

Lesson No. 11.

Topic of the lesson: Promotion of goods in the pharmaceutical market. Information marketing of over-the-counter drugs

Main issues to be discussed at the seminar:

1. Information marketing systems.
2. Methods for collecting primary marketing information: survey, observations, experiment, panel (questionnaire).
3. Determining the need for medications in pharmacy organizations.
4. Strategies for promoting products in the pharmaceutical market.
5. Elements of the complex for promoting over-the-counter drugs (OTC group) in the pharmaceutical market.. Advertising, public relations (PR) system.
6. Promotion of sales of OTC drugs. Consumer stimulation, trade promotion
7. Formation of consumer ideas about medicines in the OTC segment of the pharmaceutical market.
8. Marketing significance of the dosage form and packaging of drugs. Marketing functions of OTC drug packaging
9. Characteristic. pharmaceutical marketing in the OTC market. Explicit properties of drugs. Demonstration of the attributed and hidden properties of OTC drugs using information marketing.
10. Promotion of goods through the Internet.

Marketing of medicines and other pharmaceutical products is a specific area of activity in which the commercial interests of pharmaceutical manufacturing companies and distributors, as well as the information needs of specialists and the public, interact.

1. Marketing research in a pharmaceutical organization

To successfully overcome obstacles that arise in the work of pharmaceutical organizations, a necessary condition is that leaders and managers have accurate, reliable, timely and sufficient information.

In accordance with the sources of receipt, marketing information is divided into internal and external.

Internal information results from the accumulation of current information within the firm.

External information is usually divided into primary and secondary. Secondary information consists of publications in various publications, statistical and other information, that is, ready-made research and developments. Sources of secondary pharmaceutical information are:

- information letters received from health authorities, statistical departments of the health care system;
- mass media;
- publications in specialized pharmaceutical publications;
- Internet sites;
- reports and publications of pharmaceutical companies;
- price lists, prospectuses and other company publications;
- leaflets;
- libraries;
- advertising;
- professional data from medical and pharmaceutical associations and scientific societies.

Sources of information can also be information marketing systems such as:

- ✓ market capacity and supply and demand structures;

- ✓ sales volumes of market operators;
- ✓ product development prospects;
- ✓ the effectiveness of various areas of the company's activities in supporting and promoting products;
- ✓ directions of development of the product portfolio and its individual components;
- ✓ the effectiveness of advertising activities and the operation of the distribution network;

2. The main methods of collecting primary marketing information are survey, observation, experiment and panel.

1. Survey - finding out people's position or obtaining information from them on any issue. This is the most common and critical form of data collection in marketing. Approximately 90% of studies use this method. The survey can be oral (personal) or written.

In a written survey, participants receive questionnaires that they must fill out and return as directed. The main disadvantage limiting the use of this method is the long period and low percentage (on average 3%) of returning completed questionnaires.

Personal and telephone surveys are usually called interviews.

Interviews can be formalized or informal. *In a formalized interview*, a specific survey design is used (a questionnaire containing prepared, clear questions and well-thought-out models of answers to them). A mandatory part of the questionnaire is information about each respondent. Formal surveys are most used when implementing quantitative research. The main disadvantages of this method are its relatively high cost and insignificant geographical coverage.

Informal interviews are a specific method of collecting information in which there is only a topic and a purpose. This makes it possible to identify the underlying motives of the consumer's actions and study both rational and irrational reasons for his purchasing behavior. In practice, informal interviews are used when conducting qualitative research.

In-depth interviews are a series of individual interviews on a given topic, conducted according to a discussion guide, allowing you to penetrate deeper into the psychology of the respondent and better understand his point of view, behavior, attitudes, stereotypes, etc. In-depth interviews are useful in certain problems and situations that are not usually discussed in a wide circle, for example, when discussing the use of certain medications, diseases, etc.

Hall tests are personal semi-structured interviews in a special room. As a rule, premises are used in libraries, halls of administrative buildings, pharmacies, etc. The interview takes place in a structured conversation mode.

A group informal interview (focus group) is a group discussion of issues of interest by representatives of the target audience. The "focus" in such a group is on the subjective experience of people who give their understanding and explanation of a given topic, including all its nuances. And subsequent qualified analysis of the results obtained allows us to understand the psychological mechanisms of the formation of one or another opinion of group members.

The survey uses open and closed questions. A closed question is one that requires answers to the following questions:

Open questions require you to formulate your own answer.

2. Observation is a form of marketing research, with the help of which a systematic, systematic study of the behavior of one or another object or subject is carried out. The subject may be the characteristics and behavior of drug consumers, the movement of goods, the study of merchandising in pharmacies, etc.

3. An experiment is a study of the influence of one factor on another while simultaneously controlling extraneous factors. In pharmacy, experiments are being conducted to determine the impact of the introduction of new methods and means of stimulating the sale of medicines, advertising, the work of medical representatives, participation in exhibitions, merchandising, the provision of additional pharmacological and medical services, ordering by phone, and the use of the Internet on product sales volumes.

4. A panel is a sample of respondents who are subject to repeated research, but the subject of the study remains constant. Panel participants can be individual consumers, families, trade and production organizations, experts (pharmacists, doctors, marketers). The panel survey method makes it possible to compare the results of previous surveys with the next one, to detect trends and patterns in the development of the phenomena being studied. During panel surveys:

- discover factors that influence the solution of the problem under study and their dynamics;
- study the opinions and assessments of those being studied regarding goods and trade organization, their changes over time;
- discover the decisions and intentions of respondents and their implementation;
- detect differences in the behavior of consumers who belong to different social groups and live in different regions;
- study purchasing motives and predict their development.

The development of a questionnaire is the main tool for obtaining exactly the information that needs to be collected, can be processed and interpreted accordingly.

The questionnaire usually consists of three parts.

1. *Introduction.* This part contains information regarding the purpose of the survey, motivation for completing the questionnaires, characteristics of the person conducting the survey, time required for the survey, etc.

2. *The details part* contains the characteristics of the respondent (age, gender, type of occupation, marital status, last name, address, etc.), identification information about the questionnaire (name, date, time and place of testing, last name of the interviewer).

3. *The main part* is the actual questions to the respondent.

3. Determining the need for medications in pharmacy organizations .

There are several methods depending on the classification of the drug into conditional groups (drugs of regulated consumption, drugs of specific action, drugs of broad spectrum of action, drugs of fluctuating demand).

- Determining the need for drugs with specific action (antimalarial, antituberculosis, antifungal):

$$N=C*T*P$$

Where:

N - need; C- is the consumption of the drug for the course of treatment; T - number of treatment courses per year; P- is the number of patients.

- Determination of the need for drugs with standardized consumption (normative method) (Narcotic and psychotropic substances, precursors, ethyl alcohol):

$$N=(S*H)/100$$

Where:

S - standard per 1000 people; H - number of the served region.

- Determining the need for broad-spectrum drugs (antimicrobial agents):

$$N=R/M$$

Where:

R - consumption for a certain period of time (1, 5, 10 years); M - number of months.

- Determining the need for drugs with fluctuating demand (antiviral, anti-cold drugs):

$$N = P * C,$$

Where:

P - average monthly consumption for the analyzed period;

C - seasonal fluctuation coefficient,

C = Pactual/P analyzed period.

4. Promotion of goods on the pharmaceutical market. Elements of the complex for promoting over-the-counter drugs (OTC group) in the pharmaceutical market.

Product promotion is the formation of permanent connections between the manufacturing enterprise and the target market in order to increase sales volumes and create a positive image, which is ultimately realized by increasing the profitability of business activities.

There are two main promotion strategies:

a) a pushing strategy, which is based on the consistent and aggressive “imposition” of a product along its route through the distribution channel,

b) an attraction strategy that motivates the end consumer to purchase

The main elements of the promotion complex include:

- **advertising;**

- **public relations (PR);**

- direct marketing (direct marketing);

- personal sales;

- **sales promotion.**

In addition to the main ones, there are also synthetic components:

- **merchandising;**

- exhibitions, fairs;

- branding;

- sponsorship, etc.

Direct marketing as an element of the product promotion complex is a type of retail trade and is implemented in the form of direct orders for certain categories of the pharmacy assortment, namely: telephone sales, Internet marketing, sales after preliminary selection from a catalog, etc.

Sales promotion, in turn, allows you to quickly influence demand and immediately change consumer behavior, including through the use of a system of discounts, premium sales, competent service policy, etc.

The promotion of goods in markets is also greatly facilitated by exhibitions and fairs, within the framework of which advertising and promotional activities are carried out, for example, advertising films are shown, product samples are distributed, negotiations are held, thematic seminars are organized, etc. At the same time, fairs perform primarily a commercial function and are organized at the same time and in the same places. Fairs are, as a rule, informational in nature.

One of the central roles in the marketing promotion system is played by the process of integrated management of a brand, product and organization in order to create a positive image of the latter among the end consumer. This type of activity is called branding.

Thus, to implement the policy of generating demand and stimulating sales, manufacturers and wholesale and retail intermediaries use various tools to increase efficiency and overall profitability.

A key role in this complex is played by advertising and the public relations system (PR); and merchandising (the science of silent selling).

Advertising is information disseminated in any way, in any form and using any means, addressed to an indefinite circle of people and aimed at attracting attention to the object of advertising, generating or maintaining interest in it and promoting it on the market.

Advertising functions :

- marketing (impact on the target market through each element of marketing);
- communicative (is one of the forms of mass communications);
- economic (at the enterprise level it is manifested by an increase in product sales and/or profits).

There are a number of general requirements for advertising: originality, strategicity, relevance, the idea must influence the consumer, the solution must be competent (professional design of printed materials, selection of participants for a television commercial, etc.).

It is important to emphasize that advertising of OTC group drugs (over the counter - literally "over the counter", that is, sold without a prescription) is allowed in most EU countries and in all countries of the Commonwealth of Independent States (CIS), with the exception of Azerbaijan. It is also impossible to ignore the fact that advertising of medicinal products is completely prohibited in Germany, Denmark, Switzerland and Belgium. Certain countries (the Republic of Belarus, the Republic of Kazakhstan, Ukraine, Great Britain, Poland, Kyrgyzstan, Canada) strictly regulate the pharmaceutical advertising market (even to the point of considering initiatives for a complete ban) using various legal restrictions. The most liberal approach to drug advertising today is in the United States, where direct advertising of both prescription and over-the-counter drugs is allowed.

In the Russian Federation, advertising of registered OTC drugs is allowed (with the exception of professional consumers of advertising, that is, healthcare professionals).

The Federal Law of March 13, 2006 No. 38-FZ "On Advertising" provides for the prohibition of unfair, unreliable advertising, and also limits the use of the image of medical and pharmaceutical workers. It should be especially emphasized that advertising to the population of narcotic and psychotropic substances and their precursors, medicines containing them, as well as plant materials containing narcotic and psychotropic substances or their precursors is also prohibited.

Advertising of medicines to the public *should not* :

- contact minors;
- contain references to specific cases of cure for diseases, improvement of human health as a result of the use of the advertised object;
- contain an expression of gratitude by individuals in connection with the use of the advertised object;
- create an idea of the advantages of the advertised object by referring to the fact of conducting research required for state registration of the advertised object;
- contain statements or assumptions about the presence of advertising consumers of certain diseases or health disorders;
- contribute to the creation of an impression in a healthy person about the need to use the object of advertising;
- create the impression that it is unnecessary to see a doctor;
- guarantee the positive effect of the advertised object, its safety, effectiveness and absence of side effects;
- present the object of advertising as a biologically active additive, food additive or other product that is not a medicinal product;
- contain statements that the safety and (or) effectiveness of the advertised object are guaranteed by its natural origin.

At the same time, advertising of medicinal products must be accompanied by a clearly regulated warning about the presence of contraindications for their use, the need to read the instructions for use or obtain specialist advice.

The term "public relations" (PR) refers to the art and science of achieving harmony through mutual understanding based on truth and full information. Thus, the concept of public relations includes:

- a set of measures aimed at improving mutual understanding between the pharmaceutical organization and the public;
- recommendations for creating the image (“public face”) of the organization;
- any actions aimed at identifying and eliminating rumors or other sources of misunderstanding;
- events designed to expand the organization’s sphere of influence through appropriate propaganda, advertising, and exhibitions.

Public relations system as a type of advertising

Today, the term “public relations” (PR) understands the art and science of achieving harmony through mutual understanding based on truth and full information. Thus, the concept of public relations includes:

- a set of measures aimed at improving mutual understanding between the pharmaceutical organization and the public;
- recommendations for creating the image (“public face”) of the organization;
- any actions aimed at identifying and eliminating rumors or other sources of misunderstanding;
- events designed to expand the organization’s sphere of influence through appropriate propaganda, advertising, and exhibitions.

The purpose of the PR system is primarily to establish two-way communication to identify common ideas or interests and achieve mutual understanding based on truth, knowledge and full awareness.

The public relations system is designed to implement three main *functions*:

- control of public opinion and behavior;
- response to the public (the organization strives to “serve” the public);
- achieving mutually beneficial relationships between a pharmaceutical organization and a social audience.

In this case, the PR system is guided by the following principles:

- openness of information;
- ensuring mutual benefit of the organization and the public;
- absolute honesty and truthfulness of those involved in this type of management activity.

The key to the success of PR events is the correct use of truthful, complete and timely information.

The field of activity of “public relations” is located at the intersection of two management areas of any organization - management and marketing. Management sets general and specific tasks for PR, tied to certain periods of the organization’s activity, and ensures the unity of organization and management. Marketing focuses on the ultimate goal of the organization's activities - making a profit. However, the range of issues resolved by PR services goes far beyond the marketing departments and is directly related to the overall strategy and mission of the organization.

The following main characteristics of PR as a marketing communications tool can be identified:

- non-commercial nature of the information transmitted (building a reputation, not demand);
- focus on long-term relationships;
- openness and authenticity;
- organization of feedback;
- unpredictability of consequences.

The complementary relationship between public relations, advertising and marketing in the environment of a pharmaceutical company is presented in Fig. 10.6.

Although PR activities have all the hallmarks of advertising, public relations does not depend on the immediate sale of goods and services. The PR system uses “long-range

advertising”, only preparing potential customers for purchase, that is, PR is a strategy, and advertising is a tactic for success.

An integral part of a PR campaign is *image making*. The main purpose of image-making activities is non-price competition, aimed at creating a controlled image of goods and/or services, the company itself, personality, fashion, ideology, etc. As a rule, these events do not consist of single events (perceived by the audience as random), but rather of a system of mutually agreed upon actions aimed at the target audience.

PR events in the image-making section have five areas:

- positioning of the drug;
- enhancing the image of the product;
- differentiation from competitors;
- anti-advertising (or reduction of image);
- counter-advertising.

Positioning (from the English position - position, location, condition, position, etc.) - creating and maintaining the image of a medicinal product. If an object is not positioned, it is incomprehensible to potential consumers, and its promotion makes no sense.

Image enhancement most often aims to enhance the impression of representatives of the press and other media when communicating with company representatives.

Detachment from competitors, as a rule, is a combination of an increase in image against the background of a decrease in that of another manufacturer of similar products.

Conventionally, the objects of image formation in the pharmaceutical industry can be divided into two categories.

On the one hand, these are companies whose rating equally depends on both the image and the quality of the goods or services they produce. These include, first of all, large corporations. The goal of manufacturers in this case is to increase sales volumes while simultaneously creating a positive image against the backdrop of improving product quality.

The other category presents objects for which fluctuations in image are not a decisive factor in successful activity. These are mainly small organizations. Their success in the market depends to a large extent on the quality of the products offered.

Depending on the category of the object, the set of techniques for forming an image can vary significantly. If for objects of the second category it is enough to try to prevent a deliberate or accidental decrease in image, relying on the successful development of the image, then for the first category it is necessary to think through every step of the image campaign.

The difference in the complexity of tasks determines the differentiation of image-making methods and channels of influence on the audience. The main channels for disseminating information are oral communication, visual campaigning, periodicals, radio and television.

Over the past decade, corporate communications has been recognized as one of the most valuable strategic tools. PR plays a fundamental role in the overall business system of large pharmaceutical manufacturers.

Pharmaceutical organizations engaged in the retail sale of pharmaceutical products provide a number of benefits for various categories of the population and organize special telephone lines to work with doctors and visitors. Increased attention to this type of activity is associated with the desire to maximize the service of your organization and gain a good reputation.

Promotion of goods via the Internet

E-commerce (online stores), which was relied upon back in the late 1990s and early 2000s, has not lived up to most expectations. The rapid growth of e-commerce sites has now given way to the sustainable development of this area. Many pharmaceutical companies have closed their doors, relying only on online sales, but those pharmacy organizations that use online product promotion as an addition to other methods receive a stable influx of customers without large additional costs. This is due to the fact that, compared to advertising in the media,

attracting new customers using computer technology is hundreds of times cheaper and, at the same time, works not only directly at the time of the advertising campaign.

Most large pharmacy chains create their websites on the Internet, using them as a 24-hour online storefront that is easily accessible from various parts of our country. In addition, a delivery service for pharmaceutical products ordered via the Internet is being developed. In most cases, the buyer pays for the purchase using a bank card. The customer's concern with this method of payment for goods does not allow this method of payment to become widespread. It is preferable for consumers to pay upon receipt of the package of medicines immediately at the time of delivery upon delivery to their place of residence.

It should also be taken into account that the majority of the population currently has an Internet connection, regardless of income level. All this affects the ordered product range. The average pensioner, as a rule, will not order a package of acetylsalicylic acid via the Internet, however, expensive medications and dietary supplements are quite successfully sold with home delivery. With such sales, the consumer enjoys all the advantages of online trading. A potential buyer in a short time, "without getting off the couch," can "walk" through several pharmacy organizations in search of the desired medicine at the lowest price and the best delivery conditions and, having found a suitable option, easily fill out an application by phone or through a form on the website, spending a minimum of time and effort, which is important for customers with medium and high income levels. For such clients, speed and convenience of purchase, in addition to price, become one of the decisive criteria for contacting a particular pharmaceutical organization.

Summarizing the above, it should be emphasized that the product promotion complex is assigned one of the key roles in the marketing activities of pharmaceutical organizations: increasing sales volumes, creating commitment to the pharmaceutical company, as well as attracting buyer attention to products and increasing the number of "impulse" purchases. All this is invariably accompanied by an increase in the profit and profitability of the organization, opens up new opportunities for the pharmaceutical business and is fully consistent with the Pareto rule, which states that 80% of the income comes from 20% of regular customers.