

ISSN: 2545-0573

## PRODUCT LIFE CYCLE STRATEGY IN PHARMACEUTICAL MARKETING

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### ARTICLE INFO.

#### **Keywords:**

Marketing, pharmaceutical marketing, growth, maturity, decline, period of product viability, advertising.

### Abstract

This article highlights the unique stages of the product life cycle and its importance in marketing, in particular pharmaceutical marketing. Also, examples of foreign companies on the product lifecycle in marketing are given.

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After developing a new product in every field, especially in the pharmaceutical industry, marketing wants the product to go through a long and profitable life cycle.

The modern pharmaceutical market is a complex economic market that not only has common features for the consumer goods market, but also differs in the specificity of medicines as a product. Medicines belong to the category of vital goods, which have a significant impact on consumer demand.

Pharmaceutical marketing is a strategy for the management of pharmaceutical services to the population, based on the market requirements of management decisions and the existing potential demand of consumers for pharmaceutical products.

As the demand for treatment in the medical field grows, pharmaceutical companies around the world are striving to deliver essential medicines to patients who do not meet their medical needs and to produce important innovations that play an important role in human health.

The COVID-19 pandemic, which first appeared in late 2019, had an unprecedented impact on the world. Hoping for the future, teams around the world are relying on the pharmaceutical industry to develop solutions, and many of the top ten companies are competing to develop measures to treat or prevent COVID-19 disease. In 2021, the world expects the impact of the COVID-19 pandemic to be more pronounced, but as access to health care providers is limited, most of the top ten pharmaceutical companies have been adversely affected.

There are five different stages of the product life cycle (PLC) in pharmaceutical marketing:

1. *Product development* begins when a company finds a new product idea. During the development of the product, sales will be zero and the company's investment costs will be very high.
2. *Entering to the market* is a period of slow growth in sales with the introduction of the product to the market. Due to the cost of introducing the product to the market, the profit at this stage is almost

invisible.

3. *Growth* is a period of increasing profits and recognition of a commodity by the market.
4. *Maturity* is a period of declining sales. During this period, the brand is purchased by many buyers. Profits remain unchanged due to the cost of protecting the product against competitors.
5. *A decline* includes a period when sales are down and profits are down.

Not all goods go through five stages of a product's life cycle.

The concept of product life cycle (PLC) can describe a product class, product shape, or product. PLC is introduced differently in each case. Product classes have a long lifespan, with most brand classes remaining in the maturity stage for a long time. Product forms, by contrast, have a typical brand life cycle.

The lifespan of individual products can change very rapidly due to rapidly changing competitive attacks and adverse effects on it.

**Market entry phase.** The entry phase begins with the launch of a new product. The entry phase is time consuming and sales are also slow.

At this stage, the profit will be minus and low due to the high cost of distribution and displacement compared to other stages. It will take a lot of money to attract distributors and inventory. The cost of promotion will be very high due to the awareness of consumers about the brand and encouraging them to try it. Because the market is not ready to improve the product at this stage, the company and competitors develop the simplest type of product.

These firms focus on buyers who are willing to shop.

**Rise phase.** If the market is satisfied with a new product, then this product enters a phase of growth. At this stage, sales begin to grow rapidly. First-time users follow the word-of-mouth rumors about the brand from those who bought before them. Hearing that there are opportunities for profit, new competitors are also starting to enter the market. They introduce new goods and the market expands.

An increase in competitors will lead to an increase in distribution outlets. Prices are virtually unchanged or may decrease slightly. Companies keep relocation costs high. During the upswing phase, profits increase as displacement costs spread across a large scale and unit production costs decrease. The firm uses a variety of strategies to maintain such growth as much as possible. It improves brand quality and improves new brand features and models.

**Maturity stage.** The maturity phase lasts longer than the previous stages. This poses a strong challenge to marketing management. Many goods are at the maturity stage of the brand life cycle and that is why most marketers work with such goods. Competitors need to lower prices, increase advertising and promotion efforts, and develop a product development budget to find a better product option.

**Decline phase.** Sales of most products and brands are slowly declining. The decline may be slow. Sales may either remain zero or they may fall to a minimum. This is the decline phase.

Analysing the above points, we include the main tasks of national pharmaceutical marketing:

- segmentation of the pharmaceutical market on the basis of cultural, psychographic and demographic factors;
- analysis of fluctuations in the market, its structure and conjuncture;
- forecasting the state and dynamics of changes in the pharmaceutical market;
- in order to increase the competitiveness of the domestic pharmaceutical market, roundtable discussions with industry professionals and consumers on specific drugs;

- organization and sending of information materials to customers on the results of marketing developments and scientific and technical development of the pharmaceutical company;
- cooperation with organizations engaged in foreign economic activity, joint pharmaceutical companies and associations in the organization of foreign economic and scientific-technical relations with foreign partners;
- development of current, medium and long-term plans for pharmaceutical groups of drugs and each medical product;
- planning measures to stimulate the formation of demand for the range of pharmaceutical products delivered to the pharmacy;

Based on the above, we emphasize that the marketing service of pharmaceutical companies of the Republic should perform the following tasks:

- Collection, study, evaluation of information on the state of the local market of pharmaceutical products and their analysis and generalization on the basis of Microsoft Access;
- Analysis of the activities of competitors producing generic (substitute) pharmaceutical products;
- Analysis of the optimality of groups, contingents and pharmacy assortment of consumers of medicines;
- Conducting and preparing surveys among consumers (doctors, pharmacists, pharmacy customers) on the quality of the proposed drugs, expert assessment activities;
- Determining and accounting for the level of dissatisfaction with the demand for products manufactured by the pharmaceutical company;
- Preparation of advertising projects, booklets, information leaflets, ensuring their availability in medical institutions, hospitals, receptions of private doctors;
- Preparation of demonstration samples of products manufactured by the pharmaceutical company at special fairs and exhibitions, presentation of medicines, planning to provide partially free pharmaceutical services;
- Study and implementation of best practices of foreign pharmaceutical companies in marketing, advertising, consumer relations and market analysis.

The functions of the above marketing service can be changed and supplemented depending on the type of activity of the enterprise (production, wholesale and retail).

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