

**EFFECT OF GENERIC DRUGS ON THE
BUYING BEHAVIOURAL PATTERN AND BRAND
SUSTAINABILITY OF ETHICAL DRUGS IN WESTERN INDIA**



**AN EXECUTIVE SUMMARY
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EXECUTIVE SUMMARY

Historically, the Indian companies have concentrated on reverse engineering patented drugs and selling them locally at a cost much lower than their foreign counterparts. This strategy is unsustainable, for impending regulatory and demographic changes are making the Indian market more similar to global markets, thus, forcing Indian companies to compete against global ones according to global rules. Indian companies must either identify arenas in which they can compete successfully with the large multinationals or develop new models of collaboration.

Globally, brand building is the top priority for pharmaceutical majors as sizeable amount of investments and years are spent before the blockbuster drugs emerge from their research. These drugs through proper positioning and effective promotions ensure long period of returns for these companies. Branding by product augmentation, in the Indian pharmaceutical industry, is primarily achieved by creating differentiation in the manufacturing process, changes in the formulations, packaging, communication, and by using memorable and appropriate brand name for the formulation.

Generic pharmaceuticals are increasingly becoming a formidable force in the market. Generic drugs are been increasingly used as substitute for the branded drugs due to the cost and many other factors. Although various studies have been conducted for providing an insight in this intricate issue, none explains it in a comprehensive manner. So far, no

studies have explored this vital subject in the Indian context. The Indian pharmaceutical market is primarily guided by the behaviour and attitudes of patients and doctors. Thus, this study highlights the impact of generic drugs on the behaviour of various stakeholders and its affect on the branded drugs market.

The study has been divided in six parts:

1. **Chapter 1** deals with introductory aspects of the pharmaceutical industry and pharmaceutical branding.
2. **Chapter 2** covers the introduction about Indian pharmaceutical industry and the pharmaceutical marketing.
3. **Chapter 3** discusses the literature review pertaining to prescription behaviour and impact of generic drugs on the brand positioning of ethical drugs.
4. **Chapter 4** explains in detail the research methodology employed for this study.
5. **Chapter 5** narrates the statistical tools applied for the analysis, the results and the inferences derived from the results.
6. **Chapter 6** comprises of discussions, conclusions and direction for future research.

The select bibliography is mentioned and not an exhaustive one as chapter-wise reference is given in the main thesis.

Chapter 1

Pharmaceutical Market: An Overview

Introduction

The pharmaceutical market is knowledge driven and is heavily dependent on research and development for new drugs. The competitive and technological changes in the pharmaceutical industry from powerful new drug discoveries to the innovative R&D partnerships and marketing plans are reshaping the business strategies of many pharmaceutical companies. Patent laws play a very important role in encouraging the clinical trials and drug discoveries. The new WTO rules imply that Indian pharmaceutical companies have to switch to a product patent regime[†] post 2005 from the currently prevailing process patent regime*.

In the 1960's, the industry expanded, benefiting from new discoveries. The healthcare spending boomed as economies prospered. There were no strict controls over research and development (R&D), drug approvals and marketing. However, during this time, the new legislation was passed in the USA that completely transformed the pharmaceutical industry worldwide. By 1978 the average time needed to discover and develop new drugs to meet the FDA's expanded requirements and then undergo regulatory review had

[†] Product patent is a form of protection which gives the discoverer, a period of exclusivity to exploit the invention or permit others to do so under a licensing agreement.

* Process patent allows a manufacturer to produce the same formulation without paying any royalty or license fees to the original producer if they use a different process.

reached 14 years or more (Rodengen, 2000). Thus, consuming an increasing percent of the 17 years – the length of time then covered by patents. As a consequence, it became much harder for the pharmaceutical companies to recoup their investment in order to fund future research. By year 2000, the time taken for drugs to share by adhering to specific "laws" when activating a specific purchase motive in the customer's mind (Buchholz and Wördemann, 2000).

Pharmaceutical companies today face a series of significant challenges that are affecting their ability to maintain growth and sustain earnings levels. These challenges include competing against generic products – drugs whose patents have lapsed and which are typically 60% to 70% cheaper than the 'branded' version – and the drying up of the research and development pipeline that has led to a reduction in the rate of new compound discoveries. In addition, pharmaceutical companies have to operate in a complex industry environment. For prescription-only medicines, the relationship between consumer (patient) and pharmaceutical company is highly regulated and subject to government intervention. Governments and private insurance companies determine the price consumers pay. Furthermore, pharmaceutical companies are severely constrained in what they can communicate directly to consumers. In response to these challenges, the pharmaceutical industry has undergone, and continues to undergo, a period of consolidation and rationalization to control costs and maintain R&D rates per company (Cleland, et.al. 2004).

Pharmaceutical marketing

Pharmaceutical marketing is a complex process. It involves multifarious activities at different levels and spans over the entire area where the products are made available for use. It starts from the need realization for a new drug and ends when the product is exchanged for a price (Chaganti, 2005).

Pharmaceutical marketing and its consequences are strongly affected by the unique environment in which pharmaceutical marketing takes place. It starts with the need realization for a new drug or a new treatment method for a specific disease. A marketer can gauge the need from the feedback received from the physicians. This need requires to be converted into a viable product idea. The next stage is product promotion. Active promotion leads to the awareness among the medical practitioners. The product is distributed through the wholesale and retail channels and is offered for retail sale to the consumers, in this case the patients. The marketing process is completed when the product is demanded at the retail store by the patient.

Global Pharmaceutical Market

Introduction

Over the past few years, the pharmaceutical business environment has changed significantly, which has transformed the market dynamics. While Multinational

pharmaceutical firms indulge in consolidating their positions through mergers, acquisitions and strategic alliances, the generic manufacturers are gearing up to meet the opportunities created by blockbuster drugs going off patent.

Though the pharmaceutical industry remains one of the most profitable and stable industries, several macro-level variables are influencing fundamental changes in the industry structure. The chief variables are: the increasing role of substitutes-generic pharmaceuticals threat; the threat of new entrants-emergence of bio-pharmaceuticals and genome revolution; increasing buyer power of third party payers, government buyers, and health maintenance organizations, and increased health awareness amongst patients and changing suppliers-enhanced outsourcing in manufacturing and R&D. Additionally, changing world demographics (increasing graying of world population), stringent regulatory environment, declining R&D productivity, worldwide compliance of General Agreements on Tariffs and Trade (GATT) and Trade Related Intellectual Property Rights (TRIPS) and emergence of e-pharmaceuticals is likely to reshape the industry (www.bccresearch.com).

The Indian pharmaceutical industry is comprised of 4 major sectors: ethical, generic, OTC and biopharmaceutical. Ethical pharmaceuticals sector is growing at double-digit rates but is under increasing pressure owing to the strong competition from generic and biopharmaceutical sectors. The ethical sector is increasing by relying on blockbusters and innovative medicines to drive its growth. Life-style diseases[†] will continue to drive the

[†] A disease associated with the way a person or group of people lives. Lifestyle diseases include atherosclerosis, heart disease, and stroke; obesity and type 2 diabetes; and diseases associated with smoking and alcohol and drug abuse. (www.medterms.com)

growth of this sector. The change in the life-styles would fuel demand for cardio-vascular agents, CNS (central nervous system) and alimentary/metabolism products. The generic pharmaceutical sector is expected to increase its penetration in the world pharmaceutical market to 7% by 2008. The sector's growth will continue to be fueled by patent expirations worth \$80 billion through 2010 (www.bccresearch.com).

Globally, brand building is the top priority for pharmaceutical majors as sizeable amount of investments and years are spent before the blockbuster drugs emerge from their research. These drugs through proper positioning and effective promotions ensure long period of returns for these companies.

The pharmaceutical market has come relatively late to branding. During the 1980's and 1990's the pharmaceutical industry has enjoyed success over an extended period of time, achieving relatively easy double digit growth on a consistent basis (Schuiling and Moss, 2001). By and large this was through using traditional methods. The success factors for the industry were three fold:

1. Strong research and development (R&D)
2. Aggressive defense of patents, and
3. Use of dominant promotional tool i.e. sales force management.

Pharmaceutical Branding

Brands and branding, as traditionally understood, were subject to continuous review and redefining. There are number of definitions of brand. According to American Marketing Association, brand is “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors” (Kotler, 2000). A more universally applicable definition describes brand as a “cluster of functional and emotional values which promises stakeholders a particular experience” (de Chernatony and Dall’Olmo, 1999). In its simplest form, a brand represents the promises that the product makes (Blackett, 2004).

Pharmaceutical branding has traditionally led to considerable returns through (Datamonitor, 2006):

1. Intense advertising activity has led to pharmaceutical brand recognition, rapid uptake and blockbuster sales.
2. Brand awareness is a key tool for protecting against new competition.
3. Unique selling points can be key to brand success.

Despite the lack of brand focus in the pharmaceutical market, pharmaceutical product has got all the necessary ingredients that make it a brand. It represents in consumers’ mind as a set of tangible and intangible benefits. It does not only deliver efficacy (tangible) but it also offers additional value such as trust (intangible). The brand has an existence in both

the doctor and patients mind that goes beyond the product itself. Pharmaceutical companies develop molecules but doctor's prescription results in brands (Kapferer, 1991). Branding of pharmaceutical drugs can help sustain brands against generics after the patent expiration. A strong brand will be benefited from a high consumer loyalty (Aaker, 1991; and Kapferer, 1991). The brand would therefore be in a better position to sustain sales after the patent expiry. A strong base of loyal consumers would give an additional time to maximize the return on investment (Blackett 2001).

Conclusion

In India, the pharmaceutical marketplace is dominated by doctors and patients. They have a large choice in terms of medication and procedures. This requires a greater reliance on scenario-based planning, a sharper focus on realizing productivity gains from sales and marketing expenditures, and proving the value of medications. Prescription drugs are increasingly being branded and sold to consumers with traditional marketing tactics such as advertising and promotion. Thus, brands will have a stronger influence on the behaviour and attitudes of patients and doctors.

Chapter 2

INDIAN PHARMACEUTICAL INDUSTRY

Indian Pharmaceutical market: An Overview

The Indian pharmaceutical market is in a phase of transition. Companies are converging their resources and redefining their value chain to face the challenges poised by the product patent. Domestic pharmaceutical companies have been churning out new drugs at a never seen before frequency and have gone on a brand acquisition spree to strengthen their market position.

The Indian pharmaceutical market is estimated to be \$ 5.1 billion in year 2004 which is approximately 1.3 percent of the global pharmaceutical sales that stand at USD 317.2 billion. India has 8 percent value share of the global pharmaceutical production market and stands fifth in volume terms. The Indian patent laws (1970) gave Indian companies the opportunity to reverse engineer molecules that were under patent (without payment of royalty) and to sell them at 8-15 percent of the price of the patented drug. The benefits given to SSI units resulted in a mushrooming of small units and this has resulted in the industry being highly fragmented (there are nearly 20,000 licensed companies). The top 10 companies control 30 percent of the market, eight of these are Indian companies. By comparison, the global top ten companies account for about 45 percent of the International market (Parmar, 2005).

Therapeutic Segmentation



The most important way of segmenting the Indian pharmaceutical market is by the therapeutic groups. The rising incomes and a growing number of elderly people, sustained by advances in hygiene and medicine, are driving a shift in the market away from sales of vitamins and anti-infective and gastrointestinal treatments and toward sales of treatments for cardiovascular problems, central-nervous system disorders, and other complex ailments (Adarkar, et al. 2001).

Indian Pharmaceutical Supply Chain: An Overview

The supply chain of the pharmaceutical industry is quite complex and the roles played by various partners, are undergoing drastic changes worldwide. This trend is expected to be followed in India in the next few years as well. The supply chain has various players; the complexity in the chain is because of the fact that the decision making for the products is made by multiple players. The supply chain of pharmaceutical industry includes the Distributor, Wholesaler and Retailer. The chain also includes the channel between drug company and the physician, through the Medical Sales Representatives (MSRs). This is a relationship driven area where the MSRs contact the doctors and make the sales.

Pharmaceutical Marketing in India

Pharmaceutical marketing is a complex process which involves multifarious activities at different levels and starts from the need realization for a new drug and ends when the product is exchanged for a price.

The Pharmaceutical Marketing Model

The marketing process starts with the need realization for a new drug or a new treatment method for a disease. A marketer can judge the need from the feedback received from the physicians. This need is converted into a viable product idea. Product development efforts in India are restricted mainly to formulation development. The product is first developed and tested at the laboratory, and then scaled up to the commercial production level. The next stage is product promotion. The active promotion leads to the awareness among the medical practitioners. The product is distributed through the wholesale and retail channels and is offered for the final sale to the consumers. Medicines being non-durable consumer products, minimal after sales service are required.

Prescription Behaviour

Prescription certainly is the prime-mover of goods and services in pharmaceutical marketing. Prescriptions have been used to study treatment patterns and analyze markets for various therapeutic categories in many countries. In today's highly competitive

pharmaceutical market, marketers are increasingly concentrating on studying the prescription trends and the prescribing behaviour of physicians (Chaganti, 2005).

Prescription process

The physician is concerned with the patient well being and therefore tries to select the best therapy and drug for treatment. Prescription is a reflection of a physician's choice set of drug for a treatment. There are some major factors that contribute to the prescription process:

- Behavioural characteristics of the patient
- Expectations and attitude towards the prescriber's treatment
- Trust level on the prescriber's treatment
- Level of knowledge and expertise of the prescriber
- Prescriber – patient relationship

Chapter 3

REVIEW OF THE LITERATURE

This chapter reviews various research papers, articles and books relevant to this research. It was an attempt to undertake research in the area of pharmaceutical branding and promotions in India and abroad.

The literature review has been classified under following broad areas namely:

- Prescription process of General Practitioners (GPs)
- Cost of treatment in Ethical and Generic drugs
- Attributes perceived important while prescribing
- Impact of promotions on the prescription behaviour
- Impact of Generic drugs on the brand positioning of Ethical drugs
- Impact of Medical Representatives on the prescription.

Prescription process of GPs

GPs considered themselves cautious and conservative prescribers. Prescribing decisions often were justified by the prescriber, despite conflicting clinical or cost arguments. A personally developed drug formulary was used to reduce dilemmas potentially associated with prescribing uncertainty. Willingness to reflect upon, and measure, prescribing habits

against set professional standards varied considerably. Some GPs found it difficult to keep up to date professionally due to perceived time constraints. Excessive patient demand was considered to influence their prescribing, but GPs stated that they were not unduly influenced by the drug representative.

General Practitioners (GPs) with high prescribing costs were significantly more likely to see drug company representatives frequently, to prescribe newly available drugs more freely, to prescribe more readily to patients who expect a prescription and significantly less likely to find useful criticism of prescribing habits by colleagues and more likely to refer medical literatures when uncertain about an aspect of drug treatment (Watkins, 2003).

Key influences upon prescribing

Many factors have been identified which have an important relationship with GP prescribing rates and costs. There are those fixed factors for which there is no potential for modification by a change in doctor's behaviour—for example, age and sex of GP (Howie, 1976 and Hartley, et al. 1998), age and sex of the practice population (Carrin, 1987 and Healey, et al. 1994), socioeconomic deprivation of the practice area (Forster, et al. 1991 and Baker, et al. 1991), and fund holding status (Morton, et al. 1993) in the recent past. There are also factors where it is plausible that a change in doctor's behaviour or practice organization will result in modification of prescribing rates and costs. These include knowledge of drugs and drug costs and sources of information

(Forster, 1991, Coleman, et al. 2000 and Ryan, et al. 1990), level of postgraduate medical education (Becker, et al. 1972), social and logistic factors such as role perception of GPs and time pressures (Carrin, 1987, Bradley, 1992 and Harris, et al. 1984), number of GPs in the practice (Carrin, 1987), and attitudes to generic and branded products (Carrin, 1987 and Zwanenberg, et al. 1987).

Prescribing uncertainty and knowledge of GP

Prescribers often use a personal 'head-held' drug formulary; a unique individual index to decide whether and what to prescribe. The formulary was established during medical training and shaped by other medical practitioners, patents, policy and own experience in general practice. Prescribing doubts usually were associated with adverse drug effects: whether the decision to prescribe a particular drug had a potentially detrimental effect; uncertain or ill-defined diagnoses; or treatments for children or the elderly. Some medical practitioners described difficulties experienced during patient Variation and costs of GP prescribing consultations, when they were required to access relevant drug information.

Peer influences

The hospital medical consultant was viewed as a valuable source of advice and support. This was especially true in the use of new drugs, as direct result of secondary care patient treatment provides valuable support for enhancing prescribing knowledge (Carthy, et.al., 2000).

Influences of the patient

Excessive and unrealistic demands from the patient are the frequently phenomenon due to media-prompted news which ultimately provokes huge responses from patients (Carthy, et.al., 2000).

Prescribing costs

General practitioners (GPs) appeared to support cost reducing initiatives in principle, although some unease was acknowledged. Prescribing habits, today, tend to be more modern prescribing rather than old fashioned prescribing habits for cheap drugs (Carthy, et.al. 2000). Apart from routine reviews of chronic conditions, prescribers rarely, if ever, monitored prescribing decisions.

Influences of the pharmaceutical industry

Most GPs appreciated that marketing techniques could influence their prescribing but generally expressed confidence in their ability to withstand commercial sales pressure. Prescribing decisions make a considerable impact on health and national budgets and require complex personal and professional judgements to be made about physical, psychosocial and cost dimensions of health.

Cost of treatment in Ethical and Generic drugs

Innovation and patenting play a central role in the supply of drugs. Price-cost margins for pharmaceutical manufacturers are high on average. Demand side characteristics such as intermediation by physicians, insurance coverage and low price elasticities interact with the presence of monopoly power on the supply side, due to patenting and brand loyalty, to support prices that commonly exceed drug production costs by a substantial margin. A justification of high cost of treatment in ethical drugs compared to generic drugs is generally believed to be the large risks associated with pharmaceutical R&D.

Attributes perceived important while prescribing

The importance of patients' involvement in health care is now being recognised by the medical profession. For patients to be involved their priorities must be identified and addressed. Most of the research about patients' preferences and expectations has been carried out at the population level using methods such as questionnaire surveys and focus groups. A consistent finding over the years has been patients' preferences for doctors who listen and encourage them to discuss all their problems. As patients' expectations are often context specific what is needed is research within the consultation to determine whether or not patients' preferences are being articulated and listened to (Britten, 2000).

Impact of promotions on the prescription behaviour

Promotion can have two effects on demand: it may shift the demand curve outwards as doctors prescribe more of the advertised drug and it may rotate the demand curve as demand becomes less or more price-elastic than before. In general, if product promotion lowers the price sensitivity, this will inhibit price competition and will lead to higher prices, thus harming social welfare. An outward shift of the demand curve for a drug could be socially desirable if this drug truly improves health at a reasonable cost. However, if promotion is merely a means of establishing market share, even when cheaper, therapeutically equivalent drugs are available, the promotion efforts may be socially harmful.

Pharmaceutical companies use many instruments to influence the prescribing decisions made by general practitioners. Of these, detailing (where a representative of the company pays a visit to the GP) is the most important way of communicating with and informing GPs about a drug's performance. Other promotion activities aimed at GPs are advertising in medical journals, direct mail, so-called post marketing research (PMR) programs and continuing medical education (CME) events.

Impact of Generic drugs on the brand positioning of Ethical drugs

Generic prescription drugs have become the focal point of intense interest to consumer groups, governmental agencies, employers, health care professionals, and the pharmaceutical supplier industry (David, 1985). Generic Marketing in India is an old

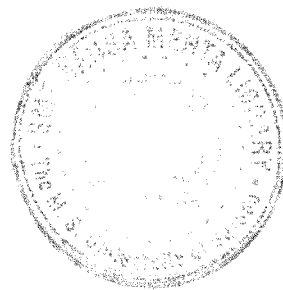
method of marketing wherein retailers with hefty margin pushes the products at the cost of customers and marketing professionals. Focus customers are retailers whose main concern is the margin. Margin fluctuates on fortnightly basis depending upon the availability of players and demand. These activities are purely a purchase function and are not related to marketing (Gönül, et al. 2001).

Impact of Medical Representatives on the prescription

Medical Representative is an important link in pharmaceutical industry. During the last five years, the image of the medical representative is going down. Medical representatives are no longer considered to be knowledgeable and effective communicator. Many times the medical representatives undergo a very rough treatment from doctors. There is a very common practice to see a medical representative standing in a queue and detailing to one or two doctors in hospitals or carrying bag containing gifts and distributing the same or escorting doctors for a holiday trip. The role of medical representative basically is to give medical information to the doctors so that they can keep themselves abreast with the latest happenings and help them to improve their practice.

Chapter 4

Research Methodology



Scope of the study

As number of drugs are gradually going off patent and also a blend to push more of generic drugs to have better margins, resulting in the erosion of brand positioning of ethical drugs and hence creating a competitive market with the entry of generic versions of the same formulation of ethical drugs. This study emphasized on the role of generic drugs on the societal consumption pattern. Thus, providing a linkage between the brand image of the ethical drugs and the benefits offered by generic and ethical drugs to the society. This research was an attempt to match the theoretical concepts of brand positioning with the actual prescription behaviour of medical practitioners.

Objectives of the Study

Major objectives of the study were:

1. To assess the impact of brand image of ethical drugs compared to generic drugs on the prescription behaviour of medical practitioners.
2. To study the impact of brand image of ethical drugs on the social consumption pattern i.e. the societal benefits offered by ethical drugs compared to generic drugs.

3. To study the impact of ethical drug promotions to the medical practitioners on the prescription process and the distribution channels.

Hypotheses drawn for the Study

Major hypothesis drawn for the study were:

- H1: Relative influence of brand image of ethical drugs is more than the generic drugs on the prescription behaviour of GPs.
- H2: Relative impact of brand image of ethical drugs is more than the generic drugs on the social benefits offered to the customers.
- H3: Relative impact of ethical drug promotions to the GPs is more than the generic drugs on the prescription process.
- H4: Relative impact of ethical drug promotions is more than the generic drugs on the pharmacist's preferences.

Research Design and Tools

Data Sources

Data had been collected from four sources i.e. Doctors, Pharmacists, Patients and Medical Representatives for understanding the impact of generic drugs on the buying behaviour pattern and brand sustainability of ethical drugs. The literature reviewed

regarding the role of each stakeholder in the pharmaceutical market provided the base for generating hypothesis for this study.

Data Types

The nature of the data relevant to the research was demographic and behavioural. The demographic profile of the respondents and their behavioural aspects were gathered for the fulfillment of the objectives of study.

Sample Size

In order to select the representatives among the four category of respondents i.e. doctors, pharmacists, medical representatives and the patients, convenience sampling method was chosen followed by judgment sampling method. Considering the large population of the respondents, in all four categories, 1 per cent sample was selected under each category. Therefore, 250 respondents each were chosen from doctors, pharmacists, medical representatives and patients.

Validation of Data

Validation of data was carried out by checking whether accurate samples were drawn as per the guidelines. The internal consistency of the data was measured using Cronbach's Alpha.

Data Interpretation and Analysis

Various tools such as Mean, Standard Deviation, Analysis of Variance (ANOVA), and Factor Analysis were used for analysis.

Chapter 5

Data Interpretation and Analysis

SECTION I DOCTORS RESPONSE

The medical practitioners normally read medical literatures besides looking at the drug advertisements to update with the latest drug developments. They are generally rational and cautious while prescribing a medicine brand for a specific disease. Before prescription, they normally prefer listening to the patient's personal belief about their illness besides referring the published finding regarding efficacy of the medicine brand. They usually refer multiple sources of information to check the efficacy of the medicine brand. Sometimes, they refer to the other medical practitioners to consult about the medicine brand for a specific disease. They believe that relationship with the medical representatives and pharmacists not only helps them in deciding a preference set of medicine brands but also assure them about the efficacy of drugs. They sometimes compare the cost of medicine brands with same efficacy while prescribing for a specific disease. They prefer medicine brand of the drug companies, which offers regular gifts, samples, and promotional schemes. The frequent visits by medical representatives and pharmacists help prescribers to fix pre-determined set of medicine brands for a specific disease.

SECTION II PATIENTS RESPONSE

Patients had a perception that the doctor whom they prefer for treatment, prescribe medicines for a fixed set of days with pre-determined set of medicines and advice them to visit again. They are not relying purely on the doctor's treatment but take medicines for the protection from further aggravation of disease. Patient's trust on the doctor increases if he/she behaves patiently and listens to their brief and writes medicines which are effective. They believe that the treatment cost is mainly because of the location and ambience of the place where doctor sits. Patients pay the prescription fee, as asked by the doctor, with an expectation that the prescribed medicines are effective and there is no other equally qualified or effective doctor near-by. Patients, after receiving the prescription slip from the doctor, sometimes inquire about the medicines from their known pharmacist to get their opinion about the prescribed drug efficacy. They normally stick to the medicines prescribed by the doctor. Sometimes they do ask for the substitute medicines having same efficacy and relatively more cost effective, in case the prescribed one is not available with the known pharmacist.

SECTION III PHARMACISTS RESPONSE

Pharmacists normally keep substitute medicines or generic version of the original formulation with the same efficacy. They do this to carry a range of medicines for a specific disease. These generic medicines fetch better margins and sales volume to the pharmacist. They prefer those medicine brands which offer gifts, promotional schemes, trade discounts and relatively better margins while deciding on the range of medicine brands for a specific disease. Pharmacists meet the doctors, who sits near-by their store, to fix a set of medicine brands for a specific disease. Patients also, sometimes, do ask for a generic version of the prescribed medicine as they are relatively cheaper. Thus, pharmacists carry the regular prescribed medicines and their generic version. Pharmacists, while deciding on the purchase of the set of medicine brands for a specific disease consider the specialty of the doctor, the preferences of doctor, the frequency of prescription slips that comes to their store counter and the medicines prescribed. Pharmacists normally keep certain common products, apart from medicine brands, which help in increasing the frequency of visits of customers to their store. They carry the stock of medicine brands and non drug items looking at their fast or slow moving trends. The stock level of the medicine brands for a specific disease is decided primarily based on their shelf life. Pharmacists regularly refer to the latest index of medicine brands listed in the Chemist Association Circulars to procure their stock of medicine brands for a specific disease.

SECTION IV: MEDICAL REPRESENTATIVE'S RESPONSE

Medical representatives, who provide genuine information about their medicine brands and possess adequate knowledge, are more likely to receive doctor prescriptions for their set of medicine brands for a specific disease. Doctors, apart from the efficacy of the drug also look at their cost, while prescribing the medicine brands for a specific disease. Promotions, gifts, samples and other obligations offered by the drug company does influence the doctors in their prescription behaviour. Frequency of visits of medical representative help in gaining trust of the doctor which, in turn, sets the final choice of medicine brands for prescription for a specific disease. Medical representatives visit doctors to insist them for prescribing their medicine brands for a specific disease and meet pharmacists regularly to push their stock of medicine brands in their store. Medical representatives visit their sales territories regularly to assist the sales team and monitor their performance.

Chapter 6

Conclusions and Discussions

Major conclusions drawn on the hypothesis were:

1. This study supports the previous findings and suggests that the doctors normally prescribe a combination of both ethical and generic drugs with the same efficacy for a specific disease.
2. This study proposed that the patients do look for both ethical and generic medicines with the same efficacy for the treatment of a specific disease, to manage the cost of treatment.
3. This study suggests that the doctors while prescribing medicine brand for a specific disease, consider the combination of ethical drug promotions from the medical representative, regular visits of the local pharmacists and inquiry from company's promotional ads and materials.
4. This study investigates that pharmacists while procuring the generic or ethical medicine normally consider the preferences of the doctor nearby their store, the frequency of the prescriptions that they receive and the kind of preferences of patients that they receive.

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