

INFLUENCE OF ETHICAL PROMOTION AND MARKETING REGULATIONS ON SALES OUTCOMES IN HYDERABAD PHARMA SMES

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ABSTRACT

Implications for policymakers and industry associations include targeted capacity building, streamlined compliance support, and initiatives to improve distribution efficiency. This research contributes empirical insight into the localized marketing strategies that enable pharmaceutical SMEs in Hyderabad to navigate competitive and regulatory complexity. Distribution remains fragmented: companies that invest in channel partnerships and territory-focused sales teams report stronger market penetration. Digital tools (CRM, targeted digital promotions, and tele-detailing) are emerging as critical enablers, though adoption is uneven and constrained by budget and skill gaps. Personal relationships with prescribers and institutional tendering capability continue to be decisive, especially in generics and contract manufacturing segments. Small and medium-sized enterprises (SMEs) can benefit from the study's practical recommendations, which include making digital investments with care, fostering stronger relationships with distributors, using promotional strategies supported by evidence, and enhancing regulatory competency as a tool for core marketing.

Keywords: pharmaceutical SMEs, Digital tools, Small and medium-sized enterprises (SMEs), territory-focused sales, tele-detailing.

INTRODUCTION

To investigate what makes doctors' prescription practices consistent, this study employs a multivariate strategy based on Structural Equation Modelling (SEM). This study aims to determine the underlying causes driving physicians' prescribing choices by studying numerous aspects that may impact the uniformity of prescription patterns. This approach allows for a thorough examination of the complex interrelationships between many variables, providing light on the systemic elements that impact the regularity with which doctors fill prescriptions. The results provide important information for figuring out what causes doctors to prescribe in a symmetrical fashion. Focusing on whether or not obtaining medicine samples affects prescription selections, the study investigates how the availability of drug samples impacts physicians' prescribing behaviour. The study's overarching goal is to provide light on how doctors' prescription choices and healthcare practices might be affected by the availability of free samples by investigating this correlation. Pharmacies, self-medication, and pharmaceutical marketing all have complex interplaying roles. In particular, it looks at how pharmaceutical marketing campaigns affect customers' decisions to self-medicate at drugstores. The research intends to provide light on the extent to which marketing influences consumer decision-making in the arena of self-medication by tracing the promotional techniques deployed by pharmaceutical corporations.

LITERATURE REVIEW

Luka Mwafwali Kachoga et.al (2025) In a fast-changing global environment, pharmaceutical managers in Kenya face the challenge of implementing strategic approaches to remain competitive. Despite the effort, Competitive Advantage among Originator Pharmaceutical Companies in Kenya remain below expectations. In 2020, the industry contributed just 4.6% to Kenya's exports, while importing 60% of its pharmaceutical products from 2017 to 2021. This underscores the need for effective first-mover strategies to enhance the competitive advantage of originator pharmaceutical firms. The study variables were anchored by the game theory, firm capability theory, and the theory of innovation.

Monu Singh et.al (2024) The study seeks to explore how pharmaceutical marketing strategies impact doctors' prescribing habits within the complex relationships between healthcare providers and pharmaceutical companies. Five alternative pharmaceutical products are analyzed across six distinct evaluation parameters to understand the multifaceted impact of marketing efforts. The dataset includes information on marketing spend, prescription rates, and various evaluation criteria such as efficacy, safety, affordability, brand recognition, promotional materials, reputation, and convenience. These metrics are vital for gauging the whole impact of pharmaceutical marketing on physicians' decision-making abilities. For the sake of patient safety and well-being, it is critical to comprehend the effects of pharmaceutical marketing on prescribing practices.

Mrs. S. Mahalakshmi et.al (2024) Earnings potential, activity velocity, and the ability to pay short-term and long-term liabilities all contribute to a company's financial performance (Ramya & Sekar, 2014). While profitability, or the capability to produce profits, and the pace of business activity both impact earnings, the former gradually increases the latter. Businesses are able to keep up with the pace of market demand and product prices by careful internal management of their production elements, which include human and financial capital as well as physical and informational resources. The stationary nature of the fixed costs enhances the contribution or margin of the profit of products and services.

Amol V. Pore et.al (2023) Sales and marketing play a crucial role in the notoriously complicated and competitive pharmaceutical sector in getting new medications into the hands of doctors and patients. The pharmaceutical industry's sales and marketing is covered extensively in this review. Building ties with hospitals and physicians, delivering crucial product information, and adjusting to a digital-centric world are all aided by these principles. The intricacies of DTC advertising, clinical education and research partnership, research, and marketing and advertising are examined in this business study. Using this business model requires clear and rigorous adherence to the guidelines, he stressed. Address the requirement for excellent business practices and ensure that the company complies with all applicable laws.

Mehdi Mohammadzadeh et.al (2022) The study's overarching goal is to help with PLC decline prevention and more thorough planning by identifying the factors that impact generic pharmaceutical product sales at various points in their life cycles. We identified the three main subsystems of PLC in generic pharmaceutical items by using a system dynamic model to study the behaviours of supply, competition, and demand. After utraceut 527 medicines' PLC patterns to find their "reference mode," we derived the pharmaceuticals phase's causal loop from a comprehensive literature review and expert opinions.

Pharma Marketing Mix

An essential component of the pharmaceutical sector is the “marketing mix.” The “10 Ps” marketing approach prioritises the ten most important parts of each advertising campaign. This presentation’s Three New Ps—packaging, partnership, and policy—reflect the complexities of integrated care, as do Booms and Bitner’s Three Additional Ps—people, process, and physical evidence—and McCarthy’s Four Core Ps—product, price, place, and promotion. Improved customer (or patient) care, stakeholder (or shareholder) engagement, and corporate (or social care provider) environment segmentation are all outcomes of a business-oriented approach. When making marketing decisions to promote integrated care, these nutraceuticals might be useful for health and social care professionals, their target patients, and other interested parties. Since the product is at the centre of the marketing mix, it must be given top billing.

Increased Pharma Marketing Intermediary Role

The marketing sector has identified intermediary conflicts as a primary concern. Despite the importance of distributorship management, the pharmaceutical industry’s marketing faces a distinct set of challenges. The resolution has increased channel participant communication. No one denies the future significance of data management and integrity for pharmaceutical companies; gradually, even smaller businesses may become digital. Using intermediaries to manage the brand is a common alternative for over-the-counter (OTC) products. Distributors might benefit from stocking stores with over-the-counter products. We can manage our brand more successfully if we formally recognize these external partners as business Partners.

Challenges and Regulatory Considerations

Around US\$2.8 trillion in sales make the pharmaceutical sector the biggest in the world. The business has seen dramatic shifts in the last several years, putting increased pressure on manufacturers, payers, and providers. The pharmaceutical industry is now expected to provide customers with the same degree of convenience and choice as other businesses. Numerous factors are positioning the Indian pharmaceutical industry for high-growth maintained over the next few years. Innovation and growth in this knowledge-driven economy are driven by Research and Development. But huge global conglomerates have always controlled the costly and time-consuming basic research, including finding novel chemicals. When dealing with the pharmaceutical industry, it is essential to follow all applicable rules, such as the stringent HIPAA requirements and FDA legislation, to guarantee that any marketing materials meet these high standards. While the pharmaceutical industry has used a variety of tactics to reach out to certain demographics, new possibilities and threats are always popping up as a result of shifting consumer preferences and business practices.

Modern Challenges for Pharmaceutical Sales Reps

Pharmaceutical salespeople in the current day have unique obstacles that their forebears did not. The following are the four main ones:

1. **Limited Access to Physicians:** Invasive marketing strategies and time restrictions make meeting with pharmaceutical representatives less appealing for the majority of doctors. More and more, physicians are losing faith in pharmaceutical salespeople. Feeling completely swamped with all the paperwork and taking care of patients.

2. **Evolving Communication Channels:** Communication has been nutraceuticals by technological advancements. With their busy schedules, doctors increasingly communicate with pharmaceutical sales representatives through a variety of digital means, which improves their access to information and efficiency in dealing with businesses.
3. **Intensified Competition:** On average, physicians receive approximately 2,800 contacts annually from pharmaceutical companies. Since they are constantly interacting with doctors, pharmaceutical salespeople need to put more effort into standing out, building lasting connections, and promoting their goods efficiently.
4. **Lack of Personalization in Sales:** Salespeople in the pharmaceutical industry are typically taught to stick to a script. Doctors stop caring when these scripts become irrelevant. These days, nutraceuticals is key to success in every industry, and the stiff, impersonal attitude is a major roadblock to effective sales.

Pharma Marketing

The pharmaceutical industry, occasionally termed “pharma marketing,” uses a wide range of techniques to market and sell medications and procedures. Pharmaceutical products, in distinction to normal consumer goods, must meet with strong laws and work their way across intricate healthcare systems that comprise patients, payers, healthcare vendors, and regulatory departments.

In the pharmaceutical industry, the marketing process usually consisted of many important stages:

1. The process of evolution and Scientific:

- The process begins with extensive R&D to identify medical needs, discover potential drug candidates, and conduct preclinical testing.
- During this stage, drug manufacturers invest a great deal of money to guarantee that the proposed treatments are safe, effective, and feasible.

2. Regulatory Approval and Clinical Trials:

- Strict clinical studies are conducted on drugs to ensure they are safe and effective in treating certain medical diseases.
- Regulatory agencies like the European Medicines Agency (EMA) and the Food and Drug Administration (FDA) in the US keep an eye on this procedure to make sure that medications are up to par before they are approved.

3. Market Assessment and Segmentation:

- Once a drug has received regulatory approval, pharmaceutical companies conduct market assessments to identify target patient populations, healthcare professionals, and geographic regions.
- Market segmentation helps tailor marketing strategies to specific demographics, medical specialties, and therapeutic areas.

4. Healthcare Professional Engagement:

- Pharmaceutical corporations place a premium on cultivating partnerships with healthcare providers (HCPs). This includes participating in advisory board meetings,

offering medical and scientific information, and funding educational programs and conferences.

- Within their own medical fields, key opinion leaders (KOLs) frequently have a significant impact on prescription patterns and treatment standards.

5. Direct-to-Consumer (DTC) Marketing:

- In recent years, there has been a growing emphasis on direct-to-consumer marketing, where pharmaceutical companies directly target patients through television, print, digital, and social media channels.
- DTC marketing aims to raise awareness about medical conditions and available treatment options, encouraging patients to consult their healthcare providers.

RESEARCH METHODOLOGY

Claims that when doing research, the investigator often sits on a chair that is comparable to the one used during the intervention phase of the corresponding pilot study. Since this is a pilot project, the research procedure for the pilot study is quite similar to the actual study. While conducting the pilot study, the researcher spoke with the SMEs's promoters via phone interviews and in-person meetings to learn about pharmaceutical marketing strategies in use today. To determine how different items, local market conditions, and distribution techniques affect sales revenue and profits. Purposively, 80 pharmaceutical facilities in India's Telangana state were chosen for this investigation. As will be explained later on, the sample is divided into several strata. Any grouping variable with a significance value higher than 0.05 is considered to have no effect on the data. The findings of the test indicate a significant conclusion. Differences between groups are seen to be significant and the grouping basis is thought to be affecting the data points if the significance value is near to 0 or less than 0.05. Conversely, a grouping variable is seen to be one that does not impact the data if the significance value exceeds 0.05, indicating insignificance. They also reviewed and revised the questionnaire based on the promoters' suggestions. Researchers went on to collecting data on a broader scale after developing the final questionnaire.

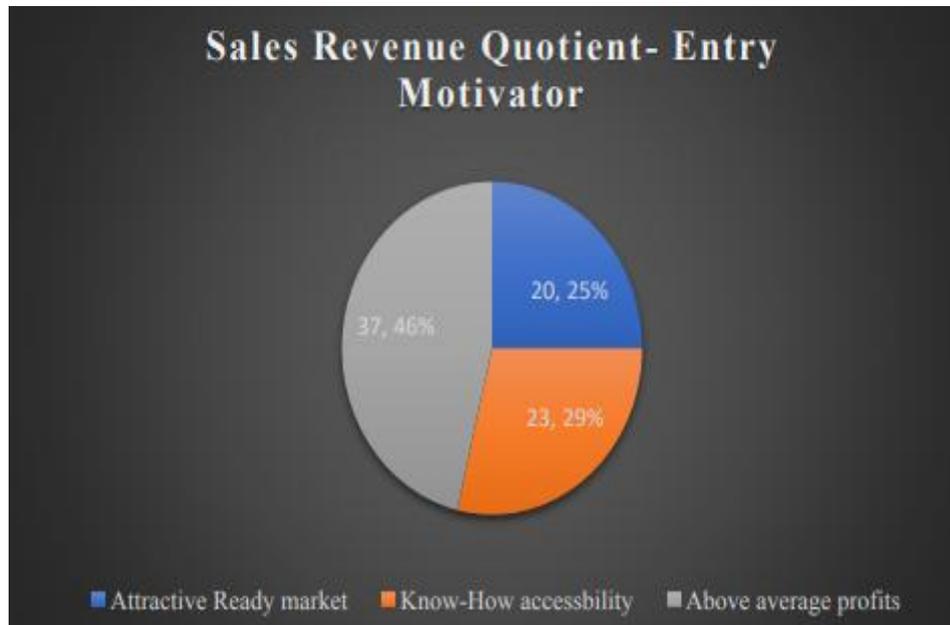
RESULTS AND DISCUSSIONS

There is no relationship between the Entry Motivator, the Sales Revenue Quotient, and the Profits Quotient. Businesses that participated in one of the three entry incentives have their calculated sales revenue quotients and profit quotients displayed in Table 1. To test our hypothesis, we can compare these numbers.

Table 1: Means of Sales Revenue Quotient

Entry Motivator	Mean	N
Attractive Ready Market	11.13	20.00
Know-how accessibility	3.77	23.00
Above-average profits	7.48	37.00

Total	7.33	80.00
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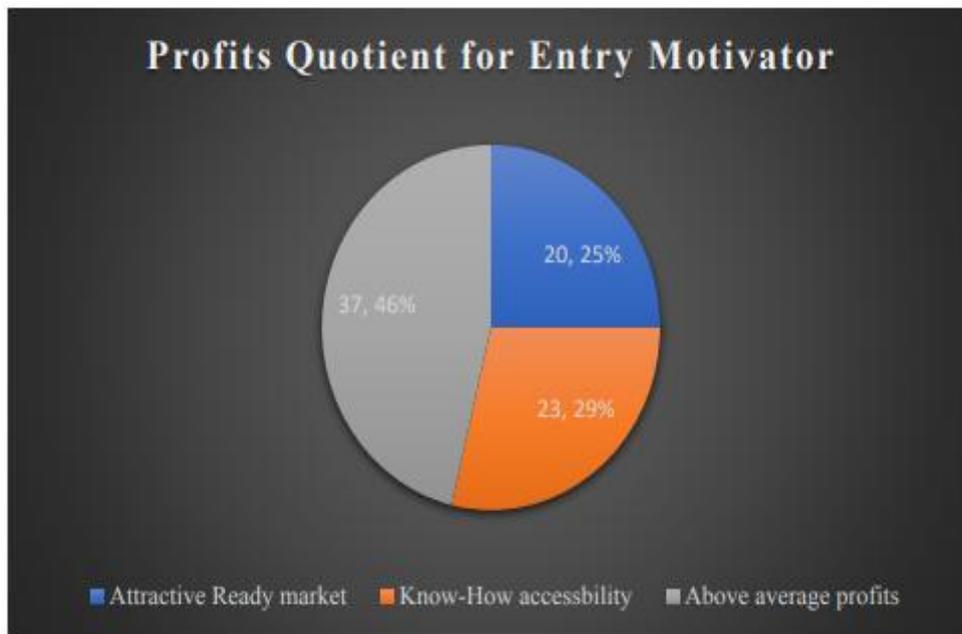


Graph 1: Sales Revenue Quotient – Entry Motivator

On average, businesses with sales strategies driven by plentiful, desirable customers had a higher sales revenue quotient (11.13 vs. 7.48 for companies with above-average profitability and 3.77 for companies with limited access to necessary knowledge). You can see the outcomes of the Kruskal Wallis test in table 5.8 With a 0.259, the statistical test’s significance level is significantly more than the cut-off value of 0.05. It fails to provide sufficient evidence to claim that Entry Motivator influences the Sales Revenue Quotient because it implies that meaning discrepancies are primarily caused by random mistake. Get that out of the way first. Now suppose the entrance incentive has no effect on the sales revenue or profit ratio.

Table 2: Means of Profits Quotient

Entry Motivator	Mean	N
Attractive Ready Market	1.35	20.00
Know-how accessibility	0.23	23.00
Above-average profits	0.58	37.00
Total	0.67	80.00



Graph 2: Profits Quotient for Entry Motivator

Businesses impacted by Attractive Ready Market (1.35), as opposed to Above-average earnings (0.58) and Know-How accessibility (0.23), had greater means. The fact that buyers are eager to enter the market is the first sign. However, there is a high likelihood of accidental error, rendering it unreliable as an indication.

Therefore, the rank means were subjected to the Kruskal Wallis Test in order to address the aforementioned problem (Table 3).

Table 3: Means of Ranks

Ranks			
Entry Motivator		N	Mean Rank
Sales Revenue Quotient	Attractive Ready Market	20	46.75
	Know-how accessibility	23	35.07
	Above-average profits	37	40.50
	Total	80	
Profits Quotient	Attractive Ready Market	20	52.75
	Know-how accessibility	23	32.35
	Above-average profits	37	38.95
	Total	80	

Table 4: Kruskal Wallis Test

Test Statistics ^{a,b}

	Sales Revenue Quotient	Profits Quotient
Chi-Square	2.705	8.556
df	2	2
Asymp. Sig.	.259	.014

Kruskal Wallis Test results for Profits Quotient show a significant value of 0.014 when compared to the cutoff value of 0.05. As a result, the Entry Motivator has an effect on the Profit Quotient. For that reason, we can't accept as true the alternative hypothesis, which states that the entry motivation doesn't influence the profits quotient. This region's small and medium-sized pharmaceutical companies can have their financial futures predicted by Entry Motivator. We accept the null hypothesis for Sales Revenues because it's the other way around.

CONCLUSIONS

The study of certain specialists has also provided evidence for the idea that pricing tactics significantly impact an organization's performance. The study found a strong relationship between pricing and corporate performance, suggesting that price is the determining element in a product's marketability. Regulatory compliance continues to shape marketing dynamics, compelling companies to balance promotional effectiveness with ethical and legal restrictions. The analysis further reveals that competitive positioning for SMEs is often built around cost efficiency, niche product portfolios, and close customer relationships, rather than large-scale branding. Distribution challenges, limited budgets, and dependence on physician prescriptions remain critical constraints. At the same time, opportunities exist in leveraging digital platforms, strengthening customer engagement, and building alliances with hospitals, chemists, and institutional buyers. Overall, the study concludes that marketing effectiveness in Hyderabad's pharmaceutical SMEs depends on their ability to innovate within constraints, adopt selective digital strategies, and cultivate long-term relationships across the healthcare ecosystem. Strengthening marketing capabilities not only enhances their market share and profitability but also supports the growth of the pharmaceutical cluster in Hyderabad as a whole.

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