

## Impact of Marketing Strategies in Shaping Consumer Preferences for Generic Medicines

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### ABSTRACT

**Purpose :** This study aims to evaluate the role of marketing strategies in shaping consumer preferences for generic medicines. Generic medications have several benefits over branded medicines since they are less costly while still fulfilling safety and efficacy standards. Given that they make critical therapies more accessible to a greater population, they help to reduce healthcare costs. This study was motivated by the growing need to understand how consumers' preference of generic medicines is impacted by marketing strategies, especially given the fierce rivalry in the pharmaceutical sector. The purpose of this study is to evaluate the impact of marketing strategies on consumer preference of generic medicines. The outcome of this study indicated that Increases awareness, Increases trust, Improved accessibility, Improved availability, Incentives and Discounts, Builds customer engagement, Product packaging, Elimination of Misconception that generic medicines are ineffective, shift in consumer perception, helps in Highlighting the long Term Financial savings, quality service and customer service.

**Methodology** The research employs a one sample t-test to evaluate the relationship between marketing strategies leading to consumer preferences of generic medicines. One sample t-test technique was used for the purpose of analysing the collected data. The study utilized a non-probability purposive sampling method.

**Findings:** This research reveals that there is a significant impact of marketing strategies on consumer preference of generic medicines

**Practical Implications:** The outcome of this research can give pharmaceutical companies, who are selling generic medicines as well as wholesales & retailers a roadmap to form effective marketing strategies for generic medicines which will increase the usage of it.

**Originality:** The research is unique in showing impact of marketing strategies in shaping a key role on consumer preference for generic medicines

**Keywords** *Generic Medicines, AIDA model, Pharmaceutical Industry, Marketing Strategies, Consumer preference, One Sample t-test*

### INTRODUCTION:

Among the fastest-growing industries is pharmaceuticals, which makes sense given its importance to healthcare. Pharmaceutical products can be divided into two categories: those that need a prescription and those that are over-the-counter or that the patient can buy for himself without prescription. Since patients can buy these medications straight from pharmacies, they are known as over-the-counter products. Over-the-counter drugs are great for treating acute or transient symptoms including pain, fever, some skin ailments, etc. The lack of quality case studies on digitisation in the pharmaceutical business limits the creative and innovative organisations that exist. Pradeep et al. (2024). Because healthcare is the most trusted sector and is more dependent on proof, the pharmaceutical industry struggles with internet marketing. Healthcare practitioners actively participate in educating patients about the illness. Prominent thought leaders can offer suggestions and virtual consultations to

patients via various e-portals. Pharmaceutical businesses sponsor patients by offering a means of educating them about various diseases and how to prevent them under various circumstances. This promotes a favourable perception of the business among the public and helps it develop its brand image. By 2030, it's anticipated that the amount spent on advertisements on various social media platforms—including Twitter, YouTube, prescription Bing, healthplix, and others—will reach \$10 billion. This promotional budget is thirteen points more than what businesses are now spending. Pradeep et al. (2024). The pharmaceutical industry invests extensively in the creation of new medications and treatments, making it one of the industries with the highest research intensity. Businesses operate in a landscape characterised by intense competition, strict regulations, and quick technical improvements. These factors make creative and flexible marketing techniques necessary to guarantee product success and business expansion. (Pawan & Sarita, 2024).

**Generic Medicine:**

A generic drug is a medication that has the same dosage, safety, strength, mode of administration, quality, and performance as an authorised brand-name medication (Generic Drug Facts, 2018). Indian generic pharmaceutical businesses offer a wide range of technological skills and a diversified market reach. The pharmaceutical market's generic sector is expected to see a spike in sales when patents expire. The scientific expertise of these Indian companies in producing and distributing generic medications is anticipated to establish them as major players in the worldwide generics market. India's robust talent pool attracts global investors, hence boosting its competitiveness. This optimistic view is further enhanced by an atmosphere that is conducive to basic research and drug discovery. However, the capacity to successfully compete in mature markets is a prerequisite for long-term growth. For generic manufacturers to be successful over the long term, they must address issues like improving regulatory frameworks for precise medication classification and controlling excessive R&D expenses (Swain et al., 2014).

### Marketing Strategies of Generic Medicines

Generic drug availability, cost, and general market dynamics are all greatly impacted by their marketing tactics. In addition to increasing brand awareness, successful marketing influences customer preferences and healthcare accessibility.

**Pricing Strategy:** Competitive pricing and government-regulated pricing assist broaden market reach. Generic medications are priced lower than branded medications may appeal to consumers who are cost-conscious.

**Product Discounts:** Huge discounted prices of generic medicines may influence decision making of consumer while buying it since helps in big savings.

**Product Packaging:** Most of the time, Generic medicines manufacturers prefer similar packaging to the branded one. It also helps to reduce confusion in consumer's mind.

**Promotional Strategy – Print media:** Visibility through usage of pamphlets, informative posters/boards is very economical and may help to increase awareness of generic medicines and also to get more knowledge about generic medicines.

**Customer engagement:** Patient counselling & patient education helps to increase the trust towards generic medicines.

**Customer Service:** Services like, free home delivery, placing an order through app, loyalty cards etc. gives comfort to the consumers

**Product availability & accessibility thru wider Distribution Channels:** India has several generic drugs, and they are widely distributed through government health programs including Civil hospitals, Jan Aushadhi shops, hospital supply chains, retail pharmacies, and online pharmacies. Even in remote locations, availability is guaranteed via effective logistics and alliances with wholesalers. Precise locations of generic pharmacies where consumer can have easy access increases the usage of it.

**Digital Marketing:** Pharmaceutical businesses now find that digital marketing is an essential tool for connecting with customers and enhancing their brand image. Businesses can improve their competitive edge in the market and adjust to shifting consumer behaviours with the aid of this strategy. Generic medications are promoted through social media campaigns, online platforms, and medical websites. Digital consultations and telemedicine services also increase consumer awareness and trust. (Jha & Trilok-Kumar, 2024).

### REVIEW OF LITERATURE:

**B., Rajeswari. (2024).** The purpose of the study was to look into how supply chain dynamics affect the accessibility and cost of generic substitutes for name-brand medications, particularly those used to treat hypertension and diabetes. The study revealed that legislative frameworks, distribution networks, pricing systems, and market competition have a substantial impact on the availability and affordability of generic pharmaceuticals. It outlined the main obstacles and enablers in the supply chain that have an impact on these medications' accessibility and cost. The results indicated that by better understanding these processes, policymakers, business leaders, and medical professionals could improve patient access to necessary drugs for high blood pressure and diabetes.

**Pawan, Kumar., Sarita, Agarwal. (2024).** The study's objectives were to give a general overview of the pharmaceutical sector and to pinpoint the crucial marketing techniques needed to boost sales of new products and expand businesses. The study made clear how heavily research-intensive the pharmaceutical sector is and how creative marketing approaches are needed to keep up with the ever-changing technical landscape, strict legal requirements, and fierce rivalry. Important tactics noted are the growing use of digital marketing and product differentiation, which highlights special qualities like safety and efficacy to satisfy patient requirements. The move to digital platforms allows for more focused communication with patients and healthcare providers, increasing engagement and providing instantaneous feedback on marketing initiatives.

**Pradeep, et al. (2024).** The objective of the study was to investigate how digital marketing may improve the brand image and customer engagement of pharmaceutical industry organisations. The study discovered that in the cutthroat pharmaceutical industry, internet marketing is essential for enhancing company perception, offering updates on services, and constructing organisational image. It made clear that, in line with FMCG norms, pharmaceutical companies are rapidly implementing digital marketing techniques to improve customer understanding and engagement. These businesses can increase their competitiveness in the market by reaching a wider audience and adjusting to changing customer behaviours by utilising digital channels.

**Jun, Lyu., Shanshan, Wang. (2023).** In the Chinese pharmaceutical industry, the study sought to investigate the relationship between marketing techniques and business performance, with a special focus on traditional Chinese medicine and the problem of product uniformity.

The findings of the study suggest that although Chinese pharmaceutical enterprises, including China Resources (CR) Sanjiu Pharmaceutical Co., Ltd., spend considerable marketing budgets, there has been no consistent improvement in operational performance as a result of this investment. The results indicated that in order to improve alignment between marketing expenditures and strategies and business outcomes, an analysis of their efficacy was necessary.

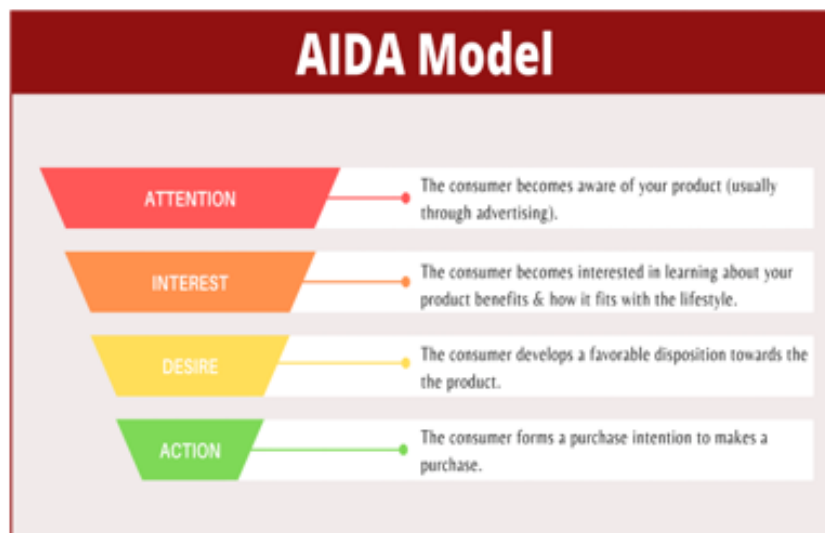
**Khazzaka, M. (2019).** The purpose of the study was to investigate how pharmaceutical marketing methods affected doctors' prescribing practices in the Lebanese market while taking ethical views on accepting gifts into account and examining demographic factors. The study discovered a relationship between doctors' prescribing practices and pharmaceutical marketing tactics, with medicine samples and visits by medical representatives ranking as the most effective forms of advertising. On the

other hand, pharmaceutical companies' sales calls had the least impact. The survey also showed that although many Lebanese doctors continue to treat patients with free samples, many see accepting gifts as unethical.

**Neha, Bairoliya., et al. (2017).** The goal of the study was to construct a structural model of pharmaceutical demand in order to comprehend how biases and consumer learning influence the preference for generic medications over branded ones. The study discovered that because naive models did not take consumer variability and learning into account, demand elasticities were greatly underestimated. It was out that initial perceptual bias against generics had a greater impact than advertising or product line extensions, and that consumer prejudice against generics was mostly impacted by experience. Branded market shares were only slightly enhanced by these strategies.

#### Theoretical Framework:

Diagram 1 - Theory of AIDA Model - Consumer Decision Making:



Source - Strong 1925

The AIDA model was based on an assumption that consumers progress through a series of stages from cognitive and affective to behavioral. The four stages (attention, interest, desire, and action) assist the marketer in understanding how target audiences change over time. The statistics that show consumers use certain products or services through marketing communication can be explained by the attention, interest, desire, and action (AIDA) model which is proven to be effective in explaining human behavior from media exposure to purchase (Strong, 1925). In particular, as the emotional reaction to advertising may have a direct effect on the behavior of the users, it is important to find out what kind of emotional reaction the users have to advertising and to analyze the way the emotional reaction affects subsequent reaction stages.

The AIDA model is a classic marketing theory that shows how a customer moves through four stages before making a purchase:

**AIDA = Attention → Interest → Desire → Action**

It's used to design effective marketing strategies such as messages and advertisements

**Attention :** Marketer needs to grab customer's attention so that they notice your product or services.

**Interest :** Once you have the attention of the customer, marketer need to keep interested by providing helpful, right and relevant information.

**Desire :** After grabbing the attention and creating interest, marketer needs to create desire for the product or services by showing it's values, savings or benefits.

**Action :** Once the former 3 steps are done, marketer needs to encourage the customer to take an action such as calling, enquiring, visiting, buying.

#### Objectives of the Study:

1. To evaluate the impact of selected marketing strategies on consumer preference of generic medicines.

- To provide suggestions for improving consumer preference of generic medications through marketing strategies

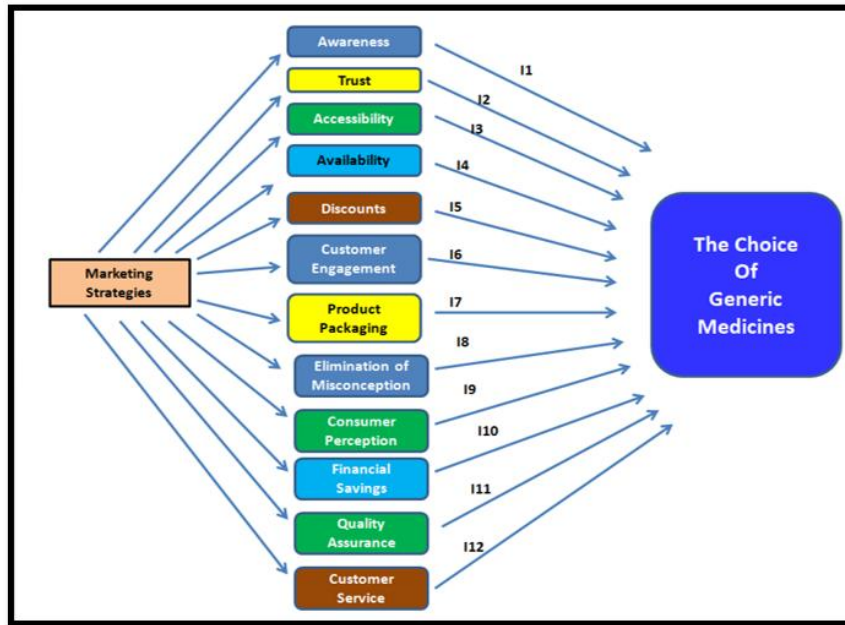
**Hypothesis:**

H<sub>0</sub>: The impact of marketing strategies on consumer preference of generic medicines is low

H<sub>1</sub>: The impact of marketing strategies on consumer preference of generic medicines is high

**Conceptual Framework:**

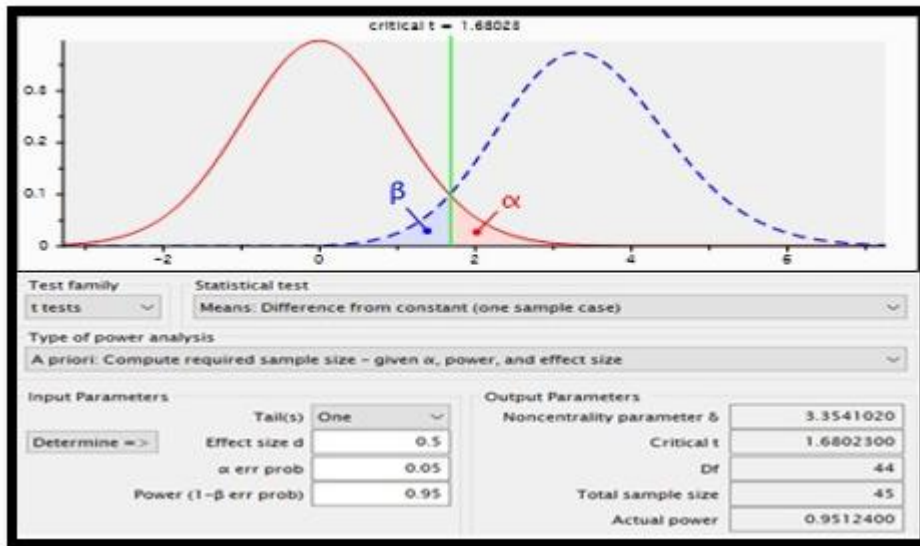
**Diagram 2 : The Study model – The Choice of Generic Medicine decision**



**Study model;** the factors affecting the choice of the generic drug. (I1) - there is an impact of Awareness on the choice of the generic medicine, (I2) - there is an impact of Trust on the on the choice of the generic medicine, (I3) - there is an impact of Accessibility on the choice of the generic medicine, (I4) - there is an impact of Availability on the choice of the generic medicine, (I5) - there is an impact of Discounts/Incentives on the choice of the generic medicine, (I6) - there is an impact of Customer engagement on the choice of the generic medicine, (I7) - there is an impact of Product packaging on the choice of the generic medicine, (I8) - there is an impact of

Elimination of Misconception that generic medicines are Ineffective on the choice of the generic medicine, (I9) - there is an impact of shift in consumer perception on the choice of the generic medicine, (I10) - there is an impact of Financial savings on the choice of the generic medicine, (I11) - there is an impact of Quality assurance on the choice of the generic medicine, and (I12) - there is an impact of Customer services on the choice of the generic medicine.

**RESEARCH METHODOLOGY**



Research methodology is the systematic process of gathering, evaluating, and interpreting data to accomplish the study's goal. To provide precise and reliable results, it addresses the choice of methodology, sample strategies, data collection tools, and analysis processes. The research methodology used for the current study is Descriptive, the sample size is 150 buyers of generic medicines. (The minimum required sample size for conducting one-tailed one sample t-test is as per Faul et al. 45. The calculation can be seen in the below figure). The study utilized a non-probability purposive sampling method. Data was gathered from primary source, the technique used in the current study is Parametric One Sample test using R Studio Software.

Source: one sample t-test

The one-sample t-test is a statistical technique employed to ascertain if the mean of a singular sample substantially

deviates from a known or hypothesized population mean. It assists researchers in determining if an observed sample mean significantly deviates from the anticipated population mean.

A one-tailed t-test is employed when the researcher posits a specific directional hypothesis, aiming to determine if the sample mean is substantially larger or significantly lower than the population mean, but not both. **The formula to calculate one sample t statistics is as follows,**

$$t = \frac{\bar{x} - \mu}{\sqrt{\frac{\sigma}{N - 1}}}$$

**Data Analysis and Interpretation:**

**Table No. 1 Demographic Profile**

Variable	Category	Frequency	Percentage
Gender	Male	82	54.67
	Female	68	45.33
	Total	150	100
Age Group	Under 18 years	0	0
	18-25 years	5	3.33
	26-35 years	16	10.67
	36-45 years	37	24.67
	46-55 years	38	25.33
	56-65 years	34	22.67
	More than 66 years	20	13.33
	Total	150	100
Education	SSC or Equivalent	1	0.67
	HSC or equivalent	6	4.00
	Bachelor's degree	97	64.66
	Post Graduate	46	30.67
	Total	150	100
Frequency of Generic Medicines Purchase	Weekly	2	1.33
	Fortnightly	35	23.33
	Monthly	106	70.67
	Once in every few months	7	4.67
	Total	150	100

Source : Primary data

In demographic profile of the respondents, it shows 54.67% participation of male which is more than female. While age 18-25 years compose of 3.33%, 26-35 years age (10.67%) so it shows that 14% of respondents are from age range of 18 to 35 years. Then 36-45 Mid age compose of (24.67%), followed by highest 46-55 years (25.33%) and senior citizens in age group of 46-55 years (22.67%) and More than 66 years (13.33%) hence it shows that Mid age and senior citizens composed highest 86%. When it comes to education, Bachelor's degree shows biggest

share (64.67%), followed by post graduate degree (25.33%). For frequency of generic medicines purchase, respondents purchasing generic medicines monthly is highest (70.70%) followed by fortnightly purchase (23.33.7%) ,Once in every few months (4.67%) & very rarely are weekly purchase (1.33%). Therefore the sample shows a fair mix of demographic categories with highest number of Middle age to senior citizen and they are well educated and most of them buy generic medicines monthly.

**Table no. 2 One Sample t- Test**

One sample t-test			
Items	t-statistics	p-value	Ha : Impact of marketing strategies on consumer adoption of Generic Medicines > 3
Increases awareness	20.77	0.000	High Impact
Increases trust	19.99	0.000	High Impact
Improved accessibility	18.87	0.000	High Impact
Improved availability	17.34	0.000	High Impact
Incentives & Discounts	17.22	0.000	High Impact
Builds customer engagement	20.76	0.000	High Impact
Product Packaging	18.00	0.000	High Impact
Elimination of Misconception that generic medicines are Ineffective	19.55	0.000	High Impact
Shift in consumer perception	20.22	0.000	High Impact
Helps in Highlighting the long term financial savings	17.56	0.000	High Impact
Quality assurance	17.00	0.000	High Impact
Customer service	20.45	0.000	High Impact

Source: One sample t-test

After collecting entire data, parametric one sample t-test (one-tailed) is applied to examine the Impact of Marketing strategies on consumer adoption of generic medicines. It is seen that  $p\text{-value} < 0.05$  and  $t\text{-statistics} > 1.96$  for Increase awareness, Increase Trust, Improved accessibility, Improved availability, Incentives & Discounts, Builds customer engagement, Product Packaging, Elimination of Misconception that generic medicines are Ineffective, Shift in consumer perception, Helps in highlighting the long term Financial savings, Quality Assurance and Customer services. **Thus as the most of the p-value are < 0.05, thus  $H_0$  is rejected and  $H_1$  is accepted. The impact of marketing strategies on consumer adoption of generic medicines is high.**

#### CONCLUSION:

The study's findings show that marketing strategies are crucial in encouraging consumers to use generic medications. It was found that the impact of marketing strategies of consumer preference of generic medicine have a significantly high impact on Increased awareness, Increased trust, Improved accessibility, Improved availability, Incentives and Discounts, Builds customer engagement, Product packaging, Elimination of Misconception that generic medicines are Ineffective, Shift in consumer perception, Helps in Highlighting the long Term Financial savings, Quality assurance, and Customer service. These strategies address popular myths, :

such as the notion that generic medications are less effective than branded ones, by significantly increasing awareness and fostering trust. Increased availability and accessibility combined with incentives and savings make generic medications a more alluring choice for customers. Moreover, more client engagement and a perception of dependability and quality are fostered by efficient product packaging and focused marketing campaigns. There has been a change in customer opinion, with an increased emphasis on the long-term cost reductions that generic medications provide. A beneficial experience with generic medications is further ensured by the focus on providing excellent service and customer assistance, which further strengthens consumer confidence. In summary, these results indicate that a systematic marketing strategy can successfully encourage the use of generic medications, which is advantageous for both patients and the larger healthcare system.

#### Suggestions:

– **Suggestive Marketing Strategy (Communication) by using AIDA Model (Diagram 3):**

With the help of following AIDA model, the researcher would like to suggest marketing communication to Generic medicines marketer as well as retailers how they can increase the sales of generic medicines by using following communication

Stages	Marketing Communication
Attention	"Stop Overpaying for Medicines!" "Every Physician Should Prescribe Generic Medicines" – MCI "In USA 9 out of 10 Rx are prescribed in generic form" USFDA "In Canada 72% Rx are prescribed in generic form" Canada FDA
Interest	"Generic drugs work the same as branded ones – at lower cost." "Generic drugs gives same effect as that of branded one with lesser price." "Wahi Kaam-Sahii Daam – Generic medicines" "Kaam Wahi – Daam Sahii – Generic medicines" "Generic Medicines – Reliable & Effective" "Generic Medicines – Takes care of Your Health and Pocket too" "Generic Medicines – The Perfect Family Partner" "The Same Medicines – Same Work – Lesser cost" "Generic Medicines – Affordable Treatment"
Desire	"Save money every month—trusted by lakhs of patients." "Money Saved is Money Earned – buy generic medicines." "Quality Medicines at Affordable Price"
Action	"Adopt today. Ask your doctor to prescribe generics." "Switch today. Ask your pharmacist for generics."

**- Customer Engagement & Awareness:**

- Educate customers about the advantages, savings, and effectiveness of generic medications by implementing focused awareness campaigns using community outreach, small meetings of senior citizens/societies, social media, and health-related websites.
- Offer loyalty awards, referral bonuses, and discount programs to customers who use generic medications in order to encourage recurring business and long-term use.
- Through marketing campaigns, raise awareness of government programs like Jan Aushadhi outlets and make sure more people know that generic medications are accessible and reasonably priced.

**- Digital Marketing**

- Use more digital channels to dispel myths and foster confidence in generic drugs, such as influencer marketing, interactive webinars, and video content.

**- Pricing Strategy:**

- When compared to branded alternatives, clearly communicate cost reductions in packaging and advertising to emphasise value and affordability.
- Recommend generic substitutes using telemedicine services and online pharmacies to facilitate consumers' access to and selection of affordable medications.

**- Product Packaging, Availability & Accessibility:**

- Increase communication towards product packaging which similar to branded medicines.
- Enhance the quality of the packaging, information clarity, and branding to increase the

consumer appeal and recognition of generic medications.

- Boost presence of generic pharmacy visibility through SEO and targeted promotions, and fortify distribution networks by increasing more number of generic pharmacies.
- **Print Promotion:**
- Distribute informative pamphlets, product leaflet at places like schools, malls etc.

Encourage the use of generic medications by appealing physicians to prescribe generic medicines, healthcare organisations to bolster consumer trust in their efficacy

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