

A COMPARATIVE STUDY ON BUYING BEHAVIOR AND ATTITUDE TOWARDS PHARMACEUTICAL AND NUTRACEUTICAL PRODUCTS ON DIGITAL AND TRADITIONAL MEDIUM*

BY

DR. PADMALINI SINGH*

*Assistant Professor (Deptt. of Management), RV Institute of Management, Bangalore, Karnataka
agranirajan@gmail.com*

DR. GUNJAN KUMAR

Guest Faculty (Deptt. of Economics), L.S. College, Muzaffarpur, Bihar

RAJAN KUMAR

Assistant Professor (Economics), Marwari College, Ranchi, Jharkhand

SOUMI DAS

Senior Social Media Specialist, Social Beat, Bangalore, Karnataka

ABSTRACT

The digital marketing industry is at a blasting stage in India as all organizations - large, medium or small needs to have online. Digital media presence not only helps in promotion at low cost but also helps in lead generation and transformation. E-commerce in India is growing at an exponential speed offering vast variety of products and services that is being purchased by the buyers. Among various products and services, a pharmaceutical and nutraceutical products sale through digital platform seems to be dismal. Majority of buyers still prefer traditional medium over online platform for purchasing pharmaceutical and nutraceutical products. The present study examines what are the factors that limit the purchase of these products online and what are the factors that influence the purchase using traditional channel. To study provides insights on buyer's behavior and attitude towards online purchase of healthcare product, a

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* Correspondence Author

survey was conducted using self-administered questionnaire and a sample of 103 respondents were selected using convenience sampling technique. Data was analyzed using ANOVA and paired T-test and the results indicates that buyer prefer buying from the local chemists as they get some assistance from them regarding the medicines during the purchase. Buyers also feel that getting the touch and feel of the product is really important while buying. Major risk that is associated with online purchase is to receive poor quality medicines as there is trust deficit among buyers and seller online.

KEYWORDS

Consumer Behavior, Consumer Attitude, Pharmaceutical Products.

Introduction

In India, the number of Internet users is increasing each day as compared to the usage in the last four years. Decreasing smartphone prices, cheaper data plans, and an increase in local language content has resulted in the increase of internet users in India. Still, it is relatively low. One in five people shop online, one in six book travel packages online and even fewer people pay for video and music streaming services. Currently, 70 – 80 % of Internet users spend very limitedly on online purchases, either they spend occasionally or do not spend a significant part of wallet at all. By 2020, however, with further improved infrastructure and greater digital advancements, online transactions in categories such as e-commerce for apparel, electronics, durables, and food and groceries are likely to drive rapid growth (Mazumdar & Nayar, 2018).

The Drug and Cosmetics Act and Pharmacy Act give heaps of guidelines which an organization needs to keep up while publicizing about medications or pharmaceutical items on the web. They endeavor to receive to surrogate promoting in a large portion of the cases attempting to publicize about the item by implication. Likewise, individuals will in general purchase less prescriptions and drug store items online due to the trust issue and they are very suspicious getting them on the web. Numerous sites and application has come as of late who convey meds simply after they transfer a picture of the medicine with the goal that the genuineness is kept up. Still, people tend to buy them from medical stores as many e-pharmacies sell misbranded and substandard medicines.

Statement of the problem

India, as we know is adopting rapidly to purchase on digital platforms for fulfilling their buying needs easily. But still there are sections of people who do not prefer buying few specific products online, such as medicines. They might find it risky to buy such products without any physician's guidance. Recently many online pharma players like NetMeds, Medlife, MedPlus, etc. are doing it great in the market. But, many websites sell out-of-date and poor quality, also giving heavy discounts on medicines to run their business.

This study deals with a comparative study to find out few reasons why customers prefer or do not prefer buying pharmaceutical and nutraceutical products online.

Review of Literature

Supriti Agrawal and Navjot Kaur (2015), in their paper "Influence of Social Media Marketing in Indian Pharmaceutical Industry", studied broadly about how social media marketing is penetrating the pharmaceutical industry gradually. Their examination trusts that web based life are unquestionably going to change the market dynamics for pharmaceuticals. They examined that the brands contribute gigantic lumps of money behind social media marketing and networking through web.

P. Gupta (2011) studied an increase in the acceptance of online marketing for pharmaceutical products in patients and doctors especially between the young age doctors and patients. His study reveals that young doctors and patients prefer using internet at least 10 minutes a day and show an inclination towards buying them online and that social media marketing is performed to actually target that audience.

Prof. Lalit Kumar Bhole and Dr. Sushma Verma examined that the pharmaceutical organizations are finding it hard to keep up with the changes realized by advanced innovation and through digital marketing. Mobile, internet, IOT and data analytics are the ones which are the major game changers in this field. The Indian brands are shifting slowly from the conventional marketing methods and adapting to the newer digital technologies. Doctors and patients both rely slightly on internet and digital platforms to find required information regarding their medications.

McKinsey (2015) study on 'The road to digital success in pharma' says that pharmaceutical organizations can play a focal job in the advanced upset of healthcare. Be that as it may, catching this open door requires recognizing the correct activities and

initiatives. In advanced age, patients are considerably less reliant on their doctors for medical assistance. They are progressively capable and willing to take up more responsibility for their own wellbeing.

According to Digital Marketing Handbook, Web strategies for pharma brands, pharmaceutical companies took time to enter into digital marketing because of the cautious behavior, as they had certain regulations and policies in the drugs and pharmaceuticals act of various regions. But the finance, manufacturing services, and other businesses kept moving ahead with the help of digital platforms.

Research Gap

Available literature discuss about how digital marketing has swept off the traditional methods slowly. But few authors still claim that local chemists and doctors cannot replace the digital technologies. But hardly any researcher have conducted any study to find the reason behind this, as to why the changes are difficult to happen in India specially where people still feel that buying medicines from shops are safer than purchasing online. This research deals with that area where the factors which allows customers to buy online and the factors which restricts them to make purchases online are studied.

Objectives

- a. To understand whether people prefer buying products health care related product online or offline.
- b. To understand the various factors which influences people to buy products offline and online.
- c. To understand the risks associated with buying pharmaceutical products online
- d. To do a comparative analysis and find out the reason why people prefer buying pharmaceutical products, offline or online.

Research Methodology

Descriptive research design has been adopted for the study. The study is primarily based on the primary data by using self-administered questionnaire. Sample of 103 respondents 103 from various locations and people belonging to various backgrounds, culture and income levels were selected using convenience sampling technique. The population chosen was on random basis, not restricted to a certain place. It included

respondents from Chennai, Mumbai, Bangalore and Kolkata. The questionnaire was shared with people who were readily available and was comfortable to share their opinions. The tenure of study was limited to 3 months. Statistical tool named Jamovi (Version 1.0.0.0) was used to perform hypothesis testing. To analyze the data, One-way ANOVA and Paired T-Test was used, to arrive at conclusion.

Hypothesis

Null Hypothesis (H_{01}) – There exists a significant difference between online and offline buying of pharmaceutical products considering convenience factor.

Null Hypothesis (H_{02}) – There exists no significant difference between online and offline buying of pharmaceuticals products considering authenticity factor.

Null Hypothesis (H_{03}) – There exists no significant difference between online and offline buying of pharmaceuticals products considering effective factor.

Null Hypothesis (H_{04}) – There is no significant difference between factors like review of the products available online, discounts and offers available online, relevant details of product, ease of availability, presence of pharma companies on digital platforms and layout of the website, and the preference of buying pharmaceutical products online.

Results and Discussion

Demographic profile of respondents: Majority of respondents who purchase online are young. 64 per cent are between the age 18- 25, 27.2 per cent are between the age 25-35, 4.9 per cent are between 35-50 and rest 4.9 per cent is above 50. Out of 103 respondents, 47.6 per cent was male and 52.4 per cent was female, showing more of female respondents. Out of all respondents, 42.6 per cent have an income level of less than 3 lakhs p.a., 24.3 per cent has income level of 3-5 lakhs p.a., 16.5 per cent has income level of 5-9 lakhs p.a. and 16.5 per cent has income level of 9 lakhs p.a.

Preference and frequency of online purchase of pharmaceutical and nutraceutical products:

37.9 per cent people prefer buying pharmaceutical products online whereas 62.1 per cent do not prefer buying such products online. The respondents were asked to answer few questions based on why they chose online or offline specifically when it comes to pharmaceutical products. According to the study, 61.2 per cent people shop online only when needed, 21.4 per cent people shop online once a month, 7.8 per cent people

Convenient	2.63	1.36	0.134	2.20	1.29	0.127	0.427	0.195	2.191	102	0.031
Authentic	2.54	1.32	0.130	2.30	1.33	0.131	0.243	0.202	1.204	102	0.231
Effective	2.52	1.21	0.119	2.38	1.28	0.127	0.146	0.181	0.804	102	0.423

Source:- Calculated from Data collected from Primary source.

The above data indicates that the mean score for the 'Convenience' factor for online buying is 2.63 compared to offline buying 2.20 with standard deviation of 1.36 and 1.29 respectively. The paired sample t-test at 5% significance level is found to be 0.031 that is less than 0.05. Hence, null hypothesis (H_{01}) is rejected that suggests that there exists a significant difference between online and offline buying of pharmaceuticals products considering convenience factor indicating that consumers considers both online and offline buying methods to be convenient for pharmaceuticals products but higher mean score of online buying compared to offline buying indicates shifting preference of consumers from offline mode to online mode of buying.

The analysis for 'Authentic' factor indicates that the mean score for online buying is 2.54 compared to offline buying 2.30 with standard deviation of 1.32 and 1.33 respectively. The paired sample t-test at 5% significance level is found to be 0.231 that is more than 0.05. Hence, null hypothesis (H_{02}) is accepted that suggests that there exists no significant difference between online and offline buying of pharmaceuticals products considering authenticity factor. It indicates that consumers consider the authenticity of pharmaceutical products similar on online as well offline platform. But the higher mean score of online buying compared to offline buying indicates that there may be gradual shift in future due to the factors such as online product reviews which may be considered equal to chemist's assistance in offline buying mode.

The analysis for the 'Effective' factor indicates that the mean score for online buying is 2.52 compared to offline buying 2.38 with standard deviation of 1.21 and 1.28 respectively. The paired sample t-test at 5% significance level is found to be 0.423 that is more than 0.05. Hence, null hypothesis (H_{03}) is accepted that suggests that there exists no significant difference between online and offline buying of pharmaceuticals products considering effective factor. It suggests that consumers considers both online

and offline platform to be equally effective. This means that information about the pharmaceutical products provided online is considered to be similar as touch and feel of the products sold offline. The higher mean score of online buying compared to offline buying suggests that the shift from offline to online buying mode in future looks positive if relevant required details about pharmaceutical products may be provided in detail and presented in form that may generate interest of consumers.

To study the relationship between impact of various factors on online purchase of pharmaceutical and nutraceutical products, One way ANOVA test was done that is shown in Table 2 and Table 3.

Table 2: ANOVA test relationship between impact of various factors on online purchase of pharmaceutical and nutraceutical products

Factors	F	Df1	Df2	P
Product reviews	15.39	1	76.1	<.001
Discount & offers	35.82	1	82.5	<.001
Relevant information	13.13	1	94.0	<.001
Ease of availability	7.96	1	89.9	<.001
Presence on digital media	14.36	1	93.1	<.001
The layout of the website	13.68	1	96.0	<.001

Source:- Calculated from Data collected from Primary source.

Table 3: Descriptive table of ANOVA test results

Factors	Prefer buying online or not	N	Mean	SD	SE
Product reviews	Yes	39	1.92	1.285	0.206
	No	64	2.92	1.199	0.150
Discount & offers	Yes	39	1.82	1.097	0.176
	No	64	3.17	1.135	0.142
Relevant information	Yes	39	2.03	0.986	0.158
	No	64	2.83	1.242	0.155
Ease of availability	Yes	39	2.18	1.189	0.190
	No	64	2.91	1.388	0.174

Presence on digital media	Yes	39	2.10	1.119	0.179
	No	64	3.05	1.385	0.173
The layout of the website	Yes	39	2.18	0.997	0.160
	No	64	3.03	1.319	0.166

Source:- Calculated from Data collected from Primary source.

As the result shows, the p-value for all factors is less than 0.05 which suggests rejecting null hypothesis. The result indicates that there is an impact of factors like product reviews, ease of availability, presence of the brands on digital platforms, etc. on the buying preference of pharmaceutical products online.

Conclusion

Customers generally become extra cautious when it comes to buying nutraceutical and pharmaceutical products online. They do not trust the websites selling them and always prefer to get it purchased from a local chemist from whom they have been purchasing since years. But as the pharmaceutical industry is booming in the recent world and even e-commerce business is flourishing rapidly, pharmaceutical brands are trying to penetrate into the ecommerce market as well, trying to add value to their customers. In India, still much improvement is required when it comes to buying healthcare products online.

Customers think twice before making such a purchase. The organizations need to plan their strategies so that customers can find a specific measure of trust when they purchase the items on digital platforms. In the recent world, though pharmaceutical companies are taking up digital strategies, but face restrictions when it comes to advertising themselves.

However, there is a gigantic open door for the pharma business to create customer driven systems online and change their central plans of action. As patients become all the more careful, the online relationship and trust between pharma organizations and patients will in all likelihood become progressively unmasked. Digital promotion for pharma, will without a doubt become the key differentiator for brands. In case consumers have a negative experience, they share their experience openly over digital platforms which cause immense damage to a pharma brand's image. Nowadays, companies don't have control over the amount of information they want to share with

the customers. In this condition, modernized advertising for pharma brands can reasonably communicate on the USPs of their medicines. They can increasingly talk about their ingredients and their benefits, put up various blog articles to increase website traffic, provide tips to audience regarding steps to identify fake drugs, maintain the transparency with the customers and develop a bond with customers and win their trusts. Though, there is no set formula for success, yet pharmaceutical and nutraceutical companies can try to work of various factors discussed in the study to ensure smooth transition of customer buying from traditional to online medium.

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