



Marketing Challenges And Organizational Performance: An Empirical Investigation With Special To Pharmaceutical Organizations In India

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ABSTRACT

Marketing challenges is a crucial strategic driver for increasing operational performance and maximizing the achievement of organizational objectives, such as improved productivity, improved customer service and enhanced profitability. The age of both market globalization and outsourcing has started, and many companies tend to manage their marketing challenges activities. Most of these organizations understand that marketing challenges needs to be tested for its performance in order to create an effective and efficient marketing. The marketing challenges is the most critical element for companies to boom in pharmaceutical, which needs to be quick, uninterrupted and safe. The competition is fierce because not one or two, but hundreds of pharmaceutical companies are competing for market share, each finding and creating specific strategies for sale and distribution. The present study is an attempt to examine various marketing challenges in the pharmaceutical context. Although there is a lack of literature in this context, the current study critically reviewed the current literature and built a questionnaire with the inputs from leading pharm marketing representatives by identifying the main marketing challenges such as product, price, place, promotion and trying to find the effect of these variables on organizational efficiency. A sample size of 100 employees employed in pharmaceutical departments at different levels of ten leading pharmaceutical organizations in India was taken for a questionnaire survey as a sampling unit. The study found fascinating insights of marketing challenges in pharma, which eventually benefit the marketers to design more effective marketing challenges. Further, the study is confined to Ten Pharma organisations in India which becomes a limitation in generalizing the findings.

Key Words: Marketing Challenges, Operational Performance, Pharmaceutical Organizations

I. INTRODUCTION:

The pharmaceutical sector generates around 2.8 trillion dollars in revenue globally, making it the largest industry in the world. Recent years have witnessed significant changes in the pharmacy sector, putting new demands on payers, providers, and manufacturers. Consumers now expect the pharmaceutical business to provide them with the same options and conveniences as other market segments. The Indian pharmaceutical sector is expected to grow rapidly and steadily over the coming years due to a variety of factors.

The pharmaceutical industry in India stands at the crossroads of opportunity and challenge. With a robust domestic market fueled by a burgeoning population and increasing healthcare awareness, coupled with a strong presence in the global pharmaceutical arena, Indian pharmaceutical companies have made significant strides. However, amidst these achievements lie formidable marketing challenges that require meticulous navigation and strategic acumen to surmount.

At the heart of these challenges lies the regulatory landscape. India's pharmaceutical sector is subject to rigorous regulatory oversight, spanning drug approvals, pricing regulations, and stringent advertising

guidelines. Navigating this intricate web of regulations demands not only compliance but also agility to adapt to evolving regulatory frameworks. Moreover, with recent regulatory reforms aimed at enhancing drug safety and efficacy, pharmaceutical companies face heightened scrutiny, necessitating robust compliance mechanisms and risk mitigation strategies.

Beyond regulatory hurdles, understanding the dynamics of consumer behavior and healthcare preferences is imperative. India's healthcare landscape is undergoing a paradigm shift, driven by factors such as increasing urbanization, rising disposable incomes, and a growing emphasis on preventive healthcare. Consequently, consumers are becoming more discerning, seeking value-driven healthcare solutions and placing greater emphasis on factors such as brand reputation, efficacy, and affordability. Pharmaceutical marketers must therefore unravel the complexities of consumer behavior, leveraging insights to tailor marketing strategies that resonate with target audiences and drive brand loyalty.

Amidst these shifts, competitive pressures further compound the challenges faced by pharmaceutical companies. The Indian pharmaceutical market is fiercely competitive, characterized by a myriad of domestic players vying for market share alongside multinational giants. Price competitiveness, product differentiation, and market segmentation emerge as pivotal battlegrounds, necessitating continuous innovation and strategic positioning to stay ahead of rivals. Moreover, with the emergence of disruptive technologies and digital platforms, the landscape of competition is evolving rapidly, requiring pharmaceutical marketers to embrace digital transformation and harness data-driven insights to gain a competitive edge.

II. LITERATURE REVIEW:

Giuseppe Festa, Ashutosh Kolte, Maria Rosaria Carli, Matteo Rossi (2022), in their study focussed on annual growth in pharmaceutical, medicinal chemical, and botanical production for healthcare purposes. The country sells generic medications on a big scale, having significant impact in American and European markets. Although the industry's infrastructure and R&D skills have grown, difficulties such as pricing regulation, sector fragmentation, and intellectual property continue to exist. Patents are a major topic of contention in the national industry. Despite India's large population and low per capita income, stronger patent regulations may result in reduced access to medicine for a considerable portion of the population. Affordability of drugs poses a serious challenge in India and South Asia, potentially affecting life and death. The study found a strong economic, business, and commercial outlook for the Indian pharmaceutical industry, notwithstanding certain worries. The sector's main problem is to strike a balance between commercial aspirations for innovative growth and social needs for affordable healthcare.

Abinav Sharma (2020) made an attempt, to study the creation, communication, and provision of value to the target market by healthcare professionals is greatly aided by healthcare marketing. Rather than starting with goods or services, modern marketers start with the customer. Establishing a long-lasting connection holds greater significance than completing a single transaction. Creating a high degree of customer satisfaction should be the goal of a healthcare service provider in order to encourage repeat business from satisfied clients. According to the report, hospitals face a number of difficulties when trying to sell their services, but there are also opportunities in the market that healthcare organizations can take advantage of. With a carefully thought-out marketing strategy, hospitals can maintain their competitive edge and build a long-lasting relationship with patients by providing top-notch care and building a solid reputation.

Priyanka Singh (2013) examined a particular facet of rural marketing that these markets have not been utilized in any way. Its sole objective is to draw attention to the rural markets' increasing significance in the rapidly shifting economic landscape. Due to the wide range of courses that must be taken in rural marketing, particular consideration must be given to the product, its quality, packaging, brand, price, advertisement, personal selling, and distribution channel. The rural marketing strategy must be suitable, fully understanding the dispersed nature of rural consumers and the requirement for a distinct communication mix due to the lower educational attainment and environmental variations. All of this necessitates coordinated and coordinated action from the sector and the government. Even while producers may experience early losses due to high promotion and distribution costs, they shouldn't let this stop them from entering the market because the potential in the rural area is enormous. The country's shifting economic landscape combined with the rural population's increased purchasing power means that the recently established rural markets will undoubtedly pay off handsomely.

Luv Saini and P.K. Agarwal (2023) in their study highlighted a pharmaceutical business would be a smart decision because the industry is growing and has a bright future. The process involves several steps, which present the entrepreneur with a variety of challenges. Materials and information must come from trustworthy and credible sources. This study focuses on the various challenges that come with starting a pharmaceutical business in India. The study is qualitatively descriptive and makes use of secondary data. The results show that registration and licensing, resource requirements, financial concerns, business plan formation, raw material availability, skilled labor, and workforce optimization are the primary barriers to starting a pharmaceutical company in India.

Kalyani Rajput and Dr. Rajesh Kumar Pandey (2022) examined product marketing is a standard practice recognized by the worldwide business community as being essential to organizations seeking to achieve their targeted outcomes. The pharmaceutical industry is one of the most important and widespread industries. Its scope is broad, encompassing anything from over-the-counter (OTC) goods to life-saving medications to medical equipment. So much so that pharmaceutical education is given its own area in medical education as a whole, and the foundation for the production of pharmaceutical products is laid by these excellent educational opportunities. It takes a certain set of abilities to get these medications on the market, which is why pharmaceutical marketing is involved. Pharma marketing is more essential than general product marketing because it falls into the category of necessities and useful goods rather than desired goods, as most people don't plan to purchase medications or medical equipment unless they are prescribed or advised by a healthcare professional. This element presents a significant obstacle for the pharmaceutical marketing industry.

III. METHODOLOGY:

This research study aims to assess the association among important marketing challenges components empirically, namely Product challenges, Price challenges, Place challenges, Promotion challenges and how these critical components influence effective performance, which impacts the organizational performance. The present study framed the following objective of the study to enhance the limited literature available on Marketing challenges in the Pharma context: To study the relationship between marketing effectiveness and organizational Performance in Pharmaceutical organizations in India.

The following Hypotheses were framed for the present study

Ha01: There is a significant relationship between Marketing (4P's) challenges and Organizational Performance.

Ha02: There is a significant relationship between Marketing Effectiveness and Organizational Performance.

Data was collected from both Primary and secondary sources. The primary data was collected by administering a structured questionnaire from the employees working in the selected Pharmaceutical organizational in marketing domain. The secondary data was collected from research articles, journals, company records, and manuals. Measures for the research constructs used in the present study were developed by seeking the help from real time professionals who are working in the Pharma organizations with a framework borrowed and adapted by compiling various standard studies from prior literature. Most of the items were measured using a 5-point Likert scale ranging from "very poor" to "excellent". The antecedents in our research model comprise four constructs. "Product Performance of Marketing challenges" was assessed using six items; "Price Performance of Marketing challenges" was assessed using Five items. Nine items used to capture "Place Performance". "Promotion Performance" was assessed using eight items. Finally, "Marketing Effectiveness Performance" and "Organizational Performance" were assessed by using twelve and eight items respectively. A pilot study with a sample size of 50 responses was conducted before arriving at the final questionnaire. Reliability analysis (*Cronbach's alpha*) was applied to check the reliability of items used in initial questionnaire which showed that *Cronbach Alpha ranges from 0.7 to 0.9*(which is quite reliable). Based on reliability analysis and feedback from the Marketing representatives working in Pharma organizations, the final questionnaire was prepared.

The population universe consists of the employees working in India's marketing management wing of the pharmaceutical organization. The present study has limited the scope by restricting the universe as a pharmaceutical organization that only deals with marketing mix challenges. A total of 100 questionnaires were distributed and collected from the employees working in marketing management in pharmaceutical organizations in India.

IV. ANALYSIS

The profile of the respondents includes age, gender, designation, and work experience. The distribution of respondents based on their characteristics is shown in table 1. Analytical aspects of these characteristics are worth noting.

Table: 1 Profile of the Respondents

Variables	Categories	Frequency	Per cent
Age of the Respondent	Less than 25 years	24	24.0
	25 – 35 years	56	56.0
	Above 35 years	20	20.0
	Total	100	100.0
Education	Certificate Level	23	23.0
	Diploma Level	7	4.0
	Degree	28	28.0
	Masters	42	42.0
	Total	100	100.0
Qualification	Related to Job	58	58.0

	Unrelated to Job	42	42.0
	<i>Total</i>	100	100.0
Place of Work	City	28	28.0
	Town	38	38.0
	Both	34	34.0
	<i>Total</i>	100	100.0
Experience as Medical Representative	0 – 2 years	25	25.0
	2 – 5 years	44	44.0
	> 5 years	31	31.0
	<i>Total</i>	100	100.0

The final sample (N=100) was respondents are in the age group less than 25 is 24(24%), age group of '25 – 35 years is 56 (56%), 20 respondents are in the age group of 'above 20 years' (20%), Designation wise, the majority of the respondents are at 'Team lead level' (N=56). Twenty respondents are at 'Executive level', and 24 respondents are managers. Similarly, majority of the respondents have experienced are 2-5 five years. 25 respondents have experienced '0-2 years', 31 respondents have experience of 'above 5 years' in the marketing department. As the present study is based on the employees' perception towards marketing challenges practices, having more respondents from team lead level and good experience in marketing departments will make the data collected more authenticate in this survey. Table 2 is designed to exhibit the mean distribution of marketing effectiveness and marketing variables along with organizational performance scale. From the table, it can be noted that the highest mean was observed to the scale 'Product challenges' (M=3.68) and 'Organizational Performance' (M=3.65), whereas low mean was observed to the scales 'Pricing Challenges' (M=3.61) and 'Marketing effectiveness' (M=3.63).

Table:2 MARKETING CHALLENGES AND ORGANIZATIONAL PERFORMANCE

S. No	Variable	Mean	S.D.
1	Product Challenges	3.68	0.676
2	Pricing Challenges	3.61	0.564
3	Place Challenges	3.64	0.689
4	Promotion Challenges	3.67	0.560
5	Marketing Effectiveness	3.63	0.647
6	Organizational Performance	3.65	0.624

The present paper attempts to examine the relationship between marketing effectiveness and organizational performance with two hypotheses. The following deals with hypotheses testing by applying suitable statistical tools. Ha1: There is no significant relationship between selected variables on marketing challenges and Organizational Performance Ho1: There is a significant relationship between selected variables on marketing challenges and Organizational Performance. The hypothesis is framed to test the statistically significant relationship between marketing effectiveness and organizational performance. To test this hypothesis, linear regression is employed by considering organizational performance as dependent variables and variable of the marketing challenges such as Product challenges, Price challenges, Place (Distribution) challenges, and Place challenges as independent variables. Table 3a portrays the regression test results, giving that marketing effectiveness variables can explain 71.1% of organizational performance.

Ha01: There is a significant relationship between Marketing (4P's) challenges and Organizational Performance.

Table: 3a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.711	.699	.35513

Table: 3b ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.455	4	7.364	58.387	0.000^b
	Residual	11.981	95	0.126		
	Total	41.436	99			

Table: 3c Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.196	0.266		0-.738	.463
	Product Challenges	0.406	0.079	0.424	5.170	0.000
	Pricing Challenges	0.520	0.078	0.453	6.705	0.000
	Distribution Challenges	0.095	0.079	0.101	1.202	0.232
	Promotion Challenges	0.030	0.119	0.026	0.248	0.804

From table 3b, it can be inferred from the ANOVA test result that the overall model is significant. Table 3c shows that all the marketing challenges variables significantly influence organizational performance except two variables: product challenges and price challenges. Thus, the null hypothesis (H01) is rejected from the regression analysis test results, and the alternate hypothesis (Ha1) is accepted. H02: There is no significant relationship between marketing effectiveness and Organizational Performance Ha1: There is a significant relationship between Marketing Effectiveness and Organizational Performance. This hypothesis is framed to examine the relationship between marketing challenges and organizational performance. The earlier hypothesis has considered the variables of marketing challenges as independent variables. In this hypothesis, the marketing challenges is regarded as an independent variable and organizational performance as a dependent variable. Linear regression is applied to examine the relationship between the two selected variables. Table 4a shows that 64.1% of organizational performance can be explained by Marketing Effectiveness, which found to be consistent with the previous finding of the present study.

Ha02: There is a significant relationship between Marketing Effectiveness and Organizational Performance.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.783 ^a	0.614	0.610	.38980

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.637	1	23.637	155.564	0.000^b
	Residual	14.890	98	0.152		
	Total	38.527	99			

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.913	0.223		4.089	0.000
	MARKETING EFFECTIVENESS	0.755	0.061	0.783	12.473	0.000

Table 4b and 4c have given a p-value less than 0.05, which means that there is a statistically significant relationship between marketing effectiveness and organizational performance. Hence, the null hypothesis (H02) is rejected, and an alternative hypothesis (Ha2) is accepted

V. LIMITATIONS

- Any study based on a survey through a predesigned questionnaire suffers from the basic limitation.
- The study is confined to Ten Pharma organisations in India which becomes a limitation in generalizing the facts.
- Non-Probabilistic Sample used in for the survey stands as another limitation of the present study.

VI. CONCLUSION

The study found that organizational performance can be attained by effective marketing management. Marketing challenges can be effective only if designed to meet the various product, price, place and promotion. The study found that product and price are the key issues that significantly impact organizational purpose. The researcher found that the place and promotion are the key issues to address while studying marketing challenges, especially in the pharmaceutical market.

As the study selected marketing segment, product and stock-out situations are unavoidable. But still, efforts should be made to reduce the occurrence of these situations in the future. There are many issues to focus on detail like the product design, accessibility, return policy etc. Hence, further study is recommended to the researchers who shown interest in marketing management.

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