



<http://www.moderntechno.de/index.php/meit/article/view/meit29-02-084>

DOI: 10.30890/2567-5273.2023-29-02-084

THE SPECIFICS OF MARKETING MANAGEMENT OF THE PHARMACEUTICAL INDUSTRY

СПЕЦИФІКА МАРКЕТИНГОВОГО МЕНЕДЖМЕНТУ ФАРМАЦЕВТИЧНОЇ ГАЛУЗІ

Racheva N.O. / Пачева Н.О.

ORCID 0000-0001-9932-5021

PhD in Economics, / кандидат економічних наук, доцент

Podzihun S.M. / Подзігун С.М.

ORCID 0000-0003-3012-1842

PhD in Economics, / кандидат економічних наук, доцент

Department of Marketing, Management and Business Administration

Pavlo Tychyna Uman State Pedagogical University

Уманський державний педагогічний університет імені Павла Тичини

Summary: *The article reveals the peculiarities of organization of marketing management at pharmaceutical enterprises and defines its place in achieving maximum economic efficiency. It is established that the role of marketing as a process begins with the study of demand and identification of customer needs/desires, and then supply - satisfaction of these needs/desires. It is proved that fundamental changes in the business environment are achieved through marketing management. Marketing management is aimed at ensuring the stability of all areas of enterprise activity in modern market conditions. In a broad sense, marketing management at pharmaceutical enterprises includes the use of various marketing tools to make pharmaceutical products available to customers.*

It has been found that a successful organization of marketing management at pharmaceutical enterprises will provide competitive advantages in achieving business goals by attracting new customers and penetrating new markets. The author proves that it is advisable for pharmaceutical enterprises to study the direction of practical application of a product/service, ways of its distribution, pricing, PR, advertising, branding, trade channels, use marketing communications and other types of interaction with customers. It is substantiated that marketing involves the actions of pharmaceutical marketers to create demand for goods/services, stimulate sales through their own marketing communications plan, along with market research, pricing, positioning and marketing policy. It has been determined that improving the system of organization of marketing management at pharmaceutical enterprises will help to successfully promote the organization and achieve a competitive position in the pharmaceutical market.

Key words: *marketing management, pharmaceutical enterprises, management system, marketing tools, organization, competitiveness.*

Formulation of the problem.

In modern conditions, successful business operations are possible under the conditions of proper organization of marketing management at enterprises. Marketing management makes it possible to obtain optimal economic performance and achieve a positive effect at the same time, taking into account the various interests of the participants. Pharmaceutical enterprises are interested in the effective management of marketing activities and the search for a modern approach to the organization of the production and sale of medicinal products. In modern conditions, successful business operations are possible under the conditions of proper organization of marketing management at enterprises. Marketing management makes it possible to obtain optimal economic performance and achieve a positive effect at the same time, taking into account the various interests of the participants. Pharmaceutical enterprises are interested in the effective management of marketing activities and the search for a



modern approach to the organization of the production and sale of medicinal products.

Analysis of recent research and publications.

Such scientists as L. Balabanova [1], O. Bilovodska [2], N. Yazvinska [3] made a significant contribution to the research of marketing management, the development of pharmaceutical marketing was studied by L. Shulgina [4], the peculiarities of marketing management in the system of ensuring the pharmaceutical market revealed by the authors I. Pestun and Z. Mnushko [5] and others. Despite the large number of studies, the issue of the organization of marketing management at pharmaceutical enterprises is relevant and requires additional in-depth research.

Formulation of the goals of the article (task statement).

To investigate the peculiarities of the organization of marketing management at pharmaceutical enterprises, to analyze its influence as an innovative management concept on the effective activity of a pharmaceutical enterprise.

Presenting main material. In 2022, the pharmaceutical market of Ukraine saw a drop in production volumes and an increase in the cost of pharmaceutical products. Such changes pushed the largest domestic pharmaceutical manufacturers to search for new ways of development. Today's realities dictate the need for pharmaceutical enterprises to master modern approaches to the organization of marketing management. A pharmaceutical enterprise oriented to consumer requests, which constantly monitors the market environment, is directed to the maximum satisfaction of demand, and as a result receives the maximum profit.

Marketing management at pharmaceutical enterprises should be based on the receipt of reliable and timely information about the pharmaceutical market, consumer requests, the structure and dynamics of demand for a specific type of product; impact on the consumer, on demand, on the market, which creates the maximum possible control of the sphere of implementation.

According to the reasoning of D. Rayko, marketing management is a modern concept of marketing, a fundamentally new approach, first of all, to the strategic management of an organization that relies on market orientation in conditions of intense competition [6]. Market research, updating the assortment, taking into account seasonal morbidity, predicting consumer requirements are the basis of effective management of a pharmaceutical enterprise on the basis of marketing.

Marketing management at the enterprise is aimed at developing a system for managing marketing activities, improving work efficiency, strengthening competitive positions, maximizing profits through the development of an effective marketing mix, activating targeted or entering new markets [7]. Marketing management at pharmaceutical enterprises is a managerial activity aimed at creating demand and achieving the goals of the pharmaceutical enterprise through the maximum satisfaction of the needs of buyers in medicinal products.

Medicines are a socially significant commodity that is of strategic importance for the national interests of any country [8].

For each type of product, medicines are no exception, the formation of demand depends on a number of objective and subjective factors. Objective factors include: socio-demographic, geographic and economic factors; product properties, quality and



assortment on the market; informational and advertising support for product promotion. Subjective factors determining demand include the level of buyers' needs, their values, cultural traditions, state of awareness, and past experience. Morbidity, which should be attributed to a number of objective factors, is of decisive importance in the formation of the demand for medicinal products [9]. Safety and efficacy are key characteristics that determine the value of medicines to consumers.

The effectiveness of the organization of marketing management at a pharmaceutical enterprise is determined by the degree of application of marketing tools in combination with the potential of this enterprise. The monetary equivalent of this characteristic is expressed as the ratio of commercial results to the costs of marketing activities.

Diversification (lat. *Diversificatio* – the desire for diversity) is a strategic decision about the possibilities of enterprise development by managing a portfolio of divisions with different types of activities or using competitive advantages from joining efforts to achieve a single goal; expansion of the company's activities. Diversification gives advantages in the competition, as it increases the possibility of maneuvering in conditions of changing business conditions, ensures a stable market share, reduces the risk of innovative activity, increases the efficiency of the use of research and development works, allows the enterprise to adjust production in other industries [10]. In the pharmaceutical industry, diversification is followed in the production of new or different pharmacotherapeutic groups of medicinal products due to the existing technologies and marketing programs of the pharmaceutical enterprise. With the help of differentiation, pharmaceutical companies can increase profits by setting a higher price for the product.

The organization of marketing management at pharmaceutical enterprises depends on the level of market coverage. There is a need to determine in which part of the market the company plans to compete, and further organization of marketing management depends on this choice. A pharmaceutical enterprise must find an exceptional system of operation, which includes the process of creating coordinated marketing plans with strategic management goals. The choice is possible by taking into account the dependence between the market share and the profitability of the pharmaceutical enterprise. As a rule, enterprises that do not have powerful opportunities to gain leadership in the market are concentrated in a certain segment and want to increase their advantages there in relation to competitors. Pharmaceutical enterprises, which have a larger market share, have correspondingly higher profitability indicators.

It is worth remembering that in addition to the pharmacotherapeutic properties of medicines, there are other characteristics that influence the formation of demand. Bioequivalents, pharmacotherapeutic analogues, the price of the drug, the image of the country and the company that produces it, affect the level of drug demand. This type of demand is related to the forms of dispensing medicines in pharmacies: prescription and non-prescription.

The demand for non-prescription drugs arises under the influence of various types of advertising, recommendations of pharmacists, and doctors. There is a limit to the demand for prescription drugs.



Marketing management is purposeful coordination and formation of all activities of the enterprise, which are related to the market activity of the organization at the level of the market and society as a whole and are based on the principles of marketing [2]. The pharmaceutical market has its own peculiarity, which is that the demand for medicines is met not only at the expense of the income of the population itself, but also at the expense of the state budget. The general factor limiting any demand for goods/services is the purchasing power of the population. Marketing management aims to eliminate the imbalance between the needs of consumers and the capabilities of the enterprise.

The optimal operation of the enterprise can be achieved thanks to the creation of a service that deals with marketing. The marketing service of the enterprise should study the indicators of the enterprise's activity and analyze the marketing process and bring up-to-date ideas and proposals for further improvement. Successfully constructed marketing management is able to bring the company to a leading position on the market and create special offers for consumers and counterparties in competitive conditions. In the conditions of a market economy, enterprises are under the influence of a huge number of various internal and external factors, therefore, for effective functioning, the enterprise needs to occupy its special niche and a recognizable image, distinguishing itself among competitors [7].

The analysis of the economic situation of the Ukrainian pharmaceutical market and the dynamics of the development of its individual segments made it possible to identify the main types of competition in the pharmaceutical market, namely:

- significant competition between domestic and foreign pharmaceutical manufacturing enterprises, as well as global leaders of the pharmaceutical industry, which can potentially enter this market, active development of enterprises in related industries (for example, the field of biotechnology) and other industries (for example, food, processing), the development strategies of which foresee entering the pharmaceutical market in the future;
- pressure from substitute products, as well as competition from original and generic drugs; biologically active supplements, etc.;
- competition of logistics supply chains of pharmaceuticals; competitive struggle for dominance in the hospital/pharmacy segments and representation of one's own interests in the distribution channels of pharmaceutical products (at the level of doctors, pharmacists, pharmacists, etc.);
- competition at the level of wholesale and retail trade - the formation of pharmacy chains under the auspices/ownership of wholesale warehouses, pressure from the network of local pharmacies that are united in wholesale organizations, etc., which collectively expand and complicate competition on the market;
- pressure from consumers, who, due to low barriers to access to information, have become more knowledgeable about the characteristics of pharmaceuticals, and have acquired the ability to address a wide range of market participants in the provision of medical services, in particular consulting (in connection with the introduction of the electronic medical system Helsi, development of private offices, etc.) [11]. In the production of pharmaceuticals/medicines, it is worth



predicting business consolidation and entry into the market of stable counterparties due to their stable solvency and other factors.

Pharmaceutical marketing aims to optimize the market for pharmaceutical care, which means the analysis of the relationship between need, demand and supply, as well as accounting for the effects of all internal factors of the population medical supply system. The main feature of pharmaceutical marketing is that in the case of pharmaceutical assistance, the classic formula of buying and selling is complicated, because the system of buyer (patient) - seller (pharmacist) includes a third link - the doctor, who is an equal, and sometimes even more, generator of demand [12]. Usually, the role of marketing as a process begins with the study of demand and the identification of the needs/desires of the client, and then the offer - the satisfaction of these needs/desires. The pharmaceutical business has slightly different specifics that must be taken into account when building a development strategy. Marketing management will play an important role in the process of developing strategic plans and choosing an effective strategic direction.

The COVID-19 pandemic led to significant disruptions in world trade in the target markets of pharmaceutical products, overburdened the situation of the Ukrainian pharmaceutical market, the logistics of export-import operations, affected the efficiency of pharmaceutical supply chains, and intensified the competitive situation.

The Ukrainian pharmaceutical market has not stopped its activity since the beginning of the war. In 2022, the pharmaceutical market of Ukraine decreased by 42% in physical terms and by 23% in monetary terms. The demand for medicines varied depending on the level of escalation of the war. Despite the uncertainty, Ukrainians bought medicine, not only for personal use, but also to give it to the military. In September 2022, the pharmaceutical business of Ukraine returned to its pre-war rhythm. According to SMD company research, the share of domestic drugs on the pharmaceutical market in 2022 will increase to 72% in physical terms and to 38% in monetary terms.

The effectiveness of marketing management will be achieved through the introduction of innovative processes in enterprise management and the availability and use of sufficient enterprise resources (material, financial, labor, information) with the interaction of market requirements [7].

Conclusions and prospects for further research.

The Ukrainian pharmaceutical market operates under the influence of state policy (providing buyers with publicly available medicines) and demonstrates deep competition in the field of production, distribution and consumption between pharmaceutical manufacturers and pharmacies. It is appropriate for pharmaceutical companies to research the ways of distribution of pharmaceuticals, pricing, PR, advertising, branding, trade channels, opportunities to use marketing communications and other types of interaction with customers. Marketing involves the actions of marketers of pharmaceutical enterprises regarding the study of demand for goods/services, sales promotion with the help of their own marketing communications plan along with market research, pricing, positioning and marketing policy. It is appropriate for pharmaceutical companies to research the ways of



distribution of pharmaceuticals, pricing, PR, advertising, branding, trade channels, opportunities to use marketing communications and other types of interaction with customers.

References:

1. Balabanova L.V. (2004) *Marketynhovyi menedzhment : navch.posib.* Kyiv: Znannia [in Ukrainian].
2. Bilovodska O.A. (2010) *Marketynhovyi menedzhment : navch.posib.* Kyiv: Znannia [in Ukrainian].
3. Iazvinska N. V. (2020) *Marketynhovyi menedzhment : navch. posib.* Kyiv : KPI im. Ihoria Sikorskoho [in Ukrainian].
4. Shulhina L.M. (2012). *Osoblyvosti farmatsevychnoho marketynhu: stratehichniy aspekt* *Visnyk Berdianskoho universytetu menedzhmentu i biznesu*, 4, 112–114 [in Ukrainian].
5. Pestun I. V., Mnushko Z. M. (2010). *Marketynhove upravlinnia v systemi zabezpechennia naselennia likamy.* Kharkiv: NFaU [in Ukrainian].
6. Raiko D.V., Lebedieva L.E. (2015) *Model upravlinnia marketynhom u systemi menedzhmentu promyslovoho pidpryyemstva.* *Marketynh i menedzhment innovatsii.* № 1, 107–123 [in Ukrainian].
7. Pacheva, N.O., Podzigun, S.M. (2022). *Orhanizatsiya marketynhovoho menedzhmentu v systemi upravlinnya pidpryyemstvom.* *Ekonomika ta suspil'stvo.* № 38. doi: 10.32782/2524-0072/2022-38-21 [in Ukrainian]
8. Pacheva, N., Podzihun, S. (2022). *Rol' reklamy v upravlinni brendamy na farmatsevychnomu rynku.* *Ekonomichni horyzonty*, issue 4(22), 136–143. doi: [https://doi.org/10.31499/2616-5236.4\(22\).2022.275011](https://doi.org/10.31499/2616-5236.4(22).2022.275011) [in Ukrainian].
9. Tkachenko, N.O., Demchenko, V.O., Chervonenko, N.M. et al. (2016) *Marketynh u farmatsiyi ta parfumerno-kosmetychniy haluzi: navchal'no-metodychnyy posibnyk dlya samostiynoyi roboty studentiv farmatsevychnoho fakul'tetu spetsial'nosti «Tekhnolohiyi parfumerno-kosmetychnykh zasobiv»ю Zaporizhzhya: ZDMU* [in Ukrainian].
10. *Dyversyfikatsiya. Farmatsevychna entsyklopediya.* URL: <https://www.pharmencyclopedia.com.ua/article/2480/diversifikaciya> [in Ukrainian].
11. Shandrivs'ka, O. YE., Tsvetkovs'ka, A. V. (2022). *Doslidzhennya farmatsevychnoho rynku Ukrayiny: u fokusi kontsentratsiya rynku.* *Visnyk Natsional'noho universytetu "L'vivs'ka politekhnika". Seriya "Problemy ekonomiky ta upravlinnya"*, issue 6, 1, 56-68. doi: <https://doi.org/10.23939/semi2022.01.056> [in Ukrainian].
12. Chirva, O. G., Podzigun, S. M., Garmatiuk, O. V. (2020), *Marketynh u farmatsii [Marketing in pharmacy]*, Uman: Vizavi [in Ukrainian].

Анотація: В статті розкрито особливості організації маркетингового менеджменту на фармацевтичних підприємствах, визначено його місце у досягненні максимальної економічної результативності. Доведено, що фундаментальні зміни в бізнес-середовищі досягаються за допомогою маркетингового менеджменту. У широкому розумінні маркетинговий менеджмент на фармпідприємствах включає в себе застосування різноманітних маркетингових інструментів, щоб зробити фармацевтичні продукти



доступними для клієнтів. З'ясовано, що вдала організація маркетингового менеджменту на фармпідприємствах забезпечить конкурентні переваги в досягненні бізнес-цілей через залучення нових клієнтів та проникнення на нові ринки. У результаті проведеного дослідження встановлено, що використання маркетингового менеджменту на практиці допоможе вдало розвиватися фармацевтичним підприємствам. Тріумф отримає підприємство, яке на постійній основі буде використовувати у своїй практиці маркетинговий менеджмент. Маркетинговий менеджмент відбивається у цілеспрямованій взаємодії на засадах маркетингу всіх функціональних підрозділів підприємства для швидкого реагування на зміни у зовнішньому середовищі й отримання соціально-економічного ефекту. Успішна організація системи маркетингового менеджменту на підприємстві підвищує його конкурентоспроможність на ринку.

Ключові слова: маркетинговий менеджмент, фармацевтичні підприємства, система управління, маркетингові інструменти, організація, конкурентоздатність.