

STAKEHOLDERS IN PHARMACEUTICAL BUSINESS

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ABSTRACT:

Pharmaceutical industry is struggling for developing and maintaining the relation with the customers for that, sales representatives are trying to develop relation with all the stakeholders viz. Doctor, Stockiest and Retailers i.e. Chemist. The ultimate consumer of pharmaceutical product is patient. Because actual business is comes from patients but most of the time medical practitioners, retailers are prescriber and decision makers and responsible for business. Present research paper deals with finding out the actual stakeholders in the pharmaceutical business. This paper will help to know the actual customer and consumers of pharmaceutical product which beneficial to marketers i.e. pharmaceutical representative and retailers for developing marketing strategy.

KEYWORDS: Medical Practitioners, Medical Representative, Patients, Pharmaceutical Business, Retailers, Stakeholders.

INTRODUCTION:

In current market situation many pharmaceutical organizations are using electronic media to develop and maintain the relationship with targeted customers. Sales representatives are developing the relationship not only with doctors but also with retailers and stockiest. In marketing, customer relationship management highlights the final customer of the product and in pharmaceutical marketing patient may be the final customer. But sales representatives are developing the more relation with Doctors, stockiest and retailers. Since, Doctors prescribes the medicines of particular company, Stockiest and Retailers play important role in distribution channels at the same time retailers can increase sale by communicating with nearest doctors about scheme or by substitute the prescription. Then, where is the final customer i.e. Patient? Sales representative never have a talk with patient but patients are purchasing the product and consuming the same. For maintaining relations with customers companies are investing a crore of rupees by offering valuable gifts, articles as well as tours. So, there is need to study the actual stakeholders and customer in pharmaceutical business.

REVIEW OF LITERATURE:

In marketing, the concept of Customer Relationship Management (CRM) highlights the final customer of the product and as far as consider the pharmaceutical marketing patient may be the final customer. But it is seen that sales representatives of this industry are developing the relation with doctors, stockiest and retailers rather than patient. Doctors prescribes the medicines of particular company while stockiest and retailers play important role in distribution channels and can increase the sale by communicating with nearest doctors about scheme or by suggesting substitute for some prescriptions. In this way sales representative never have any words with their final customer i.e. patient but still patients are purchasing the product and consuming the same. So it is essential to find out actual stakeholders in pharmaceutical industry.

Customer of a pharmaceutical company can be divided into prescribers and non prescribers. The first group is mostly made up of general practitioners and specialists. The non prescriber group is made up of all parties who do not write prescriptions themselves, but have a direct or indirect impact on the prescribing process. Pharmacists may substitute the prescribed drug for the corresponding generic under certain conditions. Patients, the largest non prescribing group of all, who are gaining a similarly growing role in the prescription decision by consulting online medical education and suggesting a brand name to the physician. This group is however outside the scope of the proposed valuation approach as it will continue to require fundamentally different targeting and promotional approaches (Meike et.al.,2002). The pharmaceutical market is strongly separated from traditional to fast moving consumer goods markets as buyer, consumer and decision maker are separated. In the case of a prescriptive drug the patient in fact is the consumer. Health insurance funds as reimburses constitute the payer side. Physicians who are prescribing the drug have the role of the decision maker. Therefore, the pharmaceutical industry comprises a complex network of customers. The customer network consists of physicians, care institutions and patients as customers in the proper sense. Further, stakeholder groups are pharmacists, health insurance funds, health-care policy and pharmaceutical wholesalers. Owing to their influence on prescription decisions, they should be considered as customers in a wider sense (Christoph Burmann, 2011). Thus there are three main customer groups in pharmaceutical industry which include patients, physicians and payers (Burmann, Christoph et.al., 2011). So present sales efforts in many pharmaceutical companies are oriented towards three customer segments first is physicians, second hospitals, wholesalers and pharmacies, and third one is end customers, i.e. patients (Rainer Alt,2003) (Wadman, R. 2004).

The doctor-patient relationship is central to the healing art of medicine (Tanya et.al.,2010). Physicians are pharmaceutical company stakeholders, sometimes as investors, but most often as buyers/consumers, in that they use pharmaceutical products for the betterment of their patients. Traditionally, pharmaceutical companies directed their marketing muscle at doctors who have the authority to write prescriptions, by using their sales representatives who are also known as detailers or drug representative (Lundstrom, R. F. 2004), since doctors are the only ones who willing (perhaps they are assigned to do so) to speak with the representatives (Richard, 2002). Physician is the primary target of most pharmaceutical companies relationship marketing efforts since physician plays the primary decision-making role and serving as an intermediary between the pharmaceutical firm and patient (Melissa Clark, D. V.2011). (Wright, W. J.,2005) also highlights the importance of Physician Relationship Management (PRM).

According to (Buttle, J. B.,2001) the CRM in the pharmaceutical industry by considering the role of Patient Advocacy Group (PAG). They opines that establishing relations with third-party allies has always been an important part of pharmaceutical company efforts, particularly in building support for products among healthcare professional groups.

CONCLUSION:

On the basis of above review researcher found that, doctors, medical representative, retailers, wholesalers, hospital staff and patients are the stakeholder in pharmaceutical business. Actually in the concept of customer relationship management relations are developed with final customer but in pharmaceutical industry though patient is final customer and/or consumer and any health insurance company or care institution is payer, the industry is engaged in developing the relation with physician as they are playing role of decision maker and prescriber.

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