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Impact of Catchment, Direct to Consumer Advertisement on Consumer Buying Intention: Retailer and Consumer Aligned Perspective from Indian Pharmaceuticals Industry

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ABSTRACT

Due to increasing focus on health-care in India, Pharmacy industry has been provided an impetus for a faster growth trajectory. Crucial to success for any industry is understanding the psyche of the consumers.. Pharma is no exception. While there are many empirical studies on different aspects of Pharma industry. Most of them emanate from outside India. Main objective is to garner insights into as to what are the factors that influence consumer buying intention and how the same is connected to Retailer perspective. Study seeks to establish relationship between catchment demographics and Retailers, understand the impact of direct to consumer advertisement on consumers and the factors influencing their choice of prescription and non-prescription medications in order to facilitate brands and retailers to align their strategies to gain market leadership.

Research was of an exploratory nature and a total of 4 retail chain stores and 15 stand-alone pharmacy managers representing the population were considered as respondents for channel dynamics. A total of 50respondents of pharmaceutical products across various demographic were considered for consumer survey.

Data was collected through questionnaire and in-depth interviews using convenience sampling and the data so gathered was analysed using tools like SPSS/excel. Study revealed that demographic variables such as age and income level of customers also had impact on catchment and retailers. Contrast between the purchase behaviour of prescription and non-prescription.medication was observed in terms of impact of direct to consumer advertising.

This study is of high significance in the modern market scenario in light of increasing spend on health care and focus on affordable health care facilities driven by Government policies and regulations in India.

Keywords: Pharmaceutical Industry, Retail, consumer advertising, Prescription Medication, Value chain, Non Prescription medication.

INTRODUCTION:

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value, and it accounts for 20 percent in the volume terms and 1.4 percent in value terms of the Global Pharmaceutical Industry as per a report by Equity Master.

India is an emerging economy with exponential growth rate and has recently replaced france as the sixth largest economy in the world. With such a growth opportunity, the domestic market is set to see a new growth. Major growth drivers are Indian demographics with strong economic growth, growing Indian middle class with a rise in disposable income, technical capability, an increased rate of disposable income being spent on healthcare and increased penetration of health insurance and supportive government initiatives.

LITERATURE REVIEW:

Studies Related to Factors Influencing Consumer's Pharmaceutical Purchase Decisions:

Pujari, Sachan, Kumari & Dubey (2016) suggests multiple factors that influence purchase decision when it comes to medications. As expected, the physician's advice was cited as the most important factor influencing the purchase decision followed by the pharmacist's recommendation. Friends/family and internet were also found to influence their decision-making process.

Category wise variations were found where respondents relied more on the pharmacist's recommendations in case of flu/cold category of medicines over the physician's advice. This is mainly because common ailments were seen as a common occurrence and the respondents avoided the visit to the doctor.

Hassali et al., (2013) conducted a study to examine and explore the predictors of nonprescription medicines use among Malaysian citizens who utilized the community pharmacies.

Study points out towards the prominent role of direct to consumers advertisement. Along with this, socio-demographic factors such as locality (urban or rural), gender, age, ethnicity, occupation and household income were shown to be predictors of variations in OTC purchase. This is unconventional and some of the variability is unique only to the pharmaceutical industry and not any other because of the buyer characteristics.

Villako, Volmer & Raal (2012) studied the factors influencing the purchase of and counseling about prescription and OTC medicines at pharmacies.

Results indicate that pharmacist's recommendations on non prescription medication and the physician's recommendations for prescription medicines were the most commonly seen trends. Counseling in pharmacies for both, prescription and non prescription medicines, were expected. This demonstrates the pivotal role played by the pharmacist in the decision-making process.

Price sensitivity was seen in quarter of the respondent and drug advertisements were considered with less prominent for purchase decisions about medicines.

Positive attitude towards the customer, fast service, counseling, and guidance in the selection of suitable medicine were the most commonly described criteria which were the source of customer satisfaction.

Older respondents displayed price sensitivity and these respondents purchased more prescription medications and fewer supplements than their younger counterparts.

A study by Major & Vincze (2010) of the Hungarian market indicates that 44% of patients usually assume that they know the effects of the drugs and about one-third of those surveyed rely on the pharmacist's recommendations and accept their advice. The survey also indicates a higher percentage of employed respondents relying on pharmacists recommendations in comparison with the pensioners. The insight derived from this paper is a high reliability and trust in the pharmacist with regards to the information and aid in the pharmaceutical purchase decision.

STUDIES RELATED TO PHARMACEUTICAL RETAILER'S CATCHMENT ANALYSIS:

While determining the location of a retail store, one of the top priorities is to determine the patronage of the store. This is critical to ensure the breakeven and consequently the profitability of the store.

A catchment is the sphere of influence from where the retailer is most likely to draw business. These catchments can be classified into groups such as Primary, Secondary and Tertiary that attract customers with diminishing influence.

There are several factors which influence the profitability of a pharmaceutical retailer. These factors can include a number of hospitals, number and reputation of the physicians and most importantly the demographics of the catchment area.

Håkonsen, Sundell, Martinsson, & Hedenrud (2016) studied the consumer preferences for over-the-counter drug retailers in the Swedish market found geographic proximity to the pharmacy and opening hours were most relevant determinants of the choice of retailer followed by the product range further suggesting that location is one of the most important criteria for the decision.

Widaningrum (2015) takes a GIS-based approach to catchment analysis for a convenience store. This paper also hints towards external factors having an influence on the convenience store.

Public access points such as ATM, bus station, parking; Health Facilities such as proximity to clinics and hospitals; Education hubs such as Universities were found to have an impact on the decision of store location.

Extrapolating from this, it is reasonably assumed that factors such as proximity to public access points and healthcare facilities have a role to play in the determination of pharmaceutical retail location.

Demographics play a major role in determining the viability of a store. Several factors come into play when a catchment for a pharmaceutical retailer is to be considered.
In the case of pharmaceutical retailers, Ikram, Hu & Wang (2015) shed light on the most prominently affected demographics, Age. This is attributed to the tendency of health deterioration over the years. Diseases such as Diabetes, High blood pressure, coronary diseases are manifest with the progression of age. The paper concludes that seniors (especially of the age range 75—84 and 85+ age groups) experience less travel time to pharmaceutical retailers. The paper further suggests that the people of this age group not only tend to live nearby to drugstores but also selectively pick communities with more stores.

STUDIES RELATED TO THE DIRECT TO CONSUMER ADVERTISING:

DTCA has seen to exhibit two characteristic features that include informative DTCA that intends to inform consumers about the presence of a product. The second one being persuasive DTCA that intends to stimulate purchase by making the brand's products seem less substitutable.
DTCA has a major impact on the category of over the counter drugs where the intervention of a physician is not necessary. On the other hand. Prescription drugs that have the compulsory mediation of a physician whose prescription is necessary, it is imperative that the physician has enough knowledge of the brand through detailing order for the specific brand to be prescribed.
Huh, Delorme, & Reid, (2016) constructed a model of consumer response to Over-the-Counter Drug Advertising and their results suggest that the product involvement of a person exposed to an Over the counter drug advertisement in contrast to the indirect impact through the advertisement involvement by itself. The study also found ad attention the significant response of cognitive component over the affective component suggesting that the viewer prioritizes the informational value of the advertisement over the affective evaluations. The study also makes a calculated guess when stating that medications, prescription as well as OTC, probably fall into the high involvement/information quadrant of the FCB grid.
Lee, King & Reid (2015) presented a model of customers response to DTCA based on the HOE model. The model takes into consideration demographics, health-related variables, followed by exposure and attitudinal variables finally culminating into a behavioral outcome.
The attention towards the advertised medication was the most significant predictor of attitudinal outcomes, followed by product involvement.
With regards to the behavioral outcome, the study found that In terms of end-result behaviors, 15% of the sample respondents requested their physicians to prescribe an advertised prescription drug and 23.5% began using an advertised OTC medication providing an indication of DTCA/OTCA's impact on behavior.
Regarding the further search for information about the medication, the Internet, physicians, pharmacists, and friends or relatives were approached in that order and the sources for prescription medication exceeded than that of OTC medications.
Myers, Royne & Deitz (2011) examine the impact of prescription drug advertising has on customers' purchase choices by assessing how DTCA awareness affects the purchase of a brand of prescription erectile dysfunction drug Viagra. The study points out towards a distinguished correlation between awareness and acquisition of the prescription drug and the characteristic informative DTCA feature of inciting a visit to the doctor about the issue.
The finding indicates that the DTCA plays a valuable information source that helps consumer decision-making thus making DTCA beneficial both to the drug company as well as the end consumer.
A study by Bala & Bhardwaj (2010) demonstrates that when firms are similar in case of detailing productivities, they are more likely to use detailing and informative DTCA when there is a considerable untapped market. But in case of firms competing for an already mature market, i.e., when the untapped segment is meager and scanty, the organization is likely to adopt detailing in combination with persuasive DTCA.
In the former case, the level of detailing increases when firms adopt informative DTCA to reap benefits from the common effect created by the informative DTCA.
The latter case develops a contradictory stance, i.e., the level of detailing decreases when both companies adopt persuasive DTCA. This is because a larger part of the pharmaceutical marketing is directed towards the persuasive DTCA. This is most commonly seen in cases where the end consumer has considerable knowledge of the drug category.
In case of organizations spending on informative DTCA, stronger firm spend a larger sum on DTCA in order to reap the gains of market expansion through detailing more efficient than the competitors.

The absolute and percentage term spend on DTCA over the years has continued to increase while detailing and promotions to doctors continue to be the predominant marketing strategy as demonstrated by Donohue, Cevasco, & Rosenthal (2007).

The study also indicates the vast differences in the percentage of spend on direct to customer advertising to revenue in the category of medication. It also indicates towards the involvement of the viewer with the category and their engagement.

The contrast of detailing and DTCA on a category level is demonstrated by Donohue & Berndt (2004) where clear differentiation of the two modes are made. The study shows that detailing has a vaster outcome on medication choice in the antidepressant market than direct to customer advertising.

One standard deviation increment in aggregate antidepressant detailing spend for a medication enhances the probability that the drug is chosen by 10-15%, depending on the antidepressants' category. In contrast, a one standard deviation increase in cumulative DTCA spending for a drug only increases a drug's choice probability by roughly half a percent.

STATEMENT OF PROBLEM:

Given the rapid pace of growth in the spending of pharmaceuticals and other related industries, such as supplements, driven by increasing consumer spending, the rapid pace of urbanization, and rising health care insurance, it is imperative for all Pharma brands and channel members to garner insights into the psyche of the consumer so as to develop a robust Value chain

OBJECTIVES:

1.To analyze the influence of various demographic variables of a catchment area on pharmaceutical retailers.
2. To identify and analyze the factors influencing the customer's choice of prescription & non-prescription medicines.
3. To study the impact of Direct to customer advertising (DTCA) on pharmaceutical retailers.
4. To identify components related to consumer in the value chain framework for the Indian pharmaceutical industry.

HYPOTHESES:

Hypothesis 1:
H_0: The demographic variables of a catchment and the proximity to clinics and hospitals do not significantly influence the selection of pharmaceutical retail sale.
H_a: The demographic variables of a catchment and the proximity to clinics and hospitals significantly influence the selection of pharmaceutical retail sale.

Hypothesis 2:
H_0: The recommendations of a physician, recommendations of a pharmacist, price and brand of the product do not significantly influence the choice of pharmaceutical product.
H_a: The recommendations of a physician, recommendations of a pharmacist, price and brand of the product significantly influence the choice of pharmaceutical product.

Hypothesis 3:
H_0: Direct to consumer advertising do not significantly influence the pharmaceutical retail sale.
H_a: Direct to consumer advertising significantly influence the pharmaceutical retail sale.

RESEARCH METHODOLGY:

Research was exploratory in nature with both the independent and the dependent variables mentioned clearly and measured in a quantifiable manner.

Primary data was collected with the help of in-depth interview and questionnaire which would inculcate the basic points of the hypothesis. Data through questionnaire was collected by using statements made on a 5 – Point Likert Scale with 1 meaning "Totally Disagree" to 5 meaning "Totally Agree" or a 10 point likert scale for improved sensitivity.

Secondary data for the purpose of literature review as well as for the determination of the scale to be used for measurement was gathered from various research journals from websites such as Google Scholar, Researchgate, JStor and several pharmaceutical research journals.

Research tools:
For analysis of the data following aspects were dealt with
Interview: To identify uncovered factors/ independent variables
Correlation Analysis: Used to establish a relationship between dependent and one independent variable.
Pairwise t test: A paired t-test is used to compare two population means where you have two samples in which observations in one sample can be paired with observations in the other.
Frequency distribution and Cross tabulation
Sample Design :
For the data collection, respondents from Bangalore were chosen. A total of 4 retail chain stores and 15 stand-alone pharmacy managers representing the population was considered. A total 50 consumers of pharmaceutical products across various demographic characteristics was taken for analysis. Sampling technique employed convenience sampling..

LIMITATIONS OF STUDY:

The extent of impact of online pharmaceutical retail was not considered.

DATA ANALYSIS AND DISCUSSION:

Quantitative Analysis:
Impact of Demographic Variables of the Catchment on the Pharmaceutical Retail:
The impact of the catchment demographics on the store composition of the pharmaceutical retailer was studied. The study was done through the understanding of the store composition and the data was collected through the point of view of the retailers on the basis of the store composition.

Catchment Analysis:

Table 4.1: Catchment matrix

	Income of the customer	Age of the customer	Education level of the customer	HH size of the customer	Gender of the customer	Marital Status of the customer	Doctors in the area
Mean	7.04	6.35	4.52	3.78	3.39	5.70	6.96
Std. Deviation	2.962	3.157	3.616	3.680	2.808	4.039	2.931
Variance	8.771	9.964	13.079	13.542	7.885	16.312	8.589

The catchment analysis done from the perspective of the retailer shows that the most important factor in the demographic variables included income and age of the customer with mean values of 7.04 and 6.35.
The other demographic variables played a relatively smaller role in the determination of the store composition. The variables such as the education level of the consumer, Household size, marital status and the gender of the customers played a relatively smaller role in determining the composition of the retail outlet.

Key findings related to demographic on Pharma Retailers criteria:
Income:
73% of the retailer believes that income level of the customer is an important factor in the determination of the composition of the store. This is in part dependant on the location of the store where the stores located close to government hospitals or the stores that are located near institutes rely on a lower income level consumer base.
Age:
52% of the retailers believe that age is an important criterion in decision of the store composition with most of the outlets catering to an older segment.
This is especially true when it comes to Hospital pharmacies where the composition of the outlet is highly dependent on the senior customer segment and pharmacies located in certain areas were highly reliant on the younger customer segment in the determination of the store composition.
Education:
Education level of the customers was found to be of very less significance in the determination of the store composition as most of the retailers couldn't clearly segregate their customers based on their education qualification and statd that the customer base varies across several groups.

Gender:

Gender of the customers was also found to be an insignificant factor in the determination of the store composition where most of the products catered to both the men and women equally.

The small number of retailers who claimed gender to be an important factor considered it important due to the areas the outlets were located in because of the surrounding areas being mostly residential and a larger influx of female customers as patrons of the outlet.

Doctors in the Catchment:

Table 4.2: Doctors in the area

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not Important	2	8.7	8.7	8.7
	Somewhat important	3	13.0	13.0	21.7
	Somewhat important	1	4.3	4.3	26.1
	Fairly important	1	4.3	4.3	30.4
	Fairly important	2	8.7	8.7	39.1
	Very important	2	8.7	8.7	47.8
	Very important	4	17.4	17.4	65.2
	Extremely important	8	34.8	34.8	100.0
	Total	**23**	**100.0**	**100.0**	

60.1% of the retailers claimed an heavy influence of the doctors operating in the catchment to be an important factor in the consideration of determining the composition of the store.

Hospital pharmacies and retail outlets in the proximity of doctor's clinic were the most influenced by the doctor's prescription in determining the composition of the store.

The pharmaceutical industry is different from most of the other conventional industry as there is a decision maker in the consumer purchase process for majority of the products that needs to be purchased.

With the doctor being the decision maker in the buying process, he/she has a high degree of influence in what is being sold to the end consumer

Factors Influencing the Choice of Prescription and Non Prescription Medication:

Table 4.3: Paired Samples Statistics

		Mean	Std. Deviation	Std. Error Mean
Pair 1	Doctor's Recommendation Prescription	4.18	1.051	.157
	Doctor's Recommendation Non Prescription	1.58	.866	.129
Pair 2	Pharmacists Recommendation Prescription	1.78	1.204	.179
	Pharmacists Recommendation Non Prescription	3.20	1.646	.245
Pair 3	Friends and Family Prescription	1.84	1.107	.165
	Friends and family Non Prescription	3.40	1.483	.221
Pair 4	Internet search for information Prescription	3.04	1.692	.252
	Internet search for information Non Prescription	3.38	1.683	.251
Pair 5	Past experience Prescription	2.09	1.345	.201
	Past experience Non Prescription	4.49	.920	.137
Pair 6	Brand Prescription	1.60	1.195	.178
	Brand Non Prescription	3.31	1.663	.248
Pair 7	Price Prescription	1.51	.920	.137
	Price Non Prescription	3.04	1.758	.262

Paired sample t test was performed to clearly contrast between the two buying behaviour. Viz prescription and non-prescription and following is the result:

The doctor's recommendation in the purchase of prescription medication is high with a mean value of 4.18. This is suggestive of a lower tendency to self-medicate, though a clear mean of 5 is not present

The doctor's recommendation in the purchase of non-prescription medication is not very important with a mean of 1.58 suggesting that a small number of respondents still visiting doctors in the case of minor illnesses.
The pharmacist's recommendation for prescription was low indicating a lower amount of influence whereas the influence for non-prescription medication was a higher mean of 3.2
Friends and family play a less influential role when it comes to the purchase of prescription medication whereas the non-prescription segment scored a mean of 3.4 suggestive of their considerable influence on non-prescription medication.
Both the prescription and non-prescription medication had a higher mean of 3.04 and 3.38 suggesting that the respondents usually tend to search for information online for the medication.
Past experience in the purchase of prescription medication was relatively higher than expected with the mean value of 2.09 while the non-prescription segment stood at 4.5 which is expected. This is suggestive of the fact that when a respondent has been treated by a doctor for an illness previously, there is a slighter tendency to self-medicate in case of similar symptoms repeating.
Brand and price of the prescription medication were found to be of very low importance in the case of prescription medication as both of these parameters are not in the hand of the respondent and rather in the hands of the doctors.
The brand of the non-prescription medication stood halfway between being important and non-important with the slight tendency to have a negative correlation among the 2. This implies the respondents trust in the generic medication stood halfway with a slightly negative impact in the purchase decision.

IMPACT OF DTCA ON PHARMACEUTICAL RETAIL:

Table 4.4: Descriptive Statistics Advertisement impact matrix

	Minimum	Maximum	Mean	Std. Deviation
The advertisements were informative	1	9	4.42	2.509
Involvement with the advertisement	1	10	3.00	2.449
Pharmaceutical advertisement to Doctor's Recommendation	1	6	1.89	1.466
Pharmaceutical advertisement to Pharmacist's Recommendation	1	8	3.07	2.276
Pharmaceutical advertisement to purchase intention	1	10	5.64	2.737

The above table indicates the impact of Direct to customer advertising on the consumer.
The advertisement's informative value has a mean of 4.42 indicating that the advertisements were not of a highly informative nature.
The results also indicate that the intention to visit a physician after watching pharmaceutical advertisements was very low with a mean value of 1.89. The results also indicate that the intention to talk and ask for about the product from a pharmacist is also quite low with a mean value of 3.
The impact of DTCA is most when it comes to helping the customer to make the purchase decision themselves. The mean value of 5.64 indicates the tendency to make purchase decision is lower than expected.

Table 4.5: Descriptive Statistics other factors of advertisement impact

	Minimum	Maximum	Mean	Std. Deviation
Interesting advertising	1	10	4.52	2.464
Involving advertising	1	10	3.36	2.630
Non Sceptical about the advertising	1	10	6.25	2.712
The advertising are Non irritating	1	10	6.73	2.944

The above table indicates 4 parameters of the direct to consumer advertising were found to be of relatively low interesting. This being said, a small amount of skepticism and irritation about the advertisements was prevalent though it was lower than half of the respondent mean. Skepticism mean stood at 3.75 whereas the mean of irritation about the advertisement stood at 3.27.

FINDINGS:

Impact of the Demographic Variable of the Catchment on the Pharmaceutical Retail:

The composition of the store is a very strong indicator of the catchment and the needs of the catchment. Thus, the catchment is analyzed from the perspective of the retailer.

Results indicate that the most important demographic variables influencing the composition of the store included income and age of the customer.

Household size and the gender of the customers played a comparatively smaller role in planning the composition of the retail outlet.

A large number of retailer believes that income level of the customer is an important factor in the determination of the composition of the store. This is in part dependant on the location of the store where stores surrounding certain hospitals cater largely to a customer segment with lower incomes and certain rely on affluent patrons.

Above half of the retailers believe that age is an important criterion in the decision of the store composition with most of the outlets catering to senior citizens with their needs for the pharmaceutical products being higher than a younger segment.

This is especially true when it comes to Hospital pharmacies where the composition of the outlet is highly dependent on the senior customer segment and pharmacies located in certain areas were highly reliant on the younger customer segment in the determination of the store composition.

Gender of the customers was also found to be an insignificant factor in the determination of the store composition where most of the products catered to both the men and women equally.

The small number of retailers who claimed gender to be an important factor considered it important due to the areas the outlets were located in because of the surrounding areas being mostly residential with a larger patronage of female customers.

The influence of doctors surrounding the retail outlet was apparent with 60% of retailers claiming it to be an important factor in determining the composition of the store. This is especially true for Hospital pharmacies whose entire store composition relies on the doctors practicing in the hospital.

Retail outlets in the proximity of doctor's clinic were the most influenced by the doctor's prescription in determining the composition of the store.

Factors Influencing the Choice of Prescription and Non Prescription Medication:

The fifth hypothesis that aimed at understanding and analysing the factors influencing the customer's choice of prescription & non-prescription medicines was done using paired sample t-test as it clearly demarcated and distinguished the buying behaviours of prescription and non-prescription medication.

The results indicate that the doctor's recommendation in the purchase of prescription medication is high while also indicating the existence of self-medication in purchasing behavior that should ideally have been purely driven by the decision maker, i.e., the doctor. The doctor's recommendation in the purchase of non-prescription medication is not very important suggesting that a small number of respondents still visiting doctors in the case of minor illnesses and would rather rely on the pharmacist, or past experience for the same. The pharmacist's recommendation for prescription was low indicating a lower amount of influence whereas the influence of non-prescription medication was a higher indicating that for nonprescription medication, reliance on the pharmacist is prevalent. Friends and family play a less influential role when it comes to the purchase of prescription medication whereas the non-prescription segment scored a higher mean suggestive of their considerable influence on non-prescription medication purchase recommendations.

Both the prescription and non-prescription medication had a higher mean of 3.04 and 3.38 suggesting that the respondents usually tend to search for information online for the medication.

Past experience in the purchase of prescription medication was relatively higher than expected with the mean value of 2.09 while the non-prescription segment stood at 4.5 which is expected. This is suggestive of the fact that when a respondent has been treated by a doctor for an illness previously, there is a slighter tendency to self-medicate in case of similar symptoms repeating.

Brand and price of the prescription medication were found to be of very low importance in the case of prescription medication as both of these parameters are not in the hand of the respondent and rather in the hands of the doctors who in turn is influenced by several factors that can include detailing and peer groups.

The brand of the non-prescription medication stood halfway between being important and non-important with the slight tendency to have a negative correlation among the 2. This implies the respondent's trust in the generic medication stood halfway with a slightly negative impact on the purchase decision.

The correlation between the respondents who tend search for information on medication was very high with a

value of .82 at a 90% significance level.
There is also a correlation between relying on friends and family with indications that the respondents who rely on friends and family for information on non-prescription medication also tend to rely on friends and family when it comes to prescription medication too.

Impact of DTCA on Pharmaceutical Retail:
The impact of Direct to customer advertising on the consumer and subsequently the retail is studied.
The advertisement's informative value was found to be with a low mean indicating that the consumers perceive the pharmaceutical advertisements to not be of a highly informative nature.
The results also indicate that the intention to visit a physician after watching pharmaceutical advertisements was very low with a mean value of 1.89. The results also indicate that the intention to talk and ask for about the product from a pharmacist is low with a mean value of 3 though with a higher mean value than the physician visit intention.
The impact of DTCA is high when it comes to helping the customer to make the purchase decision themselves. With a halfway mean value to the maximum, the results indicate the tendency to make a purchase decision is low.

Components Related to Consumers Forvalue Chain Framework of the Indian Pharmaceutical Industry:
Clear interrelations are seen among the individual components of the value chain with distinguishing features of all the components involved.
The end consumer also influences the retail store composition and the store location is a major consideration factor in determining the store composition. Factors such as income and age were the most important factors that influence the store composition.
Retail is also highly influenced by the doctors operating in the catchment or the hospital in the vicinity. The hospital pharmacy in particular solely depends on the doctors consulting in the hospital.
The 'pull' for non-prescription medication is also influenced by the manufacturing/marketing company's Direct to consumer advertising, though its impact was limited to recall and enabling the end consumer to make a purchase decision themselves rather than a doctor visit intention.

CONTRIBUTION TO THE BODY OF KNOWLEDGE:

The study is confined to retailers, and consumers of Bengaluru but several insights on the the factors impacting the choice of prescription and non-prescription medication along with the impact of direct to consumer advertising on pharmaceutical retail were established.
This research can be a stepping stone for more in-depth research which will help us better understand the dynamics of the pharmaceutical industry.

MANAGERIAL IMPLICATIONS:

The managers can relook their strategy and focus on improving their direct to consumer advertisement strategy to improve physician visit intention.

CONCLUSION:

The study thus proves an interrelation among the various components of the value chain pertaining to retailers and consumers. The pharmaceutical companies can consider the findings to make suitable changes in the components including the purchase behavior of the end consumer as well as the impact of DTCA to make modifications to their supply chain and communication strategy. With the industry dynamics in a constant flux, the pharmaceutical components must be closely monitored to constantly modify the offering in order to sustain and thrive in the marketplace.

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