An Analysis Of Strategies Adopted By Pharmaceutical Company Entering Emerging Market

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INTRODUCTION

Pharmaceutical companies aiming to widen their international scope by tapping into new consumer markets could stumble upon substantial growth opportunities in burgeoning economies

The aim of this exploration is to examine the tactics utilized by pharmaceutical companies to gain entry into novel markets.

Pharmaceutical corporations can fetch important classes in respect to most beneficial practises and develop well-judged methods for entering and tackling the obstacles of new markets by studying these techniques.

INTRODUCTION

In spite of these obstacles, pharmaceutical industries have kept investing in developing regions. To overcome the hindrances and better their market share, they have instituted a plethora of tactics and strategies.

For pharmaceutical businesses, entering emerging markets offers significant growth potential. However, accomplishment in these markets necessitates a thorough knowledge of regional dynamics, meticulous planning, and successful application of modified methods.

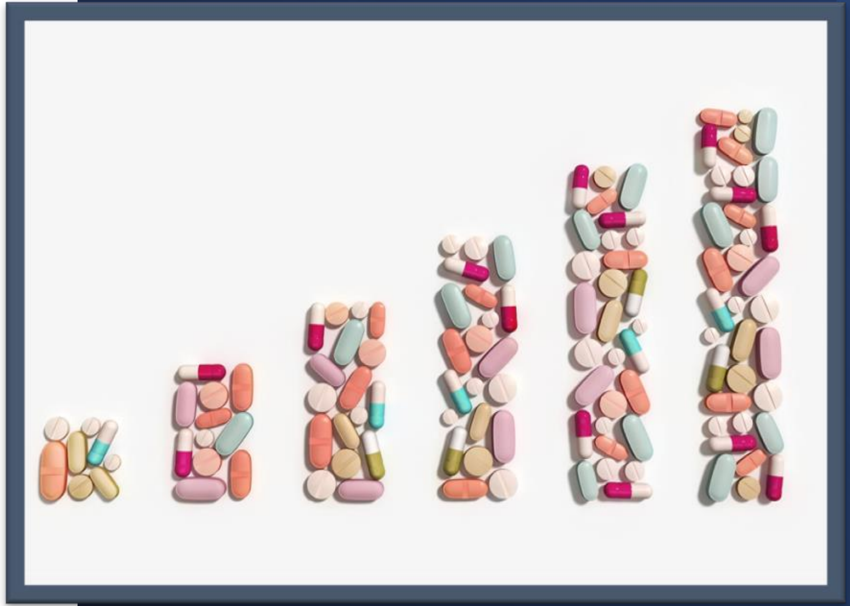
This analysis offers useful insights for industry participants looking to navigate and succeed in emerging countries, ultimately increasing healthcare availability and outcome for millions of people around the world. It does this by examining the strategies used by prosperous pharmaceutical businesses.

AIM:

- To investigate the various strategies and methods used by the businesses to increase their business activities and customer base in developing nations.

OBJECTIVES:

- To identify the important drivers, such as the opportunity for revenue growth, the rise of the middle class, and the expanding disease burden, that motivate pharmaceutical corporations to pursue emerging countries.
- To examine the various market entry strategies used by pharmaceutical companies in developing nations, including joint ventures, local business purchase agreements, and the creation of new companies from start.
- To study the potential and challenges presented by developing markets, including government restrictions, cultural inequality and holes in the system of healthcare.



METHODOLOGY

RESEARCH QUESTION	What are the main determinants of pharmaceutical companies' success or failure in entering emerging countries, and what tactics may these businesses use to get around the hurdles to entry and achieve long-term success in these areas?
RESEARCH DESIGN	For this study, a cross-sectional survey research method was used. The study's objective of identifying the key factors that motivate pharmaceutical companies to look at emerging markets has been met through studying the different market entry strategies used by pharmaceutical company organisations in emerging markets, such as collaborations, acquisitions and mergers of local businesses, and the creation of new businesses.
STUDY POPULATION	People who are knowledgeable about the pharmaceutical sector and actively involved in it, particularly those with insights into developing markets, were chosen as the sample for this study. The objective was to obtain insightful viewpoints from people with relevant knowledge of and experience with the developing market dynamics in the pharmaceutical business.

METHODOLOGY

INCLUSION CRITERIA	All men and women above 18 years with basic knowledge of pharmaceutical industry.
EXCLUSION CRITERIA	All men and women below 18 years are excluded from study population.
SAMPLING TECHNIQUE	Convenience Sampling: People who are conveniently accessible and willing to engage in the study were chosen. Because it makes data collection quick and simple, this strategy is frequently used because it is convenient and simple to use.
SAMPLE SIZE	104 participants based on number of responses received in survey
STUDY DURATION	April 15,2023 to May 19, 2023

METHODOLOGY

DATA COLLECTION

Three different sorts of questions were used to collect the data for this questionnaire in order to obtain thorough data. The participants' general knowledge of the pharmaceutical industry and their purchasing habits with regards to medications were the main topics of the initial set of questions. The purpose of these inquiries was to lay the groundwork for understanding how well-versed the respondents are with the sector and their preferences for buying drugs.

DATA ANALYSIS TOOLS

The data gathered from the three different types of questionnaires was analysed using descriptive statistics. Microsoft Excel served as a reliable platform for the statistical analysis' data evaluation and investigation.

RESULTS AND DISCUSSION

1. Analysis of participant’s healthcare sector and buying behavior of medicines :

Age Distribution: With 38 respondents, or 36.5% of all respondents, in this age range, most participants are between the ages of 25 and 34. The second-largest group, totaling 31 individuals and making up 29.8% of the total, is those between the ages of 18 and 24. Twenty individuals (19.2%) were in the age group of 35 to 44, while 15 participants (14.4%) were in the 45+ age group.

Youth Participation: When the ages of 18 - 24 and 25 - 34 age brackets are combined, it becomes clear that individuals under the age threshold of 35 account for a sizable portion of the survey participants. This shows that younger people are more interested in and involved with emerging markets.

Potential Target Audience: According to the data, younger people (18 to 34) make up 66.3% of the survey's respondents, which suggests that they are more prevalent. Companies or organisations looking to create tactics for emerging markets may find this information useful because they can concentrate their attempts on this younger generation.

RESULTS AND DISCUSSION

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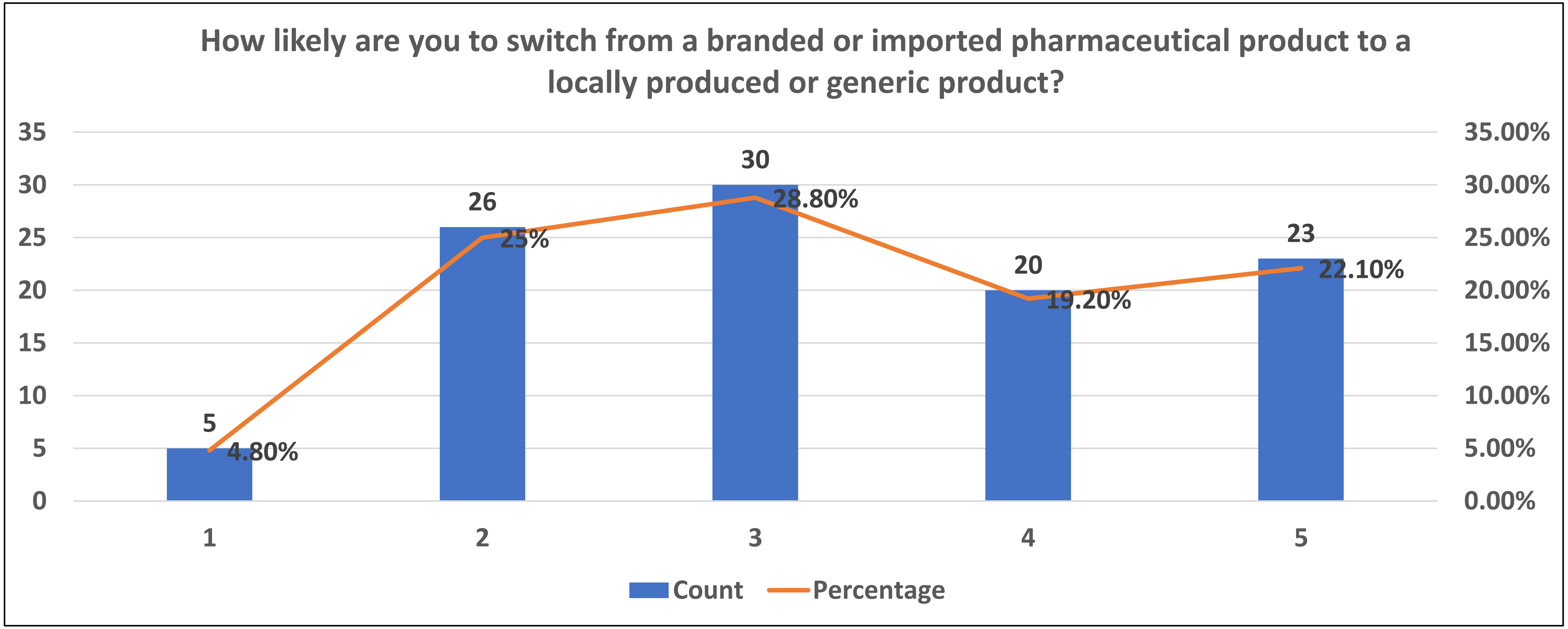


Fig : Branded to generic

RESULTS AND DISCUSSION

2. Participants visit to healthcare provider or doctor :

Number of Healthcare Visits: The most frequent response amongst those who participated was "Sometimes," which was selected by 46 people, or 44.2% of all respondents. The second most popular choice, "Regularly," was picked by 30 people, or 28.8% among the total. The least preferred response, "Rarely," was picked by 28 people, or 26.9% out of the total.

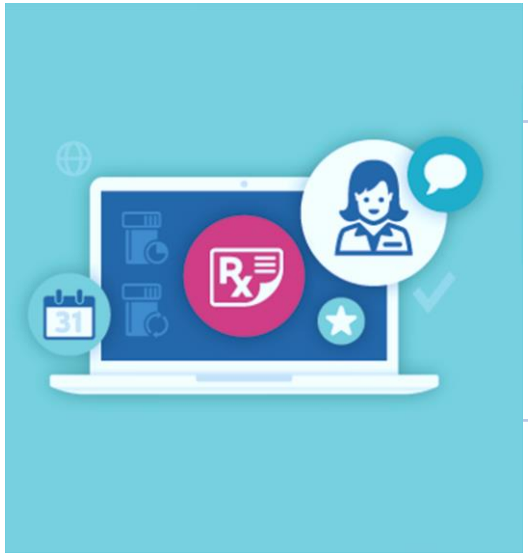
Healthcare Seeking Behavior: The poll finds that a sizable percentage of the participants (44.2%) visit a physician or other healthcare professional "Sometimes." This indicates that although these people might not have a regular or continuous pattern of healthcare visits, they may seek medical assistance when they are experiencing particular medical issues or challenges.

Regular Doctor or Healthcare professional Visits: About 28.8% of participants said they go to a doctor or other healthcare professional "Regularly." This suggests that they have created a schedule for routine medical check-ups, which may be for preventive measures, treatment of chronic diseases, or other continuing medical need. Regular patients may prioritize preventive care and give high priority to maintaining their well-being.

Infrequent Physician or Healthcare Provider Visits: About 26.9% of respondents said they go to a doctor or medical professional "Rarely." This group includes people who visit the doctor less frequently, sometimes as a result of circumstances like good general health, the absence of particular health issues, or restricted access to healthcare facilities.

RESULTS AND DISCUSSION

3. Participants experience on accessing healthcare services :



Difficulties Accessing Healthcare: Of the total participants, 39 people (37.5%) indicated that they had trouble getting access to healthcare. This suggests that a sizeable percentage of the participants had experienced difficulties when attempting to receive healthcare, such as lengthy wait times or a lack of availability.

No Difficulties: 51 participants (49% of the total) responded "No," suggesting that they had not encountered any obstacles when trying to receive healthcare services. This implies that relatively easy access to medical care is important for this group since it reveals that over half of respondents had not run into problems when seeking healthcare.

Uncertain/Undecided: With 14 respondents (13.5%), the "Maybe" group represents respondents who were either unsure or unable to say with certainty if they had experienced difficulties accessing healthcare services. For a more conclusive response, this group could need extra explanation or context.

RESULTS AND DISCUSSION

4. Participants usage of pharmaceutical products :

Usage of Pharmaceutical items: The majority of participants, 75 people (72.1%), indicated that they currently utilise or have previously used pharmaceutical items by responding "Yes." This shows that a sizeable percentage of responders have used medicinal therapies.

No Use of medicinal items: Fewer participants—13 people, or 12.5%—replied "No," indicating they have never used medicinal items. This could indicate that these people prefer not to use medications personally, that they rely on alternative therapies, or that they have not needed pharmacological interventions.

Uncertain/Undecided: The "Maybe" category, which had 16 respondents (15.4%), represented participants that were unsure or were unable to answer categorically whether they had ever used or were presently utilising pharmaceutical items. To give a more conclusive conclusion, this group might need more information or context.

RESULTS AND DISCUSSION

5. Factors considered when selecting pharmaceutical product (Sample size of each component is 104 that is number of respondents):

Brand: 79 participants, or 76%, said they gave the brand some thought when choosing a prescription product. Building confidence and faith in a product's reliability and efficiency can be greatly aided by brand familiarity and reputation.

Price: When choosing a medicinal medication, 75 participants (72.1%) cited price as a key consideration. Cost-effectiveness and affordability should be taken into account when comparing solutions for the same treatment category.

Availability: For 76 of the respondents (73.1%), the pharmaceutical product's accessibility played a role in their choice. In order to guarantee prompt and practical treatment, it is crucial that the product is simple to get, including being offered in nearby pharmacies or medical facilities.

Packaging: 28 individuals in total (26.9%) said they gave packaging thought while choosing a prescription product. The user experience as a whole may be affected by elements such as packaging, simplicity of use, and the data offered.

Marketing and Advertising: Twenty participants (19.2%) said that marketing and advertising had an impact on their selection when choosing a medicinal product. These people are probably affected by product endorsements, advertising campaigns, and persuasive messaging.

RESULTS AND DISCUSSION

5. Factors considered when selecting pharmaceutical product :

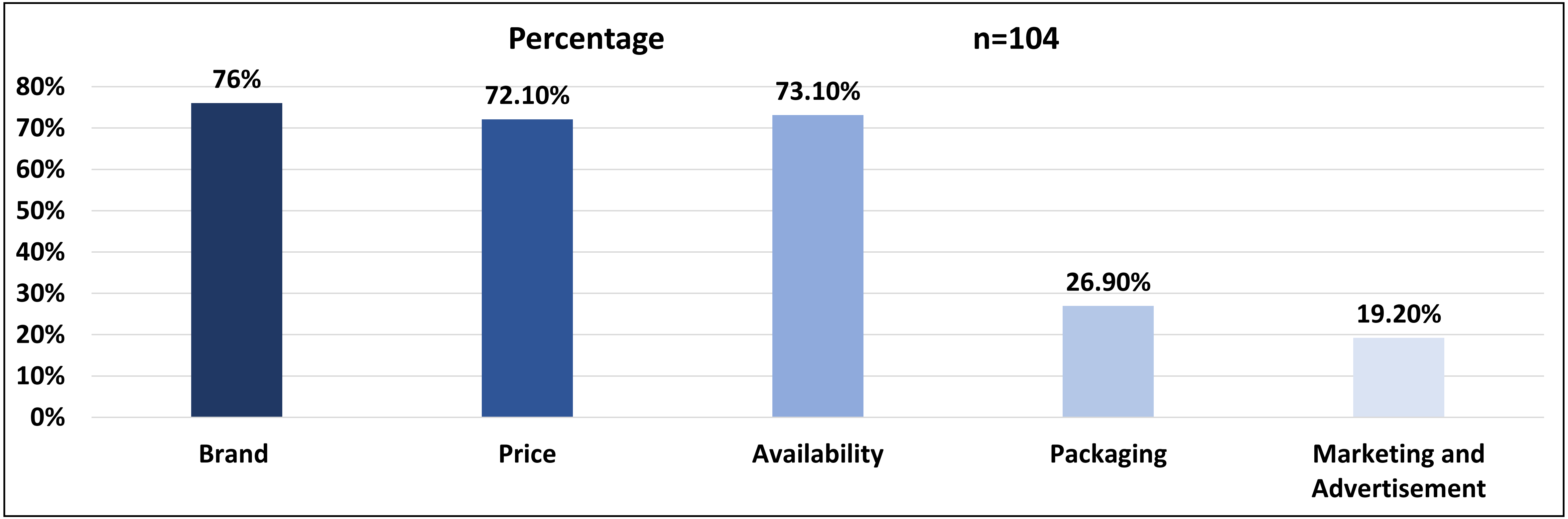


Fig : Factors considered when selecting pharmaceutical product (Sample size of each component is 104 that is number of respondents)

RESULTS AND DISCUSSION

6. Analysis of participants general idea about emerging markets :

Yes: Of the participants, 52 (or 50%) said "Yes," demonstrating their familiarity with emerging markets. These people probably understand what emerging markets are, which are often developing nations with the potential for significant growth and that are going through industrialization or structural changes.

Maybe: 33 respondents (31.7%) answered with "Maybe," indicating a degree of scepticism about their familiarity with emerging markets. These people might be aware of the phrase in general, but they might need more explanation or details to be able to say with certainty that they are knowledgeable.

No: 19 of the respondents (18.3%) said "No," implying that they were unaware of emerging markets. These people might not understand the idea or have little exposure to information about emerging markets.

RESULTS AND DISCUSSION

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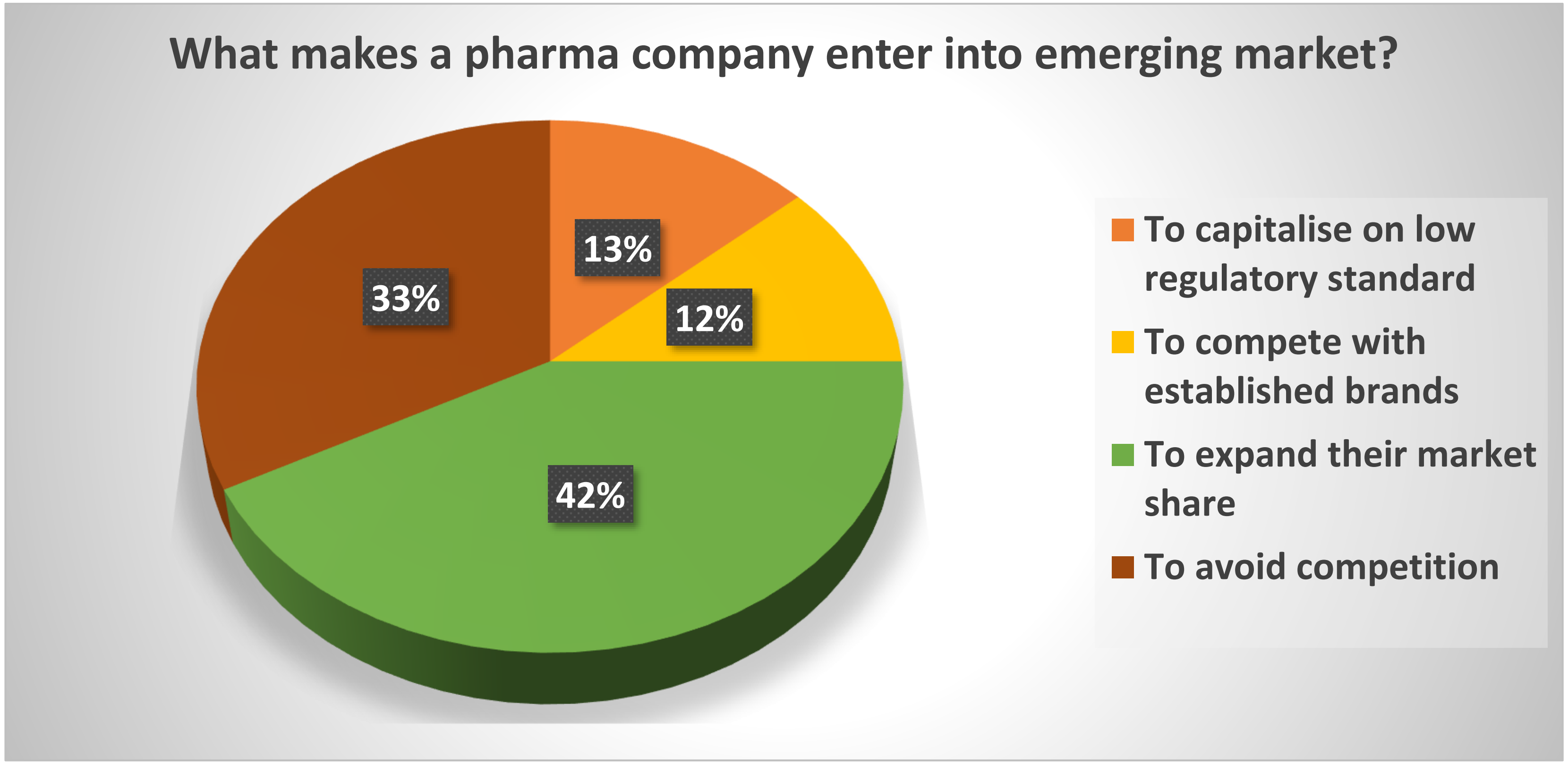

Fig : Reason why to enter emerging market

RESULTS AND DISCUSSION

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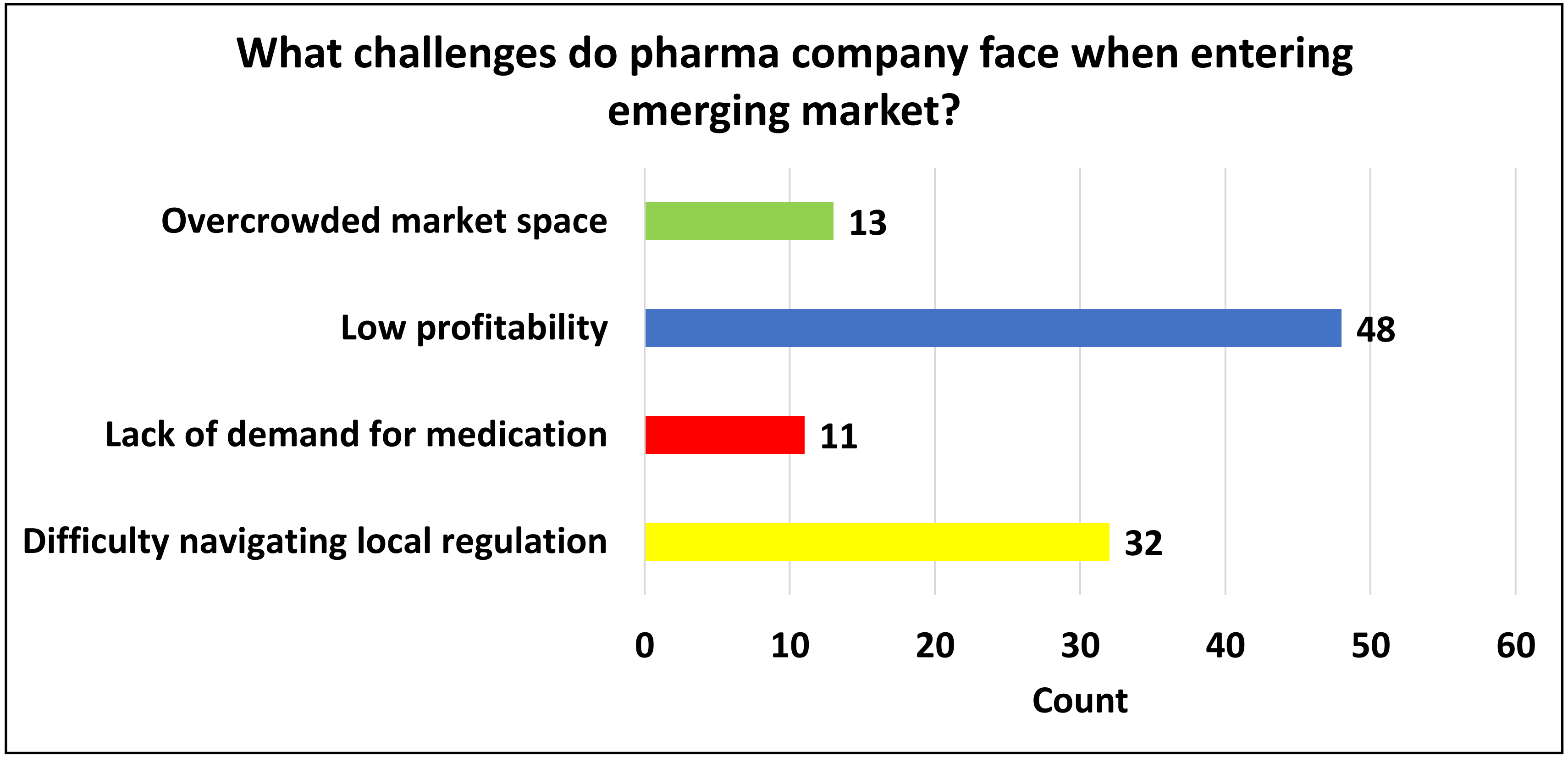

Fig : Challenges faced

RESULTS AND DISCUSSION

7. Factors considered selecting new emerging market :

The size of the market and potential for growth: A large number of participants, 78 people (75%), said that when choosing an emerging market that is new to enter, the market's size and chances of growth are crucial considerations. This recommends that businesses prioritise areas with sizable client bases and expansion possibilities, as they can help them grow their businesses and achieve long-term success.

The level of competition in the market: 71 participants (68.3%) highlighted the degree of market rivalry as a crucial element. This shows that while assessing the viability and potential difficulties of joining a specific new market, businesses take the competitive landscape into account. Companies can evaluate their positioning, differentiation tactics, and prospective market share with the support of an understanding of the level of competition.

The country's political stability and economic policies: Political stability and the economy were cited as crucial factors by 64 participants (61.5%). Business operations benefit from political stability, and profitable economic policies can have an impact on market dynamics, investment prospects, and profitability. These elements help determine an emerging market's overall potential and risk level.

The cultural differences between the country's home country and targeted market: When choosing a new emerging market, 60 participants (57.7%) understood the importance of cultural differences. For company success while establishing itself in a foreign market, it is essential to comprehend cultural nuances and adjust business tactics accordingly. In order to build trusting relationships with customers and successfully advertise their products, businesses must take cultural preferences, behaviours, and communication styles into account.

RESULTS AND DISCUSSION

7. Factors considered selecting new emerging market :

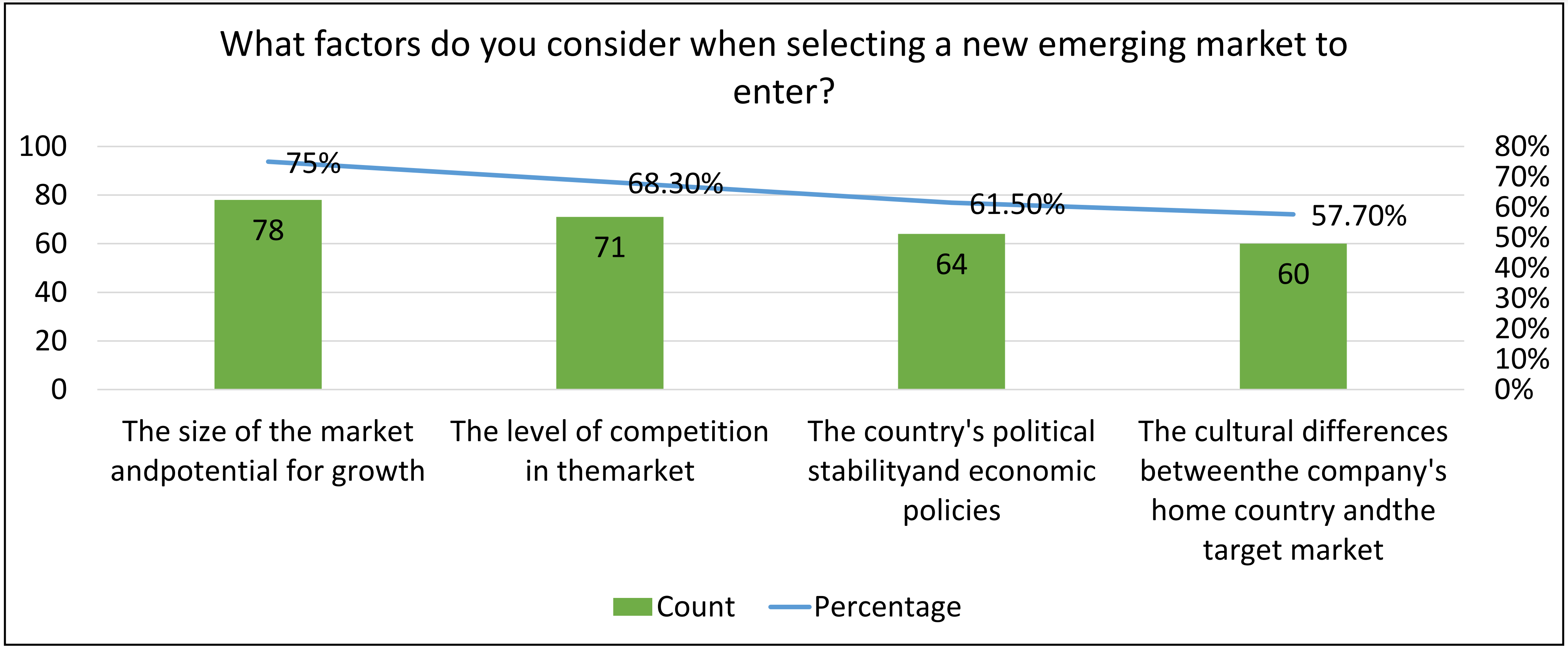

Fig : Factors considered selecting new emerging market

CONCLUSION

In closing, the investigation of the survey data presented offers insightful information on how the pharmaceutical sector operates in developing nations. The results are summarized in detail below:

- Demographics: Participants in the poll came from a range of age categories, with the majority being between the ages of 18 and 34. This suggests that a more younger population's viewpoints were included in the poll, which is significant information to take into account when analyzing the findings.
- Visits to healthcare providers: The replies from the participants revealed a variety of healthcare utilization patterns. A sizable fraction of the people who were asked said they visited healthcare providers occasionally, although about equally as many said they visited infrequently or frequently. This shows that people within the group under study exhibit different patterns of healthcare seeking behavior.
- Accessing Healthcare Services Difficulties: The poll found that many respondents said they had trouble getting access to healthcare services because of excessive wait times or a lack of availability. This draws attention to potential issues with the medical system that must be resolved in order to guarantee greater accessibility and prompt healthcare delivery.
- Utilization of medicinal items: The vast majority of respondents stated that they presently use or have previously used medicinal items. This shows that the population studied relies heavily on pharmaceuticals to meet its healthcare demands.

CONCLUSION

Product selection: Brand, price, accessibility, and packaging were all mentioned by the participants as crucial variables to take into account when choosing medicinal items. This implies that consumers make decisions based on a variety of factors, such as reputation of the brand, pricing, product accessibility, and packaging appeal.

Probability of Choosing Locally Produced/Generic Products Over Branded/Imported Products: According to the poll results, the majority of respondents stated varied degrees of relevance in making a switch from pharmaceutical items that are branded or imported to those that are made locally or using generic versions. This suggests that consumers may be open to considering less expensive solutions like locally or generically made pharmaceuticals.

Knowledge of developing Markets: According to the study, a sizable percentage of participants claimed to be aware of developing markets, while a lesser percentage either did not know about them or were unsure of them. This shows that the questioned population has varying levels of knowledge about the idea of developing markets.

Reasons Pharmaceutical Companies Enter Emerging Markets: According to the survey results, pharmaceutical companies enter emerging markets primarily to increase their market share and profit from lax regulatory standards. Competition with well-known companies and preventing competition were also taken into consideration, but to a lesser degree. This shows that pharmaceutical firms perceive chances to expand their market share and benefit from favourable regulatory conditions in emerging markets.

CONCLUSION

Challenges faced: The participants mentioned a number of obstacles that pharmaceutical businesses must overcome in order to operate in emerging countries. Low profitability, difficulty understanding local laws, congested markets, and an absence of demand for medicine were some of these difficulties. These results underline the necessity for businesses to successfully address the challenges posed by the complicated business climate in emerging regions.

The survey's findings showed that when choosing an upcoming market to enter, key considerations included the market's size and potential for expansion, the degree of competition, the political stability of the nation, and its economic policies. This shows that before choosing to enter a particular new market, pharmaceutical corporations carefully consider a number of different variables.

Importance of Price in Emerging Countries: The survey's findings revealed that a sizeable majority of participants believed that lower pricing was essential for success in emerging markets. A lower percentage, meanwhile, said that establishing credibility and quality necessitated increased prices. Pricing was seen as a small factor by some participants and as completely unimportant by others. These statistics demonstrate various viewpoints on pricing tactics used by the pharmaceutical business to access emerging countries.

Product needs: The results of the survey revealed that adapting current products to the requirements as well as desires of the local populace was the most widely acknowledged method for making sure pharmaceutical products in emerging markets are culturally sensitive.

THANK YOU