Pharmaceutical Marketing

lecture Two
Microenvironment Environment
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Marketing Environment

There are various factors/forces, that directly or indirectly influence the organizations business activities.

- Internal Environment
  - Microenvironment
    - Economic
    - Social/Cultural
    - Technological
  - Macroenvironment
    - Political/Legal
    - Ecological/Physical
    - PEEST

- Internal Environment
  - Microenvironment
    - Suppliers
    - Distributors
    - Customers
    - Competitors

- Macroenvironment
  - PEST

Internal Environment

- Company: Pharmaceutical company

- The internal environment refers to the forces and actors that are within the organization and affects its ability to serve its customers.

- A Company’s marketing system is influenced by its capabilities regarding production, financial & other factors. Hence, the marketing management/manager must take into consideration these departments before finalizing marketing decisions.
Internal environment

- It includes marketing managers, sales representatives, marketing budget, marketing plans, procedures, inventory, logistics, and anything within organization which affects marketing decisions, and its relationship with its customers.

- The Research & Development (R&D) Department, the Personnel Department, the Accounting Department also have an impact on the Marketing Department.

- It is the responsibility of a manager to company-ordinate all department by setting up unified objectives.
Microenvironment

The actors of the firm’s immediate environment that affect its capability to operate effectively in its chosen market

Includes all actors close to the company

- Customers: Patients, Physicians
- Suppliers: Pharmacies and supermarkets
- Competitors: Competitor Pharmaceutical company
- (Marketing intermediates) Distributors: Drug stores
- Public: groups that may have a significant impact on marketing activities formulated to contribute to customers' satisfaction with a product and an organization
Customers

- “It is much important to know what sort of patient has a disease than what sort of disease a person has” William Osler

- Who are they? Who are the Target customers?
- Their choice or Criteria?
- How, when and where they buy?
- How they rate other products?
- What customer groups they are in (Segments)
Customer Vs. consumer

- Customer Purchase the Product
- Consumer use the product
- Customer can be the consumer but the consumer is not necessary the customer.
Customer Value

- Implementing the marketing concept by meeting and exceeding Customer needs better than the competition.

- It is dependent on how the customer perceives the benefits of an offering and the sacrifice that is associated with its purchase.

- Exceeding the value offered by competitors is key to marketing success.
Customers of the pharmaceutical Industry

Doctor  Pharmacist  Patient

Medical Representative
Physicians (Doctors)

Doctor should choose the right medication for the patient.

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**Depends on :-**
- Type of illness
- Effectiveness compared to competitors
- Added value (ex. Less side effect)
- Persuasion level
- Relationship with the sales representative
- Incentives

- KOL doctors : Key opinion leaders
Patients (General consumers, End users)

Patients have the choice to choose what the doctor prescribed or choose themselves the medication

- Prescription drugs: Depends on the doctor’s choice
- OTCs: Depends on the patient’s choice or doctor’s choice

Factors affecting patient choice:-

- Whether it’s an OTC or prescription drug or has other alternatives.
- Cost of medication: covered by insurance or not.
- Seriousness of illness: cold is different than a blood pressure medication.
- Education of the patient.
- Trust in the doctor and the Treatment.
• Pharmacies

Pharmacies have to keep stock of the manufacturer products in order to provide them to patients and satisfy their needs.

Medical representatives visits pharmacies make sure and check the number of prescriptions written for the medicine he supplies.
Segmentation

-choosing a group within the population

-Aligning a product or a brand with an identifiable customer group.

- Identification of individuals or organizations with similar characteristics and needs that have significant implications for the determination of marketing strategy
### Pharmaceutical Marketing segments

<table>
<thead>
<tr>
<th>Demographic factors (age, life cycle, income, gender, etc.)</th>
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<tbody>
<tr>
<td>Socioeconomic factors (social class)</td>
</tr>
<tr>
<td>Geographic factors (North Vs South, urban Vs Rural, country)</td>
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<tr>
<td>Psychological factors (lifestyle, personality traits)</td>
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<tr>
<td>Consumption patterns (heavy, Moderate, Light users)</td>
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<tr>
<td>Perceptual factors (perceptions, benefit, beliefs)</td>
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<td>Brand Loyalty patterns</td>
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<tr>
<td>Medical condition</td>
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Example: Physicians in the market can be segmented according to medical specialty.
Targeting

- Picking which segment from the population to market the company’s product or service (choosing the target customers)

Cardiologists
Cardiologists segmentation

- Northern area
- Middle area
- Eastern area
- Western area
- Southern area
Example

• An X pharmaceutical company wants to introduce a new birth control pill to the market.
  - Who is the customer for the company?
  - What segment the company should target?
  - Who is the target customer?
  - What segmentation criteria for the customers?