

Predictive business model of e-pharmacy in India, post covid-19 pandemic

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1. Abstract

This prescriptive research work presents the consistency of the online pharmaceutical market in India and strategizes in a predictive way from the Indian consumer perspective. The research is focused on bridging the gap between the Indian pharmaceutical sector and the healthcare system through an innovative approach to e-pharmacy. This business research covers physical retail and wholesale to online pharmaceutical retail in the age of online purchasing tendency. E-pharmacy in India will be the future rather than the traditional pharmaceutical industry where the fastest delivery is essential, this paper has shown multiple process models of modern e-pharmacy. However, e-pharmacy is getting the market in metropolitan cities but in rural areas, this is not boom right now because of the unorganized pharma sector in the country. In this situation, all the advantages and disadvantages have been impacted differently where these can be utilized as the biggest opportunity to implement the new idea. In this article, we have discussed the opportunities from disadvantage and the business process model to grow the market at the initial stage.

2. Keywords- E-pharmacy, Health insurance in e-pharmacy, Online pharmacist.

3. Introduction

India is the largest exporter of generic drugs and pharma products globally. The sector supplies over 50% of global demand for multiple vaccines, 40% of generic demand in the United State, and approximately 25% of all medicine in the United Kingdom. The Indian pharmaceuticals market is unique from than other largest pharma markets in this globe such as the US, China, UK, Russia, Germany's market because of its multiple cultures and multiple language diversity. India is a country with more than 22 language diversity and improper balance between various income levels. The Indian healthcare system doesn't have enough infrastructure because of poor economic management. While pharmaceutical research and development consistently growing in the country from the last decades. The low production cost and efficiency of pharma companies in India have boosted the growth of pharmaceutical exports, which has reached \$24.44 billion in FY2021. The new normal, covid-19 has changed the face of entire pharma markets significantly in India. Increasing penetration of health insurance can play a major role in the Indian online pharmaceutical market in the post-covid-19 scenario. High internet penetration, Artificial Intelligence (AI), Machine learning (ML), automation in b2c business has made everyone smarter because of transparency. To have a significant online market of pharmaceutical products in India need to make an accurate balance between automation and consumer behavior of pharmaceutical products. While automation covers the process of the online pharma market and analysis of consumer behavior on pharma products covers the changing strategy of buying behaviour. Buying behaviour depends on multiple influence factors such as standard of lifestyle and income level which are the main barriers of the online pharma market in India. Online pharmacy is the next innovative market that impacts the whole nation as well as the globe to make a healthy behavioral change and convenient shopping experience of medicines. This technological marketing model will affect the wholesale and physical retail stores in the country. But collaboration in physical retail and online retail of pharma products can have the fastest growth in the Indian consumer market where only online retail marketing of pharma products is quite difficult in India. Tire 1 and tire 2

city is a great fit to start an online pharma market. India's biotechnology sector comprising biopharmaceuticals, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at \$64 billion in 2019 which is expected to reach up to \$150 billion by 2025. The pharmaceutical devices market stood at \$10.36 billion in 2020 and is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US\$ 50 billion. As per the market researcher survey global e-pharmacy market size is \$49.43 billion in 2021 and estimated to grow \$107 billion by 2026. The growth of e-commerce in this generation depends heavily on online purchasing and delivery of products either consumer products of food items to pharma products.

4. Objective to this study

While the increasing rate of internet users has proved a terrific boon for consumers seeking bargains and otherwise inaccessible products, e-pharmacy is one sector where the benefits are mixed. The uninitiated consumer can encounter multiple benefits from e-pharmacy as product education, health, and financial hazards. So this realistic market research is the future of Indian pharmacy. This is going to be a necessity to the nation as everything is converted in online mode, shopping at door culture. From very past to till now handwritten prescription method for purchasing pharma products from a physical store is favorable but the market of pharma products distribution is now being replaced by electronic prescription and online store at the door, commonly known as e-pharmacy. This paper focused on the implementation process of the e-pharma market in India. The paper has strategized the process of implementing the Indian e-pharmaceutical market through merchandising with various Health Insurance corporations. The paper also includes a complete analysis of the e-pharma market of India and the predictive future through the implemented procedure.

Statement- Why e-pharmacy

E-pharmacy directly relates to online orders of pharma products, logistics chain, and customer satisfaction. E-pharma market increase purchasing convenience, improve accessibility 24*7, people with limited mobility and people in remote areas, improve patient education because of transparency and authenticity, valid GST invoice on each purchase, E-pharmacies offer better pricing than offline stores automated inventory control of pharma products, tracking consumer healthcare data through recommendation algorithms.

5. Literature review

Before analyzing the current scenario of the e-pharma market in the country, we have considered all the below-mentioned literature for a better understanding of the same.

E-pharmacy impacts on society and pharma sector in economical pandemic situation- Research gate

The Indian pharmaceutical industry, the way forward- IPA, innovation, quality and global research

Online Pharmacy in India: A study on Digital Marketing perspective- Research gate

Indian pharmaceutical Industry 2021, future is now- EY report

Pharmaceutical market review- IBEF presentation

6. Research methodology

This research has been conducted through qualitative analysis of the Indian pharmaceutical market and consumer behaviour of pharma products. The research has also consist of some secondary data for quantitative analysis of e-pharma market growth in India. The research has also shown the importance and impacts of high internet penetration and online purchasing penetration impacts the e-pharma market in the country. After these analysis, the research has introduced effective strategies to follow up the market structure.

7. Analysis and recommendation

India is a country with a large-scale market base for e-commerce, shopping at the door. Online pharmacy gradually increases due to high internet penetration, digital attached generation, e-payments, time-saving formulation. But till

now somewhere in Indian consumers, preference of cash on delivery for any kind of online purchasing. Untrained pharmacists, fake pharma products (drug, supplement, others), and local retailers' discounts prevent the e-pharma market in India. Online adaptation is transparent which is the biggest turn for any kind of scams in this sector. Some giant like Apollo, 1mg, Medplus has already gained their market structure but here the problem with product delivery. However, companies have processed fast delivery but, delivery of drug before the time is not possible with the logistics that companies following same as e-retail. E-pharmacy is completely different which we have analyzed the market condition and how to implement it with the current SWOT of the sector. All the essential process model of the idea has introduced below-

<p>Strength</p> <p>Increasing shopping at door mentality</p> <p>Using of mobile health solution</p> <p>High internet penetration</p> <p>Digitally attached generation</p> <p>Unorganized pharmaceutical sector in India</p>	<p>Weakness</p> <p>Untrained pharmacist</p> <p>Cash on delivery tendency</p> <p>Fake products in the market</p> <p>Partial coverage of all pin codes</p>
<p>Opportunity</p> <p>Covid-19 pandemic</p> <p>Increase in lifestyle disease</p> <p>Health insurance increasing rate</p>	<p>Threats</p> <p>Retail has started home delivery by own</p> <p>Competition from other online pharmacy</p> <p>Unstructured grievance handling system</p>

As per the current condition of the Indian market and pharmaceutical scenario in the country the new online pharma business model can be structure very well by following these formats. Here we also have included a health insurance scheme plan with e-pharmacy.

Health insurance in e- pharmacy

According to India's overall insurance scheme maximum insurance schemes are based on patients admitted indoors, and lack of insurance scheme for outdoor patients. Thus there is an imbalance of pharmaceutical insurance schemes. Many countries have insurance schemes which not only cover hospital facilities but also cover medicinal and other services. The Central Government of India also has a health scheme "CGHS" which is only for central government officials and it is complicated for treatment facilities. If companies also adopt the pharma insurance plan then it would be beneficial for both, patient and the company. Now in this growing stage of e-pharmacy in the age of industry 5.0 and post Covid-19, insurance schemes are growing very high as people are getting more conscious about health. Thus it would be a great opportunity in India to launch a health insurance plan together with e-pharmacy for long-term health facilities to customers and long-term business to the company which would be easy to access.

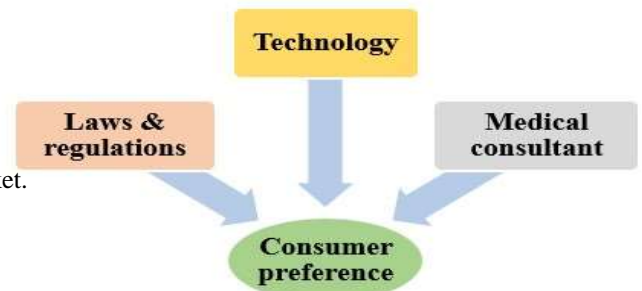
According to this insurance plan, customers need to pay the premium through which the customer will get the nearest doctors and can get the medicinal product via an online/e-pharmaceutical portal. This full process will just be the combination of e-pharmacy and health insurance schemes.

Essential process models of e-pharmacy operations

Here we were given some process model based on how the e-pharmacy will work as per the Indian consumer preferences, revenue and budgeting and their product delivery process at the door including own branding.

1. Components model of e-pharmacy

This model shows the importance of consumer preferences and government rules, regulations to the sector, including Technological adaptation and medical consultant to educate the market.



2. Fastest product supply model

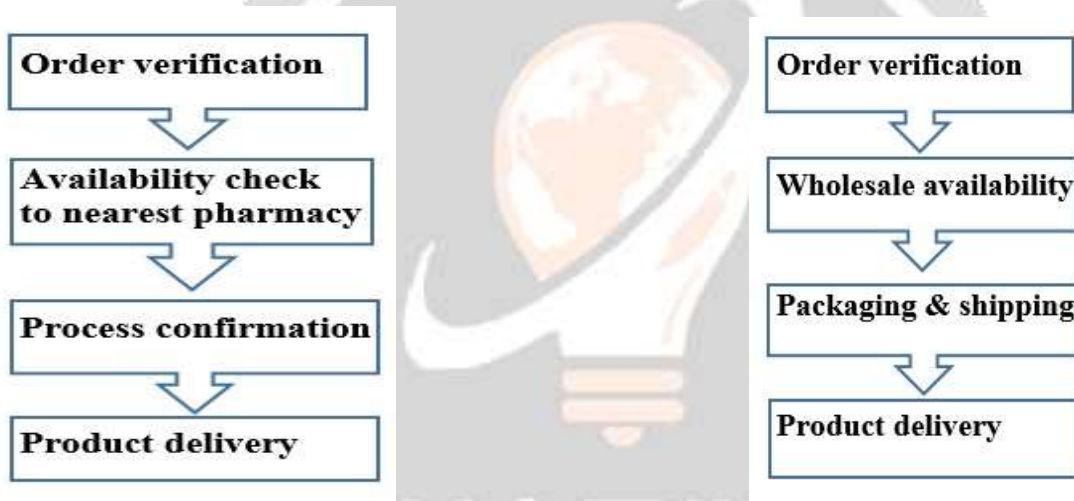
This research has shown innovative e-pharmacy business wherein the initial stage no need to have own store or mother hub, just with a subscription-based system with local retail this business can acquire the market. This model has shown the process of the fastest delivery in the locality, where delivery can expect even in 15-20 minutes.

3. Regular purchasing model

In this model, the research has shown the whole process of ordering to delivery at the door for regular purchase for those orders no need to place within a short time or the day.

Fastest product supply model

Regular purchasing model

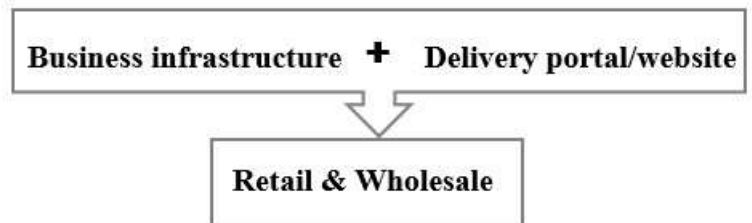


4. Business revenue model

This model has shown the financial process structure of the business, how revenue can be generated from multiple sources, and the budget allocation for maximum return on investment.

Revenue distribution

1. Delivery partner
2. Website infrastructure
3. Other business infrastructure
4. Net income



Mode of revenue generation

- Retail subscription-Providing business by systematic subscription to the local retail shop.
- Laboratory test- For lab test of any patient from the covered pin code at own chosen lab.
- Provide franchise- Providing franchise to local retail to work as a company's wholesale.

Home branding- Own branding products selling.

Customer fulfillment on each order

Perfect order rate- Delivery of exact the product mentioned in the given order is very essential without any fake product or fake details such as product information, GST invoice, refunding details, and 24*7 customer support.

Delivery on time- Timely delivery of the product is an important component for an online shopping experience. Delivery on time and at the proper address where the customer can see the caring about his/her order.

Customer satisfaction- Get the customer feedback of each shipment will help to boost the overall customer experience and to have repeat business.

Payment way- Company has to bear all options of payment such as cash on delivery, internet banking and other online mobile application of payment for a smooth transaction, In a country like India where still now some customer prefer cash on delivery and some prefer online mode.

Extra benefit- Company needs to focus on some extra benefits, especially in the initial stage such as discount, coupon code, or as per their health insurance beneficiary.

8. Conclusion

Life-threatening risks of self-medication and utilization of wrong dose against the benefits of e-pharmacy, we have introduced as a futuristic e-pharmacy business model where online pharmacists/pharma consultants will be available to ensure the authenticity of ordered prescriptions and guide the customer in purchasing. In this e-pharmacy model, the customer can expect the product delivery in minimum time when it's an emergency order. This is not possible from warehouse or mother hub product delivery logistics, that's why we have proposed this business model in a combination of local retail and the company's own wholesale online. The unorganized pharmaceutical sector in India is one of the opportunities for this proposed model, where this online sector is spread through offline and online modes together. Considering India's condition in the post-covid-19 pandemic, a health insurance scheme plan can be added in e-pharmacy for long-term repeat business as people are getting health conscious and looking for health insurance more in post covid scenario. However, further research and development on this model will be intimated in detail based on market feedback and policies for e-pharmacies.

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