COVID-19 as an Indicator of Customer Value in the Medicine Market

Tatiana Boriskina\textsuperscript{a}, Olga Peskova\textsuperscript{b}, Galina Mershieva\textsuperscript{c}, Elena Samsonova\textsuperscript{d}, Vera Tsygankova\textsuperscript{e}

\textsuperscript{a, b, c, d, e} Volgograd State Technical University, Volgograd 400005, Russia

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\textbf{Abstract}: COVID-19 virus has made significant changes in our lives and has led to a total change in the formats of interaction between the consumer and the seller in the pharmaceutical market. Health suddenly became customer value approach the choice of a medicine differently. The classical approach to the formation of consumer value in the drug market is losing its relevance. What really determines consumer value in the pharmaceutical market? What can a drug manufacturer offer in response to a consumer's consumer aspirations? This article reflects the attempts of the authors to determine the parameters of changed consumer behavior within the values of the pharmaceutical market.

\textbf{Keywords}: customer value, pharmaceutical "brand", COVID-19, self-preserving behavior, pharmaceutical market mission.

1. Introduction

Today it could be stated that the dynamics of supply and demand in the market of non-prescription drugs and dietary supplements are formed under the influence of the same factors as in the ordinary market of consumer goods. Taking the drug has undergone a huge metamorphosis in the minds of the population. Around twenty years ago a consumer was able to self-prescribe just ordinary medicines like some iodine, mint tablets, and analgin. The purchase of any drug in one way or another formed into a standard procedure such as the doctor - the pharmacist – and the drug purchase. The decision was made for the patient by the doctor or pharmacist. They were also responsible for the treatment outcome. The drug value was determined only by its availability in pharmacies, which corresponded to its international definition adopted by the UN General Assembly in 1948\cite{1}.

After the 1990s, the situation has changed radically. In the context of tough competition in the OTC market, there is pressure on the consumer from competing market entities such as manufacturers of similar drugs in the OTC segment. It would seem that it could be simpler, a consumer in the pharmaceutical market prefers the product that forms the standard of living they need, and if we talk about medicines, then that support and preserve their health. On the one hand, a wide selection of analogs on the pharmaceutical market allows you to solve both the problem of price and quality effectively. But what disadvantages do we get with this variety of choice?

1. Massive competition ‘erodes’ responsibility for the result or recovery;
2. The period for making the final purchase decision increases, thereby creating a risk of well-being deterioration;
3. Possible loss of manufacturer’s self-identity, dilution of the manufacturer’s responsibility, and a drug value loss;
4. It all results in a decrease in a consumer’s loyalty.

2. Methods

Today it is difficult to win consumer loyalty to a pharmaceutical ‘brand’, as a pharmaceutical product is already ‘undesirable’ and it is left out of the attractive consumer products list. P. Drucker says about the true value of products from the consumer’s point of view \cite{2}. So what needs to be considered when creating consumer value for a particular drug in the consumer market?

The well-known model of Sheth J., Newman B. and Gross B. (\textbf{Figure 1}) determines the multidimensionality of market choice as a symbiosis result of the consumer value orientations \cite{3}, such as functional, social, conceptual, conditional, and emotional ones. Researchers have also identified an additional set of values, among which the most interesting for the pharmaceutical market products are the introduced values, that is, the sources of the manufacturer’s communicative activity, as well as the experience of social interaction of the consumer like rumors, opinions and life experience \cite{4}, as well as the behavioral factors like value and lifestyle \cite{5}. Accumulating similar values, we end up with four of them such as functional, conceptual, and introduced ones.
Figure 1 The value orientation pyramid of a medicine consumer, which ensures demand.

Therefore, the successful positioning of a medicinal product is possible only by focusing on the consumer values of the buyer. Considering the pyramid of consumer values, we can note that, first of all, the consumer is guided by the lower values like functionalism and the first-order introduced recommendations of a doctor and pharmacist. The formula of the theory of expectation is \( \text{efforts - costs - result} = \text{consumer value} \) fully illustrates the process of the final choice of a drug. There is a purchase of a drug and an assessment of its effectiveness according to various parameters: price/quality, the time of the onset of complete recovery/removal of symptoms, all this forms the final satisfaction or dissatisfaction with the purchase. Consumption value is consolidated in ascending order from the lower functional level to the value introduced into the consumer’s mind.

3. Results

COVID-19 has brought significant changes to the process of shaping consumer values [7-10]:

1. Transition to a value-based model for the development of the pharmaceutical market. Health from an instrumental value goes into a basic one, which entails significant changes in the context of consumer behavior. The consumer is tuned in to full-fledged two-way communication with the manufacturer, they are ready for a higher level of awareness about the drug, possible side effects, the availability of analogs, and give preference to manufacturers with high social status. Why are they doing this? Because it is difficult and scary to bear the burden of responsibility and I would like someone to share this burden with. And those pharmaceutical companies that use paternalistic appeal in their messages inevitably become market leaders.

2. The personal needs of the individual become key factors when choosing a medicine. Consumer behavior is undergoing significant changes. In just six months, Russians stopped perceiving protective equipment as something alien, they readily use antiseptics, and 64% are ready to be vaccinated against COVID-19 [11]. The introduction of quarantine measures, information aggression on the spread of COVID and its consequences led to the fact that the fear of infection was a trigger for making a purchase. It is this period that makes a person susceptible to any communication influence. There are various forms of information content formation, the semantic load of which is based primarily on the consumer values of the product.

3. Timing is everything. It is about changing the buying decision-making procedure.

The determining factor was the time \( t \) - bought quickly and immediately helped. If the speed of purchase is measured in hours/days \( t \) of decision making, then satisfaction from the purchase can be both subjective (disappearance of symptoms) and objective - an effective result of treatment and subsequent recovery. The consumer does not want to waste time on a comparative choice of medicines, does not want to go to a pharmacy or a polyclinic, since medical institutions are firmly entrenched in the minds of the population as sources of infection. An indisputable way out of the situation was the e-commerce sector of pharmacy sales. By age criteria, young people under 34 years of age are in the lead among buyers, and families with small children are a separate buying category, who make 50% of the total online purchases of medicines. The leader in online drug sales in the Apteka.ru store. The average bill for online purchases was about 1600 rubles.

Timing is everything, i.e. it changes the buying decision-making procedure.
4. Acceptance of self-medication as a form of self-preserving behavior and self-prescription of drugs. On the one hand, self-medication is firmly included in the content of the ‘conceptual’ consumer value. WHO defines the necessary consumer competencies as a priori, and these include the skills to search for the International nonproprietary name (or INPN) on the packaging and determine a replacement for it, to be able to correlate the price and quality of the drugs offered, the ability to independently determine the original medicines and generics and find information on possible forms of medicines. ‘Forewarned is forearmed’ this slogan will allow the consumer to be more critical of information from various sources. Today we are seeing an increase in the influence of imported consumer values on the pharmaceutical market because the period of epidemiological activity implies that the consumer is susceptible to any form of information aggression. This is online consultations of doctors, pharmacists, medical officials, advice from various reference groups, etc. and shows high consumer activity, for example, the turnover of TOP-30 pharmacy chains in the period from January to June 2020 amounted to 451 billion rubles, which corresponds to a market share of 64.8%. As a result, these companies collectively grew by 12.3%, while the pharmacy market grew by 13.5% [12]. In March 2020, pharmacy chains across the country saw a sharp increase in sales. Sales of antiviral drugs increased 3.2 times, hygiene products - 4.6 times compared to February. Besides, the volume of sales of goods in other categories, in particular, chlorhexidine gluconate, hydrogen peroxide solution, and paracetamol, has increased, anti-cold drugs, vitamins, and immunomodulators continue to be in high demand [13].

5. The change of the so-called consumer generation and departure from classical forms of communication impact on the consumer. Until very recently it seemed obvious that the main consumers of medicines are pensioners. The advertising message for them was rather simplified and memorable. However, Covid19 brought a completely different generation to the arena of communication receivers. The reaction is formed exclusively to the digital format of requests. The functional consumer value of the medicinal product is not relevant anymore. Health monitoring, disease prevention, the cult of beauty, and anti-aging require pharmaceutical companies to have a modern approach to promoting their products. Experts identify native pharmaceutical advertising as the best choice [14].

The effectiveness of communication technologies of a drug manufacturer can be measured by the following parameters:

1. Increase in customer value about a specific brand.

2. The purchase of a completely new pharmaceutical product from a pharmaceutical company with an established consumer value, that is, with an increase in consumer value concerning the company, i.e. a manufacturer of pharmaceuticals, the next phase begins when the consumer is ready to take action only under the influence of the manufacturer’s name as a guarantee of subsequent result satisfaction. Communication with the consumer becomes a continuous cyclical process when the consumer value grows.

4. Conclusions

The consumer constantly surfs the Internet, makes themselves a diagnosis, and treats themselves there as well. The competition for the right to improve the health of each of us is enormous, therefore, to be successful in the process of creating consumer value for a drug, manufacturers should, in addition to traditional, proven communications, use all possible points of interaction with the client, even the most incredible ones.

For six months we have been living under the threat of COVID-19, while the pharmaceutical market is moving to a new format of its impact on the consumer. The consumer has become more responsible and health has become a priority value, the consumer is ready to spend a lot of money on preventive measures and personal protection. The modern consumer world of pharmaceutical products does not stand still, it is changing, new forms of diseases and methods of their treatment are emerging, which change the profiles of certain segments, therefore, building a mechanism of action for a specific consumer profile, drug manufacturers thereby intensify patient participation in the process their treatment, form consumer value, increase the likelihood of a positive treatment result and maintaining active longevity. It sounds like a pharmaceutical market mission

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