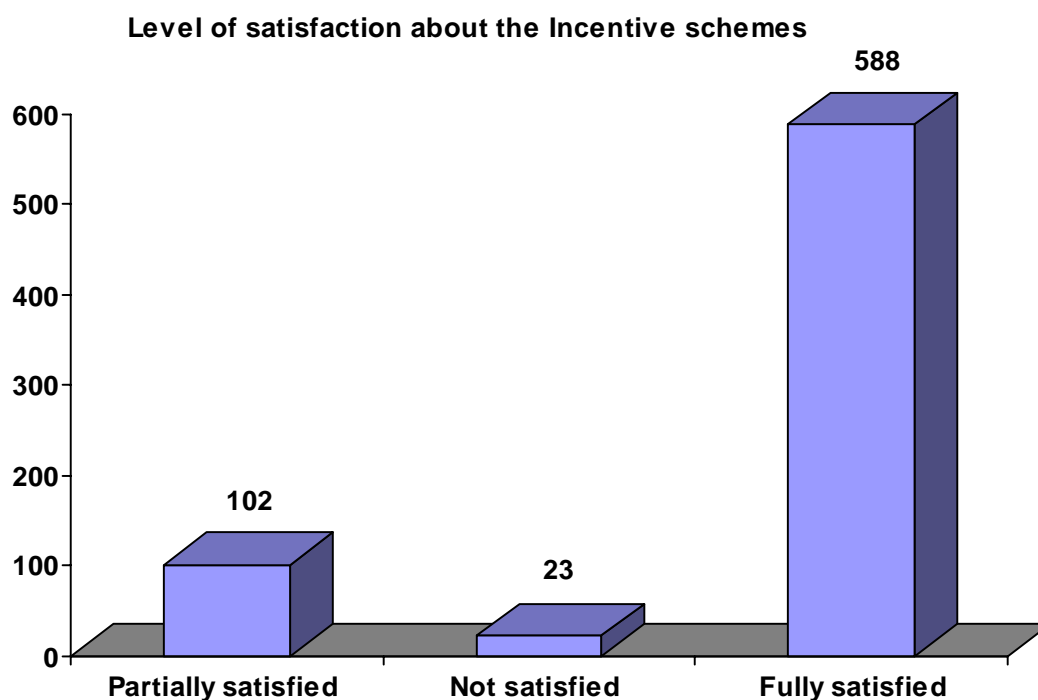
From the above data presentation, it can be seen that out of 713 respondents 603 i.e. 84.6% MRs have reported that the problem faced by them relates to the daily administration work which they have to do, 388 i.e. 54.4% feel that the targets set out by the management are unachievable, 580 i.e. 81.4% of the MRs have reported that their problem is in getting doctors appointment and 303 MRs i.e. 42.5% feel that stockiest demand for attractive schemes and the irrational offers given to doctors, chemists, stockiest etc. from the competitors account for 19.1%. This shows that the main problem of the MRs is in seeking appointment of the doctor's community which can be solved by increasing rapport with the doctor's. As regards the second problem faced by these MRs, relates to Administration work such as sending daily work reports and sending them daily through mail/ courier etc. There is need for changing the mind-set of the MRs where their immediate seniors can play a major role in convincing them.

1. Administrative work is tedious. Daily reporting, couriating, copies to the managers etc.
2. Now a days Company expectations are increasing in terms of higher targets, higher Doctor Call average which is leading to high work pressure, stress, tension.
3. Getting Doctor appointments are difficult now a days. Also the waiting at the Doctors clinic may go from one to two hours.
4. Many time chemists misguide.
5. Stockiest are not giving orders in time.
6. Unethical means adopted at Doctors / Chemists / Stockiest by many pharmaceutical companies.
7. Chemists ask for more bonus schemes.
8. Doctors demand have increased

9. Irrational Product schemes, bonus offers, irrational activities by the competitors.
10. Threats from propaganda companies.
11. Doctor's associations demanding donations for their respective associations for giving calls and also implementing the systems like Gold card / Silver card system etc.

Table 39 and Graph 16 : Level of Satisfaction of Sales Personnel about Incentives Offered by the Pharmaceutical Companies

Partially satisfactory	Not satisfied	Fully satisfied	Total No. of respondents
102	23	588	713
14.3%	3.2%	82.5%	



From the above data it can be seen that 588 i.e. 82.5% of the MRs are fully satisfied with the incentive schemes offered by the company. Hardly 23 MRs accounting for 3.2% only have expressed their dissatisfaction about the incentive schemes. This percentage is negligible and can be ignored. 14.3% MRs are partially satisfied.

Each company has its own incentive scheme for the sales personnel. It is based on the performance. In most of the companies, average monthly pay package range between ₹ 6000 to 20000/ plus incentives. Incentives are almost equally sizable. E. g. (1) Incentive range from ₹ 1 lakh to ₹ 2 lakh per annum for MRs. MRs are allowed to use two wheeler upto 75 Kms. for which they get reimbursement of petrol expenses at pre-decided rate. Above 75 kms., they get actual bus /train fare.

Eli Lilly multinational company: MRs are called as Territory Manager. Package is around ₹ 1.75 to 2.00 lakhs. Their incentive is around ₹ 1.50 lakhs per annum. Area Manager, package 2.3 to 2.75 lakhs per annum. Gets incentive also which is dependent on the performance of the MRs reporting to him/her. In Eli Lilly MRs, are allowed for two wheeler up to 100 Kms. for which they get reimbursement of petrol expenses at pre-decided rate. Above 100 kms., they get actual bus /train fare.

CHAPTER – VIII

OBSERVATIONS AND SUGGESTIONS

8.0 INTRODUCTION

As per the study relating to pharmaceutical marketing, the researcher has observed various aspects which are to be taken into consideration by almost all pharmaceutical industries. At the same time the problems faced by the pharmaceutical industries in marketing have also been noted down and accordingly some suggestions are given in this chapter.

8.1 OBSERVATIONS

India's Pharmaceutical Industry in Reorientation Process

The pharmaceutical industry is expanding worldwide. For some years now, it has been benefiting from the particular dynamics of the Asian economies as both purchasers and producers. It is not only the markets in China and India that register high growth rates, annual growth rates are also impressive in Singapore, Malaysia, Thailand and Indonesia.

- Thanks to low costs, qualified staff and extensive production and research units, India is becoming more and more of a major pharmaceutical location in the world. Drivers of growth are the growing population, which at 1.5 bn should exceed that of China by 2025, as well as the large number of aging population with markedly higher demand for medicines. Increase in number of patients with communicable, non communicable and Genetic disorder. Chronic illnesses such as diabetes, hypertension and central nervous system related disorders such as anxiety, stress and depression will be on rise

and will greatly contribute to strong market growth in the healthcare industry. As per the CII-Mckinsey Industry Analysis Report, demand of healthcare in India is expected to outstrip supply over the next decade. Almost 80,000 additional hospital beds will be required every year for the next three to four years to adequately meet growing healthcare demands.

Add to this is the increase in middle-class households which have considerably higher incomes at their disposal than the population on average.

As a result of the new patent legislation, the country's pharmaceutical industry is reorienting itself and focusing on self-developed medicines and/or contract research and production for western drugs companies. Also the expansion of Indian firms abroad looks set to continue and the preferred target markets are the US and European countries.

Few of the observations are cited below which gives a confidence that Indian Pharmaceutical Market will undergo a sea change in terms of its overall infrastructure and thus sales personnel, being the main pillars of pharmaceutical company, have also to adapt to these external changes.

1. Role of Sales Personnel

The role of sales personnel and its importance has becoming increasingly important because of consistent development of all allied factors such as a fairly expanding network of dispensaries, hospitals and institutions, providing specialized curative care and also the increasing health awareness in the society, which is been created in last six decades since the attainment of independence. Considerable progress has been achieved in the promotion of the health status of

our people. Smallpox has been eliminated; plague is no longer a problem; mortality from cholera and related diseases has decreased and malaria brought under control to considerable extent. The mortality rate per thousand of population has been reduced and the life expectancy at birth has been increased. A fairly extensive network, providing specialized curative care has developed and a large stock of medical and health personnel of various levels have become available. Significant indigenous capacity has been established for the production of drugs and pharmaceutical, vaccines, hospital equipment etc.

2. Changing Market Oriented Educational Structure

Pharmaceutical Company has a specific nature of marketing its product; accordingly it requires skillful persons to look after the sales. This need is generated out of competition and the pharmaceutical marketing features. The skill can be by birth or by especially designed courses which can inculcate such types of selling skills. Pharmaceutical colleges, other training institutes, management institutes are some of the educational institutes providing skills and aptitude in sales. MBA in Pharmaceutical Management, MBA in Hospital and Healthcare Management are some of the recent developments in educational field for the purpose of introducing newer marketing strategies, sales techniques in Pharmaceutical marketing business.

3. Changing Organization Structure

Much depends on the organizational structure of marketing dept. or the organization as a whole. The Organization structure varies as per the size of the business, capital investment, management thinking and such other business and non business factors.

4. Estimates and Achievement of Sales Targets

The sales persons on the field and marketing heads in the Head Office estimates the budgeted sales which are to be achieved by the sales personnel by following and implementing effectively, the marketing strategies given by the marketing dept. of the company.

This results in increasing the revenue for the organization. The pharmaceutical field personnel need to have updated knowledge, good presentation skills, and better relationship with the doctors. Continuous and consistent training programmes and proper staff education can guide and prepare the sales people to face the market challenges. On the part of organization, it is essential that they should motivate the sales staff by providing incentives plus developmental strategies. The marketing of pharmaceutical products should be related to the sales of product important for the health and survival of patients.

It can be said that lot depends upon the sales staff to estimate properly and put the efforts for attainment of the decided targets. Hence, working of sales staff is an important function.

5. Increasing Market Challenges

Qualitative change in customer behavior is posing continuous challenges before sales staff. The rising literacy rate, higher levels of income and increasing awareness through deeper penetration of media, internet, has brought the Indian consumer closer to demand quality healthcare. With nuclear families on the rise, the bread-earner of the family and indeed, every member of the family now have access to regular health check-ups. All these factors have contributed to the growth of pharmaceutical sector in India.

6. Factors Responsible for Complexity of Pharmaceutical Marketing Job

During last few decades, because of consistent development of science and technology, increasing competition, ever growing pharmaceutical market, there are number of factors that have resulted in complexity of marketing jobs. These factors such as socio-economic changes, at the same time, loyalty of the customers for the branded products, requirement for allied sectors in healthcare and pharmaceutical business (insurance sector, banking sector), all these are increasing the challenges before the sales staff and thus the management of sales staff is most important.

By the Management of sales staff, we mean providing better training facilities, development opportunities, incentives, wage calculators, reducing attrition i.e. HRD function in marketing concepts. So, marketing personnel will have to establish their brands and at the same time create loyalty for the brands. The price levels should be within the reach of common customers. In brief, hard core sales promotion activities and use of newer HRD techniques in marketing, is the need of hour. This is how two important functions of management i.e. Marketing and HR need to work together to generate more finance.

7. Communication in Pharmaceutical Business

For the sales promotion in pharmaceutical business, the marketing staff needs good communication skills. In this hi-tech age, there should be knowledge of English language and local language is preferred. The sales person should be better trained for illustration and detailing, in short, they should be good in their In-clinic performance.

Modern tools are used for good communication, especially when such vast competition is existing in pharmaceutical industry in India.

There are various institutions, private training classes, who are training on communication skills. The top management in marketing should take the responsibility of extending the training facilities to their sales personnel. Nowadays, seminars, conferences, exhibitions, Continuing Medical Education (CMEs) programmes help for the development of the communication skills in this modern age.

8. Continuous Appraisal System

Continuous appraisal system is introduced by organizations to improve the efficiency of sales staff. In pharmaceutical business, there is a scope for the same. Most of the pharmaceutical organizations in India have appraisal system for their field staff where given target achievement is the only criteria. Apart from target achievement, self development will also make sales personnel to stay long with the organization. Sales Incentives and increments will be additional motivating factors for the field staff.

Mumbai is a very large and specialized market, as one of the top hospitals and top medical practitioners are serving the society, so it needs a special attention and skilled sales staff to cater the market.

9. Demand Pattern for Pharmaceutical Products have Changed Considerably

In last 2 decades, demand pattern for pharmaceutical products have changed considerably. This is because of development of medical technology and modern pharmaceutical products. At the same time,

supply chain management is further strengthened to meet out the need of the pharmaceutical marketing. Manufacturers, channel partners like stockiest, distributors, chemists etc. should have proper and cohesive working with each other. This can be a challenge before modern marketing management.

10. The Cost of Marketing is Consistently Increasing

There is a vast competition in pharmaceutical business accordingly every pharmaceutical company has to spend more on advertisements and sales promotion expenses.

11. Changing Economic Policies since 1991

We have adopted liberalization policies and thus more number of multinational companies are entering into the Indian market and more so, after Jan.2005, when India adopted GATT and TRIPS. This led to increased challenges before pharmaceutical field personnel.

12. Rural Market in India

Nearly 70% of Indian population is residing in rural India. However, the modern pharmaceutical products, newer drugs, technology are yet to reach this vast sector. To tap this market effectively is the challenge before Pharmaceutical companies marketing staff.

13. Work Culture

For building a team and inculcating team spirit in any organization, useful guidelines defining the role of each member of the team, is must. Creating commitment and strong interest in achieving objectives and goals among all team members is the prime responsibility of management. Establishing open communication system with each

member of the team as well as the team as a whole, taking immediate corrective measures in the event of things going wrong, discovering and making full use of diversity of talent and experience of all team members, inculcating common values and clarity of purpose in keeping with the mission and objectives of the organization and promoting commitment, work culture, would greatly enhance teamwork which will lead to achieving set goals. Leaders are required with a vision, objective, clarity and system discipline orientation.

14. Pharmaceutical Price Regulation in India

Prior to 1962, there was no price control in Indian pharmaceutical sector. There was a domination of multinational corporations (MNCs) on overall pharmaceutical market, price of medicines were high. First Price regulation in Medicines was introduced in 1962. In 1970, the Drug Price Control Order (DPCO), issued under the Essential Commodities Act, 1955. In the same year, Indian Patents Act (IPA) was enacted. DPCO was revised in 1979, 1987 and 1995 as per pharmaceutical policy of the Government.

It was a practice, that the prices of pharmaceutical products was governed by National Pharmaceutical pricing authority (NPPA) of India. However, in changing scenario, government has realized the need of market regulation rather than regulatory framework. Accordingly, the products under the control of NPPA has been consistently reduced which can be shown by the following table. The decisions pertaining to pricing was one of the major weakness which is been discussed in the earlier part of this study, the same weakness is now tried to overcome by the introduction of new policies.

Following table shows the number of drugs under DPCO, for last three decades-

Table 40 : Number of Drugs Under DPCO

YEAR	No. of Drugs
1979	347
1987	142
1995	74
2008	74

Source: NPPA

15. The Perspective of Pharmaceutical Business

The challenge facing pharmaceutical marketers in the next decade will be to demonstrate value of product through promotional innovation, combined with the required emphasis on efficiency and safety of their product. To do so, they should turn to pharmaceutical co-economics - an evolving field that examines the issues in the context of the market's health care system. Lay persons in India tend to examine only single patient cost. But from a social perspective one may want to know what sort of treatment option minimizes overall costs. In the future, the degree of fragmentation is likely to decline significantly. Wide product portfolio and distribution strength could become a key competitive advantage among the larger players. Smaller players focused on research and development will probably be approached for alliance by larger companies. Domestic companies with International research and development or marketing ties are likely to succeed. In long term, there is likely to be an emergence of new set of competitors -- the integrated health care firms -- that will have significantly greater power than pure pharmaceutical companies. Quality of product will

increase as a result of consolidation. However, declining global price realization from the product going off patent will likely put pressure on prices of generics in India. With a wider product availability, and opening of insurance sector, the penetration of drugs and per capita expenditure of health care is likely to increase. As health care market develops the standard of health care in India, are also likely to evolve and approach the level set by more advanced western countries.

Outsourcing

As all the 4 M's (Men, Money, Material and Machinery) are important to run any business effectively and profitably, the most challenging M is MEN, which will decide the fortune of the Pharmaceutical Industry in Indian scenario. The following trends are being seen in recruitment of sales personnel in Indian Pharmaceutical industry.

In India, the HR processes are being outsourced from more than a decade now. A company may draw required personnel from outsourcing firms. The outsourcing firms help the organization by the initial screening of the candidates according to the needs of the organization and creating a suitable pool of talent for the final selection by the organization. Outsourcing firms develop their human resource pool by employing people for them and make available personnel to various companies as per their needs. In turn, the outsourcing firms or the intermediaries charge the organizations for their services.

Advantages of outsourcing are:

- ❖ Company need not plan for human resources much in advance.
- ❖ Value creation, operational flexibility and competitive advantage

- ❖ turning the management's focus to strategic level processes of HRM
- ❖ Company is free from salary negotiations, weeding the unsuitable resumes/candidates.
- ❖ Company can save a lot of its resources and time

Poaching/Raiding

“Buying talent” (rather than developing it) is the latest mantra being followed by the organizations today. Poaching means employing a competent and experienced person already working with another reputed company in the same or different industry; the organization might be a competitor in the industry. A company can attract talent from another firm by offering attractive pay packages and other terms and conditions, better than the current employer of the candidate. But it is seen as an unethical practice and not openly talked about. Indian software and the retail sector are the sectors facing the most severe brunt of poaching today. It has become a challenge for human resource managers to face and tackle poaching, as it weakens the competitive strength of the firm.

E-Recruitment

Many big organizations use Internet as a source of recruitment. E-recruitment is the use of technology to assist the recruitment process. They advertise job vacancies through worldwide web. The job seekers send their applications or curriculum vitae i.e. CV through e mail using the Internet. Alternatively job seekers place their CV's in worldwide web, which can be drawn by prospective employees depending upon their requirements.

To conclude the findings, it is essential to look at the pharmaceutical business with a modern and scientific outlook. It requires the new strategies

for development of the market and adoption of business ethics in pharmaceutical marketing. These strategies are essential to face the new challenges that are being faced by pharmaceutical business which are listed as follows-

A. There can be several challenges for pharmaceutical marketing with global channels opening up from all directions. It has become an art of its own kind. Some of the important challenges can be listed out as follows-

1. Increased competition
2. Low level understanding of customer knowledge (Doctors, Retailers, Wholesalers).
3. Dissimilar customer perception.
4. Quality of medical representatives.
5. Job turnover and Recruitment process of medical representatives.
6. High training and re-training costs of sales personnel.
7. Busy doctors giving less time for sales calls.
8. Poor territory knowledge in terms of business value at the level of medical representatives.

9. Value of prescription from each doctor in the list of each sales person.
11. Unknown value of revenue from each retailer in the territory.
12. Sales forecasting from field sales level to actual level.
13. Absence of analysis on the amount of time invested on profitable and not-so-profitable customers and lack of time-share planning towards developing customer base for future and un-tapped markets.

8.2 SUGGESTIONS

1. Introduction of TQM in Pharmaceutical Marketing

Total Quality Management concept in “Pharmaceutical Marketing” will help survive pharmaceutical companies in today’s competition. In these days of competition, one of the major ways to overcome competition is through delivering consistently higher-quality services than offered by the competitors. The pharmaceutical firms have to audit service performance, introduce techniques like Total Quality Management (TQM) and evolve mechanism for satisfying customer’s complaint. Marketing research, study of marketing environment, consumer behavior, market segmentation, pricing policy, communication, developing new service systems to meet needy customers. Advertising and other sales promotion activities like patient education, disease detection camps even in rural markets are the other

marketing tools to be used by the organizations that are in the pharmaceutical field.

2. Consider Marketing Ethics

The Pharmaceutical industry has to consider certain marketing ethics accordingly in India where the number of poor customers is high, they are deprived off from better quality medicines and healthcare services so apart from the profit earning motive of marketing, pharmaceutical marketing should take care of poor customers and provide them medicines at reasonable rate as a part of marketing ethics and social responsibility of the business.

3. Survival of the Fittest

The quality product with Quality services and sound marketing policies with competitive prices, will generate long term survival i.e. survival of the fittest. Organization having compromised qualities will have the problem of long term survival.

4. Innovative HR Concepts in Pharmaceutical Marketing

HRD has been defined as a composition of those learning experiences which are organized for a specific time and are designed to bring about the possibility of behavioral change (Lloyd and Berthelot, 1992).The conceptual dimensions of HRD need to be understood and implemented in the right and relevant perspective with judicious objectivity and pragmatic approach. Formulation, adoption and effective implementation of innovative techniques of human resource management and development depend on how firmly they are grounded in sound concepts. Some of the relevant aspects deserving

attention are knowledge management, input of ethics, work culture, Total Quality Management (TQM) and creation of HRD climate. These concepts provide an objective base for analysis particularly of HRD in pharmaceutical sector.

5. Change in Attitude is Essential

Implications of the present research study stem from the knowledge generated in regard to the identified HRD factors in pharmaceutical companies and their dimensions. Inadequacies and weaknesses brought out would seem to require appropriate corrective action and attitudinal change, both at the macro level of the government, and at the micro level of pharmaceutical companies.

6. Extensive Importance should be given to R & D

Research is a continuous process and in Pharmaceutical industry, it is still important. Tremendous enhancement in terms of Research and Development activities in terms of inventing new ideal drugs and marketing it for the betterment of mankind is the need of hour for all the Indian pharmaceutical companies. Apart from the same, R & D should also be carried out in Marketing, HR and Production because these 3 functions together, result into the creation of demand.

R & D dept. has to play the role for generation of Pharmaceutical products which are convenient for use in modern life style of the society for ex. their is development of Time release, Sustained release dosage forms which offers dosage convenience and thus compliance to patients. Even the newer dosage forms and new drugs should offer economy to the patients which ensure the effective completion of the

drug therapy leading to complete cure or better management of the disease and disorders.

R & D in Marketing is to search newer product promotion techniques, application of market surveys in order to understand the need of the customers and to sustain the competition in the market place. With the emergence of newer diseases, disorders, change in symptom profile or treatment procedures, marketing has become still difficult and it is the function of marketing people to record such observations and give suggestions to R & D, Production dept. to launch such products, techniques, technology which are suited to the market needs. Thus, marketing people are responsible making the organization updated in terms of latest molecules, technology, strategies, competition, customer preference etc.

R & D in HR is also equally important because by the introduction of advanced HR techniques, the organization can attract best talents; motivate the people to attend the desired goals. Production based, target based incentives will alone not serve the purpose, the advanced technologies such as continuous performance appraisal, result based remuneration, regular Training and Development programmes, better working environment, participation in decision making and scope for informal organization, with various motivational factors will be useful for the development of the people, so there is a scope for R & D in HR functions also. Especially the manpower turnover in Pharmaceutical business should be minimum to ensure the organization against brain drain. This is the area where HR should go for introspection.

R & D in Production is an important as here we make the anticipated changes. These changes are in consideration of 2 factors-

- a) The Production process should be effective
- b) The economy in Production should be maintained.

At the same time, it becomes a managerial function to ensure that the requisite efficacy of drugs is not been compromised in other words Quality is not been compromised at any cost. For this purpose, R & D dept. should have a better consultation with production dept. and all technical and scientific changes should be made known to the working staff. The Product leaflets, literature should be provided accordingly, because actual information from organizational end to the customers is briefed by the marketing persons by means of scientific print outs.

There is a scope, nowadays to provide for modern scientific tools for briefing the customers, in less time, more effectively.

Thus R & D plays role in all important functions of management such as Marketing, HR and Production and all these functions are inter-related and have their own reflections into the market.

7. Need of Long Term HR Policies for Empowerment

Long-term strategy for globalization is necessary for a developing country like India not just for survival, but to become a major player. Given its endowments, human as well as natural, India has the potential. In this new climate, there is growing awareness for not only more rational management of human resources, but also their development and grooming in order to bring out the best in them.

There is a perceptible change of priorities for development and growth from narrowly economy centric to broadly human centric. Human beings must be brought to the center stage and must be empowered and aided by advanced and sophisticated technology. There is much to learn from developed countries where advanced management concepts, techniques and practices have yielded worthwhile results in the shape of heightened efficiency, augmented quality levels, knowledge and training based performance and more active involvement through empowerment.

8. Marketing should be Customer Oriented Function

Marketing is the business function that identifies unfulfilled needs and wants, defines and measures their magnitude, determines which target markets the organization can best serve, decides on appropriate products, services and programs to serve, in these markets and calls upon everyone in the organization to think and serve the customer. The marketing concept hold that the key to achieving organizational goals consists in determining the needs of the target markets and delivering the desired satisfactions to the customers more effectively and efficiently than the competitors. Marketing is so basic that it cannot be considered a separate function. It is the whole business seen from the point of view of its final result, i.e. from the customer's point of view.

9. The Linkage of Marketing, Health, Environment, and Socio-economic Improvements

This requires inter-sectoral efforts by pharmaceutical companies along with government health departments, environment department, particularly in the program areas such as meeting primary healthcare needs, particularly in rural areas, controlling communicable diseases, protecting vulnerable segments, meeting the urban health challenge and reducing health risks from environmental pollution and hazards. The goals of these healthcare programs are improving health status, reducing health inequalities, enhancing responsiveness to legitimate expectations, increasing efficiency, protecting individuals, families and communities from financial loss, enhancing fairness in the financing and delivery of healthcare, improving capacity for humanitarian assistance and treatment response to complex emergencies and making healthcare systems more focused, more effective, more impact-oriented and more innovative (W.H.O.Report,1999)

10. Realistic Target should be Designed

In marketing functions the target is designed for the field force. While designing the target, following factor should be taken into consideration-

A) Organizational Set Up

There should be well designed organizational set up having defined hierarchy, delegation of authority and responsibility, accountability, etc. Reducing the number of field management

layers will bring more and more marketing and sales people closer to the doctors (customers) and patients (consumers).

B) The Region or Area should be Well Defined

This is related to the deployment of sales personnel in different areas. Deployment should be in such fashion that it avoids overlapping of field working, ensures complete doctor/chemist coverage and proper managerial control.

C) Proper Forecasting of the Regional Needs

Every region has different health problems. Diseases/Disorders may vary as per lifestyle, population, hygenicity, food habits etc. thus Pharmaceutical needs differ as per the different regions. Thus sales forecasting for each region will vary and hence rational, scientific approach for forecasting of targets, is essential.

D) Market Surveys

Regular market surveys should be conducted in order to study the changes in environmental factors, study of various types of ailments, paying capacity of patients, doctor preference, competitor activities etc. will help in right product target setting.

Number of working staff, forecasted need of markets and other factors, should be taken into consideration while preparing the targets then only it will be called as Realistic Targets. It should not be unrealistic and felt as a burden by sales staff. Very low and too high targets will disturb the morale of working staff.

11. Appointing Contract Sales Organizations (CSO)

Looking at the mergers, acquisitions taking place in Indian scenario, Indian pharmaceutical companies can evaluate pros and cons and can explore the possibility of appointing Contract Sales Force through hiring Contract Sales Organizations.

12. Tap the Untapped Rural Markets

Indian pharmaceutical companies are eyeing the global markets and employing tactics to grab a piece of the international consumer's wallet. But for long, rural market in India (which accounts for almost 70% of countries population) was unattended by most of the pharmaceutical companies. Pharmaceutical companies need to focus on these highly untapped markets where the customers are more loyal. It is the government, medical practitioners and pharmaceutical company, who in close coordination can change the rural picture.

13. Hiring of Recruitment Process Outsourcing (RPO)

Indian pharmaceutical companies would definitely like to go global. In this scenario Pharmaceutical companies can explore of hiring an outside agency that are specialized in recruitment process outsourcing. They need a specialist help to attract right kind of talent. If pharmaceutical companies tap such RPOs, then it will really help them.

Indian pharmaceutical industry should take steps to know if they want the major lion share in the market as far as revenue is concerned as in next 10 -20 years lot of competition will be there. In past 2 years many pharmaceutical companies have hired only one biotech person for the name sake. Indian pharmaceutical industry is unable to accept that the lead time or

the money invested recovery for any biotech business to flourish is 10years if it is biosimilar. If it is novel, definitely 5 years. A lot of potential is there in biosimilar and man power training should be done now so when actual competition will come they should be prepared for any regulatory.

India's pharmaceutical sector is currently undergoing unprecedented change. Much of this is due to the country's introduction, on 1st January, 2005, of a system of product patents. Both multinational companies and domestic players are examining the prospects offered by the local market as the government moves forward with initiatives aimed at providing India's more than one billion inhabitants, for the first time, with access to the life-saving drugs they need. A further huge boost to the local market is emerging from the rise of India's new affluent consumers, who lead more Western-style lives and are demanding innovative drugs to treat the chronic illnesses that these changing lifestyles may produce. India's leading drug manufacturers are becoming global players, utilizing both organic growth, through the gradual development of their business, and mergers and acquisitions as they seek to boost their presence in existing markets and open up new ones. With these opportunities, however, there are huge challenges that require commitment by both industry and government, and unprecedented levels of partnership between them.

8.3 RECOMMENDATIONS

Pharmaceutical Marketing-emerging Trends

The use of contract sales force has grown rapidly in the last two decades in international market but yet to make headway in Indian context. It offers benefits such as minimization of overheads, reallocation of sales

force according to the product priorities and an increase in revenues without an increase in headcount.

Contract sales in the international pharmaceutical industry were first developed over 25 years ago. Before this, pharmaceutical companies built their own sales teams and infrastructure to support promotional activities, product launches and general company/portfolio expansion.

While the introduction of CSOs (Contract Sales Organizations) was met with some skepticism, smart companies quickly realized that by employing a specialist outsourcing partner, they could better manage the peaks and troughs in resourcing that inevitably occurred as a result of changing portfolio priorities.

Benefits of Contract Sales Organization (CSO)

1. Using a CSO to build and run a sales force minimizes fixed overheads of the pharmaceutical company.
2. It can also help manage new product launches, as there is a need for a high level of detail activity in the initial launch phase which may reduce in the later stages.
3. When companies merge, contract sales teams can be used as a safety net to cover the company's portfolio before final staffing decisions are made or to top-up resources at times of headcount uncertainty.

4. In times of financial uncertainty, when headcount freezes can be imposed, contract sales are a means of increasing resources without increasing permanent staff levels.
5. Using a contract sales force can be a strategic weapon to give the pharmaceutical company a competitive advantage. For e.g. if an established brand is under threat from a competitor launch the company may wish to deploy a larger sales force in key areas to fight off the competition, CSO can provide this extra force for them speedily and efficiently.

When to use CSOs:

1. Times of uncertainty
2. As part of strategic campaign
3. To support product launches
4. To build teams without risk
5. When pharmaceutical company has lack of experience or skill set
6. Need to balance existing product portfolio and also at the same time getting into newer therapeutic areas
7. Control of costs.

Use of the Internet to Maximize the Effectiveness of Pharmaceutical Marketing

Traditionally, pharmaceutical marketers in India have focused their attention on target doctors thru face to face detailing by their field force. But in today's scenario, getting doctor's time is becoming difficult. Many top opinion makers (doctors) in metro and semi metro towns are even not able to meet Medical representatives for months together or may not meet at all.

Internet is opening up new channels for communication. Using it on large scale can help pharmaceutical marketer to supplement the field force efforts plus tapping the top doctors, who are not able to meet medical representatives.

Big pharmaceutical companies can use the internet as a lead generation channel while the middle level companies can use it to expand their reach; the small companies can use the internet as a virtual sales force.(Source: Pharmaceutical Marketing-Emerging Trends)

Contract Marketing

Confronted by the impending pressure of post GATT period, Indian companies are forced to think creatively and differently to convert this business limitation into business opportunities. To be successful in business you need a sound business model to exceed revenues and enhance profits through innovative solutions, services and operational excellence.

The business models for Indian companies are likely to be influenced by the new business and market dictates. "Outsourcing" will become an integral part of the business strategies of majority of Indian companies. Outsourcing will be signs and symbols of Indian business. Outsourcing in the operating areas like contract manufacturing, contract R & D, contract marketing, co-marketing can be some of the major growth drivers of business besides domestic and International marketing.

In this evolving domestic scenario contract marketing offers plenty of opportunity due to:

1. Swelling up of product mix of national and International companies because of mergers and acquisitions.

2. Large portfolio of various molecules with little marketing advantage and multiple brands of Indian Companies for the same therapy.

3. Shift of MNCs from off patented product mix to their pipeline products.

Increasing cost of operations due to own marketing and sales force.

Limitation of market and customer reach.

4. Lack of local business expertise and experience in the local markets.

Leveraging this emerging opportunity will leave the companies to focus on their competence while en-cashing the expertise and efficiency of partners network, thereby reducing costs and risk exposure.

The benefits of the Contract Marketing can be stated as follows:

1. Expansion of customer coverage
2. Extension of therapeutic coverage
3. Exploration of new markets
4. Increase in market presence
5. Improvement in marketing effectiveness.
6. Substantial growth with little risk
7. Traditional business expansion requires own requires investment, whereas contract marketing investment comes from individual parties.
8. Risks are spread across the contract-marketing entrepreneurs
9. Contract marketing allows investing in the proven experience, expertise and methods of the contract marketers
10. It leaves the company to focus on core competencies
11. Speed and flexibility
12. Familiarity with market and local business conditions

Indian Pharmaceutical Sector: Future Scenario

The dream of Indian pharmaceutical companies for marking their presence globally and competing with the pharmaceutical companies from the developed countries like Europe, Japan, and United States is now coming true.

The new patent regime has led many multinational pharmaceutical companies to look at India as an attractive destination not only for R&D but also for contract manufacturing, conduct of clinical trials and generic drug research. With market value of about US\$ 45billion in 2005, the generic sector is expected to grow to US\$ 100billion in the next few years.

The Indian companies are using the revenue generated from generic drug sales to promote drug discovery projects and new delivery technologies. Contract research in India is also growing at the rate of 20-25% per year and was valued at US\$ 10-120million in 2005. India is holding a major share in world's contract research business activity and it continues to expand its presence.

Clinical Research Outsourcing (CRO), a budding industry valued over US\$ 118 million per year in India, is estimated to grow to US\$ 380 million by 2010, as MNCs are entering the market with ambitious plans.

By revising its R&D policies the government is trying to boost R&D in domestic pharmaceutical industry. It is giving tax exemption for a period of ten years and relieving customs and excise duties of all the drugs and material imported or exported for clinical trials to promote innovative R&D.

The future of Indian pharmaceutical sector is very bright because of the following factors:

- ❖ Clinical trials in India cost US\$ 25 million each, whereas in US they cost between US\$ 300-350 million each.
- ❖ Indian pharmaceutical companies are spending 30-50% less on custom synthesis services as compared to its global costs.

In India investigational new drug stage costs around US\$ 10-15 million, which is almost 1/10th of its cost in US (US\$ 100-150million)

Until yesterday, Ranbaxy was India's No. 1 pharmaceutical company, with grand visions of becoming a global player. Now, a relatively unknown Japanese company, Daiichi Sankyo, has bought out the founders' stake (35%) for \$4.6 billion, recasting the Indian pharmaceutical industry and anticipating its future. The founders have been turned into billionaires, the present CEO (from the founders' family) retains his position and at a 30% premium, experts are saying it is a good deal. The markets are not so enthused. On the other hand, stocks of other major players shot up by over 10% in the expectation that more takeovers are around the corner.

For decades, the Indian pharmaceutical industry was happily producing generic drugs and combination medicines of questionable efficacy and raking in huge profits. The phasing out of process patents in 2005 changed the landscape. The pharmaceutical companies were forced to look at R&D, something they had long neglected. R&D in pharmaceuticals is particularly difficult for two reasons - development costs that can run up to \$300 million and time-to-market that can be as long as a decade. The risks involved are

too high for anyone's comfort. If a blockbuster drug is developed, the organization can make billions. If nothing is developed or what is developed is not approved by the regulator, the organization may sink. Faced with this situation, the big players started looking at acquisitions of companies that had a decent track record in R&D as the only way out of a possible crisis.

What was probably overlooked in the process was that not many path-breaking drugs have come out of small laboratories. Proprietary drug development is a big and serious business. It requires concepts like concurrent engineering that require major attitudinal changes (internal competition) and outlays that are multiples of normal R&D investments. As a result, nothing much of significance has come out of the acquisitions of small companies by Indian pharmaceutical players.

The other major problem that the industry has to contend with is fragmentation. A focus on generics has meant a spawning of entities - most of them small - that together churn out some 20,000 drugs - both single and combination. Compare this with the 200 drugs that the WHO has recommended as being vital for a nation's well-being and you get an idea of the perils of needless proliferation. It is quite remarkable that a country like Bangladesh has been able to follow the WHO guidelines.

Looking at the above changing scenario a question which need to be mulled over is what is in store for the Indian pharmaceutical industry?

- ❖ We can expect a significant level of consolidation - a major portion of small players are likely to be wiped out.
- ❖ Many of the existing players are family owned businesses. No one should be surprised if many more deals on the lines of the Ranbaxy- Daiichi deal come through. It is the classic "bird in the

hand" principle - if the founders can earn a few billions without too much effort, why should they spend hundreds of millions and ten years or more in trying to develop new drugs?

- ❖ The present scenario presents an excellent opportunity for multinational enterprises to establish manufacturing bases in India through the take-over route. The availability of talented scientists at a relatively low cost makes India an ideal location for manufacturing quality drugs. A word of caution is necessary though; such enterprises may have to follow a dual pricing policy, one for the local market and another for the global market.
- ❖ The Indian government would do well to take another look at its lop-sided policies. The corporations engaged in R&D need tax breaks and innovative incentives.
- ❖ The Indian pharmaceutical industry is the only sector that receives huge fund allocations for research and development.
- ❖ The knowledge potential India had could not be ignored either, as the nation had huge trained manpower resources.
- ❖ In terms of absolute growth, India would be among the top five pharmaceutical markets globally by 2015.
- ❖ India was now an exporter of drugs, at low-cost, quality pharmaceuticals were in great demand across the world.

- ❖ Indian Pharmaceutical industry has tremendous potential to grow. They say the biggest clinical trial market will be India. Similarly the generics market will exponentially grow too. The researcher would really hope to see some solid leadership decisions and policies coming out of New Delhi to lay out a smooth platform. That will be a big challenge Indian leaders face as an opportunity can only formulate into a success if has the correct direction and a well paved road, not ones with purposely created pot-holes.

8.4 CONCLUSION

Indian pharmaceutical companies are growing strong and going global. In the past the Indian pharmaceutical market was dominated by MNCs. From a stage of being nowhere, Indian pharmaceutical companies today are not only dominating the domestic market but have also begun to dominate some of the world markets.

One of the main reasons for Indian pharmaceutical company's success is the support from the Government. Various policies followed by the Indian Government initially sowed the seed for development of the Indian pharmaceutical industry. This enabled Indian companies to flourish, and at the same time reduced the expansion of foreign companies in India.

Today, Indian pharmaceutical companies are going global through exports, joint ventures, mergers and acquisitions, and out-licensing. Many Indian players are using these strategies according to their needs. Most of the Indian companies prefer the acquisition strategy to enter Europe and the

Greenfield Investment strategy to enter the US market. Indian companies are not only targeting developed and regulated markets like the US, Europe and Japan but has also begun to exploit the opportunities in developing markets like South Africa, Mexico and China thus making open the domestic market for the MNCs and at the same time also getting entrenched in the international market which is evident from the headway made by the Indian pharmaceutical companies in mergers and acquisitions in the recent past.

The present salient features of Indian Pharmaceutical industry are summarized below:

- i. The Indian Pharmaceutical sector has a wide potential. With the entry of the global market players in the Indian Pharmaceutical sector, the quality of the Pharmaceutical products is bound to improve.
- ii. Indian companies are now heavily investing in the Research and Development and will be able to come out with products which suit the Indian market segment.
- iii. These companies are introducing new Human Resources techniques to attract the best talents and retaining of the right people, so that their R and D as well as marketing skills are improved and achieve greater marketing efficiency and the company products are available to the target market.
- iv. The Mumbai region is a versatile region having its own characteristics and also complexity. This has lead to special attention for marketing of the products.

- v. Pharmaceutical business needs better updated knowledge, skillful sales staff, and good relations with customers; in short it requires a total utilization of human resources in office and on the field.
- vi. The social responsibilities of the Pharmaceutical business is very important accordingly sales promotion activities should consider social ethics of the business also.
- vii. Proper Recruitment, Selection and Training shall facilitate the better growth of the Pharmaceutical organizations.

Marketing and HR field is dynamic in nature, there are changes taking place in government policies, marketing dynamics, technological up-gradation, change in disease and disorder profile, demographic migration from rural to urban /metropolitan areas, entry of lot of multi national companies, mergers, acquisitions etc. There is scope of undertaking further research study keeping in view the above changes.

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**Questionnaire for the Sales Representative
(Popularly known as Medical Representative (MR))**

Name of the MR. _____,
 Contact No. _____ Designation: _____
 E-mail Id: _____

Name of the Company which he represents: _____

1	How long are you working with this Company:	
2	Have you earlier worked with any other company, if yes, please name the company and the area for which you were working.	
3	What is the present area of operation	
4	Do you think that you can comfortably cover the targeted group of your area at the desired frequency? If not, what are your problems in brief	
5	Are you satisfied with the current compensation given by the company? If not, what is your expectation?	Yes / No
6	What are the fringe benefits that you get? (Please ✓ mark your answer)	Travel allowance: () Medical Reimbursement () Provident Fund () Educational allowance for the children. () Conveyance allowance: _____ _____ _____

7	Is there an incentive scheme for achievement of the targets? Is it satisfactory? If not what are your suggestions in brief.									
8	Are you a member of any trade union of pharma industry? If yes, name the organization.									
9	Have you been imparted any formal marketing training by the company? If yes, please name the areas covered by the training and its duration? How often training is given to the field staff by your esteemed company?	<table border="1"> <thead> <tr> <th>Induction/ Basic Training</th> <th>Field Training</th> <th>Orientation / Refresher Training</th> <th>Special skill development training</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Induction/ Basic Training	Field Training	Orientation / Refresher Training	Special skill development training				
Induction/ Basic Training	Field Training	Orientation / Refresher Training	Special skill development training							
10	What is the market share of your company in the Mumbai Region? How would you rate it:	Is it increasing: (), Decreasing () Stagnant () over the past five years.								
11	What are your suggestions for improving the sales performance? Have you ever made these suggestions to your immediate superiors? If yes, what was his response?									
12	Because of nature of your service do you face any human relation problems? If so, state in brief?									
13	Do you offer mobility to the organization? (transfer out of Mumbai region)	Yes / No								

14	Do you get adequate support from the management in implementing new ideas in your area of operation?					
15	What is your assessment of the future of Pharma industry in the wake of globalization? Any specific challenge, if so please mention in brief.					
16	Is there a future for small Indian Companies manufacturing pharma products? If yes, areas of specialization required.					
17	How you were recruited in this organization?	Recruited through placement agency	From New paper Advertisement	Recommendation from the Field Manager/s and Channel partners		
18	What problems do you face?	Bogged down by Admin. Work	Setting of unachievable targets	Problem of getting Doctors Appointment	Stockiest / Chemists demand more attractive schemes	Irrational offers from the competitors
19	Indicate your level of satisfaction about incentives offered by the Com.	Partially satisfactory	Not satisfied	Fully satisfied		

Signature

Date: _____

**Questionnaire for the Sales Executives controlling an identified area
(Popularly known as Area Manager /)**

Name of the respondent Mr. / Mrs. _____,

Contact No. _____ Designation: _____

E-mail Id: _____

Name of the Company which you represent: _____

Area of operation: (spell it out in brief coverage of the area instead of naming the region) _____

Please brief the distribution network of your Company:

No. of MRs reporting to you: _____ No. of Stockiest under your control span _____
How is the supply chain? Through C & F agency: / Depots

How the targets are set out for the individual MRs: _____

Do they have any say in setting the targets? Yes / No

Has the region / zone achieved its target during the year 2007-08?

How many MRs reporting to you have achieved the targets during :

2002	2003	2004	2005	2006	2007	2008

Training input:

For a beginner what sort of training input is given: (Induction course) Duration: _____ days.

Any orientation programme for the senior staff? If so, Frequency & duration?

Any specialized training is given? If so please spell it out:

According to you is there any scope for improving the training input? If yes, please state in brief:

What are the motivational schemes that the company has introduced for the MRs.

Is there a career path planning in the Company? If yes, is it shared with the field staff?

Is there a transfer policy for the MRs? If yes, salient features of it:

What is the extent of introduction of the Technological up-gradation to the field staff? Has it improved their efficiency? (Use of Laptop / E-Mails / mobile phones on line daily work report submission etc.)

Is there a trade union of the MRs in your company? Yes / No. If yes, how the management's approach towards settlement of the grievances of the MRs? _____

What are the problems faced by you in dealing with the MRs.?

According to you what is fate of the small domestic Pharma Manufacturers?

What is the attrition rate in your company so far as MRs are concerned? If it is abnormal what steps are being taken to arrest it?

In the changed global scenario what attitudinal change and change in the mind set you expect from MRs?

Signature of the Respondent