

“Prescription Dynamics is a Critical Factor for Evaluating Success and Failure of Pharmaceutical Industry. -A Road Map Study at Dhanbad District in Jharkhand.”

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Abstract:

Pharmaceutical industry customers are Doctor they are the high profile customer in the society. They can make the company or ruin the company ,everything depends upon power of prescription .Prescription is the tool which measure the fate of Pharmaceutical company .The qualitative analysis of the decision process of the doctor shows as a light through prescription dynamics. Marketing environment of Dhanbad is also brought out with the help of questionnaire to the retailers. Author considers the Marketing environment to analyses the potential of the market and impact of prescription dynamics towards sustainable in the competition marketing era.

Keywords – Prescription Dynamics, Pharmaceutical Industry, Success, Failure, Medical Representative.

Introduction:

The prescribing behaviour of the doctors has always been a subject of interest. My working experience in the field of Pharmaceutical marketing nudged me to go further to unravel the decision process leading to prescription. Why some products get the prescription where as similar other products fail? This must be seen in the light of Indian market being dominated by branded generic. Some companies get prescription in a particular region, some products are patronized by doctors for long duration, some fall out of favour very quickly. If brands become common, the products may not be favoured by many prescribers. The generics should have been adapted by the masses but yet the adoption is slow. Success of Pharmaceutical industry depends upon prescription dynamics. All pertinent questions led me to study prescription dynamics.

Objective of the Study:

- To evaluate the factors that influences the prescription dynamic decisions process of the doctors.
- To analysis the prescription retention depend upon Medical representative continuous follow up for brand demanding.
- To analyse the efficacy between branded medicine and generic medicine
- To analysis the marketing environment of pharmaceutical industry at Dhanbad.

Hypothesis:

- **Null Hypothesis (H_0):-** There is no significance difference between availability of Acceptance Brand and Medical Representative follow up to increase sales.
- **Null Hypothesis (H_0):-** There is no significance difference between efficacy of Branded Medicine and Generic Medicine.

Review of Literature:

The existence literature help researcher to identify research gap and help research to formulate objective and help in formation of Hypothesis help researcher in right direction. Researcher found following review of literature is under below:-

Kahn et al. 1997, provides few insight s into the mechanisms which motivates the prescription behavior or the way it is affected by marketing mix efforts of pharmaceutical companies.

Hanumantha Roa et al. 2011, diagnostic test were advised to 30% of the patient which had 2.06 test s per prescription. The medicine prescribed was for three days for 42% of the patient s and for the rest it was for five days. As far as the number of drugs in the prescription is concerned four or more drugs 25 were there in 31% of the prescription

Mizik and Jacobson (2004) studied says the impact of detailing and sampling found that both of these functions have positive and statistically significant effect s on the number of new prescriptions issued by a doctor.

Dey et al. (1999) suggested that the main differentiator which led to the prescription was the result of effort put by medical representatives.

Zuger et al (1999)-the persuasive effect of detailing came to fore. It was found that intensive detailing had its impact on prescription generation.

Freudenheim, (1998) studied says that doctors are generally not adverse to demand of the patients on request for a prescription for a different drug with different flavor or different drug delivery mechanism.

From the above literature review Author found that there are various factor which directly and indirectly influence the prescription decision process such as regular follow to Doctor , detailing, availability of brand ,gifts , offer to a Doctor. The author objective is meets with hypothesis which is help from existence literature review to show the right direction..

Pharmaceuticals Marketing Environment of Dhanbad District:

Dhanbad is the famous for coal capital of India situated at Jharkhand. Dhanbad is the 79th fastest growing city in the world. Dhanbad is a host of leading practising Doctor, they practise in there own chamber or chamber space allotted by retailer. Retailer though space provide to Doctor Product will we more liquidate and Doctor though they got promotion for established in running market.

Through the questionnaire average product or stock keeping unit available in the shop comes to 1488 units. 27.27% of the retailers were dependent for business on only one doctor. Only 36.11% of the retailers got 80% of their business through floating prescriptions. Substitution occurs in most of the case because of non availability of the product with the retailer. 88.89% of the retailers agreed that the doctors generally prescribe from a group of similar good brands. 25% of the retailers sell the generic products and the rest 75% of the retailers are not selling generics. The average prescription size of a prescription in the sample as reported by the retailers was 4.36. The average sale per prescription was calculated as Rs 294, (Two hundred ninety four).

Pharmaceutical Marketing Scenario and its Impact:

India has a very poor doctor patient ratio which stands at 1:1681. the total number of doctors in India is 9, 59,198. But the startling fact about this is that 45.45% of these doctors are in the four states of Maharashtra, Tamil Nadu, Karnataka and Andhra Pradesh. India has 5.5 million chemists and druggists, and the organized retail market is quite small compared to unorganized and accounts for just 3 per cent of the total pharmaceutical industry but is posting an impressive year-on year growth of 30 - 40 per cent. The spending on healthcare in India is very low. It grew from 4 percent to 7 percent of average household income during 1995 and 2005 respectively. This spending on healthcare is expected to grow to 13 percent of household income by 2025. The government has also increased the spending on healthcare related issues to 2% of GDP.

The rural market provides unlimited opportunities because of the simple reason that it is growing at the rate of 30%. Rural market suffers from the greatest hurdle that is of accessibility and availability. About 70% of the Indian population lives in rural area.

The average sampling cost is around 4% of the pharmaceutical product sales. Promotion and marketing are two activities that involve the bulk of the expenditure. This expenditure involves around 20-30% of sales turnover. When seen in comparison to expenditure on research and development in foreign developed countries it is two to three times the expenditure on research and development. According to average estimate the direct cost on sales force is around 10 -11%, cost of advertisement and promotional is around 9 -10%, cost on samples to the tune of 4% and cost of 11 -13% on providing free or bonus scheme on goods.

Medical Representative and its Health Camp Trend Activity Impact:

Medical Representative is the key factor for revenue generation and impact full involvement make company revenue high. Now in high comparative environment sustainability of product became tuff day by day In sustainable growth is important for any company for that entire management strategy execution play vital role. Medical representative they can make their brand or destroy the product depends upon their dedication and involvement. Company strategy support Medical Representative to accelerate their product in effective and efficient

way. Different Doctors have different though, Medical Representative required understand the though and analysis and implement strategies as per the needs.

The recent trend which the pharmaceutical companies are using is setting up of health camp. The companies set up health camps involving the doctors and in return getting prescriptions from the doctors. These health camps are becoming more common for those diseases for which long term medication is required. A case in point can be Abbott India in the thyroid market. Though it is one of the comparatively highly priced products in the thyroid market it has outgrown others in the sales grossing almost \$3.5 million a month. Once, a Doctor prescribes medicine to a patient than they become a lifetime consumer.

The top hundred brands occupy a market share of 17.5%, the next 200 brands having a share of 14.3% and the rest thousands of brands fighting for the remaining 68.2% of the market share. This market share analysis of brands further brings the MEE TOO and fragmented nature of the market to fore.

Prescription Dynamics and its Bang:

Prescription promotes the rational use of drugs. The drug is a resource and hence the right drug which has the right dosage with a rational price should be given to the patients. The world health organization (WHO) definition:” Rational use of drugs requires that patients receive medications appropriate to their clinical needs, in doses that meet their own individual requirements for an adequate period of time, at the lowest cost to them and their community” The greatest problem we have with prescription is that it is not constant but susceptible to change. On a given single day the prescription of the doctor on a particular therapeutic may be shared by more than one brand. Doctors are treated as agents of the almighty, god. Their behaviour is of prime importance for the population and also set example as they are in service to mankind. The ethics of the doctor is reflected in the prescription which they write. There are many guidelines to prohibit or restrain unethical marketing practices. In India, the Medical Council of India (MCI) has promulgated a code of ethics for the doctor in order to regulate their dealing with the pharmaceutical industry For ethical pharmaceutical marketing at present the department of pharmaceutical has released a voluntary uniform code of pharmaceutical marketing practices (UCPMP). It is a voluntary code hence legally not enforceable.

Decision Making About Prescription Dynamics:

If the inhibiting factors in the push factor case are overcome in due course of time it becomes a brand on which the pull factors start working. It is true that in push factor medical representative play vital role in decision making changes. Continuous Medical representative visit create great impact in Doctors Mind and create good relationship with sales person. Beside pull factor some inhibiting factor help in decision making. Inhibiting factors like availability of product, past experience, dissonance, and patient attribute which change mind set for prescription dynamics. After push factor over strike pull strategies for decision making .Pull factor affect psychologically to a Doctor which stimulates decision making .Pull factors consist quality of product, patients feedback, brand value of product, recognised manufacturer product. Pull factor affect inhibitor product like M R attributes and Prices for prescription dynamic in decision making process.

Research Methodology:

The prescription dynamic research was conducted with a random population sample of 100 out of which 25 retailer and 75 respondent is Doctor .The research tools is used questionnaire designed to analysis doctor and retailer thought about prescription dynamics.

The research is based on descriptive in nature and helps to describes various factor analysis to identify how Doctor take decision towards writing prescription of a particular brand and particular company. Research tries to find out the power of prescription in pharmaceutical Market. The study was done through field survey and interview and research based on maximum qualitative data and few parts contain some quantitative research.

Null Hypothesis (H_0):- There is no significance difference between availability of acceptance brand and Medical representative follow up to increase sales.

Alternative Hypothesis (H_1): There is significance difference between availability of acceptance brand and Medical representative follow up to increase sales.

Null Hypothesis (H_0):- There is no significance difference between efficacy of Branded medicine and Generic medicine

Alternative Hypothesis (H₁): There is a significance difference between efficacy of Branded medicine and Generic medicine

Findings:

- 59% of the doctors have the feeling that the efficacy of the generic drug is less than the efficacy of branded medicine. Similar sentiments were shared by retailers. 75% of the retailers thought that the efficacy of the generics was poor compared to branded.
- Trust of doctors on the information provided by the medical representative is not absolute. Only 7% of the respondents had faith in the medical representatives whereas 76% believed them to some extent. It may be referred to as a situation of trust deficit to a large extent.
- 56.8% of the doctors feel that when they are prescribing a brand the visit of the medical representative should continue. 59% of the sample doctor said that the continuous visit of the medical representative acts as a retarding factor in switching prescription..
- 86.36% of the doctors agreed that they choose a drug to prescribe when it passes the minimum criteria set by them. The criteria differ from doctor to doctor.
- 54.54% of the doctors agreed that they prescribed different brand at different places of practice
- Non availability and medical representative attribute are two factors because of which a doctor may stop prescribing a product.
- If a doctor has experiences of the product than he develops faith in the product. The doctor's prescription is more tilted towards the product which has been tried and tested by him over a period of time
- As far as the ease of administration of drug in influencing prescription is concerned, majority of the doctor agreed in confirmation. Generally most of the doctors prefer oral medicine to injectables.
- 38.6% of the doctors prescribe a brand for a short time and 34.09% of the doctors prescribe a brand for fairly long duration of time. In the rural area the doctors prescribe the product for fairly long duration of time than in the urban sector.

- 70.45% of the doctors agreed with the statement that if the consumers are aware of all the brands in the prescription then the value of prescription diminishes in the eyes of patient.
- 60% of the respondents agreed that many in the profession are entering unethical practice. One of the main reasons for rise in unethical practice is lot of MEE TOO products available in the market.
- 100% respondent tells that retail chemist prescription audit (RCPA) is the main tools to measure prescription dynamics from market for particular brand for particular any company.
- The average size of the prescription was 4.45 drugs per prescription according to the response of the doctors. The average prescription size of a prescription in the sample as reported by the retailers was 4.36.

Conclusion:

Prescription is a Power. Prescription dynamic is like a wave which changes the therapeutic choice of drug and change the habit of prescription pattern. Pharmaceutical marketing strategy plays vital role to stimulate Doctor Psychology through different offers and benefits. Medical representative and product therapeutic catalyst Doctor to change prescription pattern .Author focus on prescription dynamic by Doctor because changing habit of psychology change the fate of company and only 20% Doctor gives images pharmacy company and create big prescriber for the company. It has proven that prescription dynamic help company to make success and failure of the company.

Three major factors emerge as the biggest ambassador of a brand in Pharmaceutical marketing- Patient, Medical Representative and the Company in order of importance. In other words we can say in a simple model the Feedback should support the communication from the medical representative. Medical representative's emerges as the main pillar of communication leading to creation of the brand. Feedback from patient is what gives confidence to the doctors in the product because when patients become fit than Doctor became hit that moment known as golden hours for Doctor.

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