**Master’s Thesis On**

**Revolutionizing Pharmaceutical Marketing Through Digital Transformation**

**FOR THE PARTIAL FULFILLMENT OF THE REQUIREMENT**

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**ABSTRACT**

"Integration into the digital realm has become indispensable for everyday life, prompting industries across the board to swiftly adapt. However, the pharmaceutical sector has been relatively slow in fully embracing digital marketing, aside from maintaining a website. This industry confronts numerous hurdles in its marketing endeavors. Nevertheless, there is a notable shift towards utilizing social media and e-commerce platforms for digital marketing among pharmaceutical companies, catering to the preferences of today's consumers who increasingly favor online purchases. While some businesses are still in the process of fully unlocking the potential of digital marketing, others have seamlessly integrated it into their overarching marketing strategies. In an effort to enhance brand visibility, pharmaceutical companies are now forging partnerships with celebrities.

The indispensability of digital devices in daily life has spurred rapid adoption of online marketing by all industries. Yet, the pharmaceutical sector, save for website presence, has been slow to fully embrace digital marketing.

Digital marketing has facilitated the online sale of pharmaceutical and healthcare products through various Indian e-commerce platforms such as Netmeds.com, Img.com, Medidart.com, Medplusmart.com, and Apollo Pharmacy.in.

Exploring the factors driving consumers towards online purchases of pharmaceuticals and healthcare products amidst the existence of physical pharmacies, the study examines the impact of digital marketing on these sales. The findings suggest that digital marketing, employing strategies such as direct marketing, discounts, and promotional offers, can sway consumers towards online medication purchases, hinting at a promising future for digital marketing in the current market landscape.

Globally, an increasing number of businesses are leveraging social media platforms to harness their viral potential. However, pharmaceutical digital marketing offers diverse avenues for all companies to effectively promote their products and brands to pertinent audiences, including physicians and patients. It is imperative for pharmaceutical marketing strategies and advertising campaigns to adhere to the industry's stringent regulations. Already, businesses are leveraging emerging technologies to expand their reach and engage with a broader customer base."

**OBJECTIVE**

* The main objective of this article is to pinpoint the traits that incentivize customers to buy medications and healthcare items via online channels.
* The aim of this study is to examine the impact of digital marketing on consumers who make purchases of medications and healthcare products through online platforms.
* The objective is to recognize the proper implementation of digital marketing within the pharmaceutical sector.

**INTRODUCTION**

Digital marketing entails the exchange of data, goods, and services through computer networks or the internet, reshaping various aspects of the economy, including supply chains, customer interactions, revenue streams, and organizational structures. In the healthcare realm, the primary goals of innovation have traditionally centered on enhancing patient outcomes, promoting preventive care, and alleviating physicians' burdens. Projections suggest a significant growth in the digital healthcare market in the US by 2028, reaching $295.4 billion, up from $110.2 billion.

Digital marketing serves as a vital tool for businesses to engage with customers online and promote their offerings. It encompasses both traditional marketing methods and internet-based platforms, facilitating diverse digital media formats such as display advertising, mobile marketing, social media campaigns, and search engine marketing.

Despite the presence of technically proficient companies, the application of digitalization in the pharmaceutical sector remains limited, largely due to a dearth of credible case studies and the industry's conservative practices and regulatory complexities. However, digital marketing strategies, including social media engagement, hold promise for enhancing brand perception among pharmaceutical companies.

The pharmaceutical industry's future appears promising due to its adaptability and the availability of technologies fostering innovation. Recent technological advancements aid companies in expanding their customer base, raising awareness, promoting engagement, gathering insightful data, and making meaningful contributions.

Navigating pharmaceutical marketing campaigns and maintaining market leadership pose challenges amidst stringent regulations. Nonetheless, pharmaceutical digital marketing offers significant opportunities for healthcare organizations to market their products and brands effectively to relevant audiences, including patients, businesses, and healthcare professionals.

1. DIGITAL MARKETING

The most significant advancements of the twenty-first century will arise from the convergence of healthcare and technology, marking the onset of a new era, as articulated by Steve Jobs. The promotion of products and services through online channels, including mobile devices, display ads, and digital television platforms, is the domain of digital marketing professionals. The emergence of electronic marketing in the 1990s and 2000s has transformed how companies and brands leverage technology for promotional purposes. Internet marketing initiatives are gaining traction and effectiveness, fueled by the widespread adoption of digital platforms in daily life and marketing strategies, alongside the increasing preference for digital devices over traditional brick-and-mortar stores.



1. HISTORY

The evolution of technology is closely intertwined with the expansion of internet marketing. A pivotal moment in email history occurred in 1971 when Ray Tomlinson introduced the capability for users to exchange files across different devices. The development of Archie's search engine in 1990 provided a directory for FTP sites, marking a significant milestone in the emergence of internet marketing. By the 1980s, computers had sufficient storage capacity to handle large volumes of client data, prompting businesses to transition from traditional list brokers to online strategies like database marketing. This transition enabled companies to track customer information more efficiently, reshaping the dynamics between buyers and sellers. However, manual processes remained inefficient. The term "Internet advertisement" emerged in the 1990s alongside the rise of CRM software, which became essential for promotional activities with the advent of site/client architectures and the widespread use of personal computers. In response to intense competition, software vendors began offering additional services such as sales, service, and marketing applications to meet evolving demands.

The introduction of eCRM software facilitated the acquisition of vast amounts of online customer data, enabling marketers to prioritize customer experience and update information about client preferences. Notably, AT&T's "You Will" campaign launched the first clickable banner advertisement in 1994, with 44% of viewers engaging with it within the first four months.

The rise of the internet and the iPhone in the 2000s prompted consumers to conduct product research and make purchases online before contacting salespersons, posing challenges for companies without an online presence. This spurred marketers to explore digital avenues for market expansion. Marketing automation emerged in 2007 as a solution to these challenges, enabling companies to launch marketing campaigns, segment their consumer base, and provide personalized information. However, its adaptation to consumer electronics was slow. The 2000s and 2010s witnessed a significant increase in devices with access to digital media, leading to advancements in internet marketing. Statistics from 2012 and 2013 indicated sustained growth in this field. The emergence of social media platforms like LinkedIn, Facebook, YouTube, and Twitter further intensified consumers' reliance on the latest electronic devices, fueling expectations for a seamless product search experience across multiple platforms. This shift in consumer behavior bolstered the diversification of marketing technologies.

1. INDIA'S DIGITAL MARKETING SCENARIO

India boasts the world's third-largest population of internet users. Since the inception of the internet, marketing strategies have undergone significant evolution to engage with the public, with digital marketing emerging as a dominant force. In India, the internet serves various functions in people's daily lives beyond mere awareness, leading to a thriving digital marketing industry. Social media platforms play a key role in driving the adoption of digital marketing in the country.

The retail sector in India, both online and offline, is experiencing rapid growth. Although India entered the online shopping arena later than many other countries, it is quickly catching up. Projections indicate a 55% annual increase in online sales in the coming years, driven by the country's large internet user base, which is expected to surpass 330 million by 2015, largely due to the rapid adoption of mobile commerce.

Social media platforms are instrumental in advancing digital marketing, particularly among young, affluent consumers who spend significant time and money online, influencing purchasing trends. Popular online products range from consumer electronics to clothing and cosmetics, with major metropolitan areas such as Mumbai, Delhi, and Kolkata serving as hubs for online shopping. Platforms like Snapdeal, established in 2012, facilitate a substantial portion of online transactions.

While the internet currently contributes modestly to India's GDP, analysts foresee a forthcoming boom in retail internet sales. Indian youth, known for upholding strong moral and family values while prioritizing education and careers, represent a significant market segment that influences businesses to cater to their preferences. This study assesses the impact of youth marketing and provides valuable insights for marketers to tailor their strategies effectively to target both current and potential adolescent markets.

YOUTH PURCHASING BEHAVIOUR

Consumer behavior plays a significant role in shaping purchasing patterns, particularly among young people. "Behavioral marketing" involves identifying connections between market offerings and specific consumer behavior segments. This discipline entails segmenting the market based on consumer behavior characteristics, positioning products to align with the interests, activities, and attitudes of the target audience, and implementing customized promotional campaigns accordingly.

RESEARCH METHODOLOGY

The study draws upon both primary and secondary sources of information.

For primary data, a questionnaire was utilized as the primary tool for data collection, specifically designed for this study.

Secondary sources included research papers, journals, periodicals, and relevant websites.

The sample size consisted of the opinions of 100 customers from various cities in Bihar, India, who currently purchase pharmaceutical and healthcare products online.

Data analysis involved the use of simple charting and tabulation tools, as well as an empirical technique known as a Likert scale, with a maximum of five points ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). Likert scales are commonly used in survey research.

The data analysis process led to the formulation of conclusions based on the findings.

**RESULTS AND DISCUSSION**

The data analysis and discussion of conclusions are pivotal stages in the study. This section will delve into the empirical findings, primarily focusing on the primary information gathered through surveys.

Beginning with demographics, respondents provided data regarding age, gender, income, and education. After completing this initial stage, researchers will proceed to analyze the first part of the questionnaire, focusing on factors driving online purchases and the impact of digital marketing. This part comprises six questions, each representing a distinct module, resulting in a total of six modules, as illustrated in Table 1.

Each module will be independently analyzed and explained using frequency tables, graphs, and Likert scale scores. The researchers employed a five-point Likert scale, where a score of 5 indicates strong agreement and a score of 1 indicates significant disagreement.

For instance, if "Strongly agree" corresponds to "5" and the other terms are "4, 3, 2, 1," the calculation can be demonstrated as follows: (5\*37) + (4\*43) + (3\*112) + (2\*7) + (1\*2) = 406. This result is then divided by the total number of responses (100), yielding the average score for that module. This process will be repeated for all six modules, with each one examined independently. Subsequently, researchers will compute the average score for each module and then determine the average for each group by combining the averages from all modules. Finally, the average scores will be ranked from highest to lowest.

**CONCLUSION**

**In today's industry landscape, digital marketing holds a promising future. Customers increasingly prefer online shopping experiences, influenced by various factors such as digital direct marketing, discounts/offers, diverse payment options, and prompt delivery services. The digital marketing revolution has not only transformed the overall economy but also revolutionized the marketing landscape, presenting both opportunities and challenges for marketers in competitive markets.**

**Pharmaceutical and healthcare ecommerce businesses stand to benefit significantly from embracing digital marketing and aligning their strategies with consumer preferences and behaviours. With a majority of people spending significant time on digital devices such as smartphones, laptops, and tablets, the relevance of digital marketing in the pharmaceutical industry cannot be overstated.**

**Based on the available study data, digital marketing emerges as a crucial aspect of the pharmaceutical industry, enabling rapid industry expansion. It has become a cornerstone of marketing efforts, facilitating streamlined campaign techniques. While some digital marketing strategies are already widely adopted, others are still in development. Nonetheless, all forms of digital marketing offer ease of access and significant cost savings in terms of time, energy, and effort.**

**Pharmaceutical companies are leveraging these new technologies to adapt to the modern digital landscape. However, the effectiveness of such strategies has been primarily observed in areas such as blogs and Facebook accounts, suggesting ongoing exploration and refinement of digital marketing approaches in the pharmaceutical sector.**

**APPENDIX**

**1. Awarness of online shoppers**

**2. You find it secure while you go for online marketing**

**3. Enhancing the standard of education will enhance the efficiency of digital marketing**

**4. The product price and related details are transparent or clear**

**5. Easy way to purchase**

**6. Discount and offer encourage you to make online purchase**

**7. Digital video advertisement positive influence you**

**8. Reason for choosing online shopping**

**9. Which advertising method do you trust?**

**10. Which advertising sources encourage you to buy a product online?**

**11. 'frequency of online purchase**

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