Pharmaceutical marketing: objectives and types

I.B. Smolynets’, B.V. Gutyj, І.І. Khariv, O.Y. Petryshak, R.I. Lytvyn
smolinecz86@mail.ru

Lviv national university of veterinary medicine and biotechnologies named after S.Z. Gzhytskyj,
Pekarska Str., 50, Lviv, 79010, Ukraine

Pharmaceutical marketing objectives and types depending on demand state are overviewed in this article. Pharmaceutical enterprise has always a certain idea of the desired level of market demand. In practice demand is not always in accordance with level that has been predicted. One can strictly outline eight situations that characterise the state of demand. Every such situation is in accordance with certain marketing managerial task and its types. Conversional marketing is related to medicines’ negative demand and medical services availability, e.g. such kind of situation, when they cannot find their own buyer at substantial part of potential market. Stimulating marketing is related to demand absence, e.g. state, when potential market does not reveal (or almost does not reveal) interest towards concrete proposal. Marketing that develops is related to medicines demand, that is at the stage of formation (hidden demand). Potential (hidden) demand occurs when certain consumers part need real problem solving, that cannot remain satisfied with the medicines and medical services that are available at the market. Demarketing is related to surplus of demand, so medicines demand is higher than its supply (producing opportunities). Counteractive marketing is related to irrational (non rational) demand, with harmfulness in terms of health, consumer and society welfare. Market research provisions medicines demand study and projection, price analysis and rivals medicines, market capacity determination and enterprise’s share on it. Such kind of analysis assist to estimate market opportunities and determine attractive marketing activity direction, where enterprise can acquire competitive advantages

Key words: pharmaceutical marketing, objectives and types, medicines, consumers.
However marketing is oriented on consumers’ needs satisfaction, then marketing activity always begins with complex pharmaceutical market research (Gromovyk et al., 2004; Olenych et al., 2012). During the market research consumers’ behaviour is being studied, their needs, consumer advantages, motives, that urge them to make decisions regarding medicines purchase. Consumers behaviour deep understanding affords to satisfy their needs better than rivals do.

The aim of this scientific work was to overview pharmaceutical marketing objectives and types depending on demand condition.

Introduction

Pharmaceutical enterprise always has some imagination about desirable demand level at the market. On practice not always demand that is foreseen, related to such level. One can strictly define eight situations, which characterise demand state. Every such kind of situation is in accordance with certain marketing management task and corresponding marketing management types (tabl. 1).

Table 1: Types and objects of pharmaceutical marketing management

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversional</td>
<td>fronts the market with products linked with desirable level, to attract attention of targeted consumers.</td>
</tr>
<tr>
<td>Demarketing</td>
<td>the market situation where the level of demand doesn’t match the targeted level.</td>
</tr>
<tr>
<td>Proactivity</td>
<td>the situation where the level of demand is higher than the targeted one.</td>
</tr>
<tr>
<td>Demactivity</td>
<td>the situation where the level of demand is lower than the targeted one.</td>
</tr>
<tr>
<td>Conversional Market</td>
<td>the situation where the level of demand is within the targeted interval.</td>
</tr>
<tr>
<td>Demarketing Market</td>
<td>the situation where the level of demand is lower than the targeted one.</td>
</tr>
<tr>
<td>Proactivity Market</td>
<td>the situation where the level of demand is higher than the targeted one.</td>
</tr>
<tr>
<td>Demactivity Market</td>
<td>the situation where the level of demand is lower than the targeted one.</td>
</tr>
</tbody>
</table>

As the situation is understood, the task of marketing management occurs. The task aims at satisfying consumers’ expectations and needs, to manufacture and sell goods and services of high quality, to increase the income and profit of enterprises and to ensure the long-term development of society (Olenych, 2012). To solve these tasks, modern enterprises are using various marketing management techniques. The main functions of marketing management are: planning, organizing, controlling, coordinating and motivating. These functions are oriented on the development of the enterprise and the market, on the solving of the task of sales and on the increase of the market share. Pharmaceutical enterprise always has some imagination about desirable demand level at the market. On practice not always demand that is foreseen, related to such level. One can strictly define eight situations, which characterise demand state. Every such kind of situation is in accordance with certain marketing management task and corresponding marketing management types (tabl. 1).

Conversional marketing is related to availability of negative demand on medicines and medical services, e.g. vaccination, when it cannot find their own buyer at the market. For this situation, the task of marketing management is to find an appropriate customer group, to improve the quality of the product, and to modify the product specifications to make them more attractive for the customer group. In this situation, the marketing management task is to determine the target audience and to promote the product to this audience. The task of marketing management is to increase the demand for the product by promoting it to the target audience. The task of marketing management is to increase the demand for the product by promoting it to the target audience.
A cause of mentioned situation is research elements neglecting of the previous sale of consumer information.

Pharmaceutical marketing task is to create demand as a result of analysis of the causes of negative demand, the development of tactics and strategy of influence upon demand or supply, which can project assortment improvement of the structure or medicines quality, price reduction, searching for new forms of medicines advancement at a market (Olenych et al., 2013).

Stimulating marketing is related to demand absence, condition when potential market does not reveal (or almost does not reveal) interest towards concrete proposal. The reasons of absent demand can be advertising neglecting, medicines competitive research.

Marketing task – is to awake consumers activeness based on finding ways of connection specific medicinal qualities with natural needs and interests of the human being (Gromovyk et al., 2004; Olenych et al., 2011).

Marketing, that develops, is related to medicines demand that is at the stage of formation (hidden demand). Potential (hidden) demand occurs when certain consumers part need real problem solving, that cannot remain satisfied with the medicines and medical services that are available at the market. For example: nowadays health care system has unsatisfied need in medicines, which might be efficient in oncol ogic diseases, strokes and AIDS treatment. Marketing task – is to estimate the volume of potential market and create efficient medicines and medical services, that really can satisfy the demand (Gromovyk et al., 2004; Kanjuka et al., 2012; Olenych et al., 2012).

Remarketing is related to medicines or medical services decrease demand situation for a particular period of time, as a result of moral degradation, not consideration sale stimulation tools, advertising updates, and competition factors (Gromovyk et al., 2004). Pharmaceutical marketing objective – not only to extent medicine life cycle that is situated in a phase of demand lower, as creation new life cycle of the medicine. It might be achieved by advertising the unknown or little known consumer features and benefits of this medicine. For example, it was revealed that regular usage of aspirin reduces risk of the stroke by 15 percent. Besides, for aspirin’s life cycle creation its effervescent medicinal forms were produced, also medicinal forms with vitamins additives.

Sync marketing (irregular marketing) related to uneven demand, its fluctuations:

a) seasonally (medicines against a cold, stomach–intestinal diseases);

b) daily (pharmacies is more often attended on a week days, less – at the weekend);

c) hourly (pharmacies are most often attended in a period of time from eight to eleven in the morning and from five to seven in the evening accordingly to research data).

As of many medicines cannot smooth demand fluctuations, the pharmaceutical marketing task is to study these fluctuations and adjustment for them (Gromovyk et al., 2004; Vasnecova, 2005; Grymak et al., 2013).

Supportive marketing is related to satisfied demand availability. Marketing objective – is to maintain demand, as a result of constant attention towards factors that can change the demand: change of the need (for instance, decrease or increase level of morbidity); appearance on the market of similar drugs and medical services of other companies at lower prices.

It is necessary to solve a series of tactical tasks, which are related to price policy, maintaining desirable quantity of sales, activity coordination, and performance of cost control.

Demarketing is related to surplus of demand, so medicines demand is higher than its supply (producing opportunities). Pharmaceutical marketing objective – is to reduce excessive demand by price raise, termination of sales stimulation, advertising of analogues or substitutes, etc.

Counteractive marketing is related to irrational (non rational) demand, with harmfulness in terms of health, consumer and society welfare. For example: alcohols demand, tobacco, drugs and psychotropic means, etc. (Gromovyk et al., 2004; Bab’yak et al., 2012).

The main reason of this phenomenon is lack of consumer behaviour with regards to social and ethical moral. Marketing objective – is to eliminate or redirect demand or significantly restrict access to products or change the terms of its sale. For example, there is an irrational demand in a health care system on drugs and psychotropic medicines that regulates through standardisation needs per one thousand people of population and dispensing of medicines from state and municipal pharmacies by prescription special forms.

Medicines as a goods are very special because of social meaning, as the benefits of their usage are shown in reduction of disease duration, loss of work time due to disability, payments on this occasion, also utilization additional fund of working time. At the end medicines are an important indicator of human life guarding. On the other hand, some medicines are poisonous and potent means. Failure to comply with the rules of its application may cause health worsening and even death. Moreover,
most medicines are biologically active synthetic compounds; its analogues are scarcely found in nature that makes its safe natural utilisation process hard enough.

Price is not primary factor that influence purchase, because sales feature depends on disease, its nosology, course and severity, specific medicines properties. Thus group of vital medicines, in particular, where they are bought by the state (insurance companies) or its purchase cost is compensated by the state (insurance companies), price in most cases is inelastic or slightly elastic (Gromovyk et al., 2004; Kanjuka et al., 2012).

Distribution is based on communications methods, as medicines – are products of the forced demand. Utilisation of its majority cannot be based on relatives and acquainted advices, and also on personal experience or own likes. Besides, legislation only allows advertising non prescribed medicines. Motivation role in medicines consumption mainly play medical and pharmaceutical experts, therefore advertising and most drugs are designed for them, personal sales are directed at them, and to a great extent, methods of sales promotion.

Conclusions

Market research provisions study and projection of medicines demand, price analysis and rivals’ medicines, market capacity determination and enterprise’s share in it. Such type of analysis assists to estimate market opportunities and determine marketing activity attractive direction, where enterprise can acquire competitive advantages.

References


CYNAMICA

Scientific Messenger LNUVMBT named after S.Z. Gzhytskyj, 2016, vol. 18, no 2 (69)