OTC (Over the Counter) Pharma Products: A Study on the Behavior of Consumers with Special Reference to Chennai.

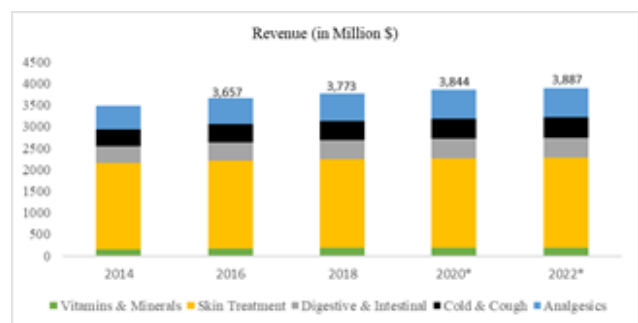**Aashiek Cheriyan, S. Tamilarasi**

ABSTRACT---India is well known for its medical sciences and its rich tradition in the field of Medicines. Centuries ago most of the health-related issues was solved either by self or through the advice of family & friends. But, due to the urbanization hospitals, doctors and pharmacies came into the picture. As per the studies 70% of the patients doesn't buy the medicines prescribed by the doctors. And moreover, people don't approach a physician for the common ailments saving the physicians time as well as that of the patients. This is where OTC pharma products comes into the picture. Consumers behavior keeps on changing due to various factors which cannot be predicted by the marketers. So, the manufacturing industries in all the fields observes their consumers keenly to avoid missing their market share. Based upon the consumers tastes and preferences the industries irrespective of all the fields keeps on updating their products or comes up with a new product in order to be unique in the minds of the consumer. This paper tries to study about the pharma products which are sold without having any prescriptions and the consumers buying behavior on OTC pharma products in Chennai. The data was collected from 100 respondents using Primary survey method.

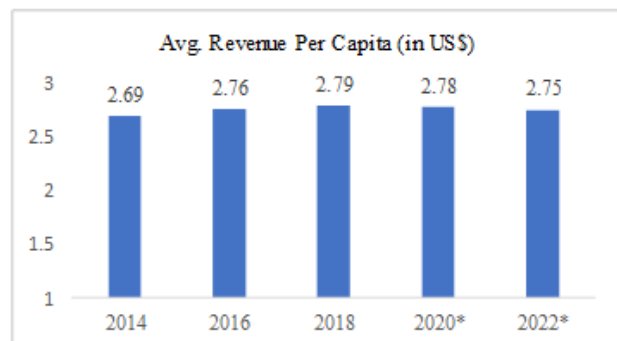*Index Terms: OTC Pharma Products, Consumer buying behavior.*

I   INTRODUCTION

In India self-care is not a new thing its existence can be traced back to centuries. Over the counter (OTC) pharma products plays a major role in the pharma industry which is almost unknown to the common man. In U.S 81% of the adult population do prefer OTC pharma products over the prescribed ones; and in India the figures are almost close to 76%. In that 76%; 71% of the population are from the rural areas of India. The Indian pharma industries revenue includes both the prescribed medicines & the OTC medicines. The revenues generated from the Indian Pharma industries is growing in an upward trend. Indian pharma companies do have an experience and expertise in manufacturing the medicines as per the global standards. India is capable of manufacturing low cost generic alternatives due to a number of economic factors favoring the industry. R & D is the important aspect for development of generics that match the quality & cost targets (CII Pharma, 2017). As per the stats provided by IBEF Pharma sector was valued at USD 33 billion in 2017. The stats provided by Statista in November 2018 the Revenue earned by the OTC Pharmaceuticals Market amounts to US $ 3,773

million. The average revenue per person in the market for OTC Pharmaceuticals amounts to US $2.79 in 2018. By the year 2023 the sales channel will have a gradual shift from the offline stores to online stores. In the year 2016 there was only 4% in the online sales but by the year 2023 the online sales will shoot up to 9% (Statista, 2018).
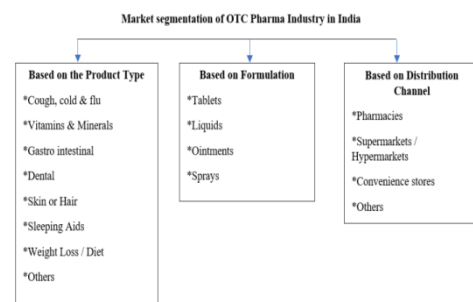

Source: Statista, November 2018.

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An OTC pharma industry can be segmented as follows:

The major players in OTC pharma industry in India are: Amurtanjan, Cipla, Dabur, Emami, G.S.K, Himalaya Herbal, Koplen Ltd., Nicholas Piramal, P & G, TajPharma etc…

The Government of India also have some keen interests in making the Pharmaceutical Sector the number one among the other countries. The initiatives by the government are; Pharma Vision 2020, National Biopharma Mission and National Health Policy schemes. Research & Markets has proposed the market drivers for the OTC pharma industry and they are:

1. Shift in consumer attitude towards self- medication.
2. Rise in geriatric population.
3. Rapid shift from Rx to OTC.
4. Liberalization of OTC drugs sale.
5. Affordability of OTC drugs.

The question of authenticity arises in OTC pharma products which doesn't have any regulations so far in India which is considered as a major drawback of OTC pharma market.

As the philosophy states "Customer is the King" has become a fashion in the field of marketing. According to the customers perception the manufacturing industries do their R & D in order to be unique in the minds of the consumer. The buying behavior of the consumer gets affected due to various factors; to mention a few Psychological factors, Personal factors, Social factors, cultural factors etc…

This paper attempts to reveal the behavior of consumers towards the OTC (Over the Counter) pharma products in Chennai through primary data with a sample size of 50. The responses are analyzed with the help of pie charts and SPSS data. Convenient sampling is used for collecting the responses.

II   REVIEW OF LITERATURES

According to Deshpande SG, Srivastava RK (2018) have mentioned that India doesn't have any regulatory policies implemented till date for the OTC drugs. The Indian drug market is regulated by the Drugs & Cosmetic Act (DCA), 1940 and Drugs & Cosmetic Rules (DCR), 1945. The term OTC or non – prescription drugs has no legal recognition in India and all the drugs which are not included in the list of Schedule H, H1, X are considered to be non – prescription drugs or OTC drugs.

Dadlich et al, (2015) states that the pharma companies are using new marketing strategies in order to attract the public towards OTC market. The pharma companies always look upon their position and their competitor's strategies and then decide whether to continue with the same strategies or to alter it according to the changing scenario. Whether to become a market leader or to become a market niche depends upon the strategies selected by the companies.

According to MeeraVijay (2006) the advertisements has created a positive impact in the OTC pharma products. She also states that all the minor ailments can be cured by the self-medication whereas the major ailments need the attention of a physician or doctor. As far as India is considered the number of illiterates is more so the author is doubtful whether the consumers will take up the medications in its fullest form as shown in the advertisements. The thesis also expresses the dilemma

which has arisen among the doctors that the common man is being aware of all the drugs and this might result in the replacement of doctors in the near future at least for common ailments.

"Over the Counter" drugs are the drugs which does not need any prescription from a registered medical practitioner. The common ailments for which the people go for self-medication as per study is; Vitamins and minerals, cough and cold, Gastro intestinal, Dermatological issues, Digestive, Antacids, Cold rubs, Balms, Creams, Glucose powders etc…The marketing of OTC drugs is gaining momentum which in turn develops the Indian Pharma Industry (Vijay Bhangle, 2007).

The pharmacy business can be segmented into three which includes; Doctors, Pharmacists and Patients says Dr. R.B. Smarta (2005). The marketing strategies in the pharma industry is developing day by day creating a severe competition. The researcher states that there should be a uniform pricing and taxation policy in OTC pharma products in India and there should be a proper regulatory authority.

India stands in the 11th rank in the Global OTC market. India is catching up sooner due to the advent of technology, confident in sharing health care responsibility especially in case of common ailments. (Supriya Gupta, 2013).

35% of the market share is vested in the hands of the Multinational Pharmacy Companies. In the earlier days the major role of marketing a pharma product was done by the physician or the doctor alone. But, nowadays newspaper and television advertisements play a significant role in the marketing. Some of the OTC pharma products have played a significant role and have recreated the history. Ranbaxy and Revital are the two major pharma companies which is prominent in the OTC pharma industry. Pricing and advertisement play a major role in deciding of purchasing a medicine through OTC. (R.K. Srivastava, 2007)

Elisha D et'al (2008) suggests that advertisements on pharma products calls for the clarity and the information provided in the labels need not be misleading. They also suggest that all the advertisements on OTC pharma products and the promotional pieces needs to be checked by the FDA before being advertised or distributed for the sales. The FDA approvals will ensure that the pharma product is fit for consumption and the labelling's in it are not misleading. The only one industry which needs stricter advertisement is the pharma industry.

A. Objectives of the Study

i. To study about the OTC pharma industry in India.
ii. To evaluate the factors affecting the buying behavior of OTC pharma products.
iii. To assess the factors influencing the buying behavior of OTC pharma products.

B. Limitations of the Study

i. The study is conducted only in Chennai so the actual population cannot be considered.
ii. The study is restricted to Allopathy medicines only.

III RESEARCH DESIGN

Based upon the objectives of the present study, a survey was conducted with the help of structured questionnaire to collect the data with regarding to consumer behaviours on purchasing of OTC pharma products. Both primary data as well as secondary data is used through out in this research. The factors influencing and the factors affecting the buying behaviour of the OTC pharma products were analysed in this study with reference to the demographic factors of the respondents. The results were analysed using SPSS and simple percentages. The results were depicted through charting and tabulation to understand the behaviour of respondents.

IV ANALYSIS & INTERPRETATION

The following tables and charts have broadly analyzed the survey questions. The data collected do have some interesting findings. It depicts the buying behavior of OTC products as well as the OTC pharma industry in India. The following table depicts the demographic profile of the respondents:

Table No.1 Demographic Profile of Respondents

Demographic Features	Number of Respondents	Percentage
GENDER		
Male	21	42%
Female	29	58%
AGE		
18 – 28	14	28%
29 – 38	15	30%
39 – 48	13	26%
49 – 58	5	10%
Above 59	3	6%
EDUCATIONAL LEVEL		
School Level	1	2%
College Level	14	28%
Post-Graduation	9	18%
Others	26	52%
MARITAL STATUS		
Un – Married	14	28%
Married	36	72%
MONTHLY INCOME		
Less than Rs. 10,000	8	16%
Rs. 10,001 – Rs. 20,000	7	14%
Rs. 20,001 – Rs. 30,000	9	18%
Rs. 30,001 – Rs. 40,000	10	20%
Above Rs. 40,001	16	32%
MONTHLY EXPENDITURE ON PHARMA PRODUCTS		
Below Rs. 200	9	18%
Rs. 201 – Rs. 400	11	22%
Rs. 401 – Rs. 600	12	24%
Rs. 601 – Rs. 800	5	10%
Rs. 801 – Rs. 1,000	3	6%
Above Rs. 1,001	10	20%

Inferences:

- Majority of the respondents are female accounting to 58% whereas the male population shrinks to 42%. Majority of the respondents are in the age group of 29 – 38 years. Only 6% of the respondents are of the age Above 59.
- 28% of the respondents fall under the category of College Level as their education. Whereas 52% of the respondents falls under other categories of education viz; Student, Diploma, Polytechnique etc… 72% of the respondents are married whereas the remaining respondents are Un- married.

- 32% of the respondents gets a monthly income of Above Rs. 40,001 and 14% of the respondents falls under the category of Rs. 10,001 – Rs. 20,000.
- 24% of the respondents spend between Rs. 401 – Rs. 600 on pharma products monthly. Only 6% of the respondents spend around Rs. 801 – Rs.1,000 monthly on pharma products.

ANOVA TEST

H0 – There is no significant difference among Education Qualification and Source of Information about OTC products.

H1 - There is a significant difference among Education Qualification and Source of Information about OTC products.

Table No. 2 ANOVA to measure the influence of education for determining the source of information about OTC pharma product.

			Sum of Squares	df	Mean Square	F	Sig.
a)	Earlier prescriptions from the doctor	Between Groups	2.245	3	.748	.578	.632
		Within Groups	59.535	46	1.294		
		Total	61.780	49			
b)	Pharmacist	Between Groups	9.639	3	3.213	2.735	.054
		Within Groups	54.041	46	1.175		
		Total	63.680	49			
c)	Friends & Family	Between Groups	6.139	3	2.046	2.067	.118
		Within Groups	45.541	46	.990		
		Total	51.680	49			
d)	Magazine / Literature	Between Groups	12.123	3	4.041	2.302	.090
		Within Groups	80.757	46	1.756		
		Total	92.880	49			
e)	Internet	Between Groups	7.408	3	2.469	2.361	.084
		Within Groups	48.112	46	1.046		
		Total	55.520	49			
f)	Self	Between Groups	1.001	3	.334	.248	.862
		Within Groups	61.819	46	1.344		
		Total	62.820	49			

The above table depicts that the p value is not significant at 5% level for all the sources of information about OTC pharma products. Hence the null hypothesis is accepted and it shows that the Educational Qualification of respondents does not influence the sources of information about OTC pharma products.

H0 - There is no significant difference among Monthly Income and Preference for OTC pharma products for various health problems.

H1 - There is a significant difference among Monthly Income and Preference for OTC pharma products for various health problems.

Table No. 3 ANOVA to measure whether Monthly Income influences the preference for purchasing various OTC pharma products

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
a) Cold	Between Groups	13.285	4	3.321	4.295	.005
	Within Groups	34.795	45	.773		
	Total	48.080	49			
b) Body Pain	Between Groups	16.909	4	4.227	3.747	.010
	Within Groups	50.771	45	1.128		
	Total	67.680	49			
c) Dental Problems	Between Groups	1.571	4	.393	.496	.739
	Within Groups	35.649	45	.792		
	Total	37.220	49			
d) Skin / Hair Problems	Between Groups	.679	4	.170	.192	.941
	Within Groups	39.801	45	.884		
	Total	40.480	49			
e) General disorders	Between Groups	4.106	4	1.026	.675	.613
	Within Groups	68.474	45	1.522		
	Total	72.580	49			

The above table reveals that the p value is not significant at 5% level for all the preferences for health problems except for Cold & Body pain. Hence the null hypothesis is rejected for Cold and Body pain and it shows that Monthly Income of respondents influence the Preference of OTC pharma products for Cold & Body pain. The remaining health problems are not influenced by the Monthly Income.

V FINDINGS

- All the respondents have used OTC pharma product at least once in their life time.
- 58% of the respondents are Female whereas 42% of them are Male.
- 32% of the respondents gets a monthly income of Above Rs. 40,001 and 14% of the respondents falls under the category of Rs. 10,001 – Rs. 20,000.
- 24% of the respondents spend between Rs. 401 – Rs. 600 on pharma products monthly. Only 6% of the respondents spend around Rs. 801 – Rs.1,000 monthly on pharma products.
- The Educational qualification doesn't have any influence with regarding to the sources of information about the OTC pharma products.
- The monthly income of the respondents influences the preferences of purchasing OTC pharma products for Cold & Body pain.
- Whereas the monthly income doesn't influence the purchase of OTC pharma products for Dental, Skin / Hair and General Disorders.

VI SUGGESTIONS

- The OTC Pharma industry in India is not organized and it doesn't have any regulations which lacks authenticity of this sector. If the Government is taking much stricter regulations on OTC pharma industry then it will have a good future.
- The sales of medicines in online is a trend which is growing in a slower pace. If online sales are implemented in most of the cities then the consumers will surely shift their purchases from pharmacies to online stores.

VII CONCLUSION

- The Indian Pharmaceutical Industry ranks 11th position in the Global level. It will be one among in the top 5. India has a track of purchasing OTC medicines from the ancient times onwards. Shockingly 73% of the rural population are purchasing medicines through OTC.
- The OTC pharma market in India is contributing a good amount of revenue to the Pharmaceutical Industry. The major players of OTC pharma market do come with so many promotions and new varieties of medicines to attract the consumers. India is considered to be the largest nation which visits hospitals frequently and the consumption of medicines is higher; so, there is a huge market for the Pharmaceutical Industry.
- Today consumers are more aware of the OTC product. As OTC product today enjoy a good market share and also in coming future as numbers of drugs are going off-patent, so OTC market is going to see increasing market share.

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