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# INTERNATIONAL BRANDING ACTIVITIES FOR PHARMACEUTICAL COMPANIES OF AHMADABAD

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## ABSTRACT

Ahmadabad city in Gujarat is known as a hub of pharmaceutical industry and play vital role in employment generation and contribute widely in export of pharma products from Ahmedabad. At present it is estimated that around 75-100 bulk drug producers and 1000 manufacturing units mostly formulations and other areas including excipients, disposables, homeopathic and other miscellaneous products are active in this area. Considering significant revenue generated in these pharmaceutical companies through export, it is imperative to have effective branding activities that help to sustain & boost the pharma exports. The main objective of this research paper is to study the various international branding activities carried out by various Ahmedabad based pharma companies, analyze how they strike the right balance between the offline and online branding activities, and capitalize maximum potential of finest quality pharmaceutical products in the global market. Baring some medium & large pharma companies, most of the other companies still not have started utilizing an array of online branding activities and still rely heavily on the traditional or offline branding strategies. However, the companies who have been instrumental in achieving consistent business growth & global brand awareness are the one who have optimized

the right blend of offline & online marketing activities in their marketing strategies.

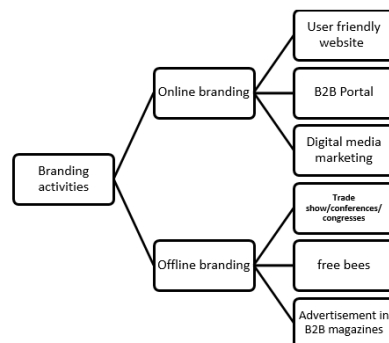
Keywords: International branding, pharmaceutical, Online marketing, offline marketing

## INTRODUCTION

### International branding activities

Branding activities for International business can be divided in to two parts i.e. online and offline. Offline branding activities are considered as conventional functioning whereas the online branding processes are modern in nature and revolve around complete internet based set of strategies that helps to boost brands of the companies. Due to the limitation of boundaries, the online marketing activities are getting very popular among the companies that deal in to International business. Nevertheless, offline or traditional branding activities still contribute as major marketing budget consumer compared to digital one.

International Branding activities bifurcation



**The offline or traditional marketing activities involved various set of strategies described as below:**

1. Participation in international trade-fairs
2. Sponsoring international conferences /congress or symposium
3. Advertisements in print media mainly sector specific magazines
4. Advertisements in mass media like TV and radio
5. Branding & publicity through KOL- Key Opinion Leaders
6. Road shows
7. Publishing industry specific white papers
8. Workshops
9. Distributing freebies of own brands like key chains, T-shirts, pen-drive, diary, calendars, stationary items, cap etc.

**1. Participation in international trade-fairs: Trade-fairs may be international, regional, national or provincial in terms of their scope and participation.** Trade fairs may also be classified as follows.

a. General trade fair: All types of consumer and industrial goods are exhibited in the trade fairs. These kind of trade fairs are open for both general public and business persons. Generally, in less developed countries, general trade fairs is the only option.

b. Specialized trade fairs: Such trade fairs focus on a specific industry or trade sector, such as apparel, food, chemical, engineering and pharmaceuticals name a few. Specialized trade fairs are targeted at business visitors but are usually open for all general public on specific days. This kind of trade fairs provide excellent opportunity to explore contacts in international markets such as importers, agents and distributors.

c. Consumer fairs: Generally targeted at individual customers, the consumer fairs

are focus on house hold goods and accessories.

d. Minor trade fairs: These are the fairs held at small level, such as toy fairs or shoe fairs

e. Solo exhibitions: Exhibition held by a specific country or group. In these exhibitions, a number of manufacturers / dealers of particular products field put up the show in a hotel, hall or a lounge.

Catalogue shows: As participation in trade fair involves considerable cost and time, the display of catalogs, sometimes accompanied with trade samples provides an opportunity to create market awareness about the firm's products.

**2. Sponsoring international conferences /congress or symposium:** These are the knowledge sharing platforms and mainly held in to the domains which is very specific to science & technology vis. Pharmaceutical, biotechnology, IT & computer science etc. Such events provide excellent opportunity to showcase your products and spread the brand awareness.

**3. Advertisements in print media mainly sector specific magazines:** By giving various sizes of ads in industry specific magazines always help to spread brand name of the company to the readers of such megazines. For the activitiers like product launch, this is the ideal platform through paid articles.

**4. Advertisements in mass media like TV and radio:** These platforms are used mainly for the FMCG and consumer durable products and being used by big or multi national companies since the budget requirements for such activities are quite high.

**5. Branding & publicity through KOL- Key Opinion Leaders:** In order to influence the large masses of the users of specific products, many a times companies use the Key Opinion Leaders of the industry to promote their products / brands and all the followers automatically start

using / endorsing these products and brands.

**6. Roadshows:** These activities are targeted to specific group of people who in masses use the products. The product demonstration and interactive dialogues can be taken place in such roadshows.

**7. Publishing industry specific white papers:** These set of activities also revolve around technology & science oriented companies who publish white papers about their products and technologies in industry specific generals and conferences.

Online branding activities involved various set of strategies described as below:

1) Website design: for exporters their website is their online shop where people visit and need seamless user friendly experience. Website should be user friendly on phone and desktop computer. In international marketing contact detail on skype, what's app, viber and direct email address of sales and export department will help importers reach concern department. Good website with proper content will increase its usability and provide information in not time. Companies should keep all the information about their pharma drugs, usage and benefits. Now a days patients are not just passive receipts of prescriptions from doctor, they will read online before taking any new medicines. Structure of website should be properly divided and product information will help patient get detail knowledge about medicines.

2) Social media platform: in the era of globalization, competition is increasing, companies simply cannot afford to neglect social media platforms especially when it takes no time to create brands by choosing right permutations & combination of various social media platforms. The major social media platforms are as follows:

- Facebook
- Instagram
- LinkedIn
- Twitter
- Snapchat

Out of all above various social media platforms, the facebook & LinkedIn are widely popular and most sought after by the companies to promote their brand on global level.

3) B2B online portals: These online portals provide excellent platform for suppliers to showcase their products and find buyers online apart from spreading the brand awareness of their products. The major global B2B portals are as follows

- Alibaba
- EC21
- Thomasnet
- Kompass
- Indiamart

4) Youtube channels: By broadcasting product & company videos, companies now a days create huge fan followers and solid brand image on the online platform.

5) Online blogging: The online content writing about your products & brands on various relevant blogs / platforms become quite popular in order to spread the brand of the products or services to the large masses.

6) Email campaigns: The established companies who have created a large database of global customers often shoot such email campaigns on various occasions like new product launch, offers, greetings etc. in order to have continual brand engagement with their existing and potential customers.

**Pharmaceutical Industry:**

India is the major exporters of the generic drugs across the world. Indian pharmaceutical sector is supplying around 50% of world need of variety of vaccines. India has large group of scientists

and engineers who have the prospective to push the sector ahead to next height. At present, around 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) and India is the major supplier of it. Indian pharmaceutical sector is expected to growth at 22.4% p.a. over 2015 – 2020 to reach USD55 billion. This sector has exported USD17.27 billion in 2018 which includes bulk drugs, drug formulation, biological, Surgical products, medical devices. Indian drugs are sold over 200 countries in the world, USA is the key importer. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals has objective to make India a chief hub for end-to-end drug discovery. This sector has received Foreign direct investment worth USD 15.98 billion between April 2000 and March 2019. In Budget 2019-20, allotment to the Ministry of Health and Family Welfare increased by 3.1% to Rs 63,298 crore.

### **LITERATURE REVIEW**

Bostanshirin, S. (2014) has studied that online marketing involves use of interactive, virtual spaces for the sake of promoting and selling goods and services. In fact, new internet-based communication technologies had contributed to the restructuring of major economic sectors including marketing. online marketing is cost-effective, flexible, and fast and enjoying an unmatched global reach, internet marketing has gain business growth. According to author this effective, new method also involves its some drawbacks like lack of personal contact, security and privacy. Authors concentrates upon the impacts of internet-fostered interactive spaces on marketing practice. Saxena, S. (2012) analysed that Indian companies are facing challenges to become global brand. He has given focus on six E's as

challenges in global branding namely : economic assistance, effect of approving, emotional appeal, effective culture, economic legal and political situation, effective distribution channel. According to author to become strong global brand right product, its positioning, innovation, timely delivery or dispatch of goods are key points to focus. The best brand name suggest something about the product's benefits; suggest products qualities; are easy to pronounce, identify, and memorize; are distinctive; and do not carry negative meanings or connotations in other countries or languages. Skender Mustafi, Lionel Jost, Tuan Nguyen (2011) have tried to study the relationship between online and offline marketing activities. Online marketing functions and instruments are different from offline ones. Online markets are dynamic places where clients and suppliers are open to each other, easily share information and are highly influenced in making decisions. The high level of sensitivity of the online environment is deepening the difference between online- and offline marketing functions and their instruments. They concluded that this paper shows that online marketing and offline marketing are neither the same nor completely different frameworks. Hence, they both follow the same super concept but differ in details of the mechanics. Yin Wong, H., & Merrilees, B. (2007). studied to empirically examine the inter-related relationships among various branding issues such as brand orientation, brand re-positioning, brand performance and international marketing issues in terms of international marketing strategy. They have used structural equation modelling using partial disaggregation method was performed to test the whole structured model. They concluded that both brand orientation and brand repositioning have significant impacts on international marketing strategy, which in turn positively affects a firm's performance.



Bobalo, O. (2018) wants to analyse the effect of online marketing activities on traditional or offline marketing activities. Author has done comparative analysis : for observation of internet penetration in different countries; scientific cognition, for analysis of social groups in internet; system-activity principle as a part of system principles, when a part of internet users is separated according to their activity and income level; specific-scientific methodology for formalization of utilization of offline marketing tools. Through research they concluded that it is impossible to catch biggest part of the population with high purchasing power through internet as they done use internet regularly. Se depicted that offline marketing can still be helpful tool and it will always be . International marketing strategies should be combination of both to get expected result. Javed, Lubna. (2013). Have analyzed research is conducted to see how the consumers' brand perception and purchasing decisions are influenced by different online marketing tools used across the industries such as Word of Mouth (WOM), online Chat assistance and Email advertising. According to author, there are no generalized factors that affect the consumer decision of purchasing and developing a brand perception but , WOM is being done by the consumers and it's one of the cheapest medium of online marketing. Word of mouth has also proved to be quite useful techniques which very effectively influence the consumer behaviour towards their purchase decisions.

### **3. Research Gap and Research Problem**

Through literature review it has been observed that Indian pharmaceutical companies are still more in to use of offline branding activities. They have yet not explored the power of online branding activities. Time when the world is moving

towards online branding it is evitable to adopt this change to get business growth in world market. Offline and traditional international branding activities still have same importance, but 24,000 registered Pharmaceutical sectors are SMEs which can not afford to use all offline branding activities due to budget constraints. Indian pharmaceutical industry is expected to have 9,456 units in the SME segment, which account for around 87% of production by volume.

### **4. Objectives:**

To study impact of online branding activities on business growth of pharmaceutical industry.

To study impact of offline branding activities on business growth of pharmaceutical industry.

## **RESEARCH METHODOLOGY**

5.1 Population: Infinite

5.2 Sample size: 30 pharmaceutical exporters of Ahmedabad

5.3 Data collection tool

5.3.1 Primary data tools: Questionnaire

5.3.2 Secondary data tools: The secondary data for understanding the current trends of online and offline branding activities , export market have been collected from Pharmaceutical export promotion council, DGFT, 10times.com, annual report of MSMEs. Social media status of top pharma companies of India is attached in Annexure 1.

5.4 Analytical tool: Frequency table, Chi-Square

### **6. Hypothesis:**

Two main null hypotheses which have been framed for this study were:

H0 1 : There is no significant relation between online branding activities and business growth of Pharmaceutical Industry.

H0 2: There is no significant relation between offline branding activities and business growth of Pharmaceutical Industry

## RESULT AND INTERPRETATION

H0 1: There is no significant relation between online branding activities and business growth of Pharmaceutical Industry.

Table 1: Results of Chi-Square Test

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.000 <sup>a</sup>	3	.000
Likelihood Ratio	35.452	3	.000
N of Valid Cases	30		

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is 1.50.

### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.000	.000
	Cramer's V	1.000	.000
N of Valid Cases		30	

The above table 1 indicates that there is a statistically significant relationship between use of online branding activities and business growth of Pharma Industry. Since the calculated value of Chi-square (~29.00) is greater than the tabulated value (~7.81). It is marked that data set obtained by the researcher shows that variables impact of online branding activities and business growth are dependent. Hence we reject the hypothesis at 5% level of significance. The strength of association between the two variables are calculated by Cramer's V Coefficient and its value is found to be 1.00 indicating a high level of association between the impact of online branding activities and business growth.

H0 2: There is no significant relation between offline branding activities and business growth of Pharmaceutical Industry.

Table 2: Results of Chi-Square Test



### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	31.027 <sup>a</sup>	9	.000
Likelihood Ratio	45.823	9	.000
N of Valid Cases	30		

a. 15 cells (93.8%) have expected count less than 5. The minimum expected count is .33.

### Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	1.184	.000
	Cramer's V	.589	.000
N of Valid Cases		30	

The above table 2 indicates that there is a statistically significant relationship between offline branding activities and business growth of Pharmaceutical Industry. Since the calculated value of Chi-square (~31.027) is greater than the tabulated value (~16.92). It is evident that data set obtained by the researcher indicates that variables 'offline branding activities and business growth are dependent variable. Hence we reject the hypothesis at 5% level of significance. The strength of association between the two variables are calculated by Cramer's V Coefficient and its value is found to be 0.589 indicating a medium level of association between offline branding activities and business growth.

## DATA ANALYSIS AND INTERPRETATION: (REFER ANNEXURE 2 FOR DESCRIPTIVE ANALYSIS)

It has been observed that these Pharma companies are aware about benefits of Digital media marketing, social media marketing, email campaign but they have yet not utilized this online branding activities. Indian Pharma companies have

huge potential of growth in export business which can be explored through inexpensive ways.

53% respondents have used online and offline branding activities to new business leads and increase their sales.

43% of respondents are running sole proprietorship where they have job experience of working in Pharma Company and running trading firm or doing job work of giant companies. These companies are also looking for starting their own export house and website design, product design has to be their focus.

70% of respondents have participated or visited international trade fair through support of Marketing development assistance from Pharama export promotion council. Trade fairs are the best platform to get information about new product, drug availability and reaching importers.

## CONCLUSION

India is the supplier to the world for all Pharmaceutical drugs, but we are still behind unable to capture new market. Business with traditional market like USA, UK, Ireland needs to be diversified. In International market dependency on one market is always harmful for constant growth. Government and Pharmaceutical export promotion council are trying to support Pharma firms to improve their product quality to stand in world competition. The major problem is the marketing activities: traditional media marketing activities can fetch business up to certain level. Now a days when people would not prefer to take medicine without google search or knowing drug side effect. After google generation / patient are much aware about dug type and its side effect through social media platform. Company's e-presence will speak about their brands. Both online and offline

branding activities have their own advantage but only use of offline branding activities are not sufficient for growth.

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*Annexure 1: Social media presence of leading pharma companies in India*

Name of company	Facebook	Twitter	YouTube	LinkedIn
Cipla	26,475 followers	1681 followers	1677 subscriber	105802 followers
Dr. Reddy's	172558 followers	3845 followers	2000 subscriber	131607 followers
Aurobindo Pharma	1047 followers	400 followers	1462 subscriber	30387 followers
Lupin	8,500 followers	3000 followers	400 subscriber	21181 followers
Sun Pharma	15434 followers	3285 followers	1677 subscriber	112120 followers

Source : <http://www.docplexus-insights.com/blog/indian-pharma-social-media/>

*Annexure 2: Descriptive Analysis*

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**Table 3 : Company turnover**

	Frequency	Percent	Valid Percent	Cumulative Percent
30 lac -50 lac	3	10.0	10.0	10.0
50 lac - 70 lac	10	33.3	33.3	43.3
Valid 70 lac – 1Cr.	6	20.0	20.0	63.3
More than 1Cr.	11	36.7	36.7	100.0
Total	30	100.0	100.0	

**Table 4 : Type of your company**

	Frequency	Percent	Valid Percent	Cumulative Percent
Partnership	6	20.0	20.0	20.0
HUF	6	20.0	20.0	40.0
Valid Private Limited	5	16.7	16.7	56.7
Proprietary	13	43.3	43.3	100.0
Total	30	100.0	100.0	

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