

Marketing Strategies Applied on the Romanian Pharmaceutical Market

Nicoleta Andreea Neacșu

Adriana Tulbure

“Transilvania” University of Brasov,

Faculty of Economic Sciences and Business Administration, Romania

deea.neacsu@yahoo.com

adriana.tulbure@unitbv.ro

Abstract

The Romanian pharmaceutical market has undergone significant transformation over the past three decades. Pharmaceutical marketing, a harmonization process between the production and consumption of medicines, is key to growth and profitability. The research highlights the importance of doctors and pharmacists as main sources of information for patients. A balance of emotional and rational factors, such as the attentiveness of pharmacists, pricing, product availability and proximity, drive consumers to certain pharmacies. Product categories also influence preference, with different pharmacies favored for allopathic medicines, natural remedies, or cosmetic products. Proximity remains the principal decision-making factor, although compassionate staff offering cost-effective solutions play a crucial role in customer retention. Reputed pharmacy chains are preferred due to their promotional activities, diverse product range and knowledgeable in-store advisors. In a shifting landscape, online purchasing is gaining traction, with nearly a third of survey respondents expressing interest in purchasing pharmaceutical products online.

Key words: pharmaceutical marketing, marketing strategies, pharmacies.

J.E.L. classification: M31

1. Introduction

In Romania, the pharmaceutical market has significantly contributed to the national economy and is in a permanent transition. The dynamics with which technology has advanced in the last 30 years have necessarily involved reconfiguring the multitude of companies, redefining even the spirit of business in this field.

Today, the pharmaceutical industry has an entirely different structure in terms of regional presence, business structure and portfolios. The portfolio has been segmented into three major types of drugs: traditional patented or pharmacochemical, generic and biotechnological.

Both independent pharmacies and pharmaceutical chains operate in the Romanian retail and pharmaceutical market, focusing on the patient and the desire to give him access to treatment through safe, innovative drugs that can maintain or improve their health. The trend of recent years has been to purchase small pharmacies, independent of large pharmaceutical chains, and move them to profitable commercial fords.

The pharmaceutical industry is one of the most competitive and dynamic sectors of activity on the market, which is why competition is very close.

This paper aims to identify the most relevant marketing strategies applied to the Romanian pharmaceutical market and their role in attracting and retaining consumers.

This paper contains: a presentation of the literature on strategic marketing, a description of the research methodology and a presentation of the most relevant results. The conclusions, implications of the study and directions for further research are presented in the conclusion.

2. Literature review

Pharmaceutical marketing is a branch of social marketing that has emerged from a need for harmonization between the production and consumption of medicines. It is described as a procedure used to update the market for pharmaceutical goods and services, broadening the definition of "marketing of pharmaceuticals" to include pharmaceutical services focusing on patient care (Vâlceanu, 2016, p.64).

The pharmaceutical company aims to achieve growth, stability and profitability through its activity oriented toward meeting the requirements of patients with the necessary drugs, which are promoted through marketing actions. Continuous quality growth in health services is a strategic goal that is difficult to achieve, which means attracting and retaining both patients, as well as health professionals involved in the provision of health services. This mission involves meeting patients' expectations and providing essential services at a high level (Coculescu *et al*, 2016, p.49).

Marketing has as a dual purpose the attraction of new customers promising, on the one hand, a higher value, and on the other, the maintenance and the cultivation of existing customers while offering satisfaction (Vreme *et al*, 2013, p.518).

According to the American Marketing Association (AMA), the marketing mix is a set of marketing variables controlled and used by the company to monitor sales on the targeted markets (Wichmann *et al*, 2020, p.1). Designing a marketing strategy involves outlining the path and corresponding marketing endeavors (Dogaru, 2012, p.368) as follows:

- Market segmentation: partitioning the prospective market into clusters of customers who exhibit similar buying patterns or behaviors;
- Target market selection: focusing on one or more market clusters as the focal point of the company's marketing efforts;
- Product positioning: it seeks to establish a consistent and enduring product feature that aligns with the selected market slice and distinguishes the product from competitors;
- Four P's strategy: includes strategies around product assortment/lines/models, pricing, distribution channels and promotional tactics.

The product, price, distribution, and promotion are the four fundamental marketing activity components. Together, these four make up the marketing mix. Neil Borden suggested it one of his theories in 1953, and E. Jerome McCarthy described it in the form of the four components (or the 4P) in 1960 (Beke, 2018, p.1).

Pharmaceutical marketing is an essential component in the healthcare ecosystem, intricately linking the manufacturing, distribution, and consumption of medicinal products and services. It is more than simply promoting products; it is about understanding and meeting patients' needs, contributing to public health, and fostering relationships with healthcare professionals (Kejariwal *et al*, 2022, p.3).

Strategic application of the marketing mix, involving market segmentation, target market selection, product positioning, and the four basic elements of product, price, distribution, and promotion, provides a holistic approach to achieving a sustainable market presence. Just as important, these strategies help ensure that patients receive the right medicines at the right time, thereby improving healthcare outcomes and quality of life. Therefore, the pharmaceutical industry's growth, stability, and profitability hinge on these dynamic marketing strategies that continually adapt to the evolving needs and expectations of its diverse patient base (Al Trabbah *et al*, 2022, p.3).

3. Research methodology

The paper's main objective is to determine the most relevant marketing strategies applied to the Romanian pharmaceutical market and their role in attracting and retaining consumers.

The methodology used combined an exploratory analysis with quantitative marketing research.

The exploratory analysis aimed to identify the marketing strategies used in the Romanian pharmaceutical sector in recent years. For this purpose, internal publications and pharmacy chain sites, annual reports, industry analyses and reference materials were studied.

The quantitative research aimed at determining Romanian consumers' opinions, perceptions, and attitudes regarding the marketing strategies applied in the pharmaceutical sector.

The specific objectives were:

- Identifying the main marketing strategies adopted in the pharmaceutical sector in Romania;
- Determining the preferences and behaviors of consumers in the Romanian pharmaceutical market;
- Identifying the criteria by which respondents are guided when purchasing pharmaceutical products;
- Identifying the respondents' opinions on marketing strategies used in the Romanian pharmaceutical sector.

The sampling method used was non probabilistic random type one and the questionnaire respondents came from different backgrounds and age groups, with different professional and educational training (table 1). Regarding gender distribution, the sample had the following structure: 41% women and 59% men.

Table no. 1 Sample structure

Age	18-24 years	25- 34 years	35-44 years	45-65 years	Over 65 years
		20,5%	25,6%	20,5%	12,8%
Gender	Female			Male	
	41%			59%	
Studies	Gymnasium	Highschool	Post secondary school	University studies	Post University Studies
	10,3%	41%	23,1%	17,9%	7,7%
Occupation	Student	Unemployed	Employee	Entrepreneur	Retired
	12,8%	2,6%	56,4%	7,7%	20,5%

Source: Authors' own research

CAWI (Computer Assisted Web Interviewing) technique was used for data collection. This technique displays the questionnaire on a web page and respondents fill in the answers directly in the browser. The research took place between March 7-29, 2023. The data were collected based on a questionnaire containing 26 questions, to which 522 people answered. The questionnaire had two parts, the first one contained questions regarding the pharmaceutical sector and marketing strategies used in this field, and the second part included questions for identifying the respondents (age, gender, income category and residence).

4. Findings

For a better understanding of the study's results, the main findings are structured around each objective.

Objective 1 – Identifying the main marketing strategies adopted in the Romanian pharmaceutical sector

According to a report by the National Institute of Statistics, the number of pharmacies in Romania has varied slightly in recent years, reaching 9,828 units in 2020, after a decrease of 76 pharmacies compared to 2019 (Melenciuc, 2018). However, the Romanian pharmaceutical market has recently consolidated. The largest pharmacy chains have expanded considerably through acquisitions by small players, while independent pharmacies are struggling to stay in the competitive market for pharmacies. The most famous pharmacy chains dominating the Romanian retail market are Sensiblu, Dona, HelpNet Richter, Catena and Farmacia Tei. By the end of 2020, Catena had the largest number of pharmacies in the country, 854 units, followed by Sensiblu, with over 700 pharmacies (Deacu, 2023).

Intense competition leads pharmacy chains to constantly develop new strategies to improve their market position, increase their profit and retain consumers. Following these strategies, there is an increasing trend among pharmacy chains in the number of private brands in the Romanian pharmaceutical market. This type of strategy was adopted by the most significant players in the Romanian pharmaceutical market: Catena, Sensiblu, HelpNet, and Dona.

In general, private brands have their own marketing identity, which can help increase consumer recognition and loyalty. Private brands also offer higher profit margins due to lower costs incurred for marketing and promoting private brand products. At the same time, private brands can stimulate competition and innovation between retailers because they add an element to the level at which retailers compete with each other. Thus, by developing an attractive range of products under a private brand, the trader can differentiate himself from other rival competitors.

The Catena Pharmacies Group has owned the Naturalis brand since 2005, under which quality food and cosmetic supplements are sold, and the Catena range of parapharmaceuticals and medical devices (Catena, 2023). Until the second half of 2019, food supplements under the Dr. Hart brand were marketed through Sensiblu pharmacy chains, comprising a range of numerous dietary supplements for various diseases (Sensiblu, 2023). The third chain of pharmacies that offer food supplements sold under its brand is HelpNet, the Aboca brand established in the Romanian pharmaceutical product market (HelpNet, 2023). Dona pharmacies sell parapharmaceuticals and food supplements under the name: “Dona Pharmacy” (Dona, 2023).

Catena, Sensiblu, HelpNet and Dona use patient attraction strategies by measuring blood pressure, monitoring weight and providing counseling on beauty products and medications.

Another strategy pharmacy chains use is expanding the range of products through their collaboration with local and foreign manufacturers and distributors of medicines, cosmetics and food supplements.

The patient is at the center of all the activities a pharmacy undertakes, that is why the established chains in Romania have chosen to offer their services online, thus attracting young people and adults with busy schedules.

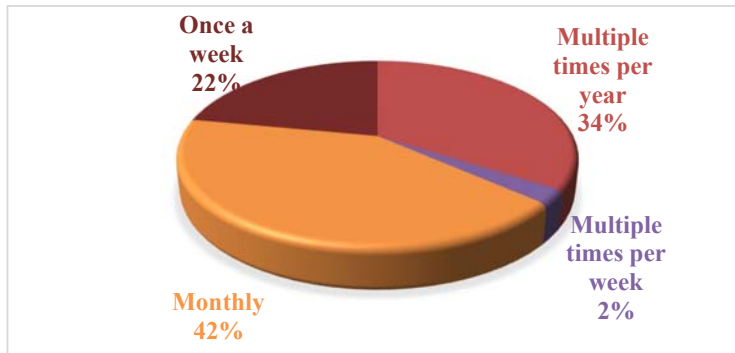
In the face of intense competition and the aim of increasing sales, strengthening their brand, and building a long-term positive relationship with customers, pharmacy chains use different differentiation strategies, such as loyalty programs. Through a loyalty program, customers are rewarded for shopping, with loyalty cards also giving them a reason to buy again from the same merchant. As a result of using this card, information is obtained on purchasing habits, products purchased, frequency of purchases, prices paid, places and the way people buy products resulting in a buyer profile. Pharmacy chains use this information to create and implement special promotions, discounts and offers, send personalized advertisements or offers according to the preferences based on the purchase history and give informative materials regarding the products or the services provided.

Objective 2 – Determining the preferences and behaviors of consumers in the Romanian pharmaceutical market

In order to achieve this goal, the authors tried to identify the respondents' preferences regarding purchasing pharmaceuticals. The results showed that a significant proportion of 81% of those surveyed prefer food supplements. Almost as many respondents in the proportion of 74% buy medicines frequently and 57% choose cosmetics. At the opposite pole are 9% which buy technical-sanitary products, with the lowest search among those surveyed.

Regarding the frequency of purchase, it is found that almost half of the respondents, 41.5%, are used to purchasing pharmaceutical products monthly. The lowest percentage of 2.4% was registered by those who attend the pharmacy several times a week to obtain the desired products.

Figure no. 1 Buying frequency of respondents

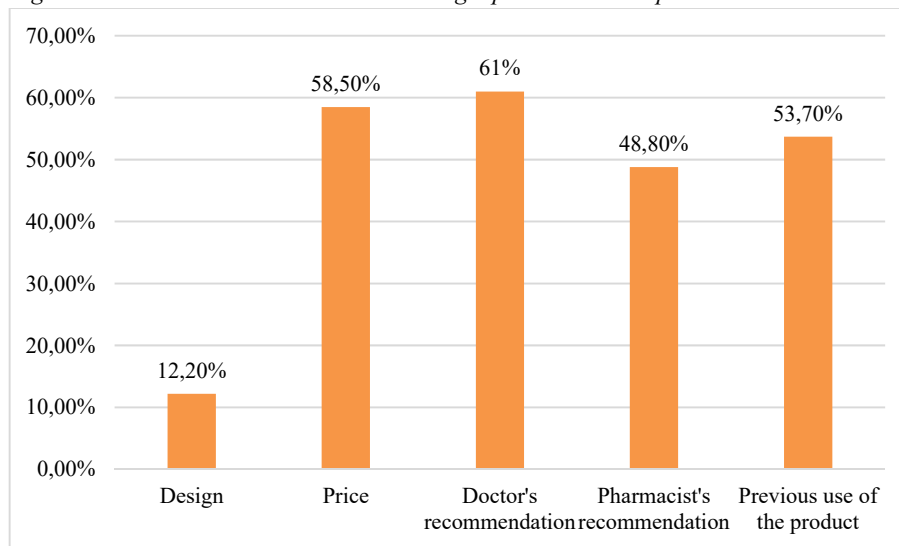


Source: Authors' own research

Objective 3 – Identify the criteria by which respondents are guided when purchasing pharmaceuticals

Respondents were asked what criteria guides them when choosing a pharmaceutical product (figure 2). 61% consider that the most important aspect in choosing a pharmaceutical product is the doctor's recommendation, followed by the price 58.5%, the previous use of the product 53.7%, and the pharmacist's recommendation 48.8%. The least important aspect in choosing the pharmaceutical product is the design, preferred by only 12.2% of those surveyed.

Figure no. 2 The criteria used when choosing a pharmaceutical product



Source: Authors' own research

Subjects were asked to designate the degree of importance of different criteria in purchasing a pharmaceutical product (table 2). Thus, in the first place came the purchase of a pharmaceutical product that they have used in the past and has proven effective. Other important criteria in determining the purchase of a pharmaceutical product were: the manufacturing company, whether the product is original or generic and the promotions.

Table no. 2 The importance of the different criteria in the decision to buy pharmaceutical products

	N	Minimum	Maximum	Mean	Std. Deviation
Price	176	1.00	5.00	3.7740	1.16033
Brand	176	1.00	5.00	3.7797	1.08818
Original/generic product	176	1.00	5.00	3.8814	1.06202
Promotion	176	1.00	5.00	3.5706	1.20926
Advertising	176	1.00	5.00	2.4972	1.05056
Effectiveness in the past	176	1.00	5.00	4.6158	.79012
Valid N (listwise)	176				

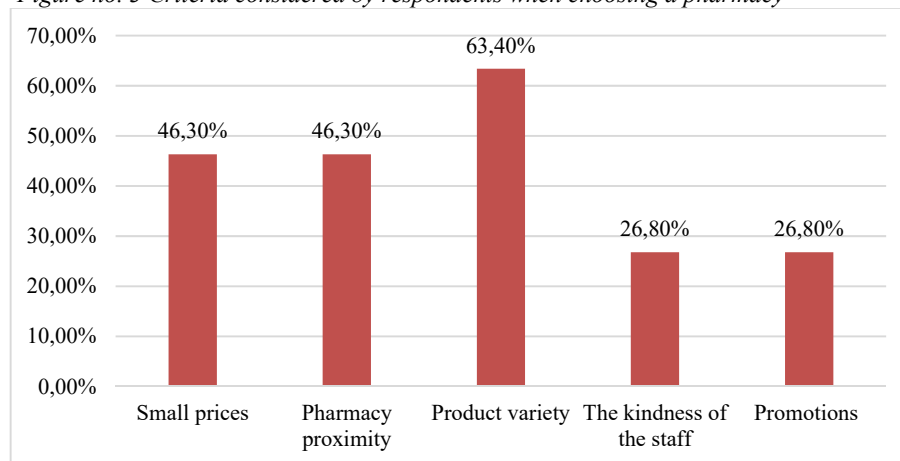
Source: Authors’ own research

Objective 4 – Identifying respondents' opinions on marketing strategies used in the Romanian pharmaceutical sector

Most of those surveyed, 97.2%, said they do not only attend a specific pharmacy, but they also prefer to shop in several pharmacies. Only 2.8% of respondents are loyal customers of a particular pharmacy.

The authors tried to identify why respondents generally prefer a particular pharmacy. Thus, the majority of 63.4% of subjects choose a pharmacy according to the wide range of products it holds, depending on the proximity of the pharmacy (46.3%) and the prices charged (46.3%). Only 26.8% of subjects prefer a certain pharmacy for its attractive promotions and offers.

Figure no. 3 Criteria considered by respondents when choosing a pharmacy



Source: Authors’ own research

Preferences for certain pharmacies are generated by how they meet customer needs and requirements. We are talking, on the one hand, about emotional factors (the behavior of pharmacists and the increased attention to the needs of the client) and, on the other hand, rational factors (low prices, supply, proximity).

Customer preferences may also differ depending on the category of products they wish to purchase. Some pharmacies are preferred for allopathic medicines, others for naturalists, and others for care products (cosmetics). However, there are certain cases where preferences have been suggested by specific contexts – customers have become loyal to certain pharmacies because they are the only distributors of certain medicines.

The most important decision-maker is proximity. Staff also manage to retain customers if they treat their problems carefully, find solutions and are on the customer side, as they make cheaper recommendations.

The notoriety of pharmacies is also mentioned, in the case of renowned chains on the market being appreciated for their promotions, the diversified range of products, and the existence of the councilors.

The price is also important, especially for drugs with very high prices, in the case of prescriptions containing many drugs or when the customer comes with a long list of necessary products.

Currently, most pharmaceutical chains are trying to allow consumers to purchase products online. Following the research, it was observed that 29.30% of respondents surveyed are interested in purchasing pharmaceutical products from sites rather than physically.

5. Conclusions

The Romanian retail and pharmaceutical market has had a spectacular evolution since 1990, becoming one of the most dynamic sectors of activity in the market due to effective marketing strategies.

The construction of a name on the pharmaceutical market depends on the quality of the products or services offered, the unitary image that the patient forms about the unit, and embodies the sum of all the experiences and perceptions that the client has about the services offered, about the products released or about pharmacists.

Promoting pharmacies, attracting, retaining, and maintaining patients requires a lot of patience, perseverance, and involvement from all pharmacy staff.

The primary objective of pharmaceutical companies is to achieve growth, stability, and profitability by meeting the needs of patients and promoting their drugs through effective marketing strategies. The challenge lies in continuously improving the quality of health services, attracting and retaining patients and healthcare professionals alike.

By segmenting the market, selecting target markets, positioning products, and devising a comprehensive marketing mix strategy, pharmaceutical companies can effectively navigate the dynamic healthcare landscape and meet the demands of patients and stakeholders in the industry. With the integration of these principles, pharmaceutical marketing can contribute to improved patient outcomes and the overall advancement of healthcare.

The research showed that for respondents, the main source of information regarding medicines intended to treat serious conditions is the doctor. However, in the case of mild diseases (colds, migraines), previous experience with the product is the one that takes precedence. The pharmacist is another source of information, his advice being counted in mild and slightly more serious conditions requiring antibiotics. He is often asked to give his opinion, even when patients have a prescription, to find cheaper alternatives.

Although the research has certain limits, determined by the small size of the sample used and it is unrepresentative (non-random sampling method), therefore the sample could not be statistically validated, and the results could not be extrapolated to the entire population investigated, the authors consider that the paper has academic contributions in the field of the topic analyzed and it should be the starting point for future research on this subject.

6. References

- Al Trabbah, D.H., Almahirah, M., Naser, A.Y., Alrawashdeh, H.M., Araidah, M., 2022. The effect of pharmaceutical companies' marketing mix strategies on physicians prescribing practices in Jordan: a cross-sectional study. *BMC Health Services Research*, 22(1). <https://doi.org/10.1186/s12913-022-08664-1>.
- Beke, G.O., 2018. Demystifying McCarthy's 4 P's of the Marketing Mix: To Be or Not to Be. *European Journal of Business and Management Research*, 3(4), pp.1. <https://doi.org/10.24018/ejbmr.2018.3.4.14>
- Catena, 2023. [online] Available at: <https://www.catena.ro/despre-noi> [Accessed 22 May 2023].
- Coculescu, B.I., Purcarea, V.L., Coculescu, E.C., 2016. Product policy - the main component of the marketing mix in the Romanian health services. *Journal of Medicine and Life*, 9(1), pp.49-51.

- Deacu, E., 2020. Analiză - Farmaciile din România au intrat în 2020 cu cele mai bune rezultate din istorie. Care sunt cei mai mari jucători [Analysis - Romanian pharmacies entered 2020 with the best results in history. Who are the biggest players], *Ziarul Adevărul [The Truth Journal]*. [online] Available at: https://adevarul.ro/economie/afaceri/analiza-farmaciile-romania-intrat-2020-cele-mai-bune-rezultate-istorie-cei-mai-mari-jucatori-1_5e1db90d5163ec42711a691c/index.html [Accessed on 22.05.2023].
- Dogaru, T.C., 2012. Applicability of certain public marketing instruments in the promotion of public policies. *Management and Marketing Journal*, X(2), pp. 368-380.
- Dona, 2023. [online] Available at: <https://www.farmaciiledona.ro/despre-noi> [Accessed 22 May 2023].
- Helpnet, 2023. [online] Available at: <https://www.helpnet.ro/compania-helpnet> [Accessed 22 May 2023].
- Kejariwal, M., Bhat, R., Pradeep, C., Dave, Singh, S.P., Shiv, K., Tiwari, Shanbhag, P., 2022. Marketing Strategies for Pharmaceutical Industry - A Review. *Journal of Pharmaceutical Negative Results*, 13(8).
- Melenciuc, S., 2018. Numărul de farmacii din România, în scădere pentru al doilea an la rând [Number of pharmacies in Romania, decreasing for the second year in a row]. [online] Available at: <https://360medical.ro/stiri/numarul-de-farmacii-din-romania-in-scadere-pentru-al-doilea-an-la-rand/2021/08/03/> [Accessed on 22.05.2023].
- Sensiblu, 2023. [online] Available at: <https://www.sensiblu.com/despre-noi> [Accessed 22 May 2023].
- Vâlceanu, C., 2016. Noțiuni de marketing farmaceutic [Notions of pharmaceutical marketing]. *Practica Farmaceutică [Pharmaceutical Practice]*, 9(2), pp. 64-74.
- Vreme, I., Childescu, V., 2013. Importanța marketingului în activitatea economică [The importance of marketing in economic activity]. *Conferința Tehnico-Științifică a Colaboratorilor, Doctoranzilor și Studenților [Technical-Scientific Conference of Collaborators, PhD Students and Students]*, vol. 3, pp. 518-519. Technical University of Moldova, Chisinau.
- Wichmann, J.R.K., Uppal, A., Sharma, A., Dekimpe, M.G., 2020. A global perspective on the marketing mix across time and space. *International Journal of Research in Marketing*, pp.1-20.