

The marketing promotion in the pharmaceutical sector in Kosovo- case study

Besa Asllani¹, Gani Asllani^{2*}, Simon Grima³

¹Teaching Assistant, Alma Master European Campus College "Rezonanca", Department of Pharmacy, Pristina, Kosovo. asllanibesa@gmail.com (B.A.).

²University "Haxhi Zeka", Law Faculty, Department of Finance, Peja, Kosovo; gani.asllani@unhz.eu: (G.A.).

³University of Malta, Department of Insurance, Faculty of Economics, Management and Accountancy; simon.grima@um.edu.mt (S.G.).

Abstract: The paper addresses the issues that have to do with the use of marketing and give a general overview for the pharmaceutical industry, the main marketing concepts, identify the importance of marketing in promoting sales of pharmacy companies, understand which strands are used to promote sales and satisfy the needs of consumers in terms of improving their health. In addition, the paper elaborates the development of the pharmaceutical sector in Kosovo, the competition between pharmaceutical producers and distributors, the strategies that firms use to promote products and services, increase of quality of medicines, price reduction and other issues. The objective of the paper is to explain how pharmaceutical marketing is carried out by focusing more on the communication and promotional techniques used, to give an overview of the functioning of this sector and to identify the importance of promotion in promoting sales. The methodology used is based on comparative analysis through the use of primary and secondary sources. For analysis purposes, a structured questionnaire was prepared for pharmaceutical products, which was distributed physically to the pharmaceutical workers. Scientific literature, local and international official reports and other relevant sources were also used. The results and findings of the research show that promotion has a significant impact on promoting sales.

Keywords: Competition, Pharmaceutical marketing, Pharmaceutical products, Promotional strategies.

1. Introduction

In parallel with the increase in population and health care expenditure, the pharmaceutical industry is growing each passing year. The pharmaceutical industry is one of the important branches with further growth tendencies. In today's environment, the main marketing goal of a pharmaceutical company, in addition to product / service development, provides a better service environment, good internal and external communication, pursuing competition, satisfying the needs and desires of consumers who provides increased sales of products and long-term benefits. Having a different structure of demand from other sectors and specific dynamics, the pharmaceutical industry is subject to various regulations, mainly for the protection of public health and ensuring the sustainability of drug spending. In this context, regulation in the sector plays an important role in the activities of suppliers (pharmaceutical manufacturers) and distributors (pharmaceutical wholesalers and pharmacies), and affects the conditions of competition. The structure of the pharmaceutical industry, does not easily lend itself to the traditional empirical analysis of competition based on estimating price-elasticity of demand. Studying the level of competition in this sector must necessarily be the demand and supply of products offered in this market. The worldwide pharmaceutical industry is dominated by a handful of multinational companies, with their strengthened market domination in the market with patent

protection, high advertising and marketing budgets run by providers of health care which in turn affects the 'choice' of the consumer (Monti, M., 2002). The market is regulated, but despite the regulation, it is widely accepted that competition can and should play a key role in market well-being for more patient benefits, more choices, more innovative products and lower prices. Certainly, the characteristics and the ways of functioning of the pharmaceutical market are different, but one fact is widely accepted that this market is based on research and development, in the use of (direct and indirect) marketing strategies for product / service development, pricing, loyalty, sales growth and long-term benefits.

2. Literature Review

Marketing is identifying and satisfying individual and social needs. One of the shortest marketing definitions is: "Marketing is a pile of organized functions of the process of creating, communicating and awarding value to consumers and stakeholders (American Marketing Association, 2004). Marketing management is considered as an art and science for the choice of target markets and the ability to attract, maintain and increase the number of clients through creating, delivering and communicating superior value to clients (Kotler, K., 2006). Marketing runs a research program that guides production activities and needs to be elaborated in detail. Comprehensive market demand research, ie, customer's needs and desires, quality, design, product price, targeting the target market, and accordingly planning a production and sales program, and then developing methods that will provide efficient use of available resources. At the end, the provision of services is ensured in connection with product placement-promotion and propaganda, distribution and sales, after-sales services and communications with the market and the public, all for the sake of gaining competitive market advantages and achieving set goals. Right now there is no general definition accepted for marketing and in recent years it is increasingly seen as a process of exchange. According to the American Marketing Association, "Marketing is the Planning Process and the implementation of concepts, pricing, promoting the dissemination of ideas, goods and services that will create exchanges that meet the needs of individuals and organizations" (American Association of Pharmaceutical Scientists, 2022). As a scientific discipline marketing is engaged in the study of activities that enable the effectiveness and efficiency of the connection and exchange of production and consumption. According to the marketing concept, the main task of the company is to satisfy the needs, desires and preferences of the customer and this perception is known as buyer orientation. The company with its customer-orientation concept takes all its attention to the needs of its customers. The key is to identify what customers want to buy from products and services (Violeta Gj., 2020). The marketing manager's task is to think about marketing activities and link marketing programs with the goal of creating, communicating and delivering value to consumers. The marketing program consists of a number of decisions that relate to improving the value of marketing activities.

The traditional presentation of marketing activities was the definition of the instruments used with the realization of goals (Kotler Marketing Group, 2005). Mc Carthy classified these instruments into four major groups called four marketing: Product, Price, Place and Promotion (E. Jerome Mc Carthy (1996). Miks Marketing is not simply the sum of different instruments, but a combination that gives a synergy effect and marks a systematic approach - integrating marketing activities to meet the needs of citizens as consumers, businesses and society and to achieve business goals: a) Product - which can be offered in the market to attract attention, purchase, use, consumption, demand, while in the context of pharmaceutical activity means a good product produced by the best producer, laboratory, practice analytical charts that are described by the World Health Organization and the International Federation Code of Pharmaceutical Manufacturers; b) Price - covers production, marketing, research, investment, payment deadlines etc; c) Promotion - with these valuable audiences reported to the production and services, the benefits (both economic and psychological) that they bring to clients (Jobber D., Fahy J. 2006). This includes a number of activities undertaken in the pursuit of sales, economic propaganda, personal sales, sales promotion, publicity, public relations, direct marketing and internet marketing; d) Place - including sales channels, transportation, market coverage, sales locations, reservations etc. The

aim is to enable the provision of the available products and services in the right amount, timely and in the right place (Pharmaceutical Management and Marketing, 2007).

2.1. Specification of the Pharmaceutical Industry

There are features that make the pharmaceutical industry special in relation to other industries and high-tech industries. One of the basic features of the pharmaceutical industry is securing high profitability, with a tendency of continuous market expansion. The pharmaceutical industry is suffering from the most pressing pressures within the pharmaceutical market, ranging from price control, strong competition, increasingly effective therapy demand, and thus increasing the cost of research and development (Jorgovanović, A, 2014). Radical changes in the health care system can be directly influenced by the pharmaceutical industry through the so-called "cheaper" concept of a pharmaceutical industry that would include: a) freedom to determine prices; b) reduce the time needed to register new products; c) extension of patent protection; d) more freedom for promotional actions (Varagić V., Milošević, M, 1991).

The presence of multinational companies in the domestic market is most often reflected through the licensed contracts with which the company buys the right to use the product logo, and through this purchase is also bought the first pharmaceuticals, know-how, production of final dosage forms, as well as support in propaganda and marketing activities. Market risks in the domestic pharmaceutical industry are of such a nature that their minimization can only be done if it is improperly influenced in the removal of the causes that promote these risks (Chandy R., Tellis G., MacInnis D., 2001). To achieve this, marketing managers need to take the facts and market phenomena. On the basis of knowing the information can be done on one hand more rational decisions of the flow, and on the other hand, it is necessary for pharmaceutical products to become projection for the future. Pharmaceutical companies spend a large sum of money in advertising, marketing and lobbying. Advertising and promotion are taking on a large scale in the pharmaceutical industry. This is as a result of competition and customer requirements. It has been proved in the whole world that the most effective form of the marketing in the pharmaceutical industry is that through a direct marketing (through representatives). The pharmaceutical activity includes: the production, control, distribution, giving and sale of pharmaceutical products as well as the provision of different health services which aim at the improvement of the quality of human life (M. Zhubi, SH. Hoxha, 2014). The marketing of the wholesale companies implies innovative activities in development of services. This is mostly done through special gifts for specialized health centers. Distributors can also take an important place in the promotional activities in public pharmacies where OTC products are promoted and that directly with the patient / buyer (Marshall, D., 1999). The marketing in health institutions is focused on the patient satisfaction, research of their needs, and promotion of the best way for living, frequent checks. The main carriers of the promotion and health strategy marketing are the primary health centers as clinics, pharmacies, health centers etc. If we wish that a pharmacy to have qualitative services it should have good and advanced programs of marketing (Arta Jakupi & Arianit Jakupi, 2017). In pharmacies it's done the distributing of the marketing material (brochures, advertising billboards, etc.).

2.2. Specification of the Pharmaceutical Sector in Kosovo

Kosovo in the post-war period is faced with many challenges that significantly affect the country's pharmaceutical industry. A considerable number of pharmaceutical companies have become extinct or are on their way to become due to their privatization, while new companies are faced with many difficulties due to fierce market and current severe conditions that are present in Kosovo and in the region (Kosovo Medicines Agency, 2014). Pharmaceutical companies with local products face difficulties to launch their products abroad, which mean that they cover only the Kosovo market (World Health Organization, 2014). In Kosovo's pharmaceutical market we have two groups of companies, those dealing with the production and those dealing with the placement of products. In addition to the above mentioned, there are also firms that deal with semi products - respectively with the drug packaging.

Pharmaceutical sector in Kosovo is divided in public and private one. In the public sector, central pharmacies operate in hospitals of 7 major cities – one tertiary care hospital and six secondary care hospitals, there are also some in primary health care settings but it is mainly for internal use. On the other part, the private sector is developed in a different way with retail pharmacies spread all over Kosovo (AKPPM, 2017). To have success in the pharmaceutical market the competition, which is day-by-day stronger beginning from global competitors to online competitors, must be well studied (Gani A. Bedri S, 2018). Identification of competitors to the company is seemingly a simple task. However, the inclusion of current and potential competitors of a company can be much broader, and represents one of the most complex issues in the pharmaceutical industry (Bedri S, Gani A, 2017). This is because in this activity the competition is present among some producers, semi manufacturers, wholesale warehouses, pharmacies and other segments. Regardless which category is in question, each company after it identifies its main competitors should review their strategies, goals, manufacturing strength and weaknesses (Bellamy, C. W. and G. D. Child, 1993). In a similar situation is also the pharmaceutical industry in Kosovo, where the large number of pharmaceutical wholesalers, warehouses and pharmaceutical companies compete in the market with different prices and rebate thus aggravating the work of companies that deal with local production of pharmaceuticals products. Also, the managers in pharmaceutical companies must have knowledge how their competition operates with potential buyers: is it based on long-term or short-term financial success (Pajtim M. 2011). With a detailed market analysis, key success factors and other circumstantial elements we can stress that the pharmaceutical market in Kosovo is very complex due to the current situation, the transition as well as various other factors. It should also be considered that in Kosovo there are many competitors who compete mainly in two basic ways: as brand competition and as producers' competition. Based on the available data, it is shown that the pharmaceutical market in Kosovo is largely covered by the import-foreign pharmaceutical companies which almost completely cover it, and the participation of local companies is around less 5%; although data of the two companies claim that they cover 10-20% of the market as we have mentioned above (Gani A, Bedri S, 2017).

Serious competitors are the companies from pharmaceutical companies of the former Yugoslavia that dominate in the pharmaceutical market in Kosovo. But the foreign companies should not be overlooked because they are also largely penetrating in the pharmaceutical market. The strong competitors based on this work are: the competitors from the territory of the former Yugoslavia as Krka and Lek Slovenia, Pliva, DietPharma, Apipharma & MdpH from Croatia, Alkaloid and Fitopharm & Medi Macedonia, Hemofarmi and Zdravlje Serbia, Bosnaljek of Bosnia and Herzegovina, but also as well as some world known companies from the wider circle (Roche, BerlinChemie, Aventis, Sanofi, Dade Bechring, Beti-Fickinson, Menarini Altupharma, Bayern Shering, B. Braun, Chem & Ursa, Theis Pharmamed, Nobel, GSK, etc.) Also, the existence of over 70 pharmaceutical wholesale warehouses in Kosovo should be counted as competition for pharmaceutical companies in Kosovo (Gani A., Bedri S, (2017).

According to the Law on Medicinal Products and Devices in Kosovo activities are defined as follows: a). Manufacturers of medicinal products, b). Medical Devices Manufacturers, c). Importers of products and / or medical devices, d). Distributors for products and / or medical devices and e). Retail Pharmacies (Kosovo Medicines Agency (2014). Based on data from KMA - Department of Licensing in Kosovo for year 2023 below are presented below the number of these activities: Manufacturers of medicinal products (3), Importers of products and / or medical devices (83), Distributors for products and / or medical devices (140) and Retail Pharmacies (895).

3. Methodology

The research methodology uses primary and secondary sources to analyse comparative data. Besides the theoretical review, scientific articles related to this topic, the paper focuses on practical research based on primary data collected through the prepared questionnaire. As a purposive sample, the analysis of Kosovo's pharmaceutical sector was taken from the quistioner in Pristina region, we chose to analyse

how affect marketing promotion at pharmaceutical product in increase of sales and what other activities should take in consideration in order to have positive effect for business.

3.1. Research Questions

Which promotion activities have effect to the business value?

3.2. Hypotheses

H₁ (a): The promotion activities have affected on sales pharmaceutical products

H₁ (b): The promotion activities have not affected sales pharmaceutical products

3.4. Empirical Analyse

For purposes of analysis of the impact of the promotion in the pharmaceutical sector, the region of Pristina, which includes seven municipalities of Kosovo (Pristina, Podujevo, Obiliq, Lipjan, Fushe Kosova, Graçanica and Drenas), was taken as a purposeful sample. According to the statistics of registration of population in 2011, Kosovo has 1,739,825 inhabitants, 38 municipalities, it is divided into 7 regions, while the Prishtina region is more important because Prishtina is also the capital of Kosovo, this region has 474,034 inhabitants or 27% of the total population (not including the non-resident population). From the data of the Medicinal Products Agency, there are 895 licensed medicinal products, while in the Prishtina region 286, or 32%. For analysis purposes, a structured questionnaire with 10 questions has been prepared, while the focus of the analysis is pharmaceutical products that are sold with a doctor's prescription or free pharmaceutical products for sale on the market for which special authorization is allowed by the Agency for Medical Products Kosovo. Initially, from the size of the population, we determined the sample size of 70 questionnaires from all 286 private pharmacies.

Table 1.
Demographic data for the respondent.

Questioner	Frequency	Percent
1. Gender of respondents		
Female	49	70%
Male	21	30%
2. Age		
18-25	30	42.86%
26-35	25	35.71%
36....	15	21.43%
3. The status of the respondents		
Single	44	62.86%
Married	26	37.14%
4. Professional Education		
Secondary School	8	11.43%
Bachelor	39	55.71%
Master	23	32.86%
5. Experience		
1-5 year	35	50%
6-10 year	16	22.86%
10... year	19	27.14%
6. Position		
Staff	50	71.43%
Manager	20	28.57%

Source: Data obtained from questionnaire, 2024.

Table 2.

Questions for the marketing promotions for doctors.

Questions for doctors	Nr.	%
1. How you were presented with primary products?		
a) Through medical representatives	36	51.43%
b) Conferences sponsored by the company	14	20%
c) Through colleagues	20	28.57%
2. What is the factor that most affects the description of the product in the recipe?		
a) Professional relationship with the medical representative	26	37.14%
b) Reputation of the company	13	18.57%
c) Product quality	22	31.43%
d) Price	5	7.14%
e) Availability of the product both in dosage and quantity	4	5.71%
3. What do you value most about marketing practices?		
a) Gifts (trial products)	4	5.71%
b) Various sponsorships from the company	13	18.57%
c) Medical professionalism during the promotion they do	24	34.29%
d) The ability to provide information in all ways	29	41.43%
4. What convinced you the most about products that influenced the description of the recipes?		
a) Clear and detailed information from medical representatives	35	50%
b) Professionalism and ability of the medical representative to present the product	22	31.43%
c) Commercial margin	5	7.14%
d) Others	8	11.43%

Source: Data obtained from questioner, 2024.

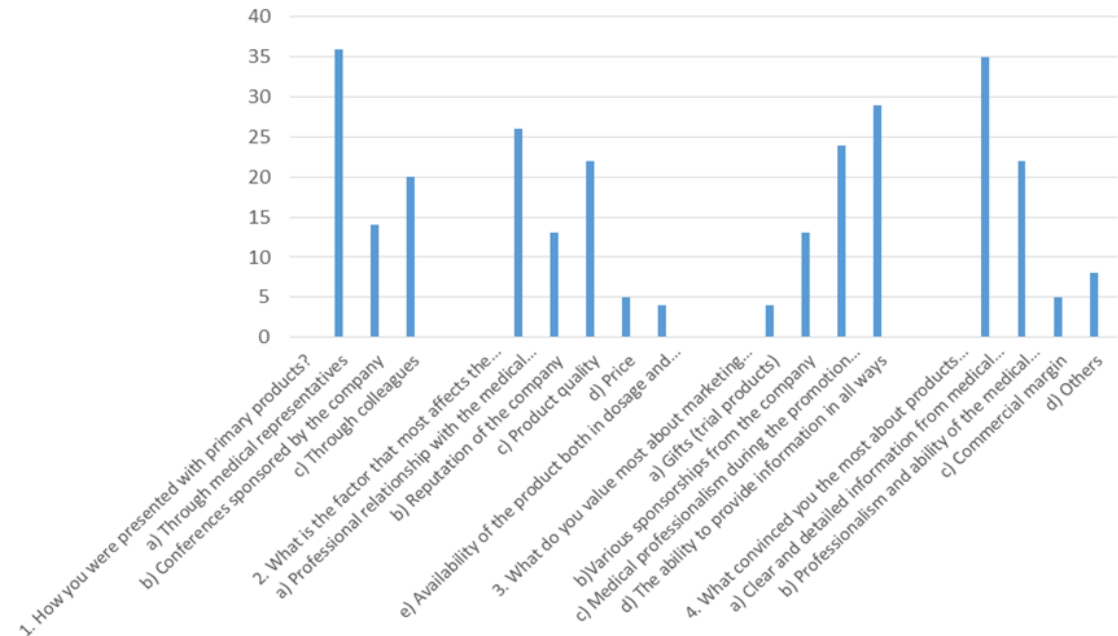


Figure 1.

In the question of how you were introduced to the primary product in the pharmaceutical market out of 70 respondents, 36 were introduced through medical representatives or 51.43%, 14 respondents through conferences sponsored by the company or 20% and 20 respondents through other colleagues or 28.45%. What factors have influenced the description of the product in the prescription, 37.14% have mentioned the professionalism of the medical representatives, 31.43% the quality of the product, 18.57% the reputation of the company and 7.14% the price of the pharmaceutical product. From these data, it can be seen that the main factor in the description of the prescription is the professional relationship with the medical participants. Regarding what is most valued in marketing practices, 41.43% have emphasized the readiness to provide information in all ways, 34.29% medical professionalism during the promotion they do, 18.57% various sponsorships from the company and 7.14% gifts during promotion of the first product. In the question of what affects the product description in the recipe the most, the responses of the respondents are as follows: 50% of the respondents mentioned the clear and complete information about the product, 31.43% the professionalism of the medical representatives for product presentation, 7.14 % profit margin and 11.43% other factors.

Table 3.
Questions for the marketing promotions for pharmacists.

Questions for pharmacists	Nr.	%
5. How you are familiar with products?		
a) From the company's sales agents	36	51.43%
b) From the description of the doctors' prescription	26	37.14%
c) Others	8	11.43%
6. On what basis do you prefer to keep products in Pharmacy?		
a) Keeping the products that are more prescribed by the doctors in the prescriptions	55	78.57%
b) Keeping products that have a high margin	9	12.85%
c) Others	6	8.57%
7. How informed sales agents keep you?		
a) Completely	24	34.28%
b) On average	44	62.85%
c) Insufficient	2	2.85%
8. What do you appreciate more about the services from agents?		
a) The test product they provide	4	5.71%
b) Complete and detailed information	35	50%
c) Professionalism and courtesy	31	44.28%
9. Would you recommend this product to others?		
a) Yes)	44	62.85%
b) Indifferent	26	37.15%
10. Do you agree with the opinion that company should engage more in providing electronic information?		
a) Indifferent	18	25.71%
b) I strongly agree	52	74.29%

Source: Data obtained from questioner, 2024.

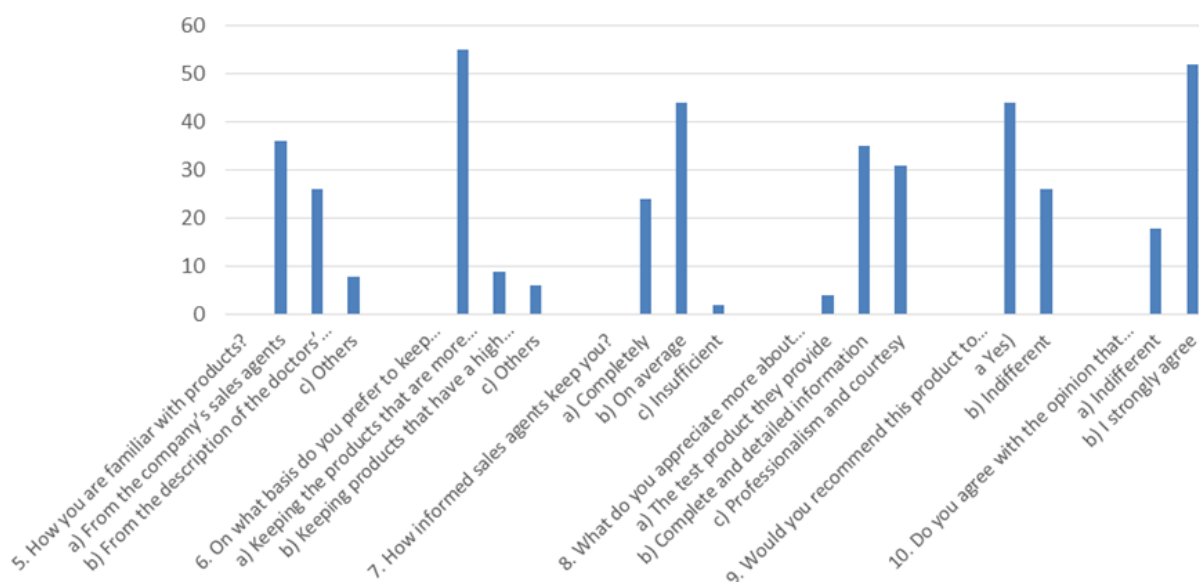


Figure 2.

In the question 5 how familiar we are with the pharmaceutical product, 51.41% of respondents are informed by sales agents, 37.14% by the description of the doctor's prescription, while 11.43% by others. In the question it is preferable to keep pharmaceutical products in pharmacies, results are as follows, 78.76% the products that are mostly described in prescriptions, 12.85% keeping the products that have the highest profit margins, while 8.75% of the others. Regarding how well-informed sales agents keep pharmacies, the answers from 70 respondents are as follows: 67.85% fully informed, 34.28% average and 2.85% uninformed. In the question 7 the sales agent is evaluated the most, 50% complete and detailed information about the product, 44.28% the professionalism and sincerity of the sales agent and 5.71% the first free product as a trial. Regarding whether you would recommend the new product to others, the answers of the respondents are: 62.85% would recommend it while 32.15% are indifferent. In the question 10 regarding the companies' commitment to electronic information for pharmaceutical products, 74.29% completely agree on the need for information, while 25.71% are indifferent. Based on the 10 structured questions and the answers from the respondents, it can be seen that the biggest influence on the sale of pharmaceutical products has the description of the doctors' prescriptions, the professionalization and cooperation of the health workers, timely information from the sales agent, the quality of the product, the price and other forms of promotional activities.

4. Conclusions

Marketing in the pharmaceutical industry as well as in other industries plays a role in the performance of companies' involvement and development. The specification of pharmaceutical marketing is reflected in the fact that the advertising of most products is subject to strict legislation as pharmaceutical industry products directly affect human health. Pharmaceutical marketing should take into account market characteristics in this industry, as they differ from the other ones and consequently the way in which marketing is organized differs. Given that the market is dynamic and fierce competition, marketing communications should apply promotional methods to achieve more effective communication. Companies need much more to invest in the promotion and to integrate this promotion with other activities of sponsorships, meetings, conferences. Companies need to train their sales agents for the way information is transmitted. They need to be more proactive in the future, and oriented to strategic markets.

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