



Pharmaceutical Marketing Transformation due to COVID-19 Pandemic

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Authors' contributions

This work was carried out in collaboration between both authors. Author ABS managed the literature searches, synthesized the results, wrote many sections of the manuscript, and revised the final manuscript. Author FT designed the study, wrote the study protocol, helped in literature search, wrote many sections of the manuscript, and revised the final manuscript. Both authors read and approved the final manuscript.

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ABSTRACT

Background: Since COVID-19 spreads from one person to others, it is necessary to stay away from others or reduce contact. This habit or practice is called social distancing. It encourages people to stay at their homes and to avoid crowded and/or public places.

Objective: To evaluate and discuss changes and shifts in the pharmaceutical marketing strategies due to COVID-19.

Methods: This is a narrative review articles and we use triangulation method to collect the related information from multiple electronic database. The results and findings of the selected articles were summarized and synthesized.

Results: As the number of COVID-19 infected people grows and the uncertainty of finding a cure continues, the people are becoming more apprehensive. Pharmaceutical companies made

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changes to their marketing strategies. From being too invested with in-person marketing, most companies are now exploring options that do not require as much physical interaction. Pharmaceutical companies have been reliant on telemarketing, digital marketing, and miscellaneous offers. This change is primarily driven by fear of being infected by the virus and self-preservation.

Conclusions: Based on the studies collected and reviewed in this paper, the changes appear to be successful especially with regard to digital marketing. This review provides an insight to marketing managers in the pharmaceutical industry to continue adjusting and modifying their marketing strategies due to COVID-19. Because this study focused on a specific sector (i.e., pharmaceutical) the results cannot be generalized and extended to other sectors. Future studies are needed to investigate the trends of changes and shifts of the pharmaceutical marketing strategies due to COVID-19.

Keywords: Coronavirus; COVID; SARS; social distancing; physical distancing; strategies; pharmaceutical marketing.

1. INTRODUCTION

The corona virus disease 2019, known as COVID-19, is a virus that contains ribonucleic acid as its genetic material. It got its name due to having a typical crown-like appearance under an electron microscope, which is brought about by the presence of glycoprotein spikes on its envelope [1]. People infected with COVID-19 manifest a wide range of symptoms, which can range from mild to severe. These symptoms include cough, shortness of breath, fever, chills, muscle pain, sore throat, and loss of smell and/or taste. Others COVID-19 patients also report diarrhea, nausea, and vomiting. However, some people are asymptomatic or do not show any symptoms [2]. As of May 20, 2020, there are more than five million positive cases of COVID-19 worldwide. Moreover, more than 300,000 deaths are reported across the globe [3]. The United States leads the country with the most positive cases (1,571,018) and deaths (93,542) due to the novel coronavirus [3].

Since COVID-19 spreads from one person to others, it is necessary to stay away from others or reduce contact. This habit or practice is called social or physical distancing. It encourages people to stay at their homes and to avoid crowded and/or public places. Also, people are encouraged to wear a face mask and to keep at least six feet away from others when they have to go out from their houses [4]. COVID-19 pandemic and the necessity of social distancing have impacted the marketing strategies of businesses, including pharmaceutical companies. As a response to COVID-19 pandemic and the necessity of social distancing, changes and shifts in the pharmaceutical marketing strategies are observed. More specifically, pharmaceutical

companies are looking for alternatives to effectively continue engaging with their customers, both existing and prospective.

The concept of pharmaceutical marketing has been forcibly reconceptualized following the oncoming of the COVID-19 pandemic. Pharmaceutical marketing may be understood as “the business of advertising or otherwise promoting the sale of pharmaceuticals or drugs” [5]. In recent years there has been a market increase in pharmaceutical marketing efforts, which in turn has led to significant increase in the demand for pharmaceutical products. This has been advantageous for pharmaceutical companies. Research has found that pharmaceutical companies tend to benefit most from value-risk pricing with risk-sharing agreements, particularly in first-bet settings in which decisions are made by social planners [6,7]. The downside of the ongoing trend is that it has generated price increases, and at times medication shortages for consumers (e.g. patients and healthcare providers) [8]. The scenario changed with the COVID-19 pandemic. Shutting down the economy, significantly depressed the demand for pharmaceuticals. Therefore, it is thereby forcing pharmaceutical companies to reassess their marketing strategies [9]. Apart from a depressed demand for some products, pharmaceutical companies are finding it increasingly difficult to source the raw materials needed for production, and also to reach their target markets and final customers [10,11].

Recognizing the challenges generated by the COVID-19 pandemic, pharmaceutical companies have started changing their marketing strategies in an attempt to remain competitive. Therefore,

there have been moves in the direction of networking relationships and collaborative business models premised on the concept of cooptation (i.e. simultaneous competition and cooperation) [12,13]. There is also evidence that pharmaceutical companies have moved to combat the adverse impacts of the COVID-19 pandemic through a wide array of technology-based approaches including "digital marketing, e-detailing customer relationship management, e-sampling, innovative work behavior, telemedicine revolution in order to promoting product value and expediting prescriptions to the target consumer" [14].

The competitive landscape and overall market dynamics in the pharmaceutical industry are changing in response to the COVID-19 pandemic. This clearly demonstrates the need of conducting a review study to explain the pharmaceutical marketing transformation due to COVID-19 pandemic. This paper has two objectives. It aims to identify the changes and shifts in the pharmaceutical marketing strategies. Moreover, it attempts to determine the effectiveness undertaken by pharmaceutical companies in responding to the COVID-19 pandemic.

2. METHODS

This is a narrative review articles and we use triangulation method to collect the related information from multiple sources. The main purpose of this paper was to identify past and present studies that described or were relevant to the problem of interest. Four steps were followed in conducting the narrative review. The first step was to conduct a search for all relevant studies. To make sure that most, if not all, relevant studies had been identified, numerous databases were visited. These databases include PubMed, Google Scholar, Science Direct, and JSTOR. In addition, we used Google search engine to identify relevant articles. The second step was to identify keywords. Authors use keywords when publishing their studies for easier and more convenient identification of their works [15]. As such, keywords are important when conducting database searches. The keywords used in this paper were: "*coronavirus* OR *COVID* OR *SARS*" AND "*social distancing* OR *physical distancing*" AND "*strategies*" AND "*pharmaceutical marketing*." The third step was to review the abstracts and the articles collected to ensure that the articles selected properly addressed this paper. Lastly, the results

and findings of the selected articles were summarized and synthesized.

3. RESULTS

Just like other manufacturing-based businesses, pharmaceutical companies have intensively impacted by COVID-19 global pandemic. Aside from being paralyzed due to slower production, the implementation of social distancing by most government institutions has made it challenging to progress economically. While sales are not down because medicines are in demand and needed by people, marketing the products to attract consumers has become a major problem. This section contrasts the most observed changes in marketing strategies for pharmaceutical companies since the outbreak.

3.1 Before COVID-19

One important consideration in marketing is understanding one's products and consumers. This is typically done via in-shop surveys and then the raw digits are interpreted by analysts [16]. This step prepares pharmacy operators to determine trends and apply the most appropriate marketing approaches. It can also signify if pharmacies are having too much or too little of certain medical supplies. However, with the ongoing viral outbreak, customers rarely come to stores. As a result, their behaviors are now more difficult to approximate.

Probably the most prominent mode of pharmaceutical marketing is through physicians. Physicians are often specific in prescribing medical brands. Since medical prescriptions hold moral and legal authority encouraging patients to follow, marketers coordinate with physicians and take advantage of the opportunity to establish monopoly [17]. But then again, the current situation makes it cumbersome for patients to have certain drugs prescribed to them because personal interaction is highly discouraged.

Until COVID-19 broke out, pharmaceutical companies heavily relied on medical representatives to engage with physicians and patients. Despite being a traditional tactic, using this approach is effective because the medical representatives can directly influence the targeted market [18]. Unlike regular ads that can be missed with a single head turn, medical representatives are trained to ensure sales and partnership. In addition, medical representatives make transactions more successful as their

presence subtly pressures consumers to agree and buy their products [19].

3.2 After COVID-19

Fig. 1 displays a survey conducted on physicians when they were asked about their observations on in-person interactions with sales representatives. Sixty-three percent of the interviewed physicians disclosed that they never interact with sales representatives from pharmaceutical companies since the quarantine period [20]. This signifies the drop of in-person marketing by pharmaceutical companies.

Pharmaceutical companies are said to be at the center stage of global consumerism due to COVID-19 [21]. Some pharmaceutical companies' stock values are rising but this does not equate to absolute success. As already established in previous paragraphs, pharmaceutical companies are heavily impacted. Because of the outbreak, the cost of raw materials has increased, the supply chain has become more fragile, government policies have tightened, and most critically, the competition has gotten steeper [22]. In situations like this, marketing strategies will help make or break

brands. Lately, pharmaceutical companies have been reliant on telemarketing, digital marketing, and miscellaneous offers.

3.2.1 Telemarketing

Since in-person marketing is not feasible, pharmaceutical companies have resorted to telemarketing. Big conglomerates tap with call center agencies to continue the sale and promotion of its products, as well as the continuation of medication plans that were already active before stay-at-home orders were issued [23]. However, pharmaceutical companies are not unrestrained when it comes to telemarketing because state laws protecting the rights of consumers are being reinforced [24].

3.2.2 Digital marketing

It is observable that since quarantine and lockdown were ordered, pharmaceutical companies have been more present on the internet. But not all pharmaceutical services are being featured online. According to an online marketing platform, digital advertisements for services requiring in-office administration has

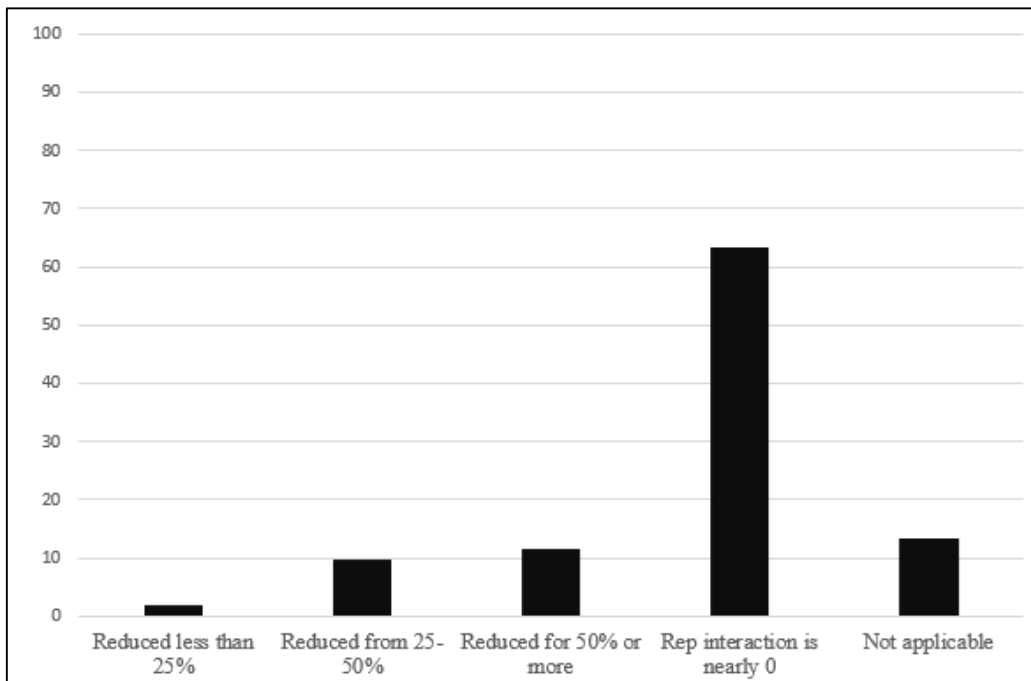


Fig. 1. Percentage of Physicians In-Person Interact with Sales Representatives from Pharmaceutical Companies (After COVID-19)*

**Information derived from Kadar (2020) [20].*

dropped by at least 22% [25]. Pharmaceutical companies has also used their websites as comprehensive information boards, especially for in-demand products like COVID-19 testing kits [26].

Since the outbreak of COVID-19, and even before WHO declared it as a global pandemic, online transactions with pharmacies have increased (Fig. 2). In January 2020, the traffic towards e-pharmacies has peaked at 181.4 million. In February 2020, the traffic jumped to 190.51 million. In March, the statistics reached 191.18 million [27].

Table 1 displays physicians' likelihood of opting for digital tools after experiencing the COVID-19 crisis. Fourth-three percent of the physician greatly agree to use digital tools for mental and behavioral consultation. Thirty-six percent of the

physician greatly agree to use digital tools for physical consultation. For clinical decision support, 47% of the interviewed physicians are about to use digital tools. As more physicians grow more comfortable with digital resources, this may hint the need of pharmaceutical companies to keep up with the trend and invest more with online transactions [28].

3.2.3 Miscellaneous offers

To maintain engagement with consumers, pharmaceutical companies have started offering special perks. To illustrate, CVS Pharmacy, the biggest pharmacy chain in the United States, waives home delivery charge for prescription medicines and refill medicines as a gesture of charity and social responsibility [29]. Some companies mark down on product prices and implemented budget-saving promos.

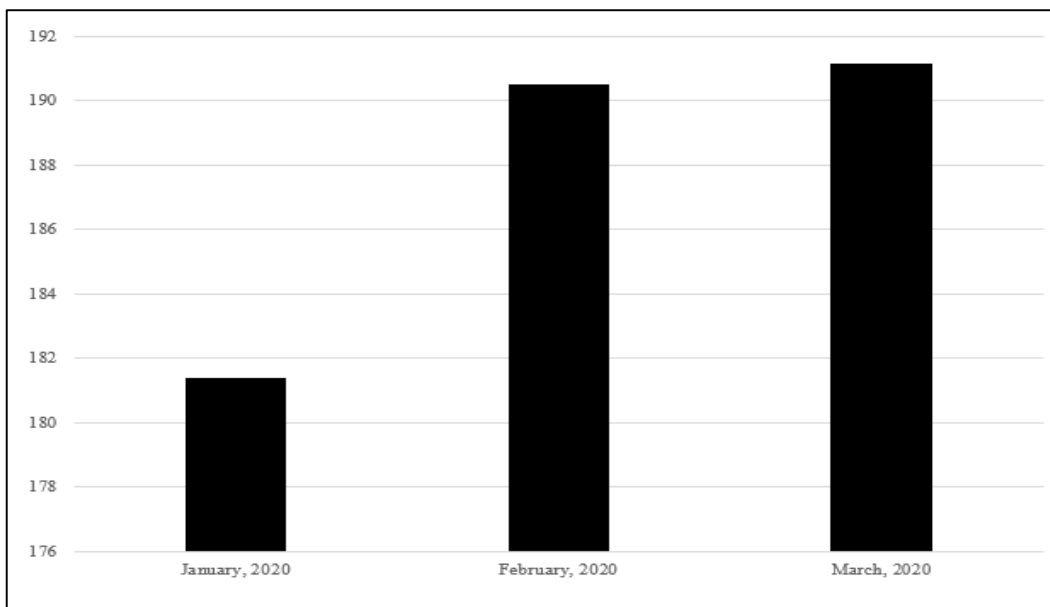


Fig. 2. Impact of COVID-19 on Health and Medicine E-Commerce Website Traffic Worldwide as of March 2020*

**Information derived from Clement (2020) [27].*

Table 1. Physicians' Opinion on Working with Digital Tools (Comparing Pre-Crisis and Post-Crisis)*

	Less	Equal	Greater	Significantly Greater
For mental / behavioral consultation	26%	16%	43%	15%
For physical consultation	26%	18%	36%	20%
For clinical decision support	7%	47%	40%	7%

**Information derived from McKinsey & Company (2020) [28].*

4. DISCUSSION

In the results section, it is observable that pharmaceutical companies made changes to their marketing strategies. From being too invested with in-person marketing, most companies are now exploring options that do not require as much physical interaction. This change is primarily driven by fear of being infected and self-preservation. As the number of affected people grows and the uncertainty of finding a cure continues, the people are becoming more apprehensive [30]. Before COVID-19, pharmaceutical companies are more engaged with face-to-face marketing. This type of marketing could not anymore take place until such time that a vaccine for Covid-19 is found to be effective and safe for human use. Part of the marketing activities used by medical representatives include sponsorships of health-related events where people attend. There were also giveaways that they would leave with physicians and even with pharmacies to promote their brands. This type of marketing will not be feasible anymore as this is not safe for all parties involved. Aside from that, pharmaceutical companies need also to consider how they will adapt their marketing strategies in other areas of the world that have been severely impacted by COVID-19. These areas have imposed lockdowns while the healthcare professionals, particularly doctors are being called to provide healthcare services to hospitals. One way of adapting to his new normal is through the use of digital tools to be able to virtually communicate with healthcare providers.

As the needs of the world shifted instantaneously, pharmaceutical marketers are forced to adapt to a new market and the new behavioral pattern of the consumers. Online purchasing might be the new normal and pharmaceutical companies should prepare by establishing a reliable digital platform while making sure that other aspects like supply chain, inventory, and delivery systems are not neglected [31].

Currently, telemarketing is one of the most used modes of marketing for pharmacies. However, it is likely that this mode will be overpowered by digital marketing. Digital marketing is more interactive than telemarketing. From a patient's perspective, digital marketing offers more complete information and customer service while from the marketer's view, the online presence means more selling options [32]. On top of that,

online transactions can be done much faster than phone calls. The convenience factor for digital marketing is far more superior. The popularity of perks associated with digital marketing, such as free delivery and coupon discounts, hastens the market's move towards a more digital space. In addition, consumers from other territories also have a positive response towards digital marketing and the added benefits that they bring [33].

The regulations of social distancing have been devastating to many. However, this is not a problem for most digital pharmacies. For example, a digital pharmacy in New York, took advantage of the upsurge of digital orders and kept with the demands to establish its reputation [34]. The operators work closely with government institutions to maintain product safety. And while its supply chain management is not yet fully developed, the operators remark that logistics service providers are also maturing amidst the crisis.

5. STUDY LIMITATION

This is a narrative review that has a broad research question to evaluate and discuss changes and shifts in the pharmaceutical marketing strategies due to COVID-19. While the research question is broad, this review summarized and synthesized the results and findings of the selected articles and provides concise critiques on the topic of interest. Another limitation could be the selection bias. However, the authors reduced selection bias by using pre-identified keywords for database searches. In addition, the search was done on numerous databases (PubMed, Google Scholar, Science Direct, JSTOR, and Google). Both authors reviewed the potential articles and decided to include or exclude the articles in this review.

This review focused on changes and shifts of the marketing strategies due to COVID-19 in a specific sector (i.e., pharmaceutical). Therefore, the results cannot be generalized and extended to other sectors. Another limitation is the time constraint. While this study search was done and identified articles in 2019 and 2020, more articles were published after that period. Therefore, the literature search and review can be continued for future studies. In addition, future studies are needed to investigate the trends of changes and shifts of the pharmaceutical marketing strategies due to COVID-19.

6. CONCLUSION

COVID-19 is highly contagious. It can be easily transmitted through physical contact of a person infected with the virus. Without testing, it is difficult to recognize a person who carries the virus. This is especially true for people who are infected but do not show any symptoms. For this reason, social distancing is necessary. Unless needed, people are encouraged to stay at home. While the sales of pharmaceutical companies have not lowered, this new norm has made it difficult for them to market their products and/or services to attract more customers. In response to the impact of COVID-19 global pandemic and the necessity of social distancing, pharmaceutical companies have employed telemarketing, digital marketing, and miscellaneous offers to reach their existing and prospective customers. Based on the studies collected and reviewed in this paper, the changes appear to be successful. This is especially true with regard to digital marketing.

CONSENT

It is not applicable.

ETHICAL APPROVAL

It is not applicable.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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