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"PROBLEMS FACED BY THE INDIAN PHARMACEUTICAL INDUSTRY
IN THE POST GLOBALIZATION SCENARIO"

By

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ABSTRACT

The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. The adoption of the policy of globalization, liberalization and privatization has brought about a sea change in the pharma sector marketing. Several pharma MNCs of foreign origin have entered in Indian market with latest technology and the marketing practices, which has forced the domestic pharma companies to upgrade their technology and follow the competitive marketing practices. Currently the pharma marketing poses several challenges such as frequent changes in the government policy, pricing of pharma products, problems of the doctor community getting very little time to get themselves updated because of the flow of patients and MRs having more calls to put through because the number of doctors has also considerably increased. The patients are well informed and are curious to seek clarification from their physicians and draw on the physician's time. Positive change in the attitude of the rural masses to buy branded medicines. The Government of India is encouraging the use of generic medicines and alternative therapies such as Ayurvedic medicines, Homeopathy and Unani medicines. New style of personalized medicines is gathering momentum. This paper has brought out the problems and have offered a few remedial measures to overcome these

problems. The Government of India is also very much concerned and has also initiated preventive steps to have minimum health problems to its citizens.

1. INTRODUCTION

Indian pharma science is an age-old science which is in existence since 30-350 CE during Chandrgupta regime. In the Ayurvedic Medicine, CharakSamhita and SushrutaSamhita are the red books which are even referred today. Even today the Ayurveda is being practiced not only in India but all over the world. During the British regime allopathic medicines were introduced in India.

The first Indian Pharma industry namely Bengal Chemicals was started in Kolkata in 1901 and it was followed by Alembic Chemicals. Immediately after the independence of India the pharma industry grew rapidly. In the first ever 1956 Industrial policy in India the pharmaceutical industry was classified in Schedule B which was opened to the private sector. Initially these medicines were imported from the various countries but then in order to achieve employment generation for the domestic youths the Government of India made it obligatory for the foreign companies to manufacture the medicines in India. In the year 1954 the Government of India opened up Hindustan Antibiotics Ltd. at Pimpri and it was followed by establishment of Indian Drugs Pharmaceuticals Ltd. (IDPL) with the financial assistance from the World Health Organization in the year 1961. In the pharmaceutical industry it is needed to undertake constant Research & Development of the drugs and medicines. R & D requires heavy investment and for this purpose the Government of India established Indian Research Fund Association in the year 1949 and this organization has been renamed as Indian Council of Medical Research.

Thereafter number of special purpose research organizations were established e.g., Central Drug Research Institute (CDRI), Indian Institute of Chemical Technology (IICT) and National Chemical Laboratory which were guided by CSIR and ICMR.

Until 1980 the Indian drug market was dominated by the Multi National Companies of foreign origin. With a view to encouraging the domestic pharma companies to step up their activities the Government of India started giving subsidies to the pharma companies. Gradually the domestic pharma companies' presence was felt in the Indian pharma market.

In 1986, the Government of India revised its then existing policy and encouraged the domestic pharma companies which gave boost to this sector. The pharma industry requires huge investment to remain competitive in business for which strong research and development is a must. Small scale industries which had entered in this field could not survive.

2. POST GLOBALIZATION PHARMA MARKETING SCENARIO

In the year 1991, the Government of India adopted a policy of the Globalization, Liberalization and Privatization which entirely changed the Indian Industrial and Banking sector. This turned out to be a turning point for the pharma industry. The Government of India opened up its economy to the world at large (being a founder member of the World Trade Organization), it had to open up its economy by inviting Foreign Direct Investment in a phased manner. Several MNCs of foreign origin appeared on the Indian Pharmaceutical Marketing horizon. These companies because of their strong financial base were heavily investing in the Research and Development. These companies came not only with investment but also brought latest technology and the marketing management practices to India.

Obviously, this development in the market had a severe blow to the Indian pharma market which started facing stiff competition thereby forced the domestic pharma companies to pump in additional funds and which also led to the domestic companies adopting the advanced technology as well as management techniques introduced by the foreign origin MNCs.

The Government of India was very much aware of the marketing situation came out to support the pharma industries and had several following policy measures

Phase III (1990-2010)	Liberalization of Market. Product patent Introduction of VAT Dominated Generic drugs market. Adoption of newer sales modules.
Phase IV (After 2010)	The National Pharmaceutical Pricing Policy, 2012 (NPPP-2012) New Drug price control order 2013. National Health Policy draft 2015. 100% FDI in the medicine device industry. Patent Act Amendment 2015. Second largest number of Abbreviated new Drug Applications (ANDAs)

Currently the Indian pharmaceutical industries are growing rapidly and at the same time there is a pressure on reducing the prices squeezing the profit margins. In order to reduce the cost of production the industries are required to heavily invest in new technology and innovations to bring down the cost of production.

The Indian Pharmaceutical Industry today is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology.

Because of the size of the population the Indian pharma market offers high marketing potential which has attracted number of renowned MNCs in pharma sector. India is a developing economy and is heavily investing in the infrastructural development. The entire marketing scenario is

undergoing changes, day in and day out. Over the past three decades there has been tremendous growth of the medical professionals in India. Technological advancement has now reached to the rural area. Internet and mobile penetration have no parallel in the world. The Indian population has become very much health conscious. Even in the rural areas branded goods are preferred. This change in the marketing scenario has posed several problems in the marketing of the pharma products.

3. PROBLEMS FACED:

These problems are discussed in brief hereunder.

i. In the marketing channel the Medical Representative assumes pivotal role. He is a link between the doctors who prescribe the medicines and the company. The feedback the MR gives to the company on the market sentiments and field level doctors feedback is very much useful to the research and development department of the company. Today, because of the increased number of doctors and the number of patients it has become very difficult for the MRs to get appointment and sufficient time of the doctors to give them briefing of the newly launched products in the market and to get the feedback from the doctors about the already used medicines.

ii. Because of the number of players in the market there are now n-number of products with little variations.

iii. The Government policies are frequently changing. In view of the stiff competition the profit margins are shrinking, although the companies are trying their best to reduce the cost of the product without hampering the quality of it. There is a need to have more realistic view by the government and the policy changes should be minimum.

iv. Medicines are becoming costly over the years. The Government is encouraging use of generic medicines which are much cheaper than the branded products. The Government of India is encouraging establishment of shops selling generic medicines. The switch over is not easy for the stakeholders i.e., pharma companies, the customer .i.e doctors and the end user i.e. patients too.

v. Because of the education and the advertisements by the Pharma companies giving minute details in the digital media, the patient community has become very much conscious. They need to discuss with their physicians the various aspects and get clarified. This consumes more time of the doctors and add to the doctor's valuable time.

vi. It will be worthwhile to mention here that a new trend of personalized medicines concept is gaining momentum in the healthcare management. Therefore, the doctors very often contact the Research and Development Department of the respective pharma companies. This style is spreading very fast in many countries and India is not an exception to it.

vii. It is true that there is significant improvement in the road connectivity of the rural areas. The purchasing power of the rural masses has also considerably improved. They prefer the branded medicines. Therefore, ensuring the continuous supply of these medicines also gives rise to several difficulties.

viii. Particularly on the backdrop of the current Corona virus pandemic the relations between India and China are strained. Most of the raw materials required by the pharma companies used to import it from China. Now this has been more or less stopped. Finding out alternative source of supply or developing it indigenously takes time. The Government of India has been now perusing a policy of AtmaNirbhar Bharat (Self Reliant India). Efforts are on foot but the Pharma industry will have to face the difficulties regarding the procurement of raw material till the raw-material supply becomes regular.

ix. The Government of India should also ensure that they take a realistic and reasonable view on pricing of the products. It should not demotivate the pharma companies to innovate new products.

4. REMEDIAL MEASURES SUGGESTED

It is an admitted fact that both the Doctors and MRs have realized the genuine needs of each other. Both of them are over pressured as the MRs have to attend to the number of doctors within the shortest available time and the doctors also have very limited time to spare from their patients. Therefore, it is suggested that the MRs should make greater use of digital media and may send the audio-visual clips to the doctors so that he/she can see it as per his/her convenience. Such a practice may make more time available with the doctor for personal briefing alongwith the advantage of having an effective medium of communication .i.e. the audio visual briefing.

It is true that the product range is getting wider and wider. But there are minor changes and which can be studied by the MRs. The companies may brief their MRs using digital media the variations so that in turn they will be well equipped to explain it to the doctors.

It is true that the formulation of patient specific requirements will need interaction of the doctor and the R & D professionals. Therefore, at the R & D department special arrangement /mechanism will have to be put in place. Of course, this should be for specific serious diseases.

With the use of digital media, the supply chain management has also improved a lot. The pharma companies may avail of the services of the competent logistics so that they can sort out the problem in uninterrupted supply of medicines even in the rural areas.

In India the government is focusing its attention on the alternative therapies and traditional medicines through Aayush Ministry. Ayurvedic medicines and therapies like Unani, Homeopathy are becoming popular.

In order to have relatively cheaper medicines the Government is encouraging the generic medicines and now the shops selling the generic medicines are available in the urban and metropolitan areas.

5. CONCLUSION

For the survival of the mankind ensuing sound health is utmost essential. Particularly in today's highly polluted world maintaining sound health for achieving longevity of human life the pharmaceutical companies have a greater contribution. This is an age-old activity to keep the mankind in good health.

The Government of India is currently pursuing a policy of prevention of diseases by heavily investing in the development of the infrastructure to ensure proper healthcare facilities. e.g., establishment of connectivity, availability of the primary health centers in all clusters of villages, provision of electricity etc.

Today, we are living in a dynamic situation wherein every day brings new challenges in all walks of life. Marketing of pharma products has been also improving its own practices and keeping with the world's demand. The researcher is of the considered view that this pursuit of excellence will be further strengthened up and marketing of pharma products will achieve greater heights in times to come.

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