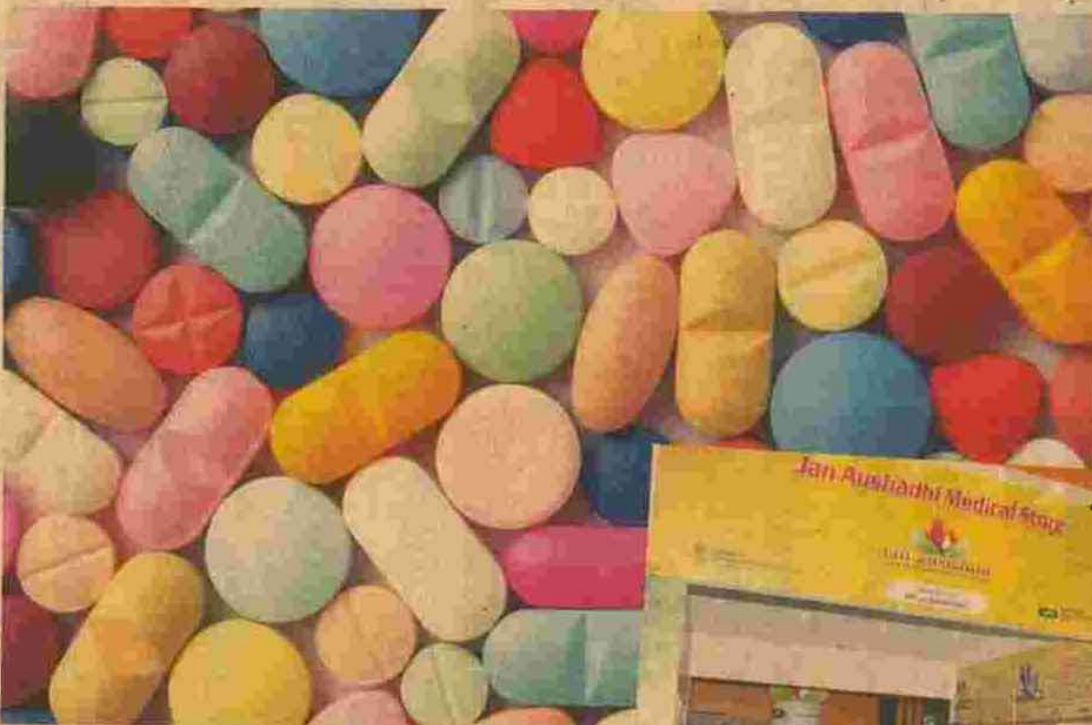


Medicine's new marketing men

Can the government change customer perceptions about a decade-old generic drug distribution programme?



The number of Jan Aushadhi stores has doubled over the past year and the government is working to improve its stocking and distribution policies

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There are two reasons cynics attribute to the government's new found enthusiasm for its pharmaceutical retail initiative, the Jan Aushadhi stores. One is that it ties in neatly with the ongoing healthcare plan that the prime minister has put his weight behind and secondly, its name, Pradhan Mantri Bharatiya Janaushadhi Pariyojana (PMBJP) is a perfect opportunity for the ruling party to tag its name to a pan-Indian pro-poor initiative. Be that as it may, the question really is whether the marketing plan for Jan Aushadhi can help create a reputable branded retail chain for generic medicines?

Jan Aushadhi stores are a chain of retail shops that stock generic-generic medicines, which are different from branded generics that are supplied by many big pharma companies. Generic generics are typically made by small and medium sized manufacturers and public sector pharma units. Sachin Kumar Singh who took charge as the CEO of Bureau of Pharma PSUs of India (BPPI) sometime back, helms the Jan Aushadhi initiative.

A problem of trust

To build the old and in many cases, crumbling infrastructure of stores into a successful brand, Singh has to first fight a perception battle. Generic generics are not seen as quality of medicines and he has to create a brand that can be trusted to deliver the same. Secondly he has to ensure that the stores do not stock out, even as he lays the roadmap for a rapid expansion of outlets.

The scheme has had a bumpy ride so far, there have been three top level exits in the last three years. It has also been through a couple of name changes. The present PMBJP replaces the earlier Pradhan Mantri Jan Aushadhi Yojana (PMJAY). Not only does it contain the initials of the party in power, it is riding (as is the case with all government initiatives) on the prime minister's brand power. All ads carry a photograph of Prime Minister Modi and the message seems to be that trust in the man is equivalent to trust in the medicines these stores dispense.

Can a brand, especially in a sector such as pharmaceuticals, ride on the prime minister's popularity? A senior advertising and marketing professional says, on condition of anonymity, that the

government may well be barking up the wrong tree with Jan Aushadhi. He does not go into the branding principles at stake here but asks, "Is the government trying to do too many things to fix the country's healthcare system? Or should it just focus on the more fundamental things, like ensuring that quality treatment, doctors and medicines are available at the primary health centres. Poor patients can get treated holistically at these centres." He believes that the system needs fixing so that the poor get free treatment and medicines at PHCs (public healthcare centres).

Besides trust is not as easily won. Even if the prime minister does have a phenomenal fan following, it is unlikely to rub off on the quality of the medicines sold.

Affordable, not cheap

Another challenge is bringing in customers in all geographies across income groups. "There is no trade name to ride on in case of Jan Aushadhi medicines and people tend to associate anything that is cheap and sold by the government to be of poor quality. This is why it is unlikely to do well in the

cities. It can do well in the hinterland, however, maintaining a supply chain is a tough ask," said a senior executive from a pharma firm. But then pharma firms are going all out to supply branded generics into the hinterland, thereby denting the government's efforts.

The problem is that cheap medicines tend to be associated with cheap quality and service. The generic medicines drive that was rolled out a decade back in November 2008 has suffered from all these problems. Supply has been erratic too and availability, an issue.

Till March 2012, only 157 Jan Aushadhi stores were opened and many of these shut down eventually. A report written up in December 2012 said that the scheme suffered from poor supply chain management (including frequent stock out situation at stores), over-dependence on support from state governments, limited basket of drugs (only 85 medicines spread across 11 therapeutic categories), non-prescription of generic medicines by physicians and such issues.

In the last couple of years, some problems have been addressed. The number of stores increased from 2,091 last year to 4,099 stores now, according to a recent CLSA report. By end 2019, around 5,000 stores are expected to be functional. Singh is also trying to take steps to boost the availability of drugs.

The CLSA report claimed that medicines are now tested at a NABL-accredited laboratory to address perception related to the quality of drugs. "Trying to change perception is a good move. However, in doing so, if the quality of generic-generic medicines has to match that of branded generics, one might find it difficult to sell it this cheap," said an official who did not wish to be named.

On the bright side, some stores have seen a spurt in demand. The Mumbai store (near Borivali) has seen prescriptions handled double in a year, claimed CLSA. The store gets people in the low and middle income group and retired people (with 60 per cent repeat customers). It is also seeing footfalls from certain upper class customers as well, the report claimed.

Most drugs in India are branded-generics or basically copy-cat drugs (of a certain patented molecule) sold under trade names. Generic-generic medicines do not carry a trade name, are cheaper (almost 50-90 per cent) and targeted at the poor.