

CRM–A MARKETING STRATEGY (WITH SPECIAL REFERENCE TO PHARMACEUTICAL INDUSTRY)

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ABSTRACT

CRM is an innovated technique adopted by a firm as well as by a corporate sector to establish intercommunication with modern and hidden customers .By the implementation and adopting new economic policy progressive economic reforms increased ,Latest educational standard in the form of CRM is arisen .CRM is the latest model for establishing relationship with customers .Hence different companies are adopting various technique to become close to the customer .This paper is to explain in detail ,the CRM in pharmaceutical marketing .In pharmaceutical industries CRM plays a vital role to grab the data of drugs .In pursuance of promoting the CRM corporate sectors have built different branches to enhance the requirement of different doctors and consumers.

KEYWORDS: *Pharmaceutical, Marketing, Strategy, Liberalization, Privatization, Globalization, Relation.*

Introduction

The focal point of marketing in the present era of globalization brought about by revolution in information technology is full satisfaction of consumer's need. Identification of consumers need and aspiration Thus, having become a prior requisite for launching or sustaining the products of qualitative standard in the global and regional markets respectively. The selling concept of yesteryears has now yielded place to the marketing concept. Pushing a customer away from the marker with the product alone in his/her hand is selling whereas establishing a lasting and enduring relationship between customer and marketer is the essence of marketing strategy whereby properties of the product or service rather than the product or service itself as such expectations, ideas and dream behind the product or services are offered for sale. CRM is to be considered as a marketing strategy where the expected demand of consumers is assessed. CRM is defined as a management process of acquiring customers by understanding their requirements retaining customers by fulfilling their expected demands more than their existed demands and attracting new customers through customer specific strategic marketing approaches. The process invites total commitment on the part of the entire business enterprise in evolving and implementing relationship strategies that would be rewarding to all concerned.

Implementation of customer relationship marketing as a innovative marketing strategy passes through the four steps. The first step is to collect relevant data, information of target. Segment/ customers. The information gathered and passed throughout the business enterprise should be streamlined, and then a suitable CRM package/ programme should be identified, implemented and upgraded on timely basis. The second step is to examine the related firm's infrastructure which gives insights to the marketer in choosing the CRM programme and to optimizing the key elements like corporate identity, marketing strategy, communication strategy and finally organization of supply chain management. The third step is to integrate the data warehousing with benefit as a campaigning to create for CRM and execution of CRM again stress in consistent timely, integrated and usable customer data. The fourth step is to maintain a proper relationship between business partners, customers and competitors.

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CRM is the seamless co-ordinations between sales, customer service, marketing field support and other customer touching functions. It integrates people, process and technology to maximize relationship with all customers and marketers, distributional channel number internal customers and suppliers. CRM results in a number of benefits to an organization like increased sales revenues, increased margins, improved customers satisfaction rating and decreased administrative costs.

Objectives of the Study

This paper is designed to explain in detail the CRM in the sector of pharmaceutical industry which leads to a paradigm shift under marketing strategy. In the process, an attempt has been made to describe the peculiarities of the pharmaceutical marketing, the key main aspects related to pharmaceutical marketing paradigms before implementation of the policies of LPG, Pharmaceutical marketing paradigm after implementation of CRM as major marketing strategy at present. In brief, it can be summarized as follows:

- To point out the peculiarities of pharmaceutical marketing.
- To highlight the Factors for CRM in pharmaceutical industry with its suitability and advantages.
- To explain CRM-a paradigm shift in pharmaceutical marketing.
- To explain the communication strategy with CRM as common thread.

Methodology

The main source of study is based on secondary data which are gathered from the annual reports of different pharmaceutical companies. The analytical data is also used to some extent in the view of calculating the share as percentage of the pharmaceutical companies.

Need of CRM in Pharmaceutical Industry

The Indian pharmaceutical industry has developed itself as a major force to reckon with international pharmaceutical industry. From a mere Rs.10 crores turnover in the year 1947, the industry turnover has grown enormously to Rs.1.39 lakh crores by Nov., 2019. Indian companies like Ranbaxy, Lupin, Cipla, Candila & Dabur etc. have not only witnessed the emergence of tremendous debutants from global customers in the way of exporting the bulk drugs to developed countries like USA. CRM is adopted as marketing strategy to retain the existing relationship as well as developed new markets. CRM has emerged there as a key activity.

In the pharmaceutical sector, the technological changes, advanced economic reforms increased educational standards, explosion of middle class economy, etc. have been merged as a paradigm shift in the field of marketing. All corporate companies are adopting CRM to create delight to the global and regional customers. Companies are making efforts and use the relationship for the marketing of their products. Hence CRM is the new paradigm and almost all pharmaceutical firms are introducing CRM in the form of different tactics to become close to customers because of the peculiarities available in pharmaceutical marketing.

Peculiarities of Pharmaceutical Marketing

The expenditure of pharmaceutical companies on Research and Development has increased from 2 percent to nearly 20 percent in 2019 but following peculiarities are responsible to break the spread of its global marketing:

- The pharma products deal with health of the patients and they have several implications like dosages variations, possibilities of side effects, contra-indications etc. hence the pharma products cannot be promoted through electronic or print media. This makes the pharma marketing as an indirect marketing.
- In pharmaceutical marketing, customer is always different from end-user. Here doctor is the customer and the patient is the end-user. Hence the doctor plays a major role in the pharma marketing and he is actually the "influencer". The pharma companies approach him through their medical sales representatives who are actually the implementers of the marketing strategy.
- Doctors who are the customers of pharma companies are highly qualified professionals and very high image in the society. Hence the pharma sales representative is expected to be equipped with basic knowledge of medical sciences with decent behavior and quick communication skills.

- Pharmaceutical marketing is covered under various rules, regulations and acts. In order to introduce a new product, the permission of FDA (food & drugs authority) is required. To increase the price of the product, the permission of DPCO (drug price control order) is required. To promote the products to the order, lot of scientific data and extra ordinary case and patience are required to distribute the product.

Key Factors of CRM in Pharmacrutical Marketing

Considering all these peculiarities the pharmaceutical marketing revolves around the key factor of CRM which have actually become the key aspect of CRM in pharmaceutical marketing due to their unique contribution in establishing CRM.

Corporate Identity

In the pharmaceutical marketing, confidence of the customer on the company is the important for a Doctor to prescribe product, for retail medical person to stock the product and ultimately for patient to use the medicine. In general corporate identity is the indicator of the quality of medicines in the industry.

Marketing Strategy

Personal selling is the marketing strategy that suits most of the pharma industrial units because of the peculiarities. As a part of personal selling, the pharma companies maintain & list of selected doctors to be visited on a regular frequency by their field sales person most often called medical representative, developing and retaining their personal relationship considering all these peculiarities, the pharmaceutical marketing revolves around the key factor of CRM, which have actually become the key aspects of CRM in pharmaceutical marketing due to their unique contributing in establishing CRM with the customers in the crux of the marketing strategy.

Communication Strategy

During the personal visit, medical representatives describe about their products to doctor which is termed as detailing. Thus, in-clinic activity which works as a brand reminder is the key success element of the communication strategy of pharmaceutical industry.

Supply-Chain Management

Actually supply chain management is a major operational wing of pharma corporate world. In general the cities located in Maharashtra and Gujarat states have come up in recent past where different strategies to establish CRM in distributing it medicines effectively.

As the economic reform that was introduced in 1991 were accelerated in the end of twentieth century. The above all the aspects of pharma marketing also can be considered for CRM as per the period of introduction and influence of the economic reform in the post LPG period and the mounting share of pharma marketing a gradual shift was observed among all identified paradigms of pharma marketing. However, it is clear that CRM to specific product or service was influenced at large due to mergers, acquisitions and takeover in pharma marketing in a big way in 2005-06. Due to the formation of giant companies, the CRM in pharma marketing widely used to STP model with most of the corporate companies creating several divisions to suit the different segments of CRM.

Crm as a Paradigm Shift

The technological changes, advanced economic reforms increased educational standard, the explosion of middle class company, etc. have certainly brought paradigm shift in the entire field of marketing. All corporate companies are adopting a new mantra called CRM to create delight to the customer and use the relationship with the customer and efforts to develop good relationship with the customer and use the relationship for marketing of their products. CRM is the new paradigm and different companies are adopting different tactics to become close to the customer. Additionally all companies are providing training to their staff so that they are not only technologically much developed but also appreciate the need for CRM in the present day marketing.

The adoption of CRM has become such a major paradigm in the pharma industry that it started to show an impact on the other key aspects of pharma marketing like corporate identity and communication strategy. In order to maintain the uniformity, the corporate identity, marketing innovation and communication strategies are correlated with CRM. Many pharma industries before economic liberalization have got the status of multination companies viz; Glaxo, Pfizer, Hoechst with Indian firms like sarabhai alembic Ranbaxy in private sector and IDPL, HAL, KAPL etc. in public sector. The ORG-MARG has made list of first ten companies having their respective market share. This is present in following table:

Table 1: Market Share of First Ten Pharma Companies in 1985

Rank	Company	Market Share
1	Glaxo	5.1
2	Sarabhai	4.8
3	Pfizer	3.5
4	Hoechst	3.1
5	Alembic	3.0
6	Cadila Lab	2.7
7	B. Welcome	2.5
8	Boots	2.4
9	Ranbaxy	2.2
10	German Remedies	2.1

Among the above ten pharma companies, seven are MNC and three are Indian companies. Each of their companies had their own identify in the industry and their corporate identify is presented in Table 2.

Table 2: Corporate Identify

S.No.	Company	Corporate Identify
1	Glaxo	House of Calcium & B-Complex
2	Sarabhai	Great India Company
3	Pfizer	The American Company
4	Hoechst	Anti-diabetic company of the Country
5	Alembic	A Great Training House
6	Cadila Lab	Company with full range
7	B. Welcome	House of Septran & Calpol
8	Boots	Digene & Brufen Company
9	Ranbaxy	Company for all Anti-Biotic
10	German Remedies	Company with monopoly product

After liberalization many multinational companies as well as Indian companies have exhibited a lot of activities in the way of mergers acquisitions and take overs in view of establishing CRM in pharma marketing these can be mentioned here:-

- Glaxo acquired B-Well come and became Glaxo welcome in 1995.
- Biddleshwyr was taken over by Glaxo welcome in 1996.
- Hoechst merged with Marion-Mercell and Roussed to form HMR in 1996.
- HMR merged with Rhone-Poulenc to form Aventis in 1999.
- Sandoz merged with Ciba-Geigy to form Novartis in 1999.
- Pfizer takes over Park Paris in 2000.
- Glaxo Well-Come merged with smith Kline Beecham to form GSK in 2000.

To understand the impact of economic liberalization the ORG-MARG has surveyed in view of revealing its market share under the suitable strategies of corporate identity because of CRM- Which made a paradigm shift in pharmaceutical marketing this is presented in the following table:-

Table 3: Market Share (2000-01)

S.No.	Company	Market Share%
1	Glaxo Well come	6.5
2	Ranbaxy	5.4
3	Cipla	4.2
4	HMR	3.1
5	Wockkhardtmerind	2.3
6	Alembic	2.3
7	Torrent	2.3
8	Lupin	2.3
9	Pfizer	2.2
10	Knoll	2.2

Among the above 10 companies, 7 are of Indian origin and 3 are MNC, by 1999 itself from a ratio of 10 percent, MNC have come down to 50 percent at the end of 2006.

By the end of year 2008, market share of top 10 pharmaceutical companies were as follows, given in Table 4.

Table 4: Market Share in 2018

Rank	Company	Market Share(%)
1	Pfizer Inc	5.6
2	Novartis	5.44
3	F Hoffmann-La Roche Ltd.	4.69
4	Merck & Co.	4.44
5	Johnson & Johnson	4.27
6	Glaxosmithkline(GSK)	4.19
7	Sanofi	4.11
8	AbbvieInc	3.43
9	Bayer AG	2.84
10	Eli Lilly and co.	2.57

Suitability of CRM

- As the relationship between pharma medical sales representative and doctor has long been established is the key factor for the success of pharma products, professionals CRM helps to advance it further.
- CRM activities definitely help the companies to have a better in clinic time with busy doctors as they will be in a better position to address the compelling needs of the doctors.
- The prescribing behavior of the physicians can be positively changed in fewer visits with the help of customized messages given as a part of CRM.

Communication Strategy with CRM

In the way of mass distribution of literature, pharma companies have come to a stage of customized communication with doctors. The communication strategies of CIPLA revolved around Asthma management and HIV case. Following Table No. 5 has explained the application of CRM based communication strategy:

Table 5: Communication Strategy of CIPLA

S. No.	Therapeuti	Special Strategies
1	Asthma care	<ul style="list-style-type: none"> • Advertisements in newspaper. • Patient awareness pamphlets. • Management of free clinics for Asthma.
2	HIV care	<ul style="list-style-type: none"> • Information by television channel about HIV. • Giving full information about HIV. • Making pamphlets about HIV available with advice of physicians.

In addition to Cipla, Gsk has initiated the CRM based communication strategy. Sanofi (Avents), Novartis, Sunpharma etc. are also making customized communications to the doctors.

Conclusion

The globalization has increased competitions in the pharmaceutical sector. It is important for pharma companies to have competitive advantages so that they can meet the customers' expectations. The Consumer(Doctors) of pharma industry are basically well educated and professionals, so their meeting be well informed retention of existing customers is vital factor in pharma industry which can be achieved with process of CRM. All is more; CRM is more suitable to pharmaceutical industry due to the peculiarities of pharma marketing. It is a fact that the advent of CRM is a great mile stone in the Indian pharma industry. CRM suits the pharma industry as the relationship of the pharma sales representatives and doctor plays a key role in the industry. Only CRM helps the companies to create customers delight to stay ahead of the competitors.

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