



**Federal State Budgetary Educational Institution of Higher Education "Volgograd State Medical University" of the Ministry of Health of the Russian Federation**

**Department of Management and Economics of Pharmacy, Medical and Pharmaceutical Merchandising**

**Introduction to Marketing. Concepts marketing . Pharmaceutical marketing: goals, functions. Categories marketing . Complex marketing : 4R.**

**Lecture 1.**

**Discipline : pharmaceutical marketing.**

**4th year, 7th semester**

# Lecture outline

- **1. Terms. Definitions. Basic categories of marketing.**
- **2. Stages of marketing development.**
- **3. Marketing concepts.**
- **4. Marketing of the XXI century.**
- **5. Pharmaceutical marketing: goals, forms, principles, functions.**
- **6. The concept of social and ethical marketing in pharmacy**
- **7. Basic functions of pharmaceutical marketing.**
- **8. Principles of pharmaceutical marketing.**
- **9. Types of pharmaceutical marketing.**
- **10. Marketing complex (including pharmaceutical)**

# TERMS. DEFINITIONS (1)

**The term “marketing” comes from the English word “ market ” - market, literally “ market making ”.**

**Marketing (English marketing , from “ market ” - market) means activities related to ensuring successful sales of a company in the market.**

## TERMS. DEFINITIONS (2)

The broad scope of the concept of "marketing" was officially recognized by the American Marketing Association (AMA) in 1985:

***Marketing*** is the process of planning and executing, pricing, promoting, and distributing ideas, goods, and services through exchange to satisfy the needs of individuals or organizations. ( *AMA* )

# TERMS. DEFINITIONS (3)

Among other definitions of the concept of “marketing” are the following:

F. Kotler , one of the founders of the concept of marketing, defines this term as “a type of human activity aimed at satisfying needs and wants through exchange.”

2 definitions of marketing according to F. Kotler :

1) **Marketing** is a type of human activity aimed at satisfying needs and wants through exchange.

2) **Marketing** is a social process through which individuals obtain what they need and want through the exchange of some goods and values for others.

# TERMS. DEFINITIONS (4)

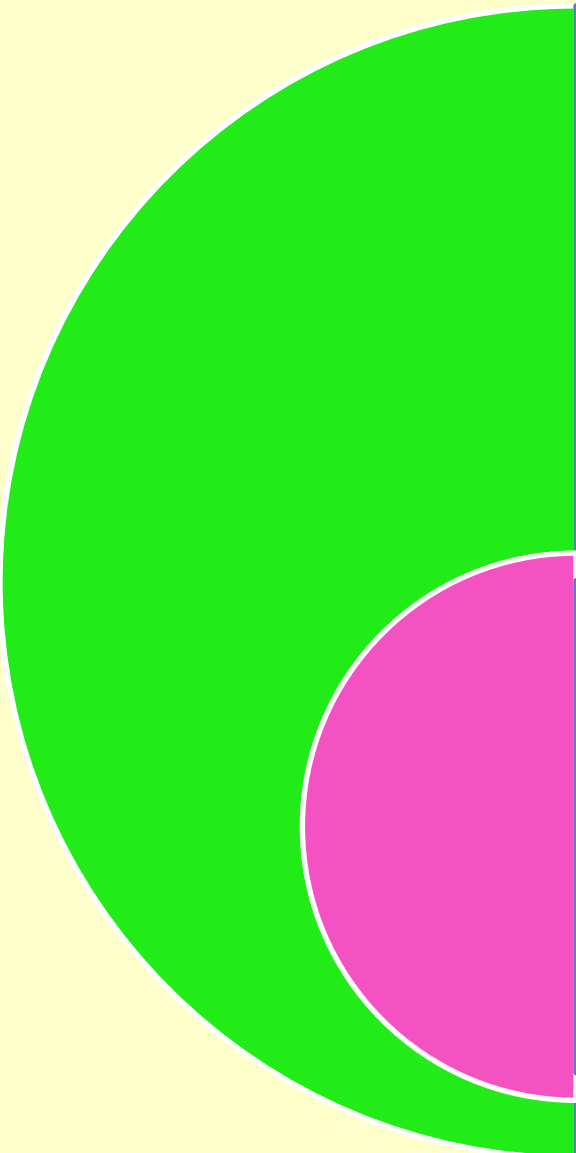
There are about 2000 definitions of marketing:

Marketing is **a management concept that** ensures **market orientation of the production and marketing activities of an enterprise .**

Marketing is **a set of processes of planning, creating, promoting goods and services.**

Marketing – should not be identified with the sale of goods, because The function of the trading system is to convince the buyer to buy what has already been produced; **the task of marketing is to supply the product that the consumer really needs.**

# TERMS. DEFINITIONS (5)



**Marketing** is a system of actions that includes research, analysis, planning and control of programs designed to study consumer demand, create operational production management, implement products and costs that satisfy consumers better to ensure the achievement of the enterprise's goals .

**Marketing** is a type of market activity that uses a systematic approach and a program-targeted method for solving economic problems, and the market and its requirements are a criterion for the effectiveness of this activity.

## TERMS. DEFINITIONS (6)

*Thus, a huge number of different definitions of marketing reflect its diversity, the variety of tasks solved and tools used , the main thing is **the variety of interpretations of the idea of “successful sales”.***

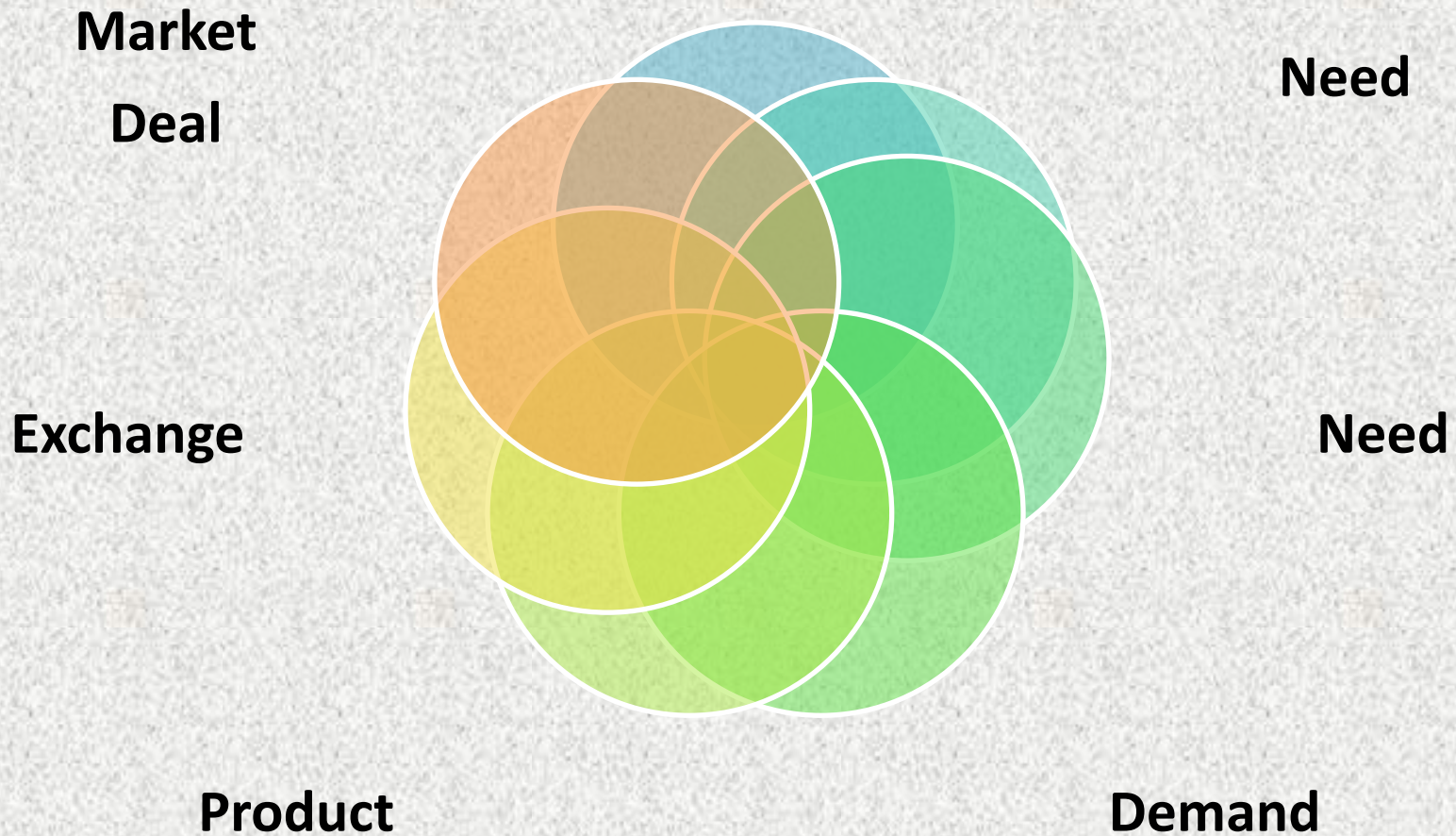


# ***Marketing:***

- type of management activity or process;
- management concept;
- scientific discipline

# **Basic Marketing Categories**

# The main categories of marketing are the following:



- The concept of needs underlies the theories of motivation (Freud, Maslow, Herzberg , etc.).
- **Need is a person's feeling of lack of something, and need is a need, a need for something that requires satisfaction.**
- However, from the point of view of the manufacturer, **not every need is interesting, but only that which is supported by purchasing power, i.e. demand.** Therefore, definitions of marketing related to demand satisfaction seem to be more specific.
- Thus, in the Oxford Explanatory Dictionary, **"Marketing" is defined as the process of identifying, maximizing and satisfying consumer demand for a company's products.**

**Need** is an internal state of psychological or functional feeling of need for something that requires satisfaction.

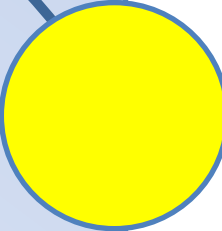


Need is the primary motive for human activity.

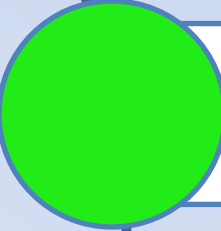
***The theory of the hierarchy of needs*** (or rather, *needs* ), formulated by A. Maslow in his work “Motivation and Personality” (1954), **is currently one of the leading concepts of motivation for personal behavior.**

A. Maslow conventionally presented his theory **in the form of a pyramid, the first three levels of which reflect basic needs (physiological, security, belonging), at higher levels there are the needs of respect (self-esteem) and self-actualization (creativity). The higher the level, the fewer people experience this type of need.**

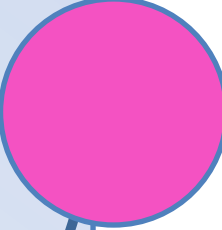
**A need** is a specific form of satisfying a need, corresponding to the cultural level and personality of the individual.



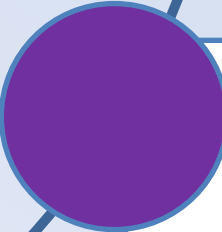
Social progress contributes to the development of the needs of its members. In turn, manufacturers take deliberate actions to create goods and products that can satisfy these needs, as well as stimulate the desire to purchase them.



People's needs are almost limitless, but the possibilities for satisfying them are limited.

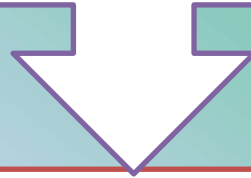


Often the main limiter is finances, so an individual will choose those goods that will give him the greatest satisfaction within the limits of his financial capabilities.

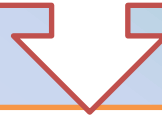


The ability to satisfy a need brings us to the next basic category of request.

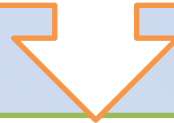
**Need** is a need that has taken specific forms depending on the individual characteristics of the consumer and/or the level of development of society.



This category has a significant drawback: not every need can be satisfied.




The main limiter is ***the purchasing power ( solvency )*** of both the population and the state:



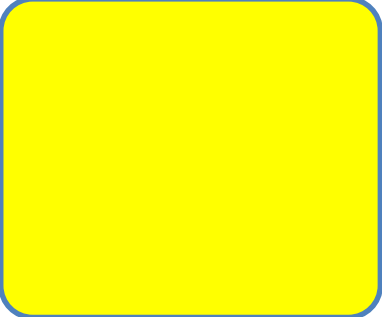
- **for pharmaceutical marketing** - in terms of financing the guaranteed volume of medicinal care at various stages of medical care - outpatient, inpatient, semi-inpatient, rehabilitation.




**Effective need is called demand**



**Demand** is the desire to buy a product, supported by the financial capabilities of the consumer (demand for goods on the part of the buyer).




In this regard, it is **the category “demand”** that is the most interesting from an economic point of view, since its ***value, the degree of influence of various factors, and forecast values can be specifically determined*** . The magnitude of demand characterizes the concept of real **market capacity**.



**Market capacity** is the total volume of demand for a product or service. Market information is a wide range of specially collected, processed and analyzed information used in making management decisions.




The process of satisfying an effective need (demand) can have **two outcomes** :



***positive*** – the product or service is received by the consumer and the process of consumption takes place,



***negative if*** this did not happen due to the lack of goods (or services).

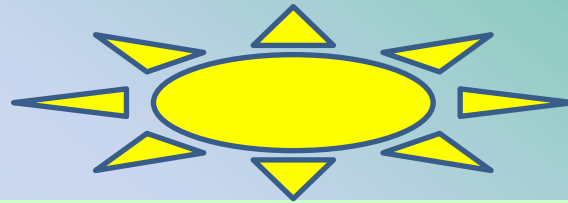


The relationship between these categories can be represented by the following diagram.

# The request represents a need backed by purchasing power

- **The demands of a particular society or region at a particular point in time can be determined** with varying degrees of accuracy.
- However, **the needs of the population are not entirely reliable indicators.** People get bored with things that are not in fashion today or they are looking for variety in order to be different from the mainstream.
- People felt the need for more fashionable and modern products.
- **What is a product?**

**A product** is anything that can satisfy a need and is offered to the market for the purpose of attracting attention, acquisition, use or consumption.



- **There may be different degrees of correspondence between the need and the product, or between the product and the product may bring different degrees of satisfaction to the potential consumer.**

**Exchange** is the act of receiving a desired object from someone in exchange for something. This is the most civilized way to satisfy a need.

- **The act of civilized exchange is carried out in the presence of the following necessary conditions:**
  - **1. The presence** of at least **two subjects.**
  - Each entity must have **a product that is valuable to the other party .**
  - Each **subject must have communication abilities** (capabilities) and ensure delivery of their goods.
  - **4. Each subject must be free to make decisions** (agree or refuse to make an exchange).
  - **5. Each party must be confident in the appropriateness and desirability of relations with the other party.**
- If a positive answer is given to all 5 conditions, then the exchange **becomes a real action and acquires the nature of a transaction.**

**A transaction** is a commercial exchange of values between entities .

- **The deal could be:**
  - - **classical** (monetary) and
  - - **barter** (exchange of goods or services in kind).
- To complete a transaction, certain **conditions must be met:**
  - **1. The presence of at least two objects of equal value.**
  - **2. Agreed terms of the transaction (price, time, place, delivery conditions, etc.).**
- The place for transactions **is the market**, which has gone through a long historical path of evolutionary development.



**A market is a collection of existing (real) and possible (potential) buyers of goods.**

**Market is a set of socio-economic relations in the sphere of exchange through which the sale of goods and services is carried out.**

- The formation and development of the market is determined by the social division of labor.
- The market in marketing should always be specific and have very specific **characteristics:**
  - **geographical position;**
  - **consumer needs that generate corresponding demand;**
  - **e capacity.**
- That is why the first definition from a marketing point of view is more accurate.

Depending on what needs determined the demand for the corresponding product, five main types of markets can be distinguished:

**international  
market.**

**consumer  
market;**

**government  
market;**

**producers'  
market;**



**intermediary  
market;**

- **Consumer market** (consumer goods market) is a collection of individuals and households that purchase goods and services for personal consumption.
- **The producer market** (the market for industrial goods) is a set of individuals, organizations and enterprises purchasing goods and services for their further use in the production of other goods and services.
- **The market of intermediaries** (intermediate sellers) is enterprises, organizations and individuals purchasing goods and services for their further resale for profit.
- **Government market** - government organizations and institutions that purchase goods and services to carry out their functions.
- **International market** - consumers of goods and services located outside a given country and includes individuals, manufacturers, intermediate sellers and government agencies .



**From the point of view of geographical location, we can distinguish:**

**local market** - a market that includes one or more regions of the country;

**regional market** - a market covering the entire territory of a given state;

**global market** - a market that includes countries around the world.

**An important characteristic of the market is the relationship between supply and demand for a given product.**

Therefore, there is a **seller's market** and a **buyer's market**.

In a seller's market, **the seller dictates his terms** . This is possible when existing demand exceeds available supply. Under such conditions, there is no point in the seller researching the market; his products will still be sold, and if the research is carried out, he will incur additional costs.

In a buyer's market, **the buyer dictates his terms**. This situation **forces the seller to spend additional efforts to sell his product** , which is one of the stimulating factors for the implementation of the marketing concept.

# Stages of marketing development

## Stage 1 - Orientation to production. Marketing was passive.

Everything was determined by production conditions and plans. The manufacturer worked without contact with the consumer, a lot of unnecessary goods were produced, and a lot was

written off

## Stage 2 – Sales orientation, market research begins .

# Stages of marketing development (2)



**Stage 3 – Customer focus**, satisfaction of needs.

**Stage 4 – Orientation towards society**, public opinion becomes important, environmental issues are raised.

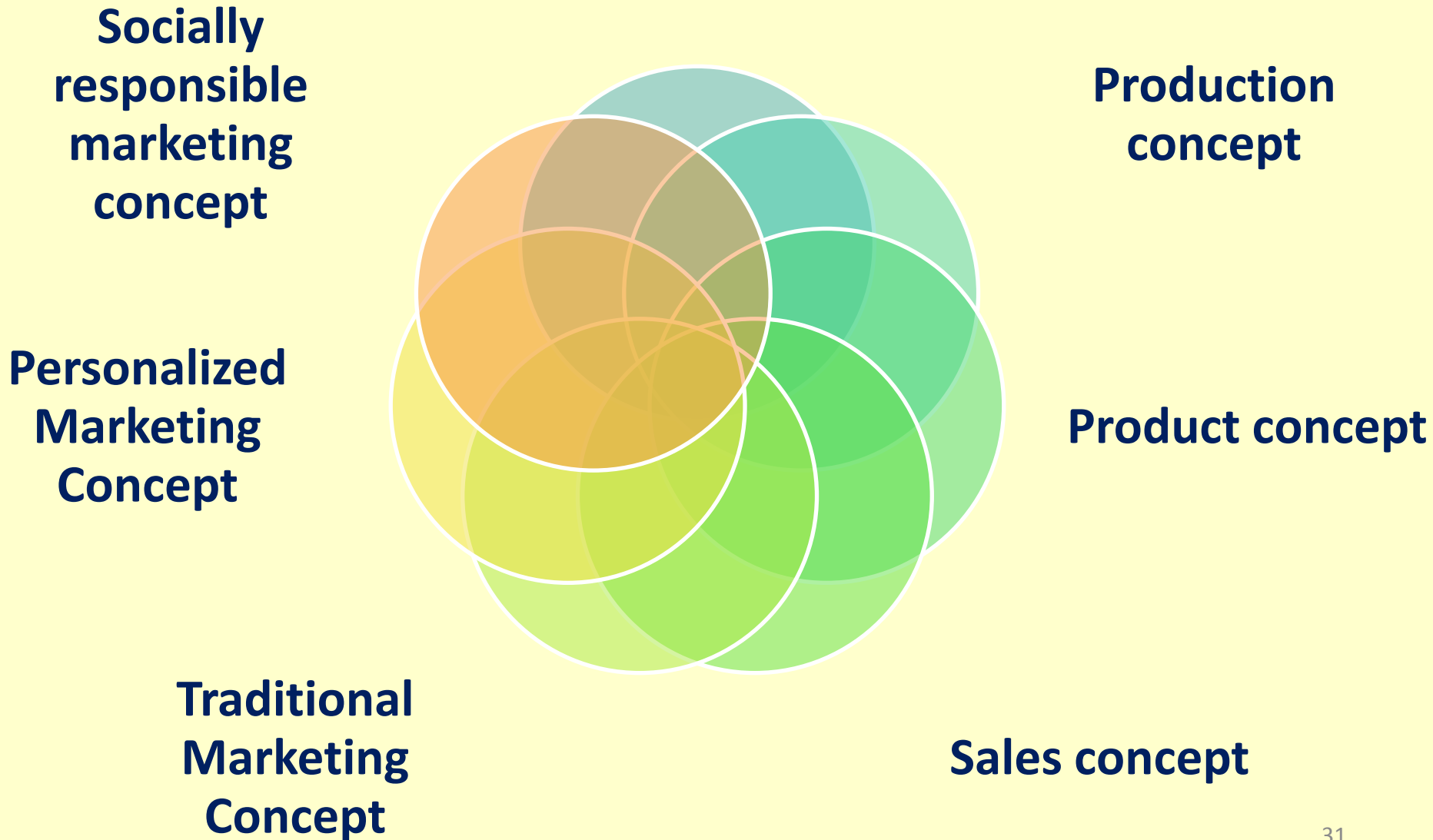


**CONCEPTS  
MARKETING**

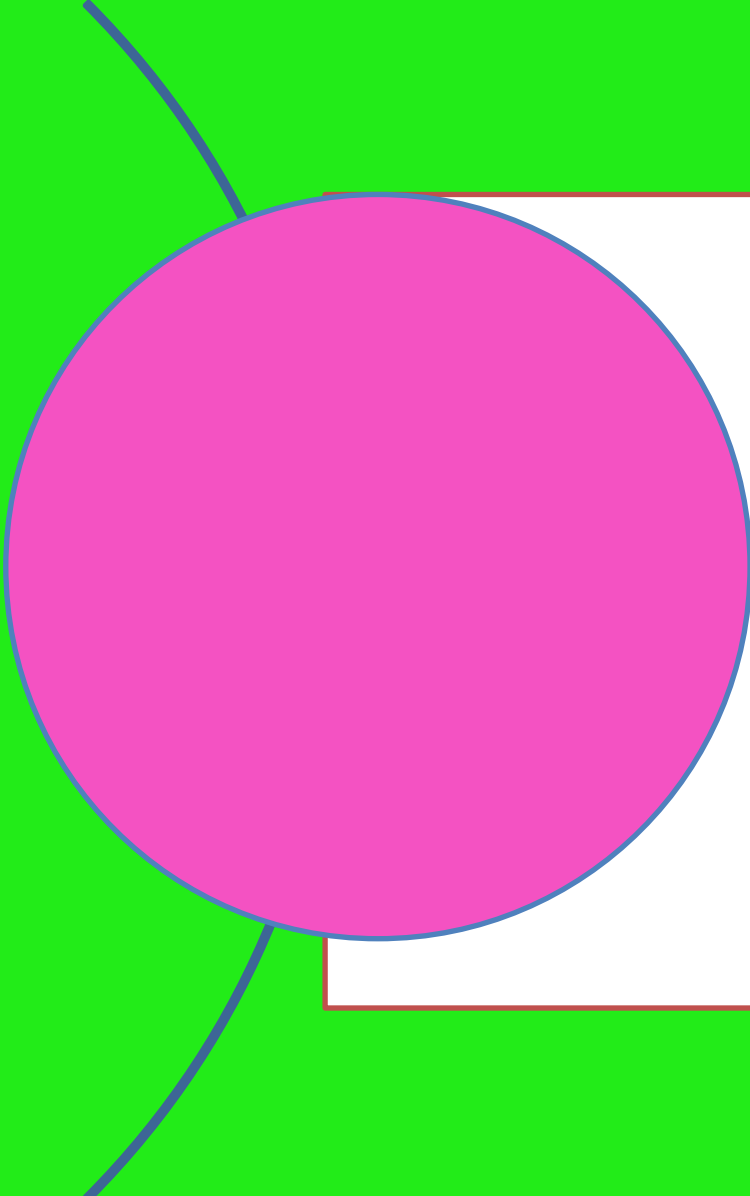
# **MARKETING CONCEPTS**

according to F.  
Kotler

# Marketing concepts (according to F. Kotler:



# PRODUCTION CONCEPT



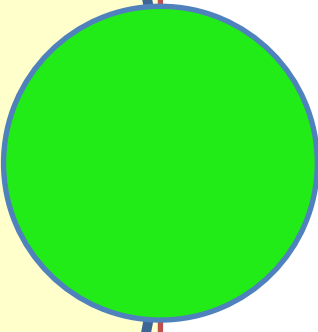
**CONCEPT PARADIGM:**  
The production concept **assumes that consumers need accessible, affordable goods.**



# Production concept



The **manufacturing concept** is one of the oldest in business and **is based on the assumption that consumers prefer products that are widely available and inexpensive.**

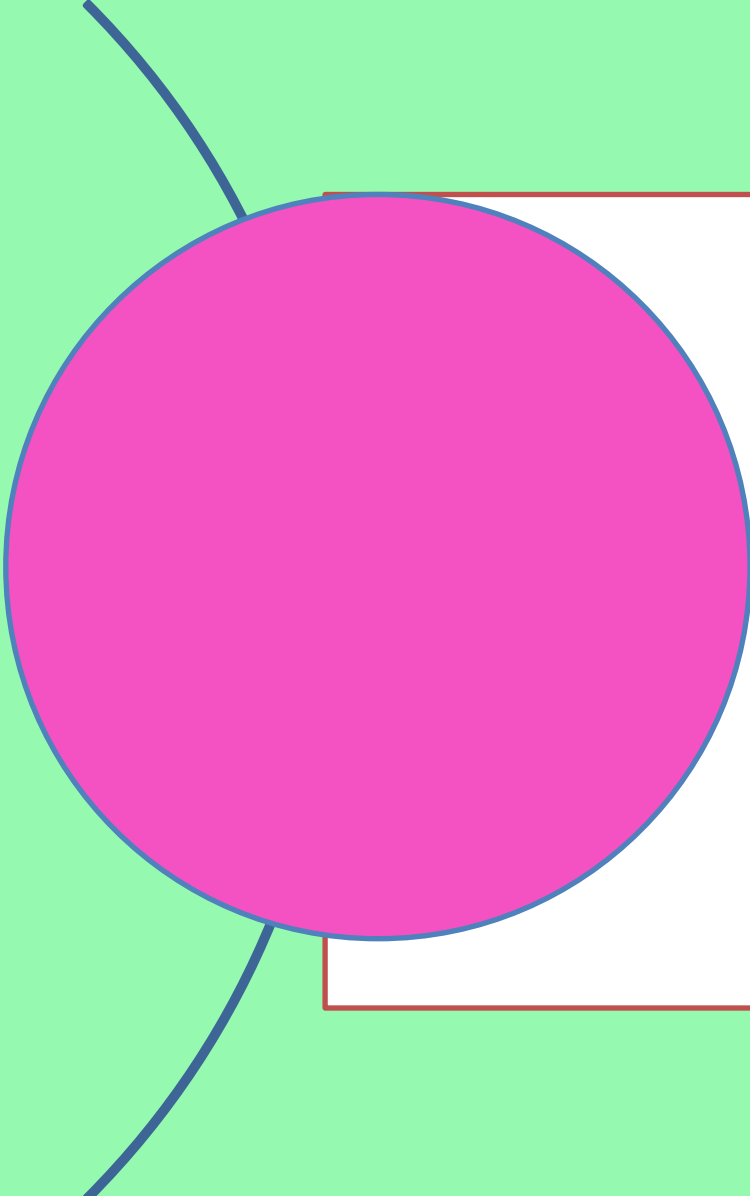


Managers of manufacturing-oriented companies **focus on achieving high productivity, low costs, and mass distribution of products.**



Manufacturing orientation is also used by companies seeking market expansion.

# PRODUCT CONCEPT



## **CONCEPT PARADIGM**

**The product concept assumes that consumers are interested in high quality products with superior or innovative features.**

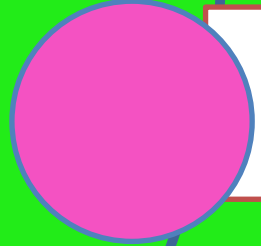
# Product concept



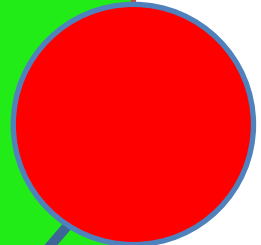
Many companies are guided by a **product concept** that assumes that consumers **prefer high-quality products with superior or new performance properties**. Managers of such companies focus on producing high-quality products and constantly improving them.



Product-oriented companies often develop their products with little or no consideration of the opinions of potential consumers.



Product orientation sometimes leads to *marketing myopia (marketing myopia)*.



*For example, American railroad managers were confident that consumers preferred train travel and ignored increasing competition from other modes of transport.*

# SALES CONCEPT



## CONCEPT PARADIGM

The sales concept assumes that **aggressive sales and promotion efforts by the company are necessary to get consumers to purchase.**

# Sales concept (2)

According to the sales concept, consumers **without influence from the organization will not purchase its products.**

According to **this concept**, consumers must be persuaded to make a purchase, and therefore every company must have at its disposal an arsenal of sales, promotion and purchase promotion tools.

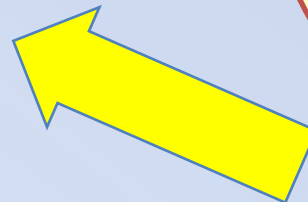
Consequently, the supplier company must adhere to an aggressive sales policy and intensively promote its products on the market.

# Sales concept (3)

**This concept is followed by manufacturers of goods of passive demand** - those that a potential buyer usually does not think about the need for.



Marketing **based only on aggressive sales campaigns is very risky.** Such marketing assumes that the buyer who is persuaded to make a purchase will be satisfied with the product; and if not, then he will certainly not share his disappointment with his loved ones or acquaintances.



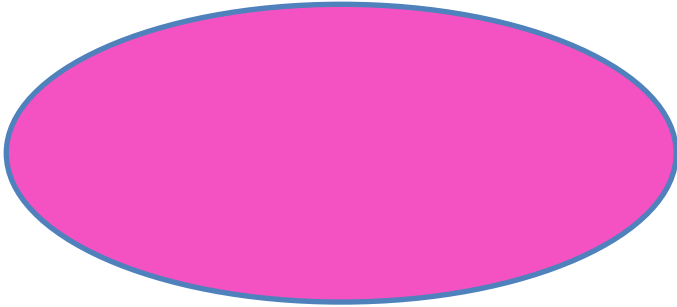
# Traditional Marketing Concept (1)



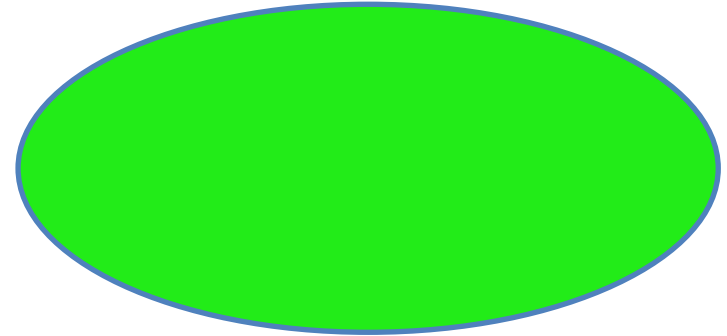
## CONCEPT PARADIGM

The concept states **that the key to achieving the organization's goals is in more effective ways than competitors to create customer value, bring it to target markets and carry out communications.**

# Traditional Marketing Concept (2)



Formed in the mid -**1950s**.  
**The marketing concept incorporates the best of the three approaches discussed above.**



It is based on the premise that **when creating consumer values, bringing them to target markets and communicating, the organization uses methods, strategies and policies that are more effective than its competitors, which is the key to its success.**





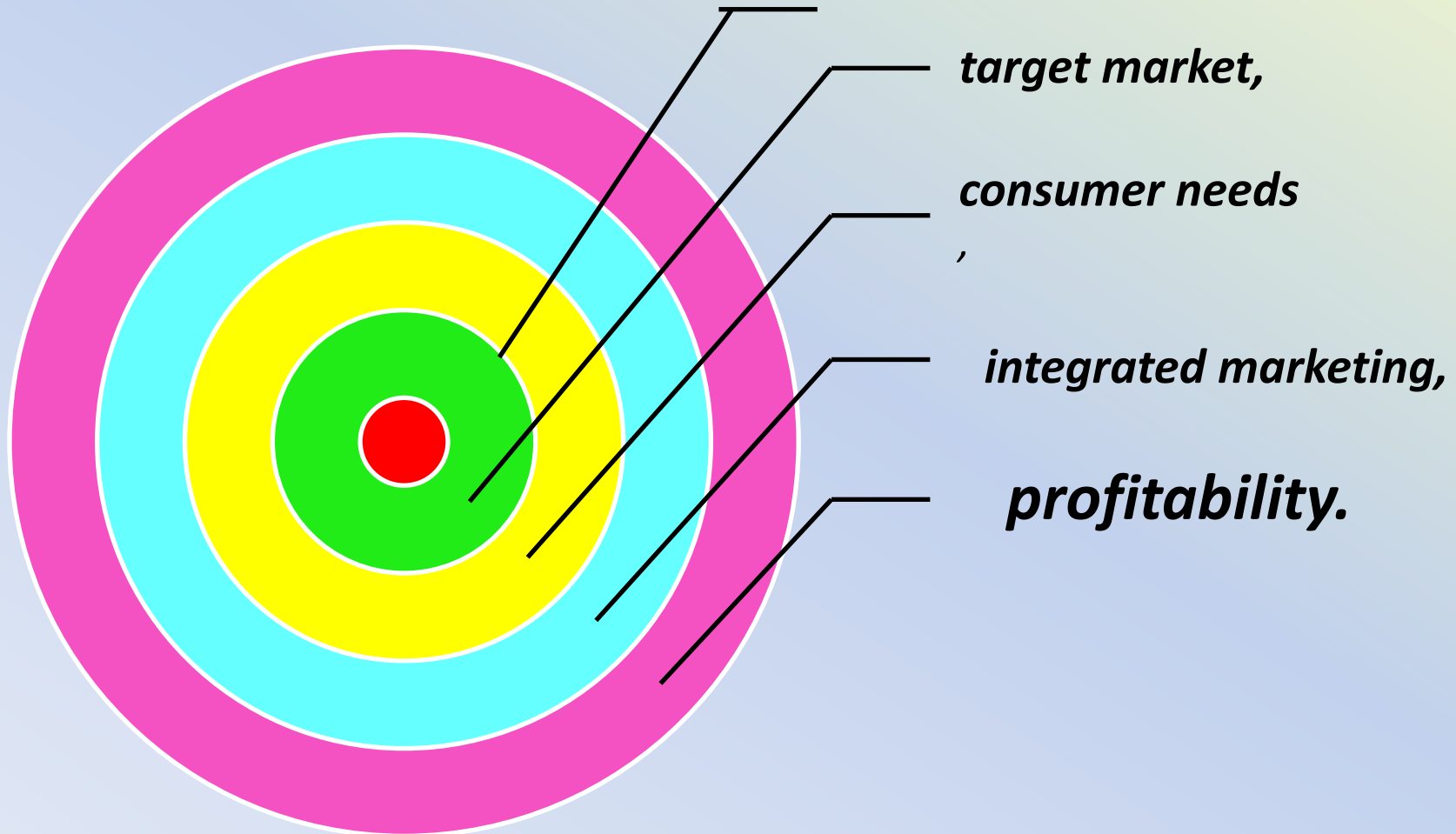
# Traditional Marketing Concept (3)

Harvard University Professor **Theodore Levitt** states the main difference between the concepts of sales and marketing orientation:


«With a sales orientation, the seller's needs are the focus; in the marketing concept - the needs of the buyer. In the first, paramount importance is attached to the need for the seller to convert the goods into money; in the second, the idea of satisfying the buyer's needs through a given product and the whole range of issues related to the processes of its creation, supply and consumption.»

# Traditional Marketing Concept (4)

The concept of traditional marketing is based on four pillars:



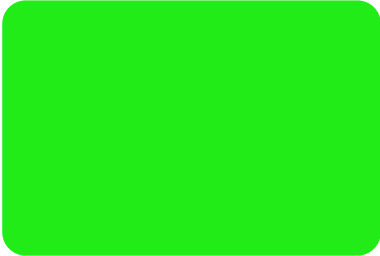
# Integrated Marketing



If the work of all departments of the company serves the interests of the consumer, an *integrated marketing system is formed in it.*



*Integrated marketing takes place on two levels .*



First, **at the level of functions** , when all the various marketing functions - sales, advertising, production and sales management, marketing research - are interconnected, and their implementation is coordinated from the point of view of consumer interests.



Secondly, **at the level of structural divisions** , when all services and departments of the company participate in marketing activities.

# Personalized Marketing Concept (1)



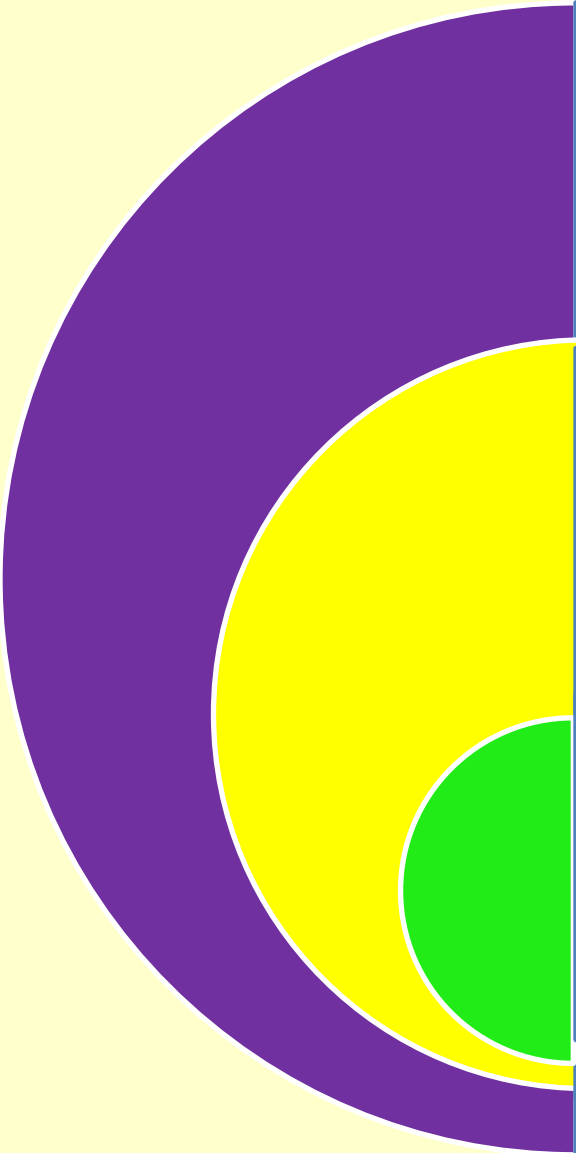
## CONCEPT PARADIGM

The company adjusts its offers and activities in general taking into account the wishes of specific clients, thanks to which it achieves profitability, stable growth, consumer loyalty and wins a sustainable share of client expenses .

# Individual Marketing Concept (2)

Today, many companies are moving beyond the concept of traditional marketing that operates at the customer segment level **and are turning to the concept of individuality, in which offers, services and communications are tailored to the needs of individual customers** (Figure).

# Individual Marketing Concept (4)

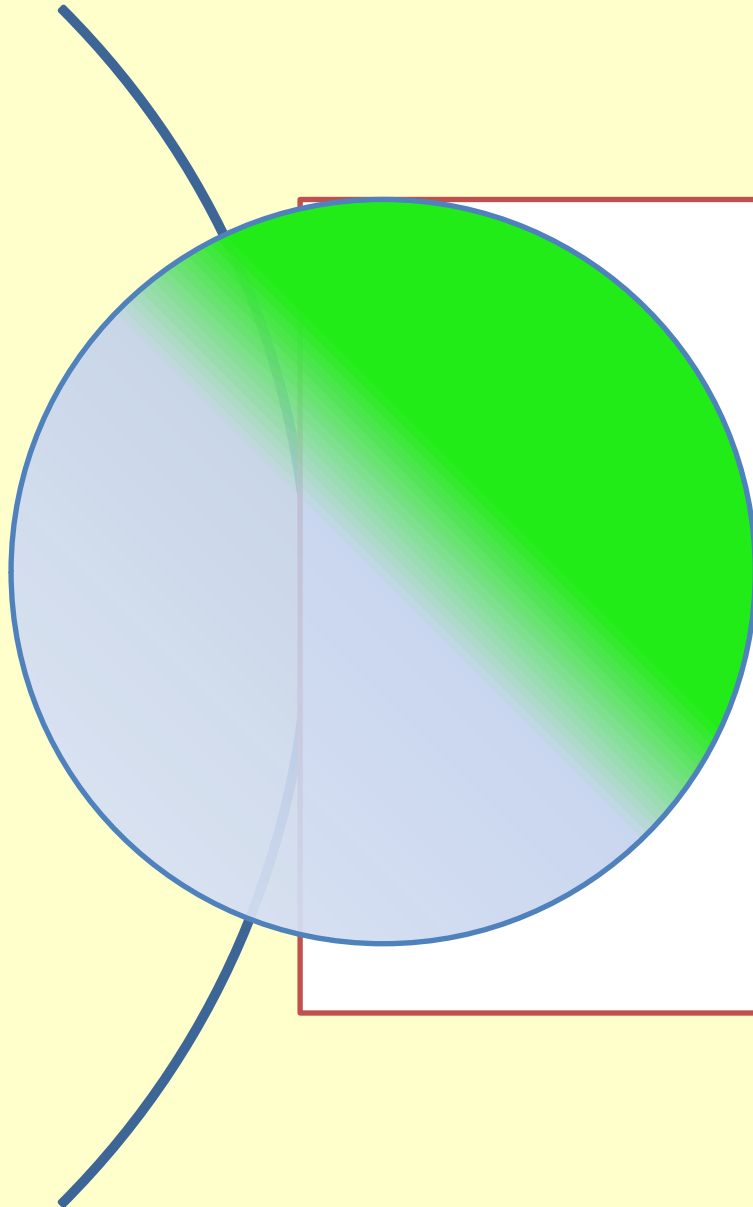


**These companies hope to achieve profitability and sustainable growth by capturing a larger share of each customer's spending than their competitors, achieving high levels of customer loyalty and fundamentally recognizing the customer's lifetime value.**

**This approach has gained practical application as a result of the success of custom manufacturing, the widespread use of computers, the Internet, and direct marketing, i.e., sales without intermediaries.**

**This approach is optimal for companies that, by the nature of their activities, receive a variety of information about each of their clients, as well as distribute goods that require periodic replacement or modification, and/or sell expensive goods .**

# Socially responsible marketing concept (1)



## **CONCEPT PARADIGM**

**The concept proclaims the organization's task to be more effective and efficient than its competitors, satisfying consumers while ensuring the interests of both individuals and society as a whole.**

# Socially responsible marketing concept (2)

Recently, the question has been constantly raised about the **extent to which marketing philosophy corresponds to the age of pollution, limited resources, population growth, hunger and poverty and how it takes into account the interests of society as a whole.**

Should a company that excels at **satisfying consumer needs prioritize the long-term interests of society and its members?**

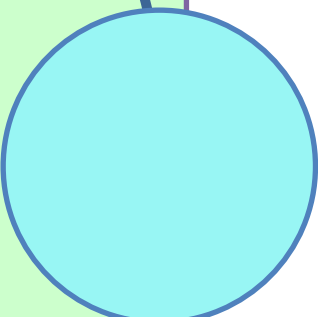
The marketing concept **does not address the problem of potential conflicts between the needs and interests of consumers and social welfare.** Some firms and industries have been criticized for their efforts to meet consumer needs at the expense of society. Therefore, **it is necessary to expand the concept of marketing.**



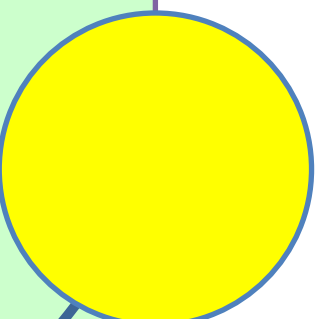
# Socially responsible marketing concept (3)



F. Kotler proposed **using the concept of socially responsible marketing, according to which the organization's objectives are:**



- in identifying the needs, demands and interests of target markets and satisfying users in ways that are more efficient and effective than competitors, while maintaining or increasing the welfare of not only consumers, but also society as a whole.



The concept of socially responsible marketing requires that marketing **take into account the social and ethical aspects of business activities**. According to it, manufacturing companies **must balance and evaluate the often conflicting objectives of ensuring profitability, meeting the needs of consumers and the interests of the entire society.**



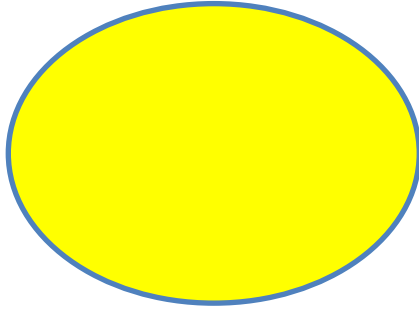
# **Marketing of the XXI century**



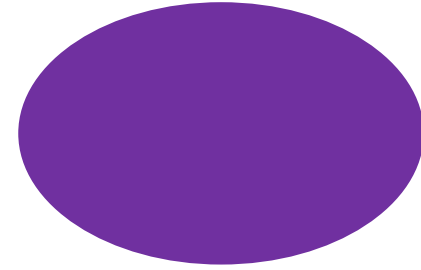




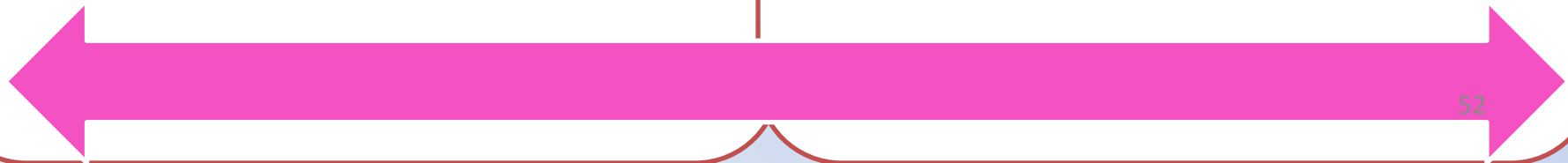
# Marketing of the XXI century. What is the new economy?



In the rapidly growing **online community, buyers rate sellers** , so newcomers can ask experienced players which sellers can be trusted and which have a reputation for being unreliable before they bid .



The new economy has brought **success to organizations that turn to technology to meet customer needs and desires** , applying marketing concepts such **as customer focus, customer value, quality of service and efficient exchange mechanisms** .



**In contrast to the new,** the old economy was based on the Industrial Revolution and the management of industrial sectors.

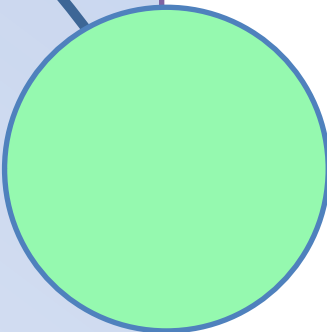
- In an effort to reduce costs, • **managed operations according to a hierarchy** , with the top manager giving instructions to middle managers, who in turn gave orders to the workers.
- manufacturers **standardized products**
- set the goal of **constantly increasing their market shares**
- **increased efficiency from increased production scale** .
- **efficiency** in mind , they copied successful processes and policies in each geographic market

- **Unlike the old one, the new economy is based on:**
  - **digital revolution**
  - **managing information about customers, products, prices, competitors and all other aspects of the marketing environment.**
- Information can be
  - **endlessly change**
  - **analyze,**
  - **personalize**
  - **send** electronically to numerous recipients in a short period of time.

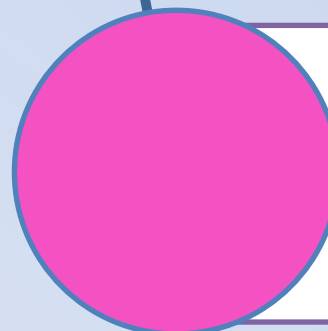
# New economy

- The digital revolution has presented consumers and entrepreneurs with a range of new opportunities.
- **Characteristics of the potential of today's consumers:**
- ***Significant increase in purchasing power. With the click of a computer mouse, consumers and business buyers can compare competitors' prices and product features,*** get answers to their queries, make purchases, and even bid on prices if they want to haggle.
- ***Increasing variety of goods and services. People can order online everything your heart desires: furniture, washing machines, management consultations, medicine and even medical advice.***
- In addition, **the product can be ordered from almost anywhere in the world.**

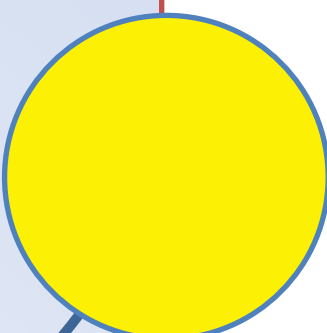
# New economy



***A huge amount of information: from everywhere about everything. Online, people can read*** any newspaper in any language of any country, have access to encyclopedias, dictionaries, **medical information, movie ratings , consumer product testing results and other sources of information.**



***Simplify interactions, place and receive orders.*** Customers can place orders from home, office, or mobile phone 24 hours a day, 7 days a week , and receive them wherever it is convenient for them - at home or in the office.



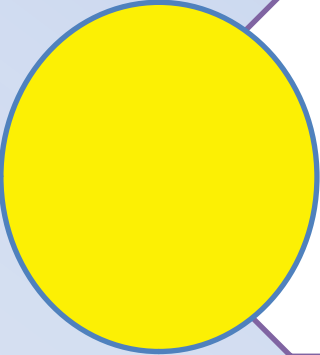
***Ability to compare reviews of products and services .*** On specialized website forums, clients can exchange information and opinions on issues of mutual interest.



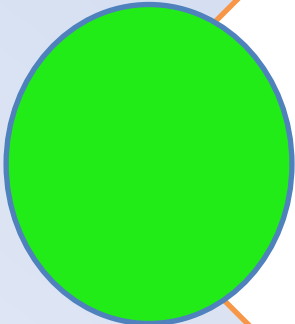
# New economy (2)



The new economy has brought new opportunities for companies:



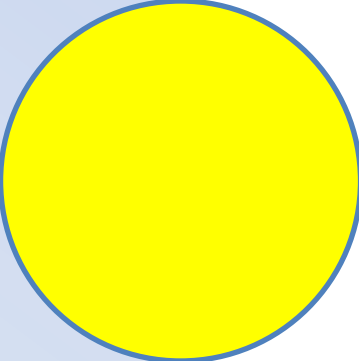
- they received new powerful channels of information and promotion of goods with a huge geographical coverage. On the pages of one or more websites , a company can describe its products and services, talk about its history, business philosophy, vacancies, and provide information of interest to shareholders .



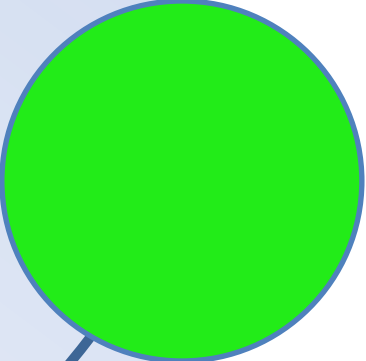
- Companies can collect more complete and rich information about markets, customers, prospects and competitors. When conducting marketing research using the Internet , marketers can form focus groups, send out questionnaires, and collect raw data in other ways.



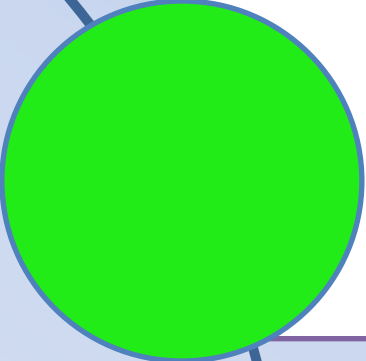
- companies use internal networks (intranets), which simplify and speed up internal communication .



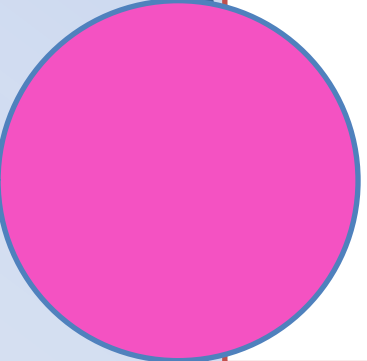
- Companies can use the Internet for two-way communication with clients and potential partners, for recruiting staff, for more effective negotiations and business transactions.



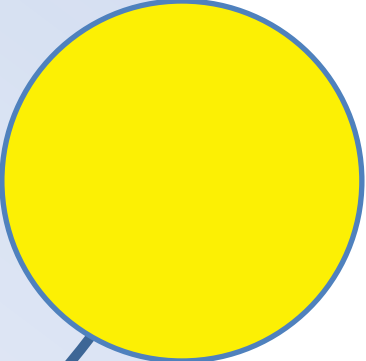
**Extranets (connections between corporate networks of different companies) allow companies to connect with suppliers and distributors** to send and receive information, place orders, and make payments more efficiently.



- **Marketing professionals can more effectively send out advertisements, coupons, samples and information requested by customers. They can also tailor product offerings, services and messages to specific customers** , drawing on information from internal databases and additional sources.



- Because all companies are both **buyers and sellers**, they **realize significant savings by using the Internet to compare competitors' prices and purchase materials through online auctions** or by offering their own terms.



- **Companies can significantly improve logistics and reduce costs, as well as increase the accuracy and quality of service by exchanging information online, placing orders** , conducting transactions, making payments between companies, their business partners and customers.

**The Industrial Revolution was characterized by mass production and mass consumption, overstocked stores, ubiquitous advertising and rampant discounting.**

**The Information Age offers more precise production levels, more targeted communication and more balanced pricing policies.**

# Marketing objectives of the 21st century (according to F. Kotler )

- **Three stages of development of marketing practice.**
- **1. Entrepreneurial (entrepreneurial) marketing.** Most companies are founded by people who, recognizing opportunities and seeking the attention of potential customers, literally “knock on every door.”
- **2. Doctrinal marketing. As once small companies develop,** they inevitably move toward doctrinal marketing, expressed in some kind of “universal” marketing formula.
- **3. Intreprenurial marketing**

*is the final stage.* Many large companies remain at **the level of doctrinal marketing**, closely studying the latest ratings and market research reports, as well as thinking through and building advertising policies and relationships with dealers to the smallest detail. **They lack the creativity and passion of early stage entrepreneurial pioneers.**

# Sphere of modern marketing

- The scope of activity of marketers includes 10 vital objects of society:
- **material goods (goods)**
- **services**
- **experience**
- **events**
- **personalities**
- **geographical areas**
- **own**
- **organizations**
- **information**
- **ideas.**





# MARKETING OF THE XXI CENTURY

**Marketing management is** the art and science of identifying target markets and attracting, retaining and nurturing customers by creating and delivering products that provide high value to consumers and by communicating effectively with customers.

- **Advances in technology, globalization and deregulation have a significant impact on both consumers and suppliers of goods and services.**
- The changes brought by these factors and new consumer demands have predetermined **the need to change the operating principles of many companies.**
- **Forward-thinking companies must structure**

**their marketing activities in response to changes in the market and market space.**





# Changes in business and marketing (marketing of the 21st century) according to F. Kotler

- The modern market is not at all what it used to be. **The market is changing radically under the influence of new technologies, processes of globalization and deregulation . These forces shape new behavior and create new problems.**
- ***Consumers expect constant improvement in the quality of goods and services and their adaptation to their own needs.*** They notice the differences between products less and less, and their interest in specific brands is constantly decreasing. Consumers can obtain comprehensive information about products from the Internet or other sources, which allows them to make a more informed approach to their purchase.
- **Shoppers are increasingly price-sensitive when searching for the products they need.**



# Changes in business and marketing (marketing of the 21st century), according to F. Kotler (2)

- *Products under manufacturer's trademarks (national brands) face intense competition from both other national and foreign brands, which leads to increased promotion costs and reduced profitability.*
- In addition, **their owners must contend with powerful retailers who limit the placement of national brands on store floors in favor of private label products.**



# Changes in business and marketing (marketing of the 21st century), according to F. Kotler (3)

- **Retail trade is suffering from a glut of goods** . Small businesses are falling prey to the growing power of giant retailers and category killers.
- They are unable to withstand competition from direct mail firms; increasing the cost of advertising in newspapers, magazines and television; development of a system of teleshopping and online commerce .
- **In response, enterprising retailers are introducing entertainment elements into the store** experience - coffee bars, lectures , demonstrations and performances, etc.



# changes in business and marketing (marketing of the 21st century) according to F. Kotler (4) **Reaction of supplier companies**

(1)

profitability indicators are extremely high.

- The most common trends are:
- **Reengineering.** *Reorganization of functional departments and creation of key business processes*, each of which is managed by a multidisciplinary team.
- **Outsourcing.** *Refusal from in-house production and expansion of the range of goods and services purchased from external suppliers (of higher quality at relatively low prices). Virtual companies operate exclusively on external sources*, and since their own assets are very small, their





# Changes in business and marketing ( 21st century marketing)

## according to F. Kotler. **Reaction of supplier companies (2)**

- **E-commerce.** *Organizing a store online instead of bringing* customers into stores and hiring additional salespeople. The sale of industrial goods is actively developing on the Internet, and electronic personal sales can also be significantly expanded.
- **Benchmarking.** *The transition from self-improvement to studying and adapting the* experience of world leaders in a certain field of activity.
- **Alliances.** *Stop trying to win the competition alone* and the transition to the formation of networks of partner firms.
- **Partner suppliers .** *Reducing the number of suppliers to a few that are extremely reliable and have established partnerships with the company.*

# Changes in business and marketing ( 21st century marketing)

## according to F. Kotler. **Reaction of supplier companies (3)**

- **Market orientation** . *The transition from product orientation to orientation towards a selected market segment.*
- **Globalization and localization** . *Transition from local markets to global activities while maintaining local positions.*
- **Decentralization** . *The transition from a management system in*

*which all decisions are made by top management, to a more proactive and << entrepreneurial >> management system.*





# Marketing of the XXI century. Value chain concept

- The author of the famous concept of the value chain (value chain) is **Harvard University professor Michael Porter**.



- **market research, delivery of goods and after-sales service**.
- The value chain consists of nine strategically interconnected activities (links) in which value is created and costs are generated; five of its links are the main ones, and the rest play an auxiliary role (Fig. 3.3).

- **Business of each company can be considered as a complex system of various activities: design, production,**

# Summary. Seven basic concepts of marketing activities:



1) improvement of production;

2) intensification of commercial efforts (sales);

3) improvement of the product;

4) “pure” marketing;

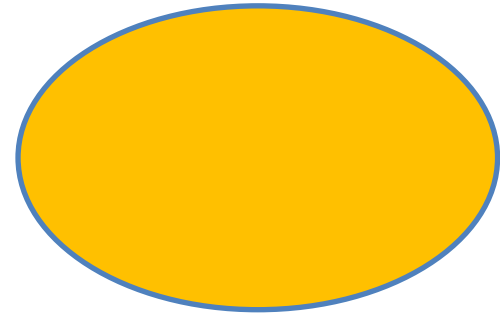
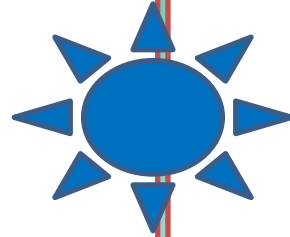
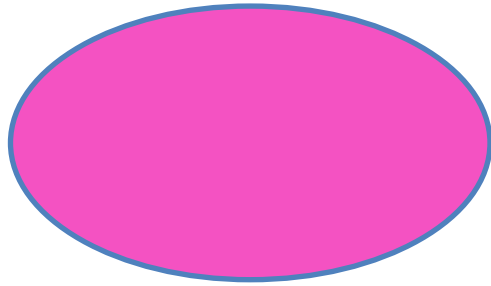
5) social and ethical marketing;

6) environmental marketing;

7) partnership marketing.

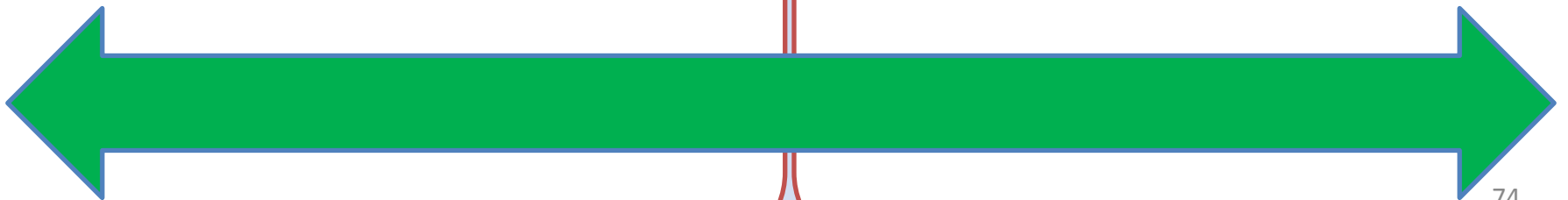


# **Pharmaceutical Marketing: goals, forms, principles, functions**



**Pharmaceutical marketing is part of consumer marketing and marketing of services in the provision of pharmaceutical care.**

***Pharmaceutical marketing is an activity aimed at meeting the needs and requirements of the population for pharmaceutical care.***



**Pharmaceutical marketing is a type of human activity aimed at studying the needs of a particular person for pharmaceutical care and satisfying his needs through exchange, in a more effective way than competitors.**

# Pharmaceutical Marketing Objectives

- **Optimization of the pharmaceutical care market** , which means an analysis of the relationship between need, need, demand and supply, as well as **taking into account the influence of all internal factors of the drug supply system for the population .**

for medicines and services to provide pharmaceutical care to the population **and developing strategic programs aimed at meeting these needs in a timely and complete manner .**



- **Studying the**

# **FEATURES OF PHARMACEUTICAL MARKETING**

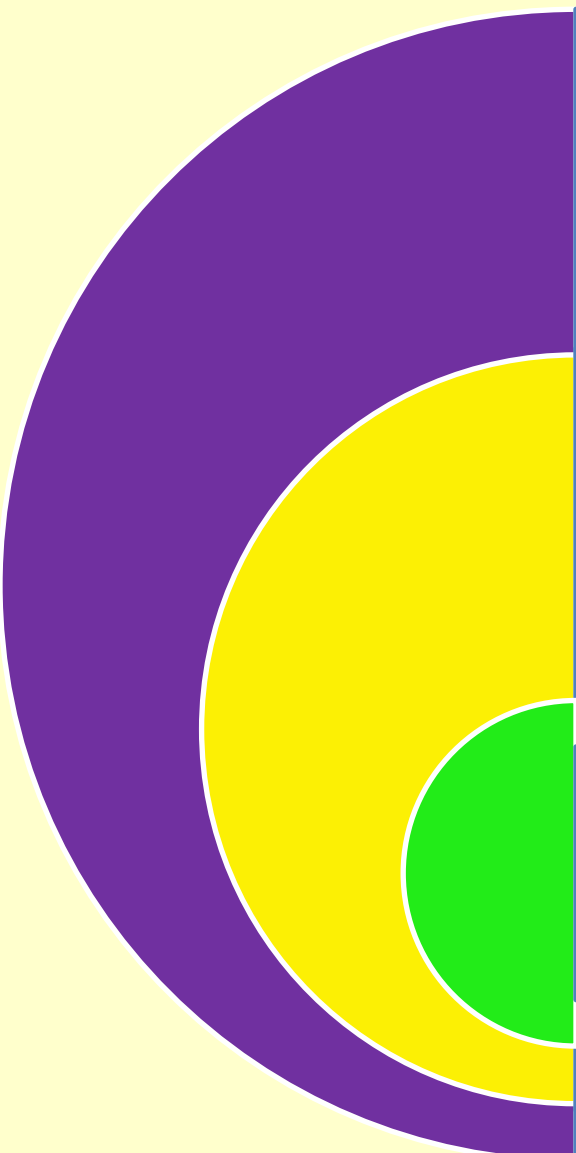
- **Features of pharmaceutical marketing are determined by:**
- specificity of pharmaceutical products ,
- the nature of barriers to entry into the market (licensing)
- certification of specialists, etc.),
- composition of consumers (presence of intermediate consumers),
- formal and informal institutions,
- relationships in distribution channels, etc.
- Despite the fact that **the main goal of marketing activities is to make a profit, its achievement is carried out by satisfying the**

**needs of the buyer.**

- At the same time, a combination of the economic benefits of the organization and the preservation of the interests of the consumer must be ensured.



# Five Features of Pharmaceutical Marketing



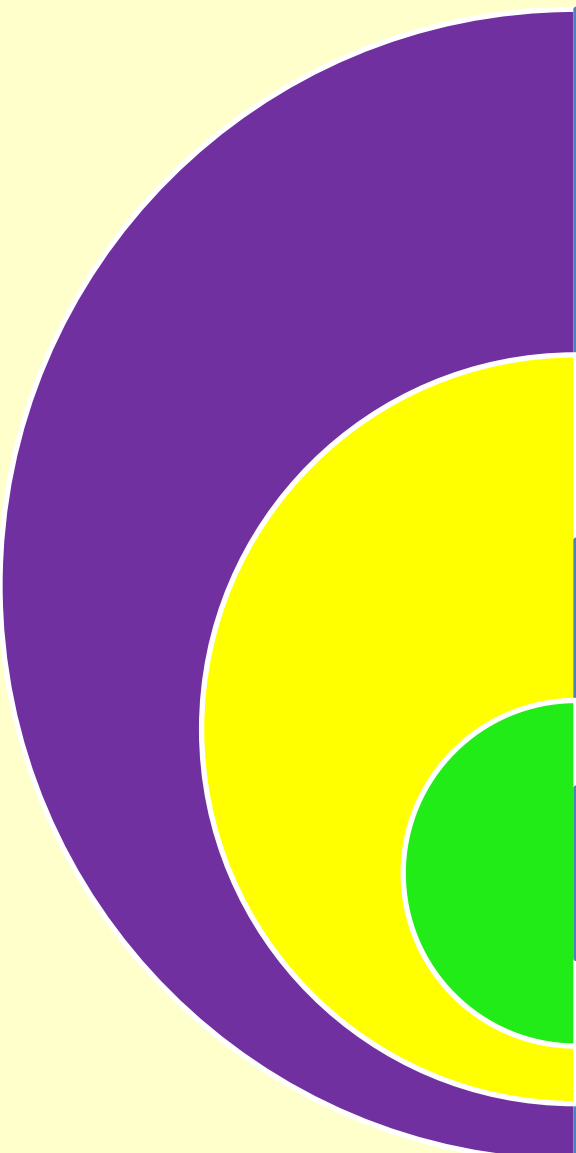
Products in pharmaceutical marketing are medicines in various dosage forms, medical instruments, dressings, etc., the use of which depends not only on the patient's disease, but also on the qualifications of the doctor.

Therefore, **the first and main feature** of pharmaceutical marketing is that in the case of pharmaceutical care, the classical formula of purchase and sale is complicated, because the buyer (patient) - seller (pharmacist) system **includes a third link - the doctor, who is equally, and sometimes to a greater extent is a demand generator.**

**Second** The peculiarity is that **when analyzing the market it is necessary to take into account not demand, as in general marketing, but three parameters at once - need, need and demand.**



# Five Features of Pharmaceutical Marketing(2)



**The third** feature is that **consumers often view medical and pharmaceutical products not as a desired product, but as a necessary purchase** , and therefore, as a rule, they make purchases under the pressure of symptoms of illness or when they feel deviations from normal health. This, in turn, determines that **the patient is not buying a medicine or care item as such, but a way to regain health and eliminate the state of discomfort caused by ill health.**

**Fourth** This **peculiarity** is associated with **the lack of awareness of the end consumer (the patient) about what medicine he needs and which of the synonyms available on the market should be chosen .**

**Fifth** An important feature is that **pharmaceutical products must be of only high quality.**



# Features of pharmaceutical marketing (Summary)


## Summary:

Along with the consumer (patient), one of the main objects of pharmaceutical marketing is a medicine (product) in various dosage forms (product units), which, as a product, has some unique characteristics, which in turn define specific marketing features.

# Features of pharmaceutical marketing (summary)

- **Summary**

- **Specific marketing features:**
- **The doctor, and not the patient, decides** on the need to take the drug, but **the doctor does not have the ability to control the purchase and consumption of the drug ;**
- **Consumer ( sick)** the drug is often **insufficient knows** about the quality and purpose of the drug , and besides, **not always wants to use it ;**
- **Determining indicators** when purchasing a medicinal product – its **effectiveness, quality and safety;**
- Pharmaceutical marketing is more **associated with the regulatory role of the external environment,** which is played by a government agency in the drug supply system (quality requirements, registration, nomenclature, pricing, dispensing conditions).



**Thank you  
for your  
attention!**