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○ ISSUE 16

○ July 2014

Brandspeak

AN E-UPDATE BY BRANDCARE

Med-ad Update

Drafting right Pharmaceutical policies

Pharmaceuticals contribute to an average of one-fifth of the total health spending across developing countries. Regulating Government policies thus becomes an important aspect in ensuring a healthy sustainable environment of companies producing quality drugs and healthcare solutions at an affordable price.

Designing any pharmaceutical policy should serve two basic purposes. Attaining the requirements of the patients today and creating a sustainable environment that enriches a continuous cash flow in pharmaceutical industry. The purpose of pharmaceutical policies should benefit the patients, giving them access to modern drugs and innovative quality products at ease. The increased consumption pattern of pharmaceuticals due to discovery of new drugs, increasing population and rising purchasing power have been the key drivers in maintaining a continuous demand in the market, thus promoting a competitive habitat in Research and Development, focus on quality and customer service.

There is an urgent need to build an environment of continuous investment which will enable the government to innovate productive policies encouraging small, medium and large scale industries to work for a healthy future. Financially, there is a need to invest more in manufacturing and cease restriction on entry of foreign players in pharmaceuticals. The new budget policies have ensured that there is an increase in spending and investment in the manufacturing sector, enhancing India's competitiveness towards a sustainable growth model. Promotion of FDI and capability building would also help increase the quality of drugs produced and hence increase productivity.



Quality Medication

The rural patients of many Indian states are a victim of wrong treatment. In a research study, it was found out that unqualified practitioners in rural areas did less questioning and fewer examinations on patients, hence victimized by wrong medication. There is a need for medical institutions to provide a standardized and qualitative training to young doctors to ensure that appropriate medication is given to patients.

FMCG Industry crossing over Pharmaceutical sector



Dabur recently re-branded its largest selling brand Chyawanprash, an ayurvedic health tonic, as a youth product. A youth icon would connect better to the targeted age segment and so its brand ambassador was changed to Mahendra Singh Dhoni from Amitabh Bachchan. Chyawanprash is one of those brands that blurs the distinction between FMCG products and pharmaceuticals. Many companies want to be positioned where the product would be considered as a benefit to both categories. Drug companies want to get into healthcare, and vice versa.

The consumer healthcare segment is growing at a whopping 18%, 1.5 times the rate of FMCG sector. Rising fees of medical professionals, an increasing zeal for self-medication, aggressive marketing and faith in the conventional system of ayurveda are the key growth drivers for this sector. Increase in expenditure with a blend of lifestyle related diseases and increasing awareness among public, makes sure there is an ever-growing demand in the market. With the arrival of many foreign and domestic players, much of which came through inorganic methods has made this segment open and attractive. With the recent take over of Paras brand by Reckitt, a dominant FMCG player in the market, has now access to many OTC brands such as Moov pain relief, Krack heel cream, D'Cold and Itch Guard.

Paras's excellent distribution network, covering over two million locations across India, will hurl the RB's OTC portfolio.

Emami is another player grasping hold of healthcare segment with products like Sona Chandi Chywanprash, Himani Fast Relief, Mentho plus Zandu. A major appeal for OTC pharmaceutical companies are the margins, which are double in case of FMCG.

The personal care market has a penetration which is six times that of healthcare market on one hand, whereas healthcare market is increasing at 20% year on year whereas personal care segment at 15%.

Chemists play an important role in the success of OTC drugs, taking charge of daily ailments for consumers who cannot decide their medication. People prefer to purchase OTC medicines from chemist shops rather than grocery stores, where they are readily available. The main reason for this consumer behavior is because of the advice given by chemists.

Simultaneously, drug manufacturers are also seeping their way through the FMCG segment. For instance, Aventis pharma, launched Combiflam cream in selected markets. Combiflam has been traditionally served as an OTC pain relief tablet.

The future holds tremendous growth prospects for both the industries if they work in synchronization.

**GET YOURSELF
CHECKED**



India accounts for almost 21% of global disease count. These diseases are mainly found in rural areas where access to healthcare is very less. Over 2 million deaths alone in 2008, that too due to preventable diseases like malaria, diarrhea, dengue, typhoid and measles. If diagnosed, these diseases could be prevented at an early stage.



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