2015

Assessment of the return on marketing investment and the impact on revenue of various marketing activities for OTC pharmaceutical medicines

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A thesis presented in fulfilment of the requirements for the Degree of Doctor of Business Administration

University of Liverpool

‘This thesis is the result of the author’s original research. It has been composed by the author and has not been previously submitted for examination which has led to the award of a degree.’

Abstract

Measuring the Return on Marketing Investment (ROMI) and marketing's impact on sales has initiated a great deal of discussion in the field of healthcare marketing research, with some researchers identifying such measurements as a necessity and others seeing them as an impossible task due to the complex nature of marketing projects in the healthcare industry. The key objective of this research is to develop a systematic approach to guide pharmaceutical industry managers in deciding how and where to invest in the sales and marketing of their Over the Counter (OTC) products. This research aims to identify how to optimize sales and marketing investment decisions, with the goal of improving marketing's impact on sales and the Return on Marketing Investment (ROMI). Achieving this aim would help executives meet the challenges resulting from on-going changes in the healthcare sector. This research was conducted in an emerging market, looking at a range of pharmaceutical OTC products from the researcher's organization. A quantitative method of data collection was used, followed by an action research (AR) approach. The quantitative method consisted of a survey targeting pharmacists working in pharmacies in the Kuwaiti private sector. The AR methodology was used to analyse the research data and to develop the intervention plan. Results from the AR phase reveal that the ROMI achieved through indoor promotional activities was higher than the ROMI achieved through medical detailing. Reducing the amount of free-of-charge goods supplied to pharmacies had no significant impact. Pharmacists' recommendations were found to be the most influential sales driver. This was reinforced by additional findings in which the medical detailing of pharmacists at community pharmacies achieved a 7% ROMI, higher than the set target of 3%. The strong influence of pharmacists in polyclinic pharmacies was also

considered, with polyclinic pharmacies achieving a 30% ROMI, greatly surpassing the set target of 4%. The use of action research in this project facilitated the learning process by generating innovative and creative solutions to real-life challenges.

Acknowledgments

I would like to express my deepest gratitude to all the university staff who supported me in the accomplishment of this study. Special thanks to those who have been behind the success of the DBA program at the University of Liverpool and have provided me, as a member of the first intake, sincere support and guidance toward accomplishing the program successfully. I would also like to thank Dr. Hammad Akbar, my second supervisor, for his valuable comments that came toward the final stage of my thesis work.

I want to thank my parents, Prof. Reyadh Khazal and Ms. Samiha Al-Fulaij for their sincere guidance, encouragement and support throughout this study and all previous professional and educational accomplishments. I am truly grateful for their unconditional guidance. I would also like to thank my three sisters, Hanadi, Haya and Fatima, and my brother Ahmad, for their continuous encouragement to complete this program.

I am thankful to my colleague, my partner and my manager, Mr. Tareq Al-Aryan, for his unconditional support in backing me up and taking work responsibilities to help me focus on achieving the DBA degree.

Lastly and most importantly, I would like to thank my wife and my best friend, Dr. Dalal Al-Taweel, for her unlimited help. I cannot begin to list all things she has done to support me and most importantly, the sacrifices she made by looking after our kids, Reyadh and Yasmine, to help free up my time to concentrate on this work.

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Chapter 1

Introduction

1.1 Introduction

The present research took place in a healthcare company with a diversified business in pharmaceuticals, consumer products, medical equipment and medical devices. The organization has two core functions: (i) importation and distribution and (ii) sales and marketing. This research focuses on the sales and marketing arm of the organization and on developing the learning process and know-how in that area. The organization's activities have been limited to markets in the Gulf Cooperation Council (GCC) region—mainly Kuwait and the rest of the Middle East—which is considered to be a key emerging market in the pharmaceutical industry.

This research focuses on identifying optimal marketing investment decisions that will generate the highest possible return on investment (ROI). This will aid healthcare companies in meeting the challenges from on-going health reforms, which are forcing these companies to reduce both expenses and marketing investment (Narayanan, Desiraju, & Chintagunta, 2004). The marketing elements used in the pharmaceutical industry include detailing, direct-to-consumer advertising, pricing, and other marketing efforts. However, not much is known in the literature about the best use of the different marketing elements, nor about the ideal mix of these elements within the pharmaceutical industry (Narayanan et al., 2004). There is also a scarcity of literature discussing managerial decision making in marketing. Osinga, Leeflang, Srinivasan, & Wieringa (2011) recommend that marketing academics place more focus on what executives really need in order to improve their marketing efficacy through the use of optimal marketing instruments. It is thus highly important to conduct evidence-based research on how to improve the marketing decision making process and on identifying the most efficient marketing instruments

It is also crucial to understand how to support executives in improving value to the firm in the face of challenges such as cost cuts (Seggie, Cavusgil, & Phelan, 2007), in finding ways to improve the measurement of return on marketing investment, and in optimizing the use of tools such as customer relationship management (CRM), the economic value added (EVA) financial ratio and the balanced scorecard.

1.2 Research background

1.2.1 The researcher's background

The researcher is a pharmacist who graduated from the University of Portsmouth in the UK in 2003. The researcher worked in the clinical field as a pharmacist for two years and then moved to work in the sales and marketing field in the pharmaceutical industry. In 2006, the researcher obtained a post graduate degree, a Master of Business Administration, from the Maastricht School of Management, in Strategy and General Management. The researcher has held different executive positions, starting from the role of medical representative for a Haemophilia product line and later being promoted to oversee the tender business. Three years later, the researcher was promoted to handle the trading division of the pharmaceutical business, which had a revenue budget of around 200m USD and a total number of employees exceeding 250. In three years, the researcher was able to double sales and triple the net profit of the pharmaceutical division. The researcher then moved to a healthcare company in 2013 as managing director. The total number of employees in this organization was around 70, with revenue around 20m USD. The researcher joined the organization as a partner and executive and took on the aim of developing the sales and marketing arm of the organization.

It was this organization where the researcher decided to conduct this research. The researcher has the authority to facilitate the research work was able to obtain gain the consent of the other partners and key executives at the organization. The researcher and the organizational management wanted to build a clear financial structure that would clearly differentiate between the organization's trading projects and have each be considered its own profit centre. Hence, the management team decided to create trading projects rather than trading departments in order to provide higher dynamicity for the decision making process. In line with that, the management was interested in developing Key Performance Indicators (KPIs) to ensure that performance could be monitored closely while authority was being given to the commercial directors and sales managers. With the KPIs, the management team was keen to develop a model that could reflect the return on marketing investment and could be applied to all the sales and marketing projects where there existed a proportionally high amount of investment. The researcher, as managing director, offered to conduct a study in the organization to determine the best way to measure the return on investment for one particular project related to the OTC analgesic line. The success of that project would encourage the organization to apply the model to the remaining trading projects. The researcher proposed an action research approach toward developing the ROMI model and would play a dual role as both scholar and practitioner in order to bring academia and actual business practice together.

1.2.2 The research setting

This research has been conducted in a healthcare organization that specializes in two core functions: distribution; and sales and marketing. The researcher is the organization's managing director. Prior the researcher's joining the organization, a

conventional distribution model was used as the company's core operation. A key challenge for the researcher was changing the mind-set of employees who were familiar with the conventional business model and introducing to them an advanced business model that relies on sales and marketing functions rather than just the distribution function. The sales and marketing functions require more sophisticated knowledge and are associated with a higher risk level. The managing director hired employees who had worked with the managing director in the past and who had good experience in the sales and marketing functions. These employees played a major role in facilitating the transformation of the organization and the introduction of the sales and marketing functions.

As indicated earlier, the new structure of the organization has an unusual characteristic, in that it uses trading projects (rather than trading departments), each with its own authority as an independent profit centre. The organization has support departments that handle human resources, finance, accounting, quality assurance, tender administration, trade administration, logistics, business development, IT and the supply chain. The trading projects are managed by two commercial directors. There are sales managers who are responsible for one or more trading projects, depending on the feasibility of the project.

The chosen project is managed by a commercial director who participated in the research as a head of the commercial team. The choice of the project for the research was agreed upon with the commercial director. It was considered a potential long term project and when the research was conducted, it was in the ideal phase for research and would enable the team to observe an evidence-based study outcome. The commercial

director agreed on the research methodology and participants, as described in detail in Chapter Four.

1.2.3 The pharmaceutical industry

Several unique aspects distinguish the pharmaceutical industry from other industries. It is considered one of the most dynamic industrial sectors, responsible for the discovery of new and improved therapeutics to meet unmet medical needs, with approximately 300 billion US dollars in yearly revenue (Dogramatzis, 2002). The industry experienced dramatic growth over the span of a decade, reaching a market size of 752 billion USD in 2013 (IMS, 2013). Other associated industries are present within the pharmaceutical industry, as shown in Figure 1 below. The chemical industry is associated with the supply of raw materials, while biotech, OTC (over the counter) and generics manufacturers provide different forms of pharmaceutical products (Dogramatzis, 2002). The pharmaceutical industry is known to be a well regulated industry; this poses many challenges for pharmaceutical companies, including cost containment initiatives, patent regulations, health reforms, changes in codes of ethics, and other changes related to consumer and industry dynamics.

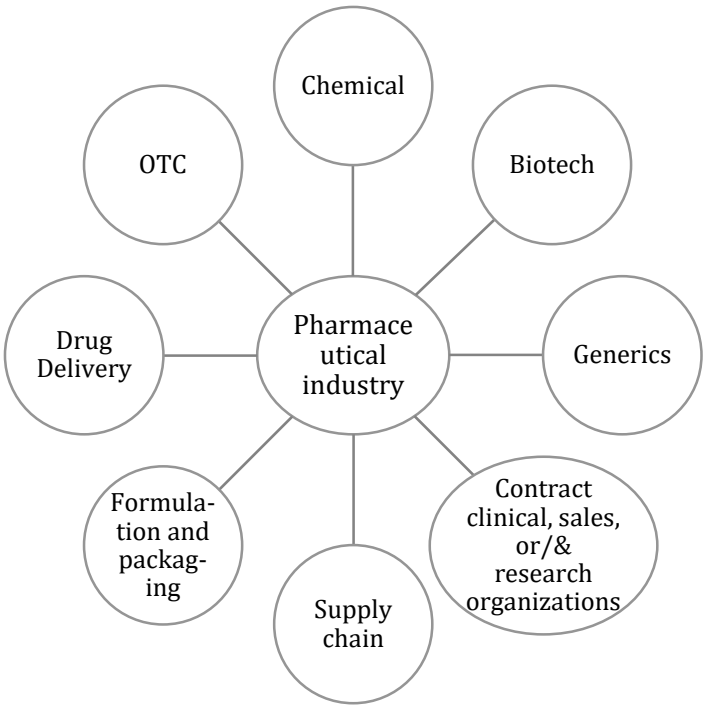

Figure 1: Associated industries within the pharmaceutical industry (Dogramatzis, 2002, p.25)

The major stakeholders associated with the pharmaceutical industry are diverse and come from both the pharmaceutical companies' internal and external environments. Figure 2 shows the different stakeholders within the pharmaceutical industry, divided into internal and external stakeholders. The external stakeholders are categorised into inputting, mediators and consumers, while internal stakeholders are company employees, unions, and task forces (Kotler & Clarke, 1987). Inputting stakeholders are stakeholders who play role in the company's success; mediator stakeholders include drug prescribers, university professors and other healthcare professionals; and consumer stakeholders include patients, patients' families, the media, the general public and competitors.

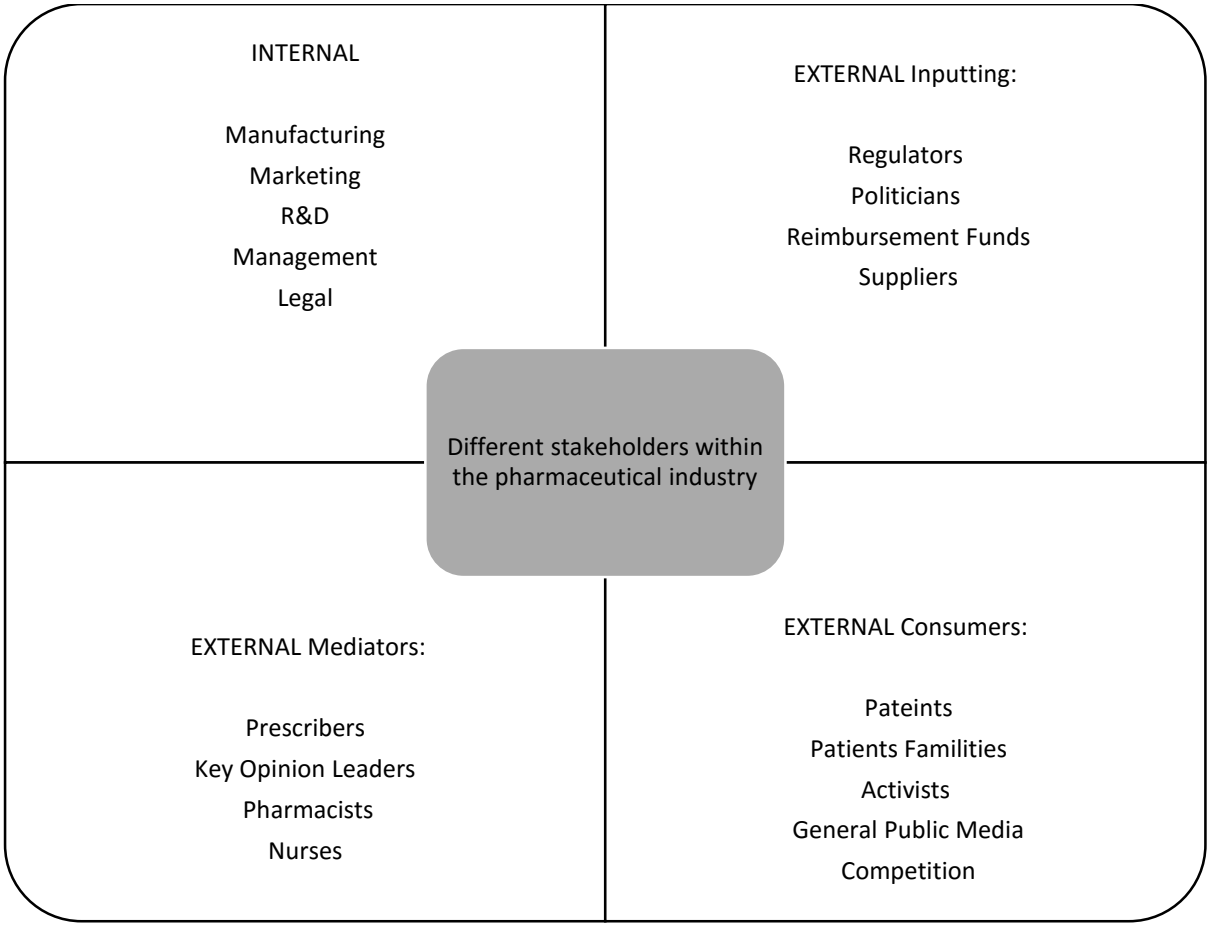

Figure 2: Internal and external stakeholders within the pharmaceutical industry (Kotler & Clarke, 1987, adapted from Dogramatzis, 2002, p.29)

1.2.4 Over-the-counter medicines

Over-the-counter (OTC) medicines include the medicinal products that customers can purchase from supermarkets, pharmacies, retail stores, and online sources without a prescription (Bond, 2002). The US Food and Drug Administration (FDA) and a number of other health authorities from different countries have approved them as safe for use. These medicines are effective in cases of common, self-treatable health conditions such as allergies, the common cold, minor pain and many other ailments that affect many people in almost every country (Aronson, 2004). The number of OTC products has

increased over time; there are currently about 700 OTC products that were not available without prescription three decades ago. The market is expected to further increase in the coming years, as the FDA is planning to make some birth control, diabetes and asthma medicines available over the counter (medicines, 2011).

Some of the important factors enhancing the OTC market include the availability of consumer treatments for insomnia, allergies, overactive bladder, yeast infection, diarrhoea, smoking cessation and heartburn. With a greater number of safe and effective products available over the counter, consumers are able to better manage their own health. Many researchers have shown that transferring products to OTC status results in greater utilization of the medicines; this is especially true in places where a large percentage of the population suffer from poor health and have remained untreated (Oborne & Luzac, 2005).

OTC medicines aid in improving the wellbeing of consumers by providing convenient treatment options. The importance of OTC products has increased in the preceding years, as they provide self-treatment to consumers, and save time, health resources and money. Consequently, they have become an important part of consumer self-care. Nonetheless, in critical cases, professional advice should be sought out in order to avoid complications (Bradley & Blenkinsopp, 1996). The importance of OTC medicines is evident from the pivotal role they have played in providing access to safe and effective treatments in many underdeveloped countries. In these places, it is quite difficult to access healthcare services. OTC products thus play a central role in healthcare by providing effective self-treatment options to address many health complications (Okeke, Lamikanra, & Edelman, 1999).

Recognition and a high level of awareness in any field provides a sense of empowerment to consumers. This is especially true in healthcare, where OTC medicines play a positive role in improving self-care on the public level. People are now more aware of minor illnesses and their available treatments. They do not have to go to the physician to seek solutions; instead, they are able to find treatments in their local pharmacy retail store. A number of healthcare companies and regulatory authorities provide knowledge to the consumer about the variety of innovative medicines that are available over the counter. Consumers can access numerous treatment options when they have self-treatable health conditions (Wazaify, Shields, Hughes, & McElnay, 2005).

In this study, the researcher assessed OTC analgesics; the reason for this selection was that this type of medicine is commonly used. Famous brands that fall under this type of OTC medicine include Panadol and Tylenol. According to AC Neilson (2013), the analgesics category achieved sales of 220 million packs in Kuwait, significantly greater than other types of OTC medicines that fall under different pharmacological categories.

1.2.3 Value of over-the-counter medicines.

OTC medicines can be purchased from both pharmacy and non-pharmacy outlets without a prescription and without direct supervision of a healthcare professional. OTC medicines are considered to be less expensive compared to prescription medicines, as the majority of pharmaceutical molecules classified as OTC medicines have off-patent status. Therefore, the entry of the generics has already occurred, providing the OTC medicines at lower prices.

OTC medicines provide easier access to treatment options for common conditions, offering timely treatment that helps in relieving the symptoms of minor ailments. In a study in the US of the 7 most commonly occurring health care conditions

that are treatable by OTC medicines, it was found that 92% of consumers would seek more expensive treatment alternatives if OTC medicines were not available ("The value of OTC medicines to the United States," 2012). A survey tracking the opinions of EU consumers found that 9 out of 10 consumers in Europe view self-care as a vital part of preventing both minor ailments and chronic health conditions (Tisman, 2010).

The World Health Organization (WHO) promotes the change in classification from prescription to OTC only if the pharmaceutical molecule has solid, proven safety and efficacy data. It has been found that 75% of primary care physicians would recommend an OTC medicine prior to prescribing a prescription-only medicine (Tisman, 2010). This accessibility to medicines has provided greater convenience and enhanced access to medication. In the United States, many studies have confirmed that access to OTC medicines has reduced the time to treatment for deadly parasitic and infectious diseases (Gurwitz, McLaughlin, & Fish, 1995).

1.3 Measuring ROI

The importance of measuring ROI increases with time and improving the way ROI is calculated is becoming even more important. Munoz (2005) emphasizes the challenge in calculating marketing ROI, since the traditional methods are not working as they previously did. Woodburn (2006) stresses the importance of developing appropriate frameworks for measuring marketing effectiveness through the systematic collection of data for objective and informed analysis. One recent finding by Osinga et al. (2011) was that the evaluation of marketing should not just focus on the relationship between the sales team and consumers but should also consider multiple stakeholders and what should influence the size of the marketing budget. The work of Rust, Ambler, Carpenter, Kumar, & Srivastava (2004) touches on the importance of measuring marketing

productivity and the impact it can have on firm value. They also stress the importance of continuously developing methods for assessing marketing productivity. Rust et al. (2004) suggest that marketing assessment should be done using a conceptual framework that draws the marketing productivity chain from the firm's strategies, marketing assets, market and financial positions, the value of the firm and marketing actions as they relate to tactics, impact on customers, financial position and the market. The end of the chain in this conceptual framework is the impact on firm value. It is also important to consider both financial and non-financial measures when calculating ROI (Doherty & Dickmann, 2012) and to measure the outcome over time. Thomas (2002) recommends measuring ROI on a multidimensional basis; the meta-analysis approach allows marketers to measure ROI over time.

It is important to consider that there is no accurate way to obtain a precise measurement of ROI, nor is there a set of solid data to use for this (Duboff, 2007). It is advisable to use reasonable estimates of the likely outcome of the desired investment. Duboff (2007) emphasizes that despite the challenges in calculating ROI, it is essential not just for accounting purposes but also for future learning. In the healthcare market, measurement of ROI is not as common as it is in other industries (Thomas, 2002). Because of the complexity of the industry and the uniqueness of the healthcare market in general, increases in brand awareness (or brand equity) should be reflected in the ROI. The common term used in the healthcare market is the ROE (return on expenditures) (Thomas, 2002).

It is important to emphasize that a good marketing ROI not only considers the financial revenue coming from the marketing investment but also incorporates the psychology driving consumer behaviour over the short and long terms. Hence, it is

important to consider both the qualitative and the quantitative effects of marketing efforts to obtain a good measurement of ROI (Thomas, 2002).

An interesting research approach presented by Woodburn (2006) suggests developing a measurement system for return on marketing investment (RoMI) by collecting and capturing data within a defined framework. This framework would enable the marketing department to develop business cases for marketing activities that could then be considered in a more objective manner, helping reach a better understanding of the cause-and-effect relationships of certain actions. Known as the action research approach, this can help the organization develop a RoMI measurement to understand the effect of marketing activities and how to adapt and improve.

Measurement of RoMI is an important aspect of marketing, and in the case of OTC products, it should be done to ensure campaigns will not result in losses. There are many means by which ROI can be measured, for instance by dividing net profit by the total assets of the company or by dividing income by total capital. In the case of OTC products, the hospitals are accountable to their communities, stakeholders and the board of directors for the RoMI. In this context, call centres can help greatly. Patients' calls can be used as a record. Furthermore, the calls can be used to justify the dollars spent on marketing efforts and to channel economic support to the marketing activities that have been proven to increase revenue. The call centre can execute both inbound and outbound telemarketing functions to provide information to consumers about the hospital, its affiliated physicians and its programs (Dickmann & Baruch, 2011).

Some hospitals use a call centre system to provide services and technological capabilities to support the interaction with consumers through the internet. For instance, New York Hospital Queens (NYHQ) employs a call centre for three purposes:

to reduce the probability of error for in-house record keeping, to measure ROI, and to ensure that the call centres are doing their work properly. The patient calls the hospital to request referral to a physician. Along with providing the requested information, the call centre collects important data about the caller, such as where the caller heard about the physician. This information helps the marketing department assess which advertising processes are most effective. It also helps the department invest in areas that return the greatest revenue and more lucrative customers.

Knowing ROI helps organizations understand the effects of their marketing efforts. In the case of hospitals and pharmaceutical companies, once the finance managers have the ROI, they can determine the effectiveness of the marketing campaign. The figure helps understand which marketing campaigns attract the most lucrative business, or which need more effort or a redesign. Call centres not only help determine the ROI but also show how many callers become patients and the percentage of revenue these patients bring to the hospital (Dickmann & Baruch, 2011).

1.3.1 Challenges in measuring ROI

A significant gap in the literature concerns the calculation of ROI. It has been thought that lack of advances in measuring ROI reflects the limited progress in the practice of calculating ROI (Doherty & Dickmann, 2012). According to Thomas (2002), there are multiple reasons that measuring ROI is a challenge for the healthcare industry. The first is the business-to-business nature of most pharmaceutical companies, which don't have direct access to the end users, as most sales are done through pharmacy outlets. Second, marketing is not well developed in the healthcare market in general and is considered to be a young discipline within the industry. Third, few of the decision makers have an educational background in marketing. And finally, there is lack of interest among

healthcare marketers in identifying the ROI. Despite these challenges, identifying marketing ROI is no longer a luxury as much as it is a necessity for modern business (Spiegelman, 2003).

1.4 Action research

Applying action research to the measurement of the ROI can help bring active engagement to the process and extend existing knowledge, adding practical value to the ROI calculation (Doherty & Dickmann, 2012). Action research aims to generate actionable knowledge that is useful for the organization. According to Doherty & Dickman (2012), when it comes to measuring ROI, the challenge is determining the causal linkages that satisfy both the needs of the practitioner and scholarly rigour, with a high enough level of accuracy to avoid misleading information.

1.5 Problem statement

Due to the strict regulations applied in the pharmaceutical industry, promotional efforts in the industry have been dominated by traditional marketing programs in the form of push techniques that encourage physicians to prescribe the promoted drug; this is done through detailing the medical information for a particular drug to the prescriber (Parker & Pettijohn, 2006). Despite developments in pharmaceutical drug promotion in developed markets like the United States, where direct-to-consumer marketing through the media is allowed, such methods are still prohibited in markets like Kuwait. Despite this, over the past two decades, changes have occurred in some emerging markets with regard to regulations on the promotion of pharmaceutical products. With the advent of OTC products, for example, main supermarkets in Kuwait were allowed to promote OTC medications through direct interaction with consumers.

An index ROI can be used to measure the effectiveness of a marketing program and can provide a key performance indicator (KPI) to measure the outcome of a marketing investment. It can also help in evaluating which marketing activities increase the trust all company departments have in marketing activities and which allow for proper evaluation (Solcansky & Simberova, 2010). Measuring ROI is no longer a luxury; it is a necessity. However, due to the amorphous nature of many marketing projects in the healthcare industry, the determination of the return on marketing investment (RoMI) has been considered impossible (Spiegelman, 2003). Many studies have suggested that scholars and managers should focus on developing the RoMI measure, so as to help marketers and executive managers reposition marketing expenditures in the way that best serves the organization and the business (Seggie et al., 2007). Considering the maturity level of pharmaceutical marketing in emerging markets, the current necessity of measuring ROI, and the lack of studies that have worked on developing an instrument to measure ROI in the pharmaceutical industry, particularly with regard to OTC products, the current research aims to investigate RoMI and to measure the impact on sales of various marketing activities.

1.6 Research questions

This project attempts to answer the following research questions in order to meet the study's goals and objectives:

- How do pharmacists perceive the OTC promotional activities?
- What are the most effective OTC marketing activities in terms of sales, from the pharmacists' point of view?
- What are the most effective OTC marketing activities in terms of ROI, based on data collected from the survey distributed to pharmacists?

- In the post-intervention phase, what are the most effective OTC marketing activities in terms of sales?
- In the post-intervention phase, what are the most effective OTC marketing activities in terms of RoMI?

The intervention phase is the phase in which the action research is conducted.

1.7 Research goals and objectives

The long-term goal of the study is to provide a practical solution that can assist sales and marketing managers in finding the best approach to investing in the marketing of an OTC business in the pharmaceutical industry. The research aims to build on the agenda presented by the 4th annual Pharmaceutical Marketing Conference, where it was concluded that measuring marketing ROI is on the agenda of many marketing managers in the pharmaceutical industry, and that the difficulty in measuring the RoMI is present at both the company and product levels (Agterberg, 2005). The conference also stated that ROI should remain a common focus for marketers as they are asked to cut marketing budgets and deliver higher profit margins. It has been concluded that the best way to achieve that is by building a better understanding of ROI analysis(Rod, 2006).

The first objective of the study is to examine pharmacists' perceptions toward the new marketing trends related to OTC products and to determine the most effective marketing tools to be used inside the pharmacy channel in terms of impact on sales. The second objective is to determine the most influential factors in terms of RoMI from the survey data collected. This data includes pharmacists' assessment of the impact of different marketing activities such as point-of-sale materials, detailing to physicians through the generation of prescriptions, and detailing to pharmacists.

The third objective is to determine, based on survey data, which action plan is most effective for generating the highest possible RoMI and which marketing activities for analgesic OTC products have the strongest impact on sales. The reason for selecting analgesic OTC products was because analgesic product pain lines have the highest market share in terms of volume and value, according to AC Nielson data, achieving a total sales value of $4.5 million and around 220m units sold in Kuwait. The significant size of the analgesics market reflects the marketing spending power that this line possesses versus other lines. That justifies the selection of the analgesics line as the subject of study in this research. At the post-intervention stage, the most effective driver of sales and RoMI in terms of marketing activities can be determined.

1.8 Structure of the Thesis

This thesis is divided into eight chapters that can be summarized as follows:

Chapter One provides the study background, elaborating on the pharmaceutical industry, the market for OTC medicine in general, and the challenges pharmaceutical marketing executives face in measuring marketing's impact on sales and return on marketing investment in such a highly regulated market. The chapter touches on the problem statement, research questions, goals and objectives. *Chapter Two* covers four key aspects related to this research. The first is how the literature has tackled the challenge of calculating RoMI, particularly for the pharmaceutical industry. The second aspect is how the OTC medicine market has evolved and how the related regulations have changed from a marketing perspective. The third aspect is related to the importance of emerging markets. The fourth aspect is related to marketing in the pharmaceutical industry, including which options are currently available for marketers in that industry. *Chapter Three* consists of the conceptual framework development,

which models were used for this research, and how the framework was adapted to the research goals and objectives. The chapter touches on the background of the survey used for the research and elaborates on the RoMI model used for the action research component. *Chapter Four* elaborates on the quantitative and action research components. Most importantly, the chapter highlights the inclusion and exclusion criteria and sample selection for the quantitative component. The chapter also elaborates on the metrics of the ROMI model utilized in this research, and how the model has been customized to serve the research goals and objectives. *Chapters Five and Six* provide a detailed discussion of the results and analysis of the research. Both chapters highlight the limitations and challenges experienced during the research. *Chapters Seven and Eight* highlight the overall conclusions of the research and the key findings after combining the results of the quantitative and action research methodologies. Chapter Eight touches on the necessity of continuing work in this critical research area in order to achieve better practical and theoretical implications, and discusses the key limitations. The final chapter, *Chapter Nine* reflects on the journey of the research in the scholarship of practice.

Chapter 2

Literature Review

2.1 Introduction

This chapter covers an extensive review of the pertinent literature regarding key aspects related to the study. Four important aspects are covered in this chapter. First, the chapter provides an overview of the recent literature, some of it specific to the pharmaceutical industry that touches on the evolution of the RoMI calculation and the key challenges that have been faced. Second, the chapter gives an overview of the global OTC market, including why OTC medicines are becoming more important and how they provide greater economic benefit and welfare to nations around the globe. Third, emerging market perspectives are covered, including why emerging markets are considered important for all main industry players. Fourth, the chapter looks at how marketing in the pharmaceutical industry has evolved, how it can trigger revenue growth and how it differs between regions. These four key aspects are essential for this study, which aims to measure marketing's impact on revenue and RoMI in an emerging market for the fast-growing OTC pharmaceutical product category.

2.2 Overview of RoMI measurement

Measurement of return on marketing investment is important because it helps measure performance outcomes through real life examples. Although cases are complex and there are a number of factors that affect the statistical analysis, the average result of the analysis will help managers determine how to reallocate expenditure on promotional tactics (Wittink, 2002). Healthcare organizations are now considered to be more accountable for measuring RoMI for particular markets. As this information is needed by the board of directors and executives of an organization on a regular basis, the importance of measuring RoMI has become more essential than ever. Marketing

personnel are now required to justify the money and resources they spend on marketing efforts. They must also present the entire dataset in order to obtain efficient sales channel support from their firm, which can help enhance revenue generation (Spiegelman, 2003).

Spiegelman (2003) writes that market investment decisions at many organizations are made with the help of sales data regarding market resource allocation. In many cases, no attention is given to the impact of investment allocation rules, and as a result, resources are allocated to sub-markets. It was previously thought that the level of investment was much more important than resource allocation. However, different submarket sales examples have shown that aggregate sales response functions are significantly affected by investment level decisions. Aggregate sales are more sensitive to improvements in investment allocation rules. Therefore, the resource allocation budget requires more attention to market budgeting with sufficient justification to ensure that the return is satisfactory and meets expectations.

Phillips (1997) states that there are always some financial and non-financial issues that need to be assessed by qualitative and quantitative data measurement. Strategic issues are usually based on both technical and non-technical perspectives. There is always a need to collect information through conventional means of data collection and to incorporate such information into current models so that the impact of future activities can be predicted and assessed through more developed measures. Measuring RoMI more accurately is critical for implementing a planned action. It also helps boost confidence through better information as well as facilitating its application by solidifying the decision making base. Knowing RoMI helps in determining the

business impact by incorporating a technique that affects the strategic planning in the long run (Phillips, 1997).

According to Seggie (2007), there is no shortage of measures for use in marketing field; however, disappointment often results from the use of these metrics. Marketers face the challenge of defining suitable measurement metrics that can be successfully applied to all industries. In the case of return on investment, measuring the success of product strategy, advertising campaign and distribution strategy is a challenge. The problem is that in these areas of marketing, the money that is spent is not directly correlated to measurement metrics. Hence, the need for information about the outcomes of marketing efforts becomes greater. As marketing is a field that influences most corporate functions, any process that can help in measuring and tracking quantitative data is of great importance (Seggie, 2007).

Seggie (2007) also asserts that nowadays, industry specialists and academics are willing to find ways that can help them evaluate value-added measures within organizations. Most of the accounting measures that have historically been used are currently not capable of measuring performance in every unique case (Seggie, 2007). The process of determining RoMI is complex, and many healthcare organizations have been challenged with finding the right method for its calculation. The amorphous nature of this process and wide range of influencing variables have made it difficult to measure the success of a marketing investment. That is why RoMI has been considered virtually impossible to measure.

Determining return on investment helps identify brands that are high in demand, making reallocation less uncertain. For example, Wittink (2002) studied 20 brands of asthma treatments and measured their ROI. It was found that medical journal

advertising (JAD) provided the highest ROI, meaning that its ability to bring in a return was greater than that of any other studied marketing instrument. The information received from ROI can also be used to determine patient loyalty, the profitability of hospitals and revenue generation (Wittink, 2002). The literature stresses the importance of measuring RoMI in the healthcare industry, and some literature assesses marketing and sales activities in terms of ROI for certain therapeutic areas, like asthma and chronic disease therapies. While the majority of studies look at developed markets like the United States, there is a clear gap regarding the assessment of ROI for OTC medicines in emerging markets.

2.2.1 Difficulty of measuring ROI in the healthcare industry

Up until now, various techniques have been described for measuring return on investment. However, healthcare industry practitioners agree that measuring RoMI is a difficult challenge. One reason is the complex nature of the healthcare industry, which requires a lengthy process and a delay in time between introducing a product and obtaining the regulatory approval for promotional activities to receiving an assessable sales outcome. It is now a widely accepted fact that healthcare promotion cannot be done through marketing only. Decision makers need evidence-based results to develop trust in a given service. At the same time, measureable return on marketing efforts is not easy to obtain in the case of the healthcare field (Thomas, 2002).

In addition to the above, there are other challenges as well. For example, the actual sale of a given product does not occur when it leaves the pharmaceutical company; it happens at the pharmacy after a physician has prescribed the product to a patient. Therefore, many transactions are required in order to complete the actual sale. Many pharmaceutical companies do not track the average length of time that customers

use a particular product because aggregate data would be needed for this measurement; such information is held by the pharmacy where the sales took place. Due to privacy issues, the lack of access to the required data makes it harder to measure return on investment, and thus the incremental value required to enhance marketing efforts cannot be easily determined. There are ethical issues as well. For instance, patient-related data cannot be shared freely. Furthermore, many ethical issues can arise if patients are segmented on the basis of the medicine they use (Thomas, 2002).

Thomas (2002) adds that marketing is also a young discipline in the healthcare field. Hospital management often does not have sufficient knowledge about marketing issues; the same is true for administrators. Thus, healthcare providers do not have the advanced expertise in marketing that would allow them to try different methods for measuring return on investment and finding the best one (Thomas, 2002).

2.2.2 Evolution of RoMI measurement

The measurement of ROI has evolved over time. This development is still in progress, as conventional measures are in most cases historical, and the long-term performance of the company cannot be measured. Assessment of marketing's impact sometimes takes time to reach to an assessable level and cannot be done through conventional means. Nowadays, the past performance of a firm cannot be used as the sole predictor of future performance. Hence, marketing investment decisions might require additional information. Long-term perspectives need to be considered in order to form the true picture (Seggie, 2007).

According to Phillips (1999), measuring the return on investment has been an evolutionary process that has redefined itself over the last 25 years. Hundreds and thousands of studies are conducted every year and many of these studies are also

published. More than 20,000 workshops are conducted each year, attended by managers and specialists in the field. Almost 4,000 people have received certification in ROI measurement and many books on the topic have been written in more than 40 countries. Many researchers now agree that ROI helps align business needs with targets. It also aids in earning respect from senior management and support for future projects. During RoMI model design and implementation, the overall process can be enhanced through the accumulation of knowledge and utilization of the most recently developed industry-specific ROMI model, which can be adapted to the particular firm's investment plan.

Stewart (2009) proposes that knowledge intensive environments nowadays require competencies and skills that can help determine a company's intangible assets. The intangible assets of a firm create almost 69 percent of its total market value. In the past, these assets were thought to create only 17-18 percent of a firm's market value. Marketing expenditures serve as investments and hence there is a need to ensure that the value of these assets is measured by metrics. However, if these metrics are not correct, they can be misleading, giving rise to a number of issues. Along with this, the accuracy of subjective performance measures is also under debate. There is always an immaterial difference between the financial performance of a company and subjective measures. In the past, marketers relied largely on subjective measures, such as product attributes, customer satisfaction and associated segmentation. These subjective measures have more to do with marketing plans and actions. On the other hand, relative metrics such as those showing competitors' actions and maintaining focus on firms can provide good information that can help in improving resource allocation and return on investment. Sustained differentiation and continuous ROMI model development can

help firms position themselves in the market favourably compared to rivals (Seggie, 2007).

The above paragraphs have shown that corporate drivers require the continuous development and identification of metrics to measure the effects of marketing investment. There is also a need to develop the technological components that facilitate the development and use of such metrics. New metrics can begin with new technology, such as the Internet and various forms of media. Necessary monitoring can also be performed via customer relationship management, organizational resource learning and the monitoring of electronic cash registers. Information technology can further help the firm and provide it with new metrics. The creation of a database starts by tracking the activities of customers, thus providing marketers with the possibility of creating new metrics. For instance, the British tourism company Thompson Holidays used this procedure to determine the profit per customer trip. The data obtained from customers helped the company understand how brand loyalty was maintained. This led the firm to target customers who were loyal to the firm. Many other firms have also used customer relationship management (CRM) programs to gain the same information (Seggie, 2007).

In the area of efficiency, major breakthroughs and better control can be obtained if independent metrics are translated into causal chains, or models. With the help of such models, marketing strategies can be evaluated and their effectiveness can be determined in terms of their effect on the bottom line. This will help in selecting the most profitable course of action. In addition, intermediate variables are generated from the model and these can help determine market share and customer attitudes, and can be used to measure performance. These performance indicators can be monitored and controlled, and corrective action can be taken to enhance financial performance.

However, there is a limitation as well. According to Seggie (2007), the effect of strategic tactical actions on intermediate variables has only been studied by a few researchers. This is the reason why the relationships between financial performance and marketing actions cannot be completely understood. In the case of physical science, formal experimentation can be used to explore such relationships. Here, systemic manipulation of variables and interests can be done. However, such controlled studies are unrealistic when it comes to the marketing environment. The reason is that the external environment in which a company operates is not under the control of the researcher. This means that causal analysis will develop slowly and conclusions will be tentative in nature (Seggie, 2007).

Seggie (2007) identifies seven elements that should be taken into account in order to create a useful framework. These include the financial, long-term, forward looking, relative, micro, objective and causal elements. It is important that mangers learn the importance of these elements and make sure that all the dimensions are fully satisfied. Repositioning marketing expenditures can be done using the elements, and return on investment can be calculated. In several cases, when marketers link financial outcomes to marketing efforts, the challenges faced in implementing a strategy can be reduced. When rigorous metrics are created, measuring return on investment can be done more easily (Seggie, 2007).

Phillips (1997) adds that input measures, including efficiency in marketing planning and actions, and precise market data collection, help determine the reactions of participants and/or stakeholders to the marketing program. Learning measures that are adopted from such data help determine changes in attitudes and behaviours.

Business impact measures help assess changes in customers' behaviour and ROI outcome in order to compare costs and benefits (Phillips, 1997:139).

Mantrala (1992) conducted three case analyses in order to determine how allocation decisions are affected by dynamic problems such as sale-specific functions and parameter value. Simple, cross-border changes in submarket allocation can reflect investment level decisions. Mantrala's (1992) studies show that simple, cross-border changes cannot be obtained with submarket allocation. Operational as well as behavioural difficulties are present that can affect allocation changes, but the ultimate payoff is high. In order to find the right solution, close coordination between allocators and investors is needed. Mantrala (1992) shows through his research that aggregate sales response is affected by resource allocation rules and that the optimum investment level can be determined by the investor. These results show that there is a need to maintain a correlation between investment levels and allocation decisions. Many normative models such as these have been prepared by marketing specialists, but the use of such approaches remains limited. The increased variability of aggregates—for example, single source, scanner and scanner panel data—can change this situation. In short, directing more time to resource allocation decisions is required before increasing the level of investment. Moreover, advertising allocation decisions and pulsing decisions should also be examined (Mantrala, 1992:138).

Spiegelman (2003) devised an accurate method for measuring the return on marketing investment. According to the author, call centres can act as a marketing channel. Hospital call centres, for example, can execute an inbound or outbound telemarketing function to obtain the information required to sponsor a particular program. The calls are generated as a result of marketing efforts made by the hospital;

these calls primarily include requests for health-related information and service referrals (Spiegelman, 2003).

Measuring RoMI through call centres is a recently developed technique; more studies are still required to assess whether this technique provides accurate results. Despite this, the process is already being applied by some hospitals. New York Hospital Queens (NYHQ), for example, a 439-bed teaching hospital, is employing this procedure not only to measure return on investment but to ascertain whether the call centre is performing within the required limits (Spiegelman, 2003:147). Chances for inaccuracy are still present when measuring ROI through call centres. This was found by Paul Pickard, a senior marketing officer at NYHQ. In order to reduce confusion, Pickard factored some amount of duplication into the equation. The formula errors were reduced by removing factors that hinder accurate patient tracking, allowing the measurement of ROI with considerable accuracy (Spiegelman, 2003).

Khaled (2013) created a technique using a balanced scorecard that includes different dimensions of the organization's future performance. Financial performance measures are used to give a clear picture of what the company can achieve in the future. Performance indicators are combined with key success factors and the sequence chain of goals. Most of these goals are dependent on one another, connected by relevant procedures and actions. In this way, the balance scorecard is used as a tool to help revitalize company performance in several business units. The four most important dimensions in this regard are growth and education, and financial, customer and internal processes. This model is called the Balanced Score Card Model or BSC. The information obtained can help determine the effectiveness of the strategy being used. Based on the given environment, the needs of the company require appropriate

strategic execution, since the organization can go in the right or wrong direction based on financial perspectives, internal processes and learning growth (Khaled, 2013).

Stewart (2009) suggests a process for determining causal links amongst financial performance metrics such as outcome and financial performance. In this research, a number of surveys that were done for marketing accountability were taken into account. The American Productivity and Quality Centre did surveys with the ARF (Advertising Research Foundation). At the same time, ANA (The Association of National Advertisers) also conducted surveys and a great amount of consistency between these surveys was observed.

Stewart (2009) stresses the importance of cash flow, calling it the ultimate marketing metric. It is important to identify the actual source of cash flow and the development process through which it takes place. Cash flow acts as the main financial metric for businesses, allowing them to assess products, the business and customer activities. Customer retention can be determined using information about cash flow. Business models can also be prepared from cash flow movements by using elements such as margins, categories and leverage.

Stewart (2009) further adds that standard measures are required to improve marketing outcomes over time. There is a need to assess how the business is performing in relation to the past. This tells managers whether or not their performance has improved over time. In a competitive market, standard measures and metrics can fulfil this need and provide solutions to relevant problems. However, the providers of metrics should ensure appropriate transparency if a company is investing in metrics. For this reason, companies should share information about the validity of the metrics

provided to the organization. This might be considered similar to giving away trade secrets, as such information is of competitive value.

Phillips (1997) created an ROI framework and described its various levels. The first level is reaction and planned action, in which the satisfaction level of participants is determined according to program and project. This level assists in starting planned actions. The second level is learning that measures frequent changes with regard to skills, activities and knowledge areas. The third, application level, aids in the measurement of changes in job behaviour. Finally, the business impact level helps identify changes in business impact. With this framework, the costs and benefits of a program are identified and return on investment is determined. Some important elements while measuring return on investment include the life cycle of the program and its linkage to the operational goals. The importance of strategic objectives is considered and the visibility of the program is taken into account. Finally, the size of the target audience and the investment time needed assist in determining return on investment. On the basis of these elements, the ROI process includes some integral steps. First, evaluation is done to develop solution objectives and plan baseline data. Collection of data is done during implementation of the solution and then again when the project is completed. The data are then analysed to isolate effects and convert them to monetary values. The data are tabulated and solution measures are identified. Then, the impact of the study is assessed. According to Phillips (1997), building an ROI scorecard is a process that helps in gaining a macro-level perspective of the success of the company. It can be seen as a brief report from a detailed study that can be used to find connections between business objectives and training contributions. The process involves integration of various kinds of data that can be used to determine alignment amongst different programs, operating goals and strategic objectives. Phillip's (1997)

scorecard includes seven kinds of data. At level one, reaction and satisfaction are measured. Then, learning and business impact are assessed. After this, application barriers and enablers are observed and business impact is checked. Finally, tangible resources are used to measure return on investment.

The RoMI club model presents a framework that is tailored to fit the needs and demands of a company (Woodburn, 2006). The RoMI model starts with the calculation of the company's performance. Then, its profit is calculated and a forecast is made for future results. The market segment is another important aspect of this model. Measurement of return from each segment is needed so that better strategies can be developed. In the case of the RoMI model, today's competitive advantage factor is seen as tomorrow's qualifying factor. According to this model, communicating decision making and clarifying expectations are two methods that can help in quantifying pre-declared assumptions. This is the main reason that quantification of assumptions is a necessary element. Here, data collection alone is insufficient, and valid predictions about the future can only be made by capturing real-life observations. Such observations are then quantified and methods for improvement are suggested to the company. Testing of the RoMI model is required in order to ensure its validity (Woodburn, 2006).

According to Reinartz (2000), focusing on customer loyalty can help reduce costs and obtain better return on investment. Loyal customers show a tendency to spend more money with the firm, as compared to those who are not loyal. Differentiated analyses can be made more fruitful when clear-cut, positive, profitable, lifetime relationships are created. Loyal customers provide rigorous empirical evidence of the benefit of lifetime and value-added relationships. Short-term customers, on the other

hand, do not provide valuable data, as they do not have a tendency to create a lifetime relationship with the company. It is unknown whether they will buy the same product in the future. Expected revenues can be forecast more easily when situations are contractual. In other words, when continual use of services is assured—for instance, with magazine subscriptions or cell phone services—revenue can be forecasted. When a contractual situation is in place, cumulative profits can be gained and this can be expected for the lifetime of the contract. In the case of non-contractual situations, on the other hand, it becomes imperative for the company to keep the relationship alive for as long as possible. Another method for relationship marketing that can help in collecting data is catalogue marketing. This includes preparing catalogues for selected lists of customers based on the products they buy. Catalogue marketing also creates a differentiated lifetime profitability analysis, which can further reduce the cost of marketing and increase the return on investment. According to Reinartz (2000), there are techniques that can help with identifying long- and short-term customers. The database created from the customer list can be used to determine the time that elapses between purchases. The general nature of the customer can be identified with the help of such information. Lifetime expectations as well as an individual's specific priorities can also aid in finding dynamic characteristics that can allow managers to create better customer relationships and achieve a good return on investment (Reinartz, 2000).

2.2.3 Managerial implications of measuring RoMI

Several marketing examples have been used to determine the marketing mix as well as which interactions can affect return on investment (Narayanan et al., 2004). Narayanan et al. (2004) elaborate on the impact of marketing mix variables and how these variables interact to impact return on investment. Their study focuses on feasible

promotional tools that are accepted by regulators and which can be employed in the market. In this context, managers from the pharmaceutical industry need to understand a few things. First to of all, it is important to note that the interaction between prices and detailing is negative. In most cases, high prices negatively affect sales, especially in free markets like the United States. At the same time, managers who focus on higher detailing make their product even more price sensitive. Marketing efforts have a tendency to raise prices, while detailing efforts can help in reducing price. Several other elements can also affect managers' decisions regarding investment and price management. The fact is that without suitable metrics, it is impossible to accurately measure return on investment and determine the effectiveness of sales efforts. The concept of ROI is an ongoing process and pharmaceutical companies need to measure their performance in various market segments. Practical studies can help in determining the validity and usability of these ROMI models. In addition, the idea that ROI is only necessary in companies with high profit margins is untrue; smaller companies must also contribute to this field. In short, there is much to do to understand why it is important to measure marketing performance and how it can be done successfully. Thus, this study should contribute toward a better understanding of how to select effective marketing activities based on their impact on return on investment by offering a model that can provide guidance on this. This is important, as the literature suggests that more work needs to be done and smaller companies need to contribute to this field.

2.3 Overview of the global OTC market

The global OTC market has seen an almost 3.4 percent growth over a period of 10 years, and as of 2013, the pharmaceutical market was worth 752 billion USD. In most

developing economies, consumer awareness regarding certain medicines and their uses has increased to a great extent, and the credit goes to information technology. The introduction of the latest blockbuster drugs and the relaxation of rules and regulations related to the sale of OTC products have also rendered the area more attractive for new entrants. In 2009, about 60 percent of total OTC sales were seen in Europe and the US. These countries still account for the highest sales globally, and despite strict rules and regulations, the market is growing quickly. The same is true for developing countries. The market is now maturing and the scope of growth has reduced to a considerable extent. Easing of advertising restrictions has also made it possible for pharmaceutical companies to shift growth to other distribution channels. In many countries, quick switching from Rx to OTC has added to this phenomenon (Greene & Commission, 2007).

Novartis, GSK, J&J and many other names offer OTC drug products because of the attractiveness of this market. After the pharmaceutical and medical device markets, OTC remains the most lucrative option globally. This attractiveness has resulted in a series of acquisitions and mergers in the field. The high-profile merger of Pfizer with Wyeth, for example, took place in 2009. Many other companies have also changed their consumer health businesses to adapt to the market. Some mergers have proven very successful while others have been less so. When undergoing downsizing, companies often prefer to retain their OTC manufacturing unit. For instance, the Indian pharmaceutical manufacturing company Piramal sold its formulation division to Abbot but continues business with its OTC department (Greene & Commission, 2007).

The OTC drug market is characterized by multiple local players throughout the world. Multinational companies sometimes pursue mergers and acquisitions with these local companies to take advantage of their strong distribution channels in local markets.

Global pharmaceutical companies have utilized the over-the-counter platform to drive business, and transferring Rx products to OTC remains a main strategy in these firms. Because of the emergence of new competitors, the OTC market has become challenging. Higher marketing and advertising budgets are being allocated by multinational drug manufacturing companies in order to maintain their place in local markets.

The perception of OTC products has changed over time and manufacturers of these products now consider OTC an important part of their business. Since OTC products are facing intensified competition, it has become crucial for companies to employ serious marketing and advertising plans. Funds should be allocated for improving penetration into deeper market segments. The OTC market must be carefully studied before finalizing the plan. This is because in most developing countries, product sales are driven by both doctors and pharmacists, who can increase or diminish the popularity of the product. However, in other countries, pharmacists should remain the focus of attention for OTC marketing campaigns, as they have direct contact with the client who is deciding whether to buy a particular product on the basis of the information provided to them. The pharmacist is the central figure at the point of sale, having direct interaction with the consumer as the receiver of the prescription and distributor of the product. Therefore, the survey in this study was distributed to pharmacists. Pharmacist perceptions have not been studied in the context of organizations similar to the one in this study.

OTC manufactures use the FMCG (Fast Moving Consumer Good) approach to connect with consumers at a demonstrative level. This approach increases awareness of the brand and can help in building brand loyalty. In the current market culture, television advertisements and print media are not providing satisfactory results when it

comes to product marketing. Companies are now seeking out and testing innovative mediums for advertising. Most pharmaceutical companies know their target consumer and are placing their marketing campaigns on social networks (Kaplan & Haenlein, 2010). It is very important in marketing to access the consumer for whom the company is making its product. The first brand to employ such innovative ideas on new mediums for advertising was P&G Vicks. In the early eighties, almost all companies enacted the idea of mass sampling by providing product coupons in newspapers.

2.3.1 Efficiency and market benefits of OTC products

OTC medicines are less expensive than their branded counterparts; hence, they have a positive impact on the economy. Approximately 86 percent of consumers believe that using OTC medicine helps lower their healthcare costs. One study by Paul (2011) estimated that consumers in the United States can save $5.2 billion annually by increasing self-care through the use of OTC medicines. At the same time, OTC medicines can help consumers reduce frequent and excessive visits to prescribers (Paul, 2011).

The World Health Organization (WHO) has also sanctioned the switch from prescription to OTC status for medicines that have shown positive results. When medicines are used wisely after safety has been proven, they can be delivered for consumer use. A great example of a positive outcome from OTC medicine can be seen with nicotine replacement therapy (NRT). The therapy greatly reduces the burden of diseases caused by tobacco use. Internationally, it was noted that 37 percent of smokers have used OTC-NRT to quit smoking (Wakefield et al., 2008).

OTC products are not only useful for providing greater access to healthcare, but they also show positive economic benefits. Medical treatment using OTC products is very affordable. These products save money for both consumers and the healthcare

system by reducing redundant visits to doctors for self-treatable conditions (Paul, 2011)

2.3.2 Categories of OTC medicines

A number of therapeutic categories of medicines are sold over the counter; the leading among them are antipyretics, ophthalmic drugs, analgesics, dental products, smoking cessation products, gastrointestinal products, dermatology products and first aid supplies. When dietary supplements and OTC medicines are combined, they make up a multibillion dollar business. OTC medicines have spread to more than 80 countries and the market is still expanding as more and more companies are seeing the success this area can offer. Easy access to OTC medicines in both developed and developing countries helps people to take a more active role in managing their own health. They are enabled to easily treat common illnesses without having to make expensive visits to the doctor (Engel & Straus, 2002).

Along with the OTC categories discussed above, health supplements, contraceptives and energy boosters have also become a focus for many pharmaceutical manufacturers. This has happened because people are now more interested in improving their lifestyle, either by performing well at their jobs, or using energy boosters or contraceptive medications. Similarly, brain boosting formulations have also entered into the OTC market (Engel & Straus, 2002).

2.3.3 Policies on the delivery of OTC products

The delivery and classification of OTC medicines mostly depends on the national drug policies of a given country. It is the responsibility of the nation to decide which self-care medications need to be regulated. Companies need to encourage the trend of making

safe medicines accessible to the public without a prescription. Policies and regulations vary from country to country. Some countries like the United States have well-developed policies and regulations that encourage OTC medicines, whereas other countries continue to take a conservative approach regarding self-care and are reluctant to approve OTC medicines.

At this point in time, when expansion related to medicinal products is occurring in most developing countries, many OTC producers have shown strong growth in emerging markets. When it comes to emerging markets, sales of OTC products have shown steady growth compared to prescription-only products. Although many attempts have been made by some governments to reduce self-treatment around world, the practice remains prevalent. Russia and China are at the top of the world's emerging markets with regard to the sale of OTC medications.

2.3.4 Competitive environment

The OTC market in most countries is dominated by multiple multinational manufacturers. However, local players also hold market share due to strong distribution channels and deep penetration in local markets. Many multinational companies agree that OTC products have been a source of growth and profit, bringing immense benefits to the business. Novartis, GSK and Bayer are some leading multinational players in OTC products in emerging markets. The growth of the market has increased since these major players began to consider OTC medicines as an important aspect of their business. This is the reason why all the large manufacturers in the OTC market have invested significantly in research and development activities for safe, over-the-counter treatments of minor illnesses (Greene & Commission, 2007).

2.3.5 OTC medicines and the pharmaceutical industry

The pharmaceutical industry has received immense benefits from the sale and marketing of OTC products. Many public healthcare professionals, consumers and marketers value the efficiency and expediency of OTC medicines. The pharmaceutical industry recognizes that OTC medicines provide easily accessible treatment for minor illnesses. Novel medicines that are available through the prescription-to-OTC transformation process increase the opportunity for greater self-care and patient liberation.

Media reports have predicted that in the leading markets for OTC products, revenue will double by 2023. These markets include countries such as the US, the UK, Japan, Germany, Italy, Spain and France. Along with these countries, nations such as China, India, Brazil and Russia will also gain economic benefits from the marketing of OTC products such as analgesics, dermatological products, allergy medicines and products used for the treatment of GIT infection (Custodio et al., 2014).

2.3.6 What drives the growth of the OTC market?

A number of factors drive growth and productivity in the OTC market. These factors are diverse and can range from relevant stakeholders interest to population growth and an awareness of the importance of preventive therapies. Amongst these, awareness is the major factor that encourages people to take initiative regarding self-medication. Although there are certain risks associated with self-medication that have hindered the growth of the OTC market, many benefits exist. Regulatory bodies in both developing and developed countries are attempting to reduce these risks, which can include incorrect self-diagnosis, delay in treatment and drug misuse (Rajan & Glorikian, 2009). One important element highlighted by Greene and Commission (2007) is the increased

focus on wellness instead of illness. Information about medicines and their positive role in improving wellness should be shared. As the cost and complexity of seeking medical treatment increases with time, it has become easier for people to turn to OTC products. At the same time, increased disposable income and changes in lifestyle have also resulted in a positive impact on OTC sales. These elements should be understood in depth in order to ascertain proper marketing strategies, because these are the factors that will ensure a healthy growth rate for OTCs in the coming years (Greene & Commission, 2007).

Another factor that affects the growth rate of the OTC market is the speed with which the Rx is converted to OTC status. In the UK, where additional clinical trials are required for this process, exclusive rights are given to the prescription manufacturers to enable them to sell their products in the OTC market. However, the potential for growth is greater in emerging markets, where additional clinical trials are not required (Rajan & Glorikian, 2009). Some of the important factors for consumers with regard to the OTC sector are the following:

1. **Time and money:** People now have less time to see doctors and do not prefer to spend money to visit them for minor illnesses. Both the lack of time and the lack of money increase the importance of OTC medicines, which can be used to manage seasonal health issues.
2. **Belief:** People now have enough health awareness that they want to treat minor diseases on their own. Thus, the belief in self-medication and the indirect belief in OTC products have increased.
3. **Pharmacists:** Individuals now prefer to take the advice of pharmacists for some very minor and seasonal health problems such as the cold, cough, influenza,

headache, minor pain, etc. Thus, the importance of pharmacists has increased. In some ways, they are seen as doctors, as they are able to write prescriptions for chronic diseases.

4. **Awareness:** The awareness related to some medicines has increased and people have come to realize that some medicines should be present in the home at all times. After this realization and awareness, some OTC medicines have become major grocery store items. These include cough syrups, Crocin, pain relief tablets and balms.
5. **Lifestyle:** Changes in lifestyle have also increased some of the lifestyle diseases that require herbal medicines with fewer side effects. For example, obesity has become a major health issue in the urban lifestyle and thus the demand for slimming products has increased (Greene & Commission, 2007).

2.4 Emerging markets in the pharmaceutical industry

The pharmaceutical industry is considered to be an operational stage of the healthcare environment, where it is involved in discovering and meeting medical and consumer needs. The pharmaceutical industry is also considered one of the most dynamic industrial sectors, consisting of 200 major global competitors who focus their resources on areas of expertise, in which they have invested in the development of know-how (Dogramatzis, 2002). According to the IMS (2011), the global pharma market is worth over $700 billion per annum, of which research and development accounts for around 16%, manufacture around 29% and sales and marketing around 36%.

The emerging markets have been evolving with regard to the pharmaceutical industry, and according to Mackey & Liang (2012), regions like Africa, Asia (excluding

Japan) and Latin America have experienced higher pharmaceutical industry growth rates compared to other regions, with high growth projected to continue into 2020. The expectation is that these emerging markets will account for 20% of total global pharmaceutical sales by 2020. These markets are thus considered to be the future of the pharmaceutical industry in terms of sales and marketing activities. The key drivers of this expected growth are high population growth and unmet healthcare demands.

According to Campbell (2010) and PricewaterhouseCoopers (2007), marketing in emerging markets is considered complicated due to undeveloped anti-corruption laws in these markets coupled with stringent anti-corruption laws in the United States and United Kingdom. Serious fines can result from breaches of these laws. High market growth rates and ambiguous regulations in emerging markets may represent a good business opportunity for cost-effective pharmaceutical marketing if done using a well-studied approach.

Considering the unique and positive economic indicators of emerging markets and the literature's suggestion of the importance of emerging market evolution, it is important to conduct study that assesses the impact on sales and return on investment of marketing activities for OTC medicines in an emerging market.

2.4.1 Emerging economies and OTC medicines

The demand for affordable medicines will only increase with time in developing economies. Emerging markets have always been a focus of attention for pharmaceutical companies. These companies have put time and effort into research in such markets in order to achieve better financial results. However, such research has been done with caution and thus a number of opportunities still remain. It is believed that emerging markets will account for almost 15 percent of the total global OTC product sales by

2020 (Jefferies, 2013). In this context, the BRICMT nations (Brazil, Russia, India, China, Mexico and Turkey) have remained a focus of attention for most multinational pharmaceutical companies. Algeria, Saudi Arabia, Nigeria and Colombia are other prominent countries of interest. All of these markets are assessed in terms of their size, future outlook and potential prior to investment (Kyle, 2007).

Despite the opportunities that the emerging economies of the world offer to pharmaceutical companies, there exist some challenges that are inherent to the process of introducing new products. For example, the choice of either the direct or indirect mode of entry remains a main problem. Most companies currently use the indirect mode, but its efficiency is unclear (Kyle, 2007). The advantage presented by emerging economies is evident from the fact that the Asia Pacific region contributes about 46 percent of total pharmaceutical sales, as compared to only 5% from the US (Jefferies, 2013). In emerging economies, the line between prescription and non-prescription products is not as clear as it is in developed economies. The roles of consumers and pharmacists are also different in these economies; hence, similar principles cannot be employed in both cases.

Another area that requires attention when introducing a product in emerging markets is the interplay between consumer medicines and prescription products. In most of the emerging economies, people do not have access to a well-trained physician, resulting in greater reliance on OTC products. Thus, along with the business aspects, it is critical to take into account the healthcare situations of the people consuming these products. In addition, pharmacists play a central role in most underdeveloped countries. This is due to many reasons, including the lack of appropriate healthcare infrastructure, geographic remoteness and lack of coverage. In these cases, the pharmacist becomes the

custodian of health and can serve as a bridge between pharmaceutical companies and the patient. For this reason, the first component of the current study focuses on pharmacists as the target group. The potential cost of an expensive physician can be reduced through marketing OTC products in undeveloped economies and hence, positive financial results can be obtained at both the national and consumer levels (Kyle, 2007).

The number of OTC medicines that are available through different outlets such as warehouses, discount departments and grocery stores is expected show a marked increase in the coming years. This increased availability will provide greater convenience to consumers. An important way to introduce new products into the OTC market is by transferring a product from prescription to OTC status. Nowadays, there are hundreds of OTC products containing the ingredients and dosages that were only available through prescription a few decades back (Custodio et al., 2014).

A significant reduction in the use of alternative healthcare services and medications, along with increased access to OTCs, can critically reduce the cost of publicly-funded healthcare systems. Adoption of the self-medication approach also helps healthcare providers use these medicines more efficiently. Easy access and reduced costs are some essential benefits present in emerging economies. In diverse global healthcare settings, OTC medicines have greater economic value. A number of countries are taking advantage of this by improving their systems for the marketing and sale of OTC medicines. The use of OTC medicines and self-care saves billions of dollars by reducing physician visits and healthcare costs (Paul, 2011).

2.4.2 Pharmaceutical market in the GCC

The Gulf Cooperation Council (GCC), which includes Saudi Arabia, the UAE, Kuwait, Oman, Bahrain and Qatar, has experienced rapid economic development since the rise in oil prices in 2003 (Sturm, Strasky, Adolf, & Peschel, 2008). At the macroeconomic level, major economic developments have been driven by the high oil surpluses resulting from this increase in prices. Reports have predicted that the GCC's economy will grow at a higher rate than the global economy (4.5% real GDP growth vs. 3.5%, respectively) until 2020 (Kinninmont, 2009). According to Kinninmont (2009), the key driver for this expected growth in GDP is the continuous growth in global demand for the GCC's oil and gas. Additionally, GCC countries are considered to be key players in the global energy industry in terms of exports and production, and this role is expected to become more vital in the future due to the vast oil and gas reserves present in these countries (Sturm et al., 2008). The same report identifies key economic features common to the GCC countries, including a young population, high dependence on an expat labour force, high dependence on oil and gas industries, and a rapidly growing young national labour force.

According to the GCC Pharmaceutical Industry Report (2013), the GCC's pharmaceutical industry has shown progressive development as an emerging market due to key growth drivers such as an increase in population from 37.5 million in 2007 to nearly 50 million in 2017, an increase in the aging population from 1.9 million in 2012 to 17.8 million in 2050, growth in income levels, and the development of the insurance system. The report also indicates that branded pharmaceutical products will continue to dominate the market due to high brand preference among consumers.

The same report estimated the size of the GCC market to be around $8.5 billion in 2012, compared to $7.7 billion in 2011, when it represented less than 1% of the total

global market of approximately $755.5 billion. The report also indicates that pharmaceutical sales represented around 0.6% in 2012 as a percentage of gross domestic product (GDP). This is considered to be on the low side, compared to 3.3% in Lebanon, 2.2% in the US, and 0.8% in India. The report confirms that the GCC governments are both the regulators of the industry and the main source of healthcare funding, with a consolidated contribution of around 70%. These governments allocate between 6-12% of their annual budget to the healthcare-related spending. According to the IMS Prognosis report (IMS, 2010), the GCC's pharmaceutical market has enjoyed a growth rate of around 10%, making the region the 3rd fastest growing region in the world.

2.4.3 Pharmaceutical market in Kuwait

According to the National Bank of Kuwait's quarterly report (NBK, 2013), the macro-economic indicators for Kuwait look positive, with expectations of moderate growth, low inflation, and the generation of high budgets and trade surpluses due to high oil revenues. The report predicts that the mega projects currently underway to improve the country's infrastructure and services sectors will boost investment levels and serve as a catalyst for activities in the private sector. The NBK report also touches on the consumer sector, predicting that it will remain strong. This sector is considered the backbone of the non-oil sector, and it will be supported by increases in salary, low inflation, and increased debt release measures. The report indicates that employment growth will be maintained at an average of 3%.

Kuwait's market is considered to be the 3rd largest market among the GCC countries. The size of Kuwait's pharmaceutical market size was around 1 billion USD in 2011 based on sales and is expected to grow to 2 billion USD by 2020 (BMI, 2011). The

OTC market in Kuwait is considered small, presently accounting for only about 15.5% of total pharmaceutical spending (BMI, 2011). The BMI report predicts that the spending in this sector will increase from KWD 28 million (US$99 million) in 2010 to KWD 41 million (US$146 million) by 2015. The number of operational pharmacies in Kuwait was around 376 at the end of 2012.

The GCC pharmaceutical industry report (2013) states that domestic population growth in the Kuwaiti market is slow and that more than three-fourths of pharmaceutical products are imported. The report also indicates that Kuwait's pharmaceutical market is half the size of the UAE's, and that the key driver of demand in Kuwait is the high public spending on healthcare and free-of-charge medical services. Based on data collected data from the IMS (IMS, 2012) related to the market in Kuwait, prescriptions are the main driver of pharmaceutical product revenue, dominating the vast majority of sales. Weeks, Wallace, and Kimberly (2001) similarly found that physicians control more than 80% of healthcare expenditures. Healthcare consumers rely mainly on physicians for information. Cockburn and Pit (1997) found that prescribers are the strongest determinants of the choice of drugs, even when patients have expectations about receiving a certain medication. In Kuwait, there are two types of pharmacies. The first is the community pharmacy at the street retail level and the second type is the hospital/clinic pharmacy that is linked to either a hospital, polyclinic or medical centre.

The literature reports different findings regarding the use of promotional activities and it is important to consider the different factors—like the market environment—that can cause variation in the effectiveness of promotional activities. Narayanan et al. (2004), for example, found that detailing has a larger effect on sales

compared to direct-to-consumer media advertising, and that direct-to-consumer sales have a greater effect on general category sales compared to detailing activities. Conducting research in an emerging market like Kuwait can narrow the research gap of having limited studies in this regard and positively impact managers' decision-making processes in the future.

2.4.4 OTC market in the GCC and Kuwait

Due to an increase in public health awareness, the Kuwaiti pharmaceutical market has seen increased demand for OTC medications such as vitamins, supplements, weight loss formulations, smoking cessation treatments and pain killers ("GCC Pharmaceuticals Industry Report," 2013). These OTC products can be purchased through different sales channels, such as pharmacies, supermarkets, specialist outlets, and convenience stores.

Significant characteristics of the OTC market in the GCC and Kuwait include the high accessibility of pharmacies and medicines for both healthy and non-healthy consumers, limited adherence to regulations, and a large role of the community pharmacist in influencing consumers' choice of medicine. Goel, Ross-Degnan, Berman, & Soumerai (1996) elaborate on four important intervention factors that can alter the pharmacy prescribing behaviour in developing countries: information, persuasion, incentives and coercion. Based on the above OTC market characteristics, pharmacists can play a highly influential role in the consumer decision making process and this role is usually considered heavily in pharmaceutical marketing plans for OTC projects in the GCC and Kuwait.

2.5 Marketing in the pharmaceutical industry

Munoz (2005) stresses the importance of a cross-functional approach in marketing to ensure that frontline marketers understand what the brand is all about and communicate through action when dealing with customers. Moreover, Homburg, Jensen, & Krohmer (2008) assert the importance of having a strong link and collaboration between marketing and sales, which will allow market knowledge to be reflected in marketing activities. This link can be created through teamwork, joint planning and job rotation. In addition, joint meetings between the sales and marketing teams can be effective in improving the use of market knowledge in marketing activities. The importance of the market knowledge for the marketing function is even greater when it comes to multinational companies. Kumar, Sharma, Shah, & Rajan (2013) elaborate on the risk of multinational firms using sets of standardized strategies and adapting them to foreign markets. In this case, due to limited market knowledge, the marketing activities would have inconsistent results in terms of strategic successes and failures.

Physicians can no longer treat consumers as passive participants when it comes to healthcare decisions. This is due to the high accessibility of information on medicines and disease, reflecting the importance of direct communication between pharmaceutical firms and consumers (Manchanda et al., 2005). An important point worth considering is that while the direct marketing of pharmaceuticals to consumers has produced impressive sales, there remains a lack of evidence regarding the impact it has had on the health and welfare of the public (Lyles, 2002).

Weitz, Sujan, & Sujan (1986) found that detailing the medicinal information of a pharmaceutical product tends to convey a marketing message that can meet prescribers' specific need to understand the particular medicine or therapeutic area,

giving detailing an advantage over marketing communication with customers. While Gönül, Carter, Petrova, & Srinivasan (2001) found that detailing has a positive effect on physicians' decisions, Chintagunta & Desiraju (2005) found that marketing efforts by pharmaceutical firms have greater positive effects on prescriptions than detailing activities. An interesting finding from Janakiraman, Dutta, Sismeiro, & Stern (2005) is that persistent or uncooperative physicians are not responsive to detailing or symposium meetings, while non-persistent or cooperative physicians are responsive to both.

Pharmaceutical firms believe that promotional activities for pharmaceutical products are necessary in order to compete, with the extra revenue collected as a result of these activities being allocated to research and development for the discovery of new blockbuster drugs (PhRMA, 1994). Pharmaceutical firms find detailing valuable, as it offers a customized service to healthcare professionals with the aim of enhancing social welfare. Gönül et al. (2001) found that detailing and sampling are informative but that they increase price sensitivity, mainly due to competition, as physicians are being detailed by representatives from different firms and price is a critical factor in determining the physicians' preferences.

In addition to detailing and direct-to-consumer marketing activities, it is important to consider the role of the community pharmacist in the dispensing of pharmaceutical products. Stremersch (2008) supports the idea that the pharmacy will have a greater say in treatment decisions as more medicines become generic and OTC. That may indicate that the interference of financial intermediaries in treatment selection has increased over time. The pharmaceutical industry has features that distinguish it from other markets, and the sector has always been considered especially

challenging for marketers who have worked in other industries (Dogramatzis, 2002). It is important to consider how the characteristics of pharmaceutical products are defined. A good example of this can be derived from the work of Dogramatzis (2002), as presented in Table 1.

Table 1: Characteristics of pharmaceutical products (Source: Dogramatzis, 2002, p.xx).

Product components		**Economic Components**	
Core values	**Augmented values**	**Price related**	**Non-price-related**
Efficacy	Ease of use	Actual price	Distribution channels
Safety	Temperature stability	Competitive pricing	Channel intensity
Tolerability	Shelf life	Price value relationship	Channel length
Speed of action	Patient education	Discounts	Channel integration
Quality	Physical information	Return on investment	Promotional level
Cost	Patient association support		Promotional channels
	Mail delivery		Advertising intensity
	Company website		Personal selling efforts
	Branding		

2.5.1 Marketing in the OTC market.

There exists a clear gap in literature related to marketing activities for OTC products, as most of the research revolves around marketing strategies for fast moving consumable

goods (FMCGs). This is mainly due to the recent switch in pharmaceutical market regulations that has opened up the sale of OTC products from being pharmacy-only to being allowed through both pharmacies and mass market channels. This switch in regulations has had a positive effect on the general OTC business and on investment in marketing activities for OTC lines. According to Venkataraman and Stremersch (2007), there is a gap in the literature regarding how the marketing actions of pharmaceutical firms and patient preferences influence the prescribing decision made by the physician. This is extended to how drug characteristics influence patient requests as well as physician behaviour. In addition to the marketing aspects of the OTC business, it is also important to consider consumer behaviour and how fast it is changing as today's consumers become more informed. More and Srivastava (2010, p. 3) refer to the myth that "as long as the patient trusts the doctor and the pharmacist, he or she can swallow even the bitterest and ugliest pill." They argue that this is a misconception, but surprisingly find that limited focus is given to the sensory attributes of pharmaceutical products, such as colour, shape, packaging and taste in the promotion and positioning of pharmaceutical OTC products.

With regard to direct-to-consumer media advertising, Lavidge and Steiner's (1961) "hierarchy of effects" model describes the experience of the consumer across a sequence of effects starting when the consumer is first exposed to the advertisement, when an awareness of the product is first created, and continuing with a series of steps culminating in the 'action,' when the product is purchased. According to More and Srivastava (2010), limited attention has been given to assessing the aesthetic or sensory attributes of OTC pharmaceutical products, which can be defined as the product's outward appearance, feeling of comfort, style and utility. The authors also found that factors like shape, dimension, proportion, colour and the finish of the product play a

major role in both the emotional connection between the consumer and the product, and brand loyalty. Improper assessment of these attributes can lead to a product's failure, even in the early stages of the product's life cycle. According to the study, aesthetic attributes influence consumers' desire for OTC pharmaceutical products and thus should be considered in the promotion and positioning of the products.

The present research was conducted with the aim of evaluating the return on investment and impact on sales of different types of marketing activities related to over-the-counter (OTC) pharmaceutical products in Kuwait. The demand for building a successful brand is growing in the OTC market. According to Dickov (2012), an increase in the number of loyal consumers helps in achieving market goals by increasing the brand owner's bargaining power, establishing a link between price and quality, and protecting the brand owner from pricing-orientated competition.

It is worth noting that the financial management of OTC medicines differs from that of prescription-only medicines in terms of how it affects the decision making process (Eggleston, 2003). Blackett and Harrison (2001) support this argument with their finding that corporate stock market value depends greatly on shareholders' confidence in intangible assets like the brand. For example, the stock market value of the Coca-Cola Corporation is around US$113 billion, while the book value does not exceed US$7 billion. Therefore, building a brand in the pharmaceutical industry can be considered as an alternative way to increase corporate value, rather than depending on research and development (R&D) or healthcare professionals' influence on the choice of OTC medication. In addition to the financial aspect of investment, Solcansky and Simberova (2010) touch on the importance of measuring and assessing the non-

financial outcomes of marketing investments (e.g. company image and customer loyalty).

According to More and Srivastava (2010), OTC medicines have different characteristics from prescription medicines in terms of margins, advertising and distribution. The authors add that the drivers of sales for prescription medicines are their effectiveness, side effects and onset of action, while for OTC medicines the key drivers are taste, convenience and a satisfactory effect. Different factors affect the consumer decision making process, but what seems to be most influential is the brand packaging. Clement (2007) showed that 90 percent of the consumer purchase decision is made based on a visual examination of the outer packaging of the product. According to David Gascoigne of IMS consulting (cited in Lam, 2004, p. 104), "'Pharma marketing is about all forms of promotional activity working together across disciplines to develop synergy for the brand by leveraging and coordinating communications channels." Gascoigne adds, "You'll see more people testing that approach and asking about leveraging channels simultaneously or concurrently rather than independently. The more weapons you have and the bigger their impact, the more flexibly you can handle competitive threats and changing market conditions."

2.5.2 Factors affecting marketing initiatives

Marketing plays a significant role in making consumers aware of which products are beneficial for a particular health condition. It also informs them about the quality and nature of the product. In this way, pharmacists and marketers have the chance to promote new medicines and their uses and side effects. However, managers must take a number of factors into account when finalizing the plans for strategic marketing initiatives like improving service quality, investing in advertising and investing in a

loyalty program. The associated factors that must be considered for such marketing initiatives are discussed as follows:

a- Customer equity

Marketing revolves around the customers, reflecting their viewpoints from the marketer's perspective. Marketing concepts and theories have become consumer-centred over the last 4 decades. The marketing field has lessened its aim of gaining short-term transactions, moving towards the formation of long-term customer relationships. The viewpoints of the customers have been reflected in the metrics and concepts that come from marketing management, such as customer orientation, customer satisfaction and customer value. The customers and their equity are more important for many organizations than the brands and their equity. This shift in marketing from the focus on brand equity to customer equity has led to the need to transform product-based strategy into customer based strategy (Harris, Brewster, & Sparrow, 2003).

b- Economic Factors:

The economy of a country defines the ability of the customer to spend on a given product. If the marketer is not aware of the spending ability of the customer, all of the planning can turn into a total waste of time. Economic cycles should be studied, and the different stages (e.g. recession, recovery and depression) should be identified so that appropriate measures can be taken to align the marketing campaign with the current economic cycle (Harris et al., 2003).

c- Demographics:

Demographic challenges that significantly affect marketing are always present. For instance, if a large part of the population does not know English, the marketing should also be done in the local language. Similarly, other factors such as disease outbreaks, aging and the most popular media tools for marketing should be studied to improve the chances for success (Harris et al., 2003).

2.5.3 Marketing strategies for OTC medicinal products

A number of marketing strategies can be used to embrace the OTC opportunity. There are various ways to adapt and enhance the marketing of OTC products. These are discussed in the following paragraphs:

a- Branding:

Branding strategy companies consider whether the product will be a new product or an existing one. On the basis of this determination, they can revitalize the brand or an acquired product. It also helps to develop understanding about the areas where the brand will be global, and where it will exist only in one or a few places. While employing the brand strategy, the company needs to make a proposal and then discuss it with the concerned decision makers. During the process, it is also important to ensure that the company has alternate options in case the proposal is rejected (Cockburn et al., 2005).

b- Leading the field:

In order to lead the field, it is important to develop an expert team that is aware of the importance of ROI, the time spent in the market, development costs and the cost of the product. The ROI remains zero unless the product is introduced into the market and sold. The time until the product is placed on shelves represents losses in sales, and this time can never be recovered, no matter how long the product lifetime is. OTC marketing

activities help companies enhance the position of their non-prescription medicines. The ability to successfully advertise an OTC medicine eventually supports a prescription-only medicine of the same brand. Thus, the company needs to lead from the front and build teams that can achieve a competitive position in the OTC market by enhancing awareness among customers and compelling them to buy OTC medicines (R. Cockburn et al., 2005).

c- Franchises:

Franchising has become the most successful business technique for introducing products into the market. While adopting the procedure, companies need to consider franchise opportunities within both new areas and existing ones. A number of factors can be considered when developing franchise assessments, such as sociological needs, prospects for innovation, issues in a specific therapeutic area, and above all, the need to improve the ROI (Cockburn et al., 2005).

d- Government support:

Government support is necessary when advertising or marketing any product. There are a number of health organizations in the UK and other countries that receive complete support from the government when adopting OTC medicines. In the EU especially, generic and OTC medicines are recognized and acknowledged by governments and consumers equally (Mitzen, 1999).

2.5.4 Promotion of OTC medicines in the pharmaceutical market

The pharmaceutical industry is creating new initiatives for the recognition of OTC products. Promotion of OTC medicines accounts for a large part of marketing efforts and the results have been positive. OTC lines use two basic approaches for promotion,

namely “push” and “pull” strategies. There are advantages and disadvantages to both of these strategies. The main job of the marketing team is to adjust the strategy to suit each specific product.

a- Push strategy:

The push strategy uses trade promotion and the force of the company’s sales to increase consumer demand for a product. First the product is promoted to wholesalers, then it is promoted to retailers by the wholesaler, and finally, the retailer promotes the drug to the patient. Using the “push” strategy, the company can focus on pre-wholesalers, wholesalers and pharmacies at the same time or only focus one of them. In the past few years, pharmacists have also been seen promoting OTC drugs. The use of pharmacists to endorse OTC products is a good idea, as they can easily influence which drug the patient chooses, thus increasing demand. However, as a result, the patient’s visits to the pharmacy increase and retailers are rarely visited. This can negatively affect the demand for the product. At the conference, “Kongres OTC,” held on 29-30 March 2007, Pfizer US National Trade Marketing Manager Tomasz Baralkiewicz stated that “the number of medical reps at present working at pharmacies is too much sometimes that it takes the consumers from the other markets.” Using a push strategy, the pharmaceutical company may also promote the drug directly to the doctor, who in turn recommends the OTC medicine to the patient. This strategy is widely used by Berlin-Chemie Menarini. The total cost of the push strategy includes the trade conditions as well as the discounts given to wholesalers and retailers. The strategy should be comprehensively analysed, as discounts are sometimes not beneficial. Companies use the push strategy in cases where brand awareness is low. For example, with hydrogen peroxide, smoking cessation patches and vitamin C sales, the push strategy works well (Parker & Pettijohn, 2003).

b- Pull Strategy:

The other strategy that companies use for the promotion of OTC products is the pull strategy. In this strategy, the product is requested by consumers and made available through delivery channels. High expenses for endorsement and promotion are required to carry out the pull strategy. If the promotional strategy goes well, the drug is requested by the patient, and the pharmacist gets it from the wholesaler or dealer. This strategy is extensively used by OTC drug manufacturers who market their products intensively in the media. The absolute leader in terms of drug advertising is Pfizer US, which spent nearly PLN 140m (€34.8m) on OTC drug advertising in 2005. GSK is the second biggest spender on drug endorsement. However, there are companies like Herbapol Wroclaw, Herbapol Poznan and Polfa Warszawa that do not spend a large amount on drug promotion but still attract customers (Parker & Pettijohn, 2003).

Marketing of over-the-counter medicines is a complex phenomenon that requires a great deal of attention in some cases. If appropriate measures are not taken by the manufacturing or marketing departments, the result can be poor product sales (Guido, Pino, & Frangipane, 2011). Therefore, the ability to develop tools that can help executives better measure return on marketing investment is crucial in the pharmaceutical industry. There are some emerging trends that can be applied to almost all areas of marketing; these are discussed below:

i. Influence of pricing on customer choice:

Pricing has a great deal of influence over people's choices and can in many cases determine customers' preference for one product over another. It has often been observed that when people see a product that can treat their ailment but is much less expensive, they might believe that the product is of lower quality. However, it was also

noted in a study conducted by Edelman Berland (2014) that over-the-counter medicine with too high of a price—for example, $250 or more—are not as popular due to being very expensive. Sometimes the reason for not being willing to spend a large amount of money is that people are unsure whether the product will actually treat their condition. This research is interesting from the marketing perspective, as marketers need to understand that price affects the acceptance and popularity of a product (Berland, 2014).

ii. Patient education:

Sometimes the unmet education needs of patients keep them from relying completely on over-the-counter products. Some patients believe that they cannot prepare a health plan or regime based on their own knowledge, although this seems strange in an era when the internet educates people and makes things understandable for them. However, this can prove a rewarding opportunity for marketing companies. Marketers should be trained regarding the uses, side effects and benefits of the medicines. These marketers must have enough knowledge to educate patients and in this context, the pharmacist can play a pivotal role. It is also critical to tell the patient about the condition and the point at which he must see his doctor. Social networks and certain apps that are made to educate patients can also be useful in this regard.

2.5.5 Physician decision making process in the pharmaceutical industry

The medical prescribing decision is a process that is an attractive target for marketers in the pharmaceutical industry. The primary providers of healthcare to patients—the physicians—are considered the customers of the pharmaceutical industry. Pharmaceutical companies promote drugs of different pharmacological classifications

to physicians of different categories, ranks and specialisations (Dogramatzis, 2002). The medical prescribing decision involves a primary and secondary decision. The primary decision involves the selection of the therapeutic area that is relevant to the case and the secondary decision involves the selection of a particular brand among those offered within the same therapeutic area. The following steps are involved in both processes: first, problem recognition; second, obtaining information on the available treatments; third, evaluation of existing treatment alternatives; fourth, the actual prescribing decision; and finally, the post-prescribing evaluation of the benefits of the selected treatment (Dogramatzis, 2002).

The benefit of promotional activities comes when the pharmaceutical sales representative relates the benefits of the pharmaceutical product to a specific group of prescribers that are directly relevant to the patients' needs. Framing is an important part of the detailing activity, which helps define how the sales representative presents the information to the physician (Smith & Wertheimer, 1996). By framing the information and the benefits of the promoted pharmaceutical product in a positive way, the chances of the promotional activity affecting the physician's decision are increased.

Prescribers form attitudes about pharmaceutical brands based on elements like past experience, branding, approach, framing and relationship marketing efforts. Another important element that can influence the physician's prescribing behaviour is persuasion from the sales representative, including the message of the sales representative's proposal and the prescriber who receives the message (Smith & Wertheimer, 1996). The goal of persuasion is to influence the prescriber to prescribe the pharmaceutical product being represented by the sales representative.

2.6 Limitations in the literature

Many contradictions and examples of vagueness have been found in the evolution of the ROMI calculation. Thomas (2002) noted the crucial finding that there is a need for evidence-based results in order to develop a trustworthy ROMI model, but that few studies have provided evidence-based outcomes. The studies that are available in the literature have focused on the short-term outcomes of the ROMI model. The ROMI calculation, however, requires a long-term perspective (Phillips, 1997) and should have an ongoing nature. So far, few scholars have contributed toward recognising the ongoing and long-term characteristics of ROMI calculation. Additionally, no industry-specific ROMI models can be found in the literature. With the evolution of a more competitive and challenging environment, the importance of developing industry-specific ROMI models to aid in decision making is increasing. Scholars like Wittink (2002) have been pessimistic about the possibility of measuring ROMI and have even concluded that it is impossible to measure ROMI, thus rejecting the growing demand for its measurement. However, managers can no longer rely on subjective measures to assess the success of a marketing activity. The need for the efficient execution of commercial excellence by industry practitioners is growing day by day and that requires an effective decision making process.

Considering that the pharmaceutical industry is one of the most highly regulated industries, the marketing activities allowed in this market are limited. Hence, there is limited literature tracking the performance of marketing activities in the pharmaceutical industry. Despite the development of regulations governing the marketing activities related to OTC medicines, little work has been done on marketing in the pharmaceutical industry and in particular, on OTC drugs. While there have been

many success stories that have contributed toward the expansion of the OTC market, they have not been captured in the literature. Furthermore, the majority of the literature found in this particular area has been focused on studies conducted in the North American market; limited literature is found for the emerging markets, which are currently driving the growth of the pharmaceutical industry at the global level. Emerging markets are challenging and thus an intensive amount of research needs to be done to improve the understanding of the market characteristics and how consumers in these markets react toward marketing activities. A good amount of research has focused on direct-to-consumer advertising in the pharmaceutical industry and the literature clearly shows how this marketing tool has evolved over time. Researchers should also focus on different marketing tools in different parts of the world to work toward improving pharmaceutical industry specific marketing practice.

The above limitations made it difficult for the researcher to base this research on past studies that developed ROMI measurement models, as these were not evidence based and not industry specific. The researcher's aim was to continue the work on developing an ROMI measurement model for the pharmaceutical industry in particular and to include the ongoing, long-term and evidence-based aspects of the industry in an emerging market.

2.7 Conclusion

The pharmaceutical industry has received immense benefits from the sale and marketing of OTC products. Many public healthcare professionals, consumers and marketers value the efficiency and expediency of OTC medicines. The literature suggests that the value of OTC medicines is not just increasing in developed markets. Emerging markets are observing significant improvement in the growth of OTC medicines, which

have managed to achieve the highest growth rate among all other markets globally (IMS, 2012). Changes in regulations have removed many restrictions on OTC medicines compared to prescription-only medicines, and that has been reflected positively in the economic benefits of OTC medicines, including cost savings and improved public welfare. Emerging markets are considered the future of the pharmaceutical industry; although many major players struggle to achieve high business growth in developed markets, they are able to do so more easily in emerging markets. Kuwait is part of an emerging market and is the focus of this study. Considering the market structure in Kuwait, it was important to consider the role of pharmacists in this study due the role they play as key observers and perceivers of marketing activities related to OTC medicines. The literature suggests that pharmacists' perceptions should be taken into account. Hence, this study contributes to filling a gap in the literature, where few studies have been done in the context of pharmaceutical companies with a similar business scale to the researcher's organization. Many limitations exist in the literature, and thus there is a need for a long-term, ongoing and industry-specific ROMI measurement model that can be used in different markets, particularly emerging markets.

Chapter 3

Theoretical framework

3.1 Introduction

This research attempts to assess marketing's impact on sales and the return on marketing investment. Having the ability to measure the value of marketing communication is critical in all industries. Marketing addresses the external environment, which marketers have no control over. They must therefore try to build an understanding of the relationship between the resources allocated to marketing and the benefits gained. The theoretical and practical importance of this research is that it seeks to develop and implement an effective intervention to help in measuring the impact on sales and return on marketing investment of marketing activities for OTC pharmaceutical products. More specifically, this study investigates what influences the sale of OTC products in pharmacies in different practice settings.

The role of pharmacists in creating awareness of the appropriate use of medicine is of fundamental importance. Pharmacists also act as self-care consultants who provide health information to customers in various instances. A number of elements can influence people's choice of medicines. These include self-care trends, the observable effects of a medicine on other people, and advice from friends and family members. Studies have shown that pharmacists' recommendations influence people to choose one medicine over another. The situation is different in different areas of the world. In the US, a pharmacist's approval is needed for the purchase of items that are not listed as over-the-counter drugs. Since the purchase of OTC medicines is not always free of the influence of the pharmacist, the societal influence of pharmacists must be kept in mind when planning marketing efforts. One study done in New Zealand regarding the influence of pharmacists on OTC purchases showed that product selection is influenced by the guidelines of the pharmacist (Emmerton, 2002).

In another study, Kotecki (2002) looked at the influence of pharmacists on OTC purchases. Eight over-the-counter medicines were selected and the survey was distributed to 526 pharmacies in Indiana. The products selected were food supplements and smoking cessation products. It was found that OTC product selection was greatly influenced by the healthcare specialists working at the pharmacies. This means that the healthcare training and expertise of pharmacists plays a strong role in determining consumer product selection preferences (Kotecki, 2002).

The role of the pharmacist as a self-care consultant is known, but there are also a number of societal as well as medical factors that can affect the selection of a particular medicine. The experiences of friends and family members and the observable effects of medicines are equally effective in influencing the purchase of OTC products. Moreover, the self-care revolution has also affected the choice. People are interested in self-care therapies, ushering in a new role for pharmacists. Pharmacists can make recommendations for OTC medicines based on their knowledge, training and expertise.

As shown in Figure 3, this study adopted the RoMI research model for evaluating investment decisions regarding the sales and marketing of OTC medicines in pharmacies in the emerging market of Kuwait. The ultimate goal of organizations is to improve their decision making process so as to achieve alignment between marketing activities and their impact on corporate goals. The current chapter covers how the ROMI model can be practically applied by ensuring that key functions within the organization are engaged and that marketing activities are effectively carried out and monitored.

3.2 Development of the conceptual framework

The action research model was used to evaluate the impact of marketing in the field of OTC pharmaceuticals in emerging markets. The aim of the study was to measure the return on marketing investment. The impact of the marketers' efforts on practitioners and involved organizations was measured and the effect of marketing was evaluated. Some practitioners insist that the role of marketing cannot be accurately quantified, while others assert that it is possible through action research. However, prior to the study, there was an agreement among the researcher's sales and marketing team that marketing should be studied in relation to its outcomes before employing a given strategy.

In the contemporary business environment, organizations need to gain a sustained business advantage. However, this is impossible without having information about intangible assets. Such assets include innovative capacities, networks, and knowledge of corporate activities. This chapter discusses how these assets help in determining return on investment and what measurement efforts are needed to build a useful framework. A conceptual framework will be offered that will help with historical measurements. This framework is relatively new in the field of marketing but it is very helpful in understanding which marketing systems can provide high return on investment. Two main elements upon which this framework is based include the amount of financial expenditures for the marketing process and the financial return achieved through this expenditure with the sale of the product. It is also important to mention that financial return is not only about sales revenue; it can be correctly calculated by subtracting product sales revenue from the cost of goods sold during a particular time period and the investment made to achieve the desired result. When a high RoMI figure is achieved, it means that the particular area of marketing has

provided greater profits for the company. A high RoMI suggests that the company's marketing efforts are very much fruitful (Woodburn, 2006). Different parameters for measuring growth were identified before the start of the action plan. Here, marketing includes all customer-related activities. The aim of the organization was to measure the outcomes of the marketing activities and to create a balance between B2B (business to business) and B2C (business to consumer) approaches (Woodburn, 2006).

3.3 Research Model

The conceptual model for the action research component was selected based on the metrics needed to measure RoMI. Marketing metrics are key performance indicators that are either internal or external, and financial or non-numerical; these are considered key guides to be utilized by top management (Ambler, 1997). The RoMI model was developed by the RoMI Club (Woodburn, 2006), first by identifying and then applying key metrics in order to understand the current situation in a given market. This information can offer guidance for the future endeavours of the company. First, a general overview of the company's performance measurement is done and marketing metrics are described. After the model is proposed, conclusions are drawn regarding how helpful these metrics have been in assessing the effectiveness of the company's efforts.

During the process of Woodburn's (2006) study, the organizations employing the best practices remained the focus of attention. Several parameters related to their activities and the way the companies performed in their given environment were also analysed. However, this phase of the research remained very challenging, possibly because only a few organizations perform at their best and it was difficult to identify practices that were free of flaws. Keeping this in mind, it was ascertained that if any

company with exemplary activities could not be found, a new approach and a framework for future practices would be created. This was done to assist the researchers with studying relevant marketing efforts. It also helped in creating an understanding of the final impact of marketing. Then, the data to build business cases were generated (Woodburn, 2006).

On the basis of Woodburn's (2006) research, a model was developed for understanding the value of marketing in improving the company's structure and function. This model proved helpful for identifying customized practices for the measurement of marketing activities. Finally, it became possible to determine whether the approach was feasible and meaningful for the particular organization. Figure 3 shows the adapted marketing metrics model (Woodburn, 2006) that was designed to help organizations answer the following key questions:

- What measures are essential for tracking the impact of promotion/marketing-related activity?
- What metrics are appropriate for measuring the impact of marketing?
- What investments are needed to achieve the desired outcome?
- What key advantages does the organization have that can be utilized to achieve corporate goals and how can such impact be measured?
- What course of action should be invested in and when should it be done in order to achieve marketing goals?
- What is the desired budget for achieving the set goals?

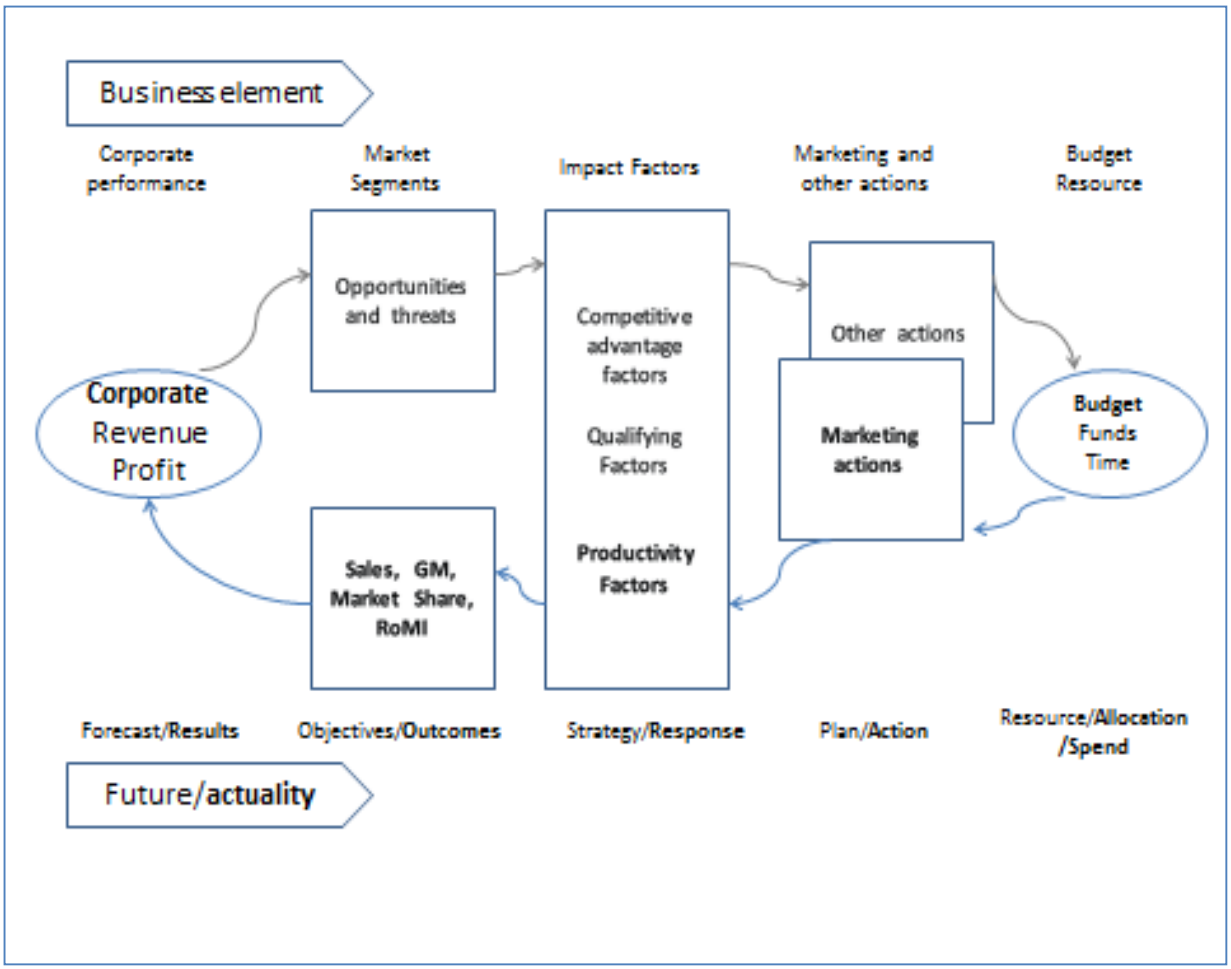

Figure 3: The RoMI model (adapted from Woodburn, 2006, p.52)

The model is divided into the following key components:

- Corporate performance: Corporate-related forecast and actual results
- Market segments: To define the objectives of each segment and the outcomes achieved after implementation of the plan.
- Impact factors: To define the framework for tracking market response post-intervention.
- Marketing and other actions: Action plan to achieve the set goals.
- Budget resources: To define the amount of investment needed to deliver the strategy.

The outflow arrows at the top of Figure 3 reflect what needs to be done to achieve the set goals, and the inflow arrows at the bottom reflect what actually happens after the intervention takes place. The current study uses this model, in a form of an action research approach, to test the hypotheses developed in the following section. A modification has been made to the model by adding RoMI as a key metric for the outcome, under market segment. Return on marketing investment (ROMI) is the contribution attributable to marketing divided by the marketing spending (Farris, Bendle, Pfeifer, & Reibstein, 2010). Since there are many sources for how ROMI can be calculated, the researcher decided to use the formula developed by Farris et al. (2010), who believe that the consensus from usage justifies the following formula:

$$\text{ROMI} = \frac{[\text{Incremental Revenue Attributable to Marketing(USD)} * \text{Contribution Margin\%} - \text{Marketing Spending(USD)}]}{\text{Marketing Spending(USD)}}$$

As shown in Figure 3, the most important factor in the model is corporate revenue/ profit because it is considered to be the most important area of the business. At this point, internally generated desires are also linked to the external potential of the corporation and consideration is given to achievable goals. Another important area of the model is the time measurement framework. This is the metric that should be measured in relation to its scope and nature, according to the organization's specific requirements, and that is why it is not mentioned in the above figure. Data are gathered and the method for collecting these data is also explained. A target is set according the planned levels of achievement, while past levels of achievement are noted in order to record the results.

The basic business elements to be taken into account are:

- Corporate performance
- Corporate revenue and profit
- Corporate achievement

All the measurement dimensions selected for the present topic are considered at each stage of the framework. The measurement concept is applied to the present outcomes, past results and expected future targets. The corporate revenue results are helpful in determining how successful a business strategy has been. These corporate targets can be different, and may require different measurement tools. However, their contribution to final performance is of great importance. For instance, if a forecast for ambitious growth is made, the marketing should also be ambitious.

Marketing alone cannot describe a company's performance and hence various targets for company performance can be broken down into segments. These segments might include, but are not limited to, revenue, sales and volume. They can also include segments to which marketing makes its own contribution. In addition, marketing activities cannot be kept separate from sales. As marketing creates demand and sales capture this demand, various aspects of marketing growth are interconnected and should be studied simultaneously.

The model suggests that business elements should be justified in three different ways:

- Future phase: Helps in the quantification and derivation of expectations for the business.
- Past and present phases: To report performance through actual achievement of goals and targets.

While defining a segment, it is critical to define the number and nature of the segment. An awareness of the changing attitudes in one segment is gained. Along with this, the behaviour of the segment—for example, whether the number of people in the segment is increasing or decreasing—is also determined. The amount spent on services or goods in the segment is also defined. Through this, average price margin in comparison to the competition is gauged. The entire process of segmentation and the measurement of segment characteristics can take a long time. However, important trends in a segment can be tracked using the key characteristics of that particular segment. For this purpose, data are collected and internal and external market information is identified. When sales data are gathered for a particular segment, the funding required for that segment and the expected return can also be determined. Data manipulation options are also available to enhance the utilization of the obtained results.

The response of each segment is determined with the help of impact factors. These factors are responsible for making essential differentiations in the marketing segments. The actions taken by marketers should be based on these impact factors, which can help in achieving a competitive advantage. In this context, the competitive advantage factor is of critical importance, as it gives the researcher a chance to adopt strategies that can aid in identifying advantages compared to other corporations.

The competitive advantage factor can also become a qualifying factor when all competitors reach a point that no one is able to surpass. These factors then become a measure of the company's performance for customers. For instance, if a company is unable to deliver a product on time, there are plenty of other options available for the

consumers to switch to. This becomes a qualifying factor and cannot be converted back into a competitive advantage factor.

Finally, there are productivity factors. These are the factors implemented by suppliers to gain a competitive advantage over others. These factors are concerned with increasing sales revenues by increasing productivity. For instance, effective supply chain management can ensure that the product is delivered on time or can increase the amount of product produced per unit time. It can also increase sales once demand is high. Companies that are unable to meet customer demands do not achieve an advantage. In order to take advantage of these factors, it is critical to gauge the performance of companies in relation to the changes being made so as to avoid potential issues. The above model describes supplier strategies in terms of impact factors that can be competitive, qualifying or productive in nature. Once a competitive factor is achieved, it might become a qualifying factor as other companies start to adopt the same strategy.

The forecasted result for corporate performance is the main element in business performance measurement. Market segments are observed for the measurement of business outcomes and the response to the impact factor strategy is analysed. Finally, marketing plan actions are taken according to the budget, resources and time. The model described above was intended to provide interested companies with a feasible approach for proper marketing evaluation. Each marketing action is discussed in detail and the impacts of these actions are also discussed. The linkages between various marketing actions are closely observed and results are forecasted. It is also possible that while pursuing marketing goals based on this model, the company may fall short of its ultimate goals. However, at least some success is achievable in every case. Sometimes,

better policies and efficient planning might lead to greater success as a result of capturing a superior understanding of the market. Through this model, competitive advantage is achieved and valuable results are obtained.

The above has provided an understanding of the action research approach by describing it as a source of tension between social, personal, and professional changes. It is a phenomenon of deep inquiry that helps the people involved move toward an envisioned future. In other words, action research is a reflective study of actions taken and the results of those actions. The actions can take place within an organization, at the workplace or in the market, and as a result, a deep inquiry into the professional practice is performed (Blaxter, Hughes, & Tight, 2010). There is a group of approaches that are modified and used by action researchers during the course of study. These modifications are made in various directions to fit them into the context of the research. For instance, action research for the analysis of social processes is done using the collaborative approach, which involves different stakeholders (Cohen, Manion, & Morrison, 2000).

Action research can also be used to seek improvement opportunities. A new course of action is defined within the existing setting so that work practices can be aligned with the fluctuating needs of the environment. A series of reflective stages are adopted during the course of action research. At the end of the research, it becomes possible for the researcher and the reader to understand complex patterns of the organization related problem. Finally, action research becomes the process by which the researcher brings the theory to life with the help of practice.

3.4 Application of the ROMI model

The RoMI model is used to calculate return on investment in cases where companies need to calculate the outcomes of their marketing efforts. In cases where marketing needs to be viewed as a credible discipline, these activities can help greatly. Historically privileged outcomes of marketing metrics are applied to test the marketing content sequence and to see the effect of influencing factors. This is done in order to find an appropriate means of accomplishing the marketing goals. In this context, the RoMI model is a useful tool for determining the conditions that can be exploited by a company for the sake of value creation. The importance of this model is greater in the marketing environment, as it is focused on metrics and not on integrated performance. The model helps in creating new evaluative dimensions that allow the identification of factors having a positive influence (Jeffery, 2010).

Jeffery (2010) describes the ways and the means through which RoMI can be applied in various settings in which marketing is done. The author presents the example of a 'new product launch.' Financial RoMI can be applied in the market, even in cases where several months-long campaigns are undertaken to generate profits. At the same time, this model can produce equally beneficial results for cases where multiple campaigns over multiple years are planned. For instance, when RoMI is applied to a new website that is being launched and whose marketing campaign is being started, the very first step is to develop an understanding of the needs and demands of the business at a basic level. This is where primary cost and revenues are taken into account. This step is called business discovery and is the first step in determining RoMI. The most important aspect of this is benchmarking against rivals within the same industry. On this basis, the business drivers found in the market are identified. In some cases, benchmarks are not

available; in that case, detailed market research is required. Annual marketing cost, revenue generated from different products, inflation, and tax and discount rates are measured. After collection of this information, the upside revenue and upside cost of the product are calculated. Assumptions are generated for best and worst case revenues. Other findings such as tax to discount rate, year-to-year sales, limited market penetration and existing sales force marketing are also generated. Afterwards, the new product is incorporated and marketing costs are determined, including product development and maintenance costs. Product launch cost is also included. A summary of these costs, including web portal development and maintenance costs, is made. Quantification of these costs is easy but projecting upside revenue from marketing and product sales can present a challenge (Jeffery, 2010).

In most cases, collection of long-term data is difficult. However, RoMI allows the measurement of 3- or 5-year straight line depreciation, meaning that expenses are calculated for periods of three or five years. The straight line helps in measuring expenses every year. Other costs such as on-going marketing, and operational and professional service support can be calculated as they are incurred.

RoMI is usually calculated for a given time period, but whenever a new product is launched the question arises of how much time should be taken into account for RoMI, as new products can take many months to have an effect. The time period for RoMI must match the time that is used for the analysis (Jeffery, 2010). The action research approach can also be applied in other cases, as it can be equally generalized for line expansion of an existing product or driving users to a new channel. Similarly, best practices can be applied to all marketing campaigns in a generalized manner (Jeffery, 2010).

Woodburn (2006) adds that the RoMI framework has received enough attention in the given market environment to help ensure that measurement of the contribution of the marketing investment can be done in the right way. This is the framework that helps ensure that the entire organization is going in the right direction and that every department is on the same page. Moreover, tools and expertise that are being used for the measurement process are also maintained in the same way. In order to gain the maximum benefits from RoMI, it is critical to ensure that RoMI remains a company-wide framework. Every person involved in finalizing data collection needs to be aware of the basics of the framework. They must make it a sustainable project by developing an infrastructure in a manner that incorporates the organization's cultural environment. Sales, marketing and market segments become vehicles for obtaining market data. Executive project managers and staff utilize the data to conduct their analyses and change management techniques are shared. Innovative ideas are converted into real solutions through communication, and change management is made possible. However, companies need to have appropriate visibility to ensure better investments in marketing. This study will help in describing the tools, process and techniques that are best aligned to the company's objectives, so that effective marketing can be done. The underlying vision for the entire organization must bring together shareholders as well as customer satisfaction in order to guarantee the company's progress.

Jeffery (2010) sheds light on various aspects of the RoMI framework and states that the RoMI framework maintains a simple and straightforward approach. This approach can be used in different marketing campaigns at the same time, including line extensions, product launches and demand generation. First, business discovery is done in order to understand the impact of marketing on new launch campaigns. After that, the base case is taken, which helps in defining cost, existing market sales and cash flow

in the existing market. Afterwards, the budget for all marketing costs and the product launch is defined, including product cost, pre-launch, product maintenance cost and customer service charges. The upside revenue impact of the new marketing initiative is estimated. Finally, the base cost is subtracted from the upside (Jeffery, 2010).

The RoMI model is initiated by taking into account corporate revenue and corporate profit. This is the stage at which most companies start sensing what can be achieved from the business. It is critical to see the potential of the marketplace at this point because it can help with finalizing decisions in the subsequent stages. The measurement timeframe is created and a link is made between the internally generated desires of the company and the external potential. The nature of the measurement is not straightforward because there are several ways through which information is collected, and planned levels of achievement are determined based on past levels of achievement (Jeffery, 2010). All business elements included in the framework help to generate corporate value and explain how the business contribution is generated through performance. These forecasts derive measurements for future endeavours. To decide whether or not these agreements or forecasts should be the same in order to achieve better future performance, there is a need to use them differently. If these agreements fail to have an effect at a given time, their contribution to company performance is questionable and an argument can be made that the marketing initiatives should be done differently. It is essential that after making appropriate forecasts, all segments of the company should start responding in order to deliver better results. For instance, if the forecast predicts ambitious growth for the company, marketing initiatives must be ambitious at the same time. Similarly, different strategies are required when marketing is done for profit growth and expansion. Marketing makes a clear contribution to company performance, but metrics such as revenue generation, sales growth and

volume must be identified as factors that are significantly affected by marketing. Therefore, separating marketing from sales activities should be avoided because the purpose of marketing is to locate and create demand, while the purpose of sales is to capture this demand. Both of these elements are interdependent and cannot be used separately from one other (Woodburn, 2006).

The above paragraph states that the RoMI model can be best applied if different elements of the business, such as revenue generation, are quantified and measured in two timeframes. After this, the ROMI model can be used in three main ways, including comparing the future with that of the past in order to measure differences, quantification of expectations and the driving of efforts toward it, and finally, comparing projections over a defined timeframe with past results to learn from measured differences. Quantified corporate expectations serve as the main driver for all business activities by creating inter-linkages between them.

3.4.1 Market segmentation and data collection process for RoMI

Companies need information about their customers in order to understand how to interact with them. This information is of great use in determining the future course of action. Information that is more valuable can be made available to the management so that it can be quantified and utilized for making changes and comparisons. According to Wendell Smith (1956, p. 5), "Segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements." According to a study by Halley (1968), it is easier to take advantage of the existing market than to create a new market. No brand will be accepted by all customers and acceptance depends on whether the product is positioned correctly in the marketplace. Marketing can easily be tuned to the

marketplace, allowing understanding to be developed about threats and opportunities. In this regard, it is important to state that the market is not a homogenous mass. Instead, it is divided into various segments. Different parts of the market are segmented based on similar needs and wants. This process is called as market segmentation. People in one market segment might respond in one way while another segment responds entirely differently. Therefore, the market is segmented by taking into account the needs of a group of people, such as what they buy and when.

Here, it is important to note that for non-sales data collected for a particular segment, application of this data to another segment can be a profound mistake. Customer data collected in a single database are not always a true reflection of the rest of the market segments. Therefore, business organizations need to take into account special data collection process, after which funding is decided. Woodburn (2006) states that data collection from outside the company is a crucial step in making a plan successful, because no amount of internal data can compensate for the absence of external data. A few customers who are loyal and who decide to buy from the supplier cannot be regarded as representatives of the entire market. Such an assumption can be misleading in terms of policymaking for future marketing activities. External data includes sales rates, contribution, market share and gross margins, and these provide the basis upon which forecasts are made and targets are judged.

Data collection can be made successful with the help of two sets of measurements. The first is lagged measurements, which are taken from the actual results of the recent past. The other includes the forecasts for the previous and following years. Different segments have different responses, so it is sometimes harder to determine how each segment will respond to a marketing effort. Management of

marketing and sales efforts is done based on this information and data collection remains the biggest challenge during the process of marketing measurement.

3.4.2 Impact factors in the ROMI model

In addition to the abovementioned information about impact factors, they are also a key element of the ROMI model. An impact factor is defined as a proposition that can make a difference in market segments by leading to different results. Actions taken by suppliers should be directly focused on impact factors, as they help in finalizing future marketing strategies for a company.

It is crucial to identify sets of impact factors for each segment because different strategies may be needed for each segment. A strategy for one segment might only have a small impact in other segments. Explicit strategies are not only powerful in nature but also offer a good deal of overlap. This means that impact factors that have an effect on one segment can be beneficial for other segments as well. Different types of impact factors are highlighted: these are productivity, qualifying and competitive advantage factors.

Competitive advantage factors are those whose value proposition allows a supplier to obtain positive differentiation compared to rivals in the same market. These are the factors that have as their primary focus the prominent needs of customers. Increased market share can be assured if performance is improved for these factors. Competitive advantage factors can also become qualifying factors if used for a longer period of time. This happens when all competitors in a given market reach the same performance level and no one is able to gain an advantage. In most of the cases, this level is achieved when customers' needs and demands are satisfied for a given product and do not require further improvement in performance. Considering the example of a

market in which five-day delivery is normal, if one company starts to provide next-day delivery, it only gains a benefit if customers actually want things the next day. If not, the customers' needs are already satisfied and this factor cannot be converted back into a competitive advantage factor; it has now become a qualifying factor (Thomas, 2002). In other words, qualifying factors are the least that the customer demands. For example, when all companies are delivering in three days, a company that delivers in four days can be regarded as having poor performance, as it does not qualify as meeting market needs.

The competitive advantage factors defined above relate to improving sales volumes and hence, productivity. Productivity factors include initiatives to reduce the cost of production, which can also improve the company's profits. Production costs can be reduced through certain elements, including enhanced communication with suppliers, a quick transaction process, and the availability of raw material. In the RoMI model, these productivity factors play a central role. They can be used to monitor how they improve the business. The marketing management team can identify these factors through research and their implementation can be improved (Woodburn, 2006).

In the case of the RoMI model, the strategies of suppliers are defined by the impact factors used to determine the responses of different market segments. Business advantages are obtained by those who achieve differentiation in their strategies or who are able to produce goods at low cost. Today's competitive advantage factors become tomorrow's qualifying factors.

3.4.3 Actions related to marketing

Marketing actions are critical in implementing the selected business strategy of a firm. These actions can be measured by looking at progress and fulfilment of business targets.

Almost every action requires external and internal costs for its implementation. Most of these actions can be categorized broadly into marketing and non-marketing actions. The structure of the company determines the way that distinct factors are measured and funds allocated to them. The allocation of funds is done based on the marketing action that the activities are meant to perform. The budgeting department is expected to allocate the funds. A company's actions can be more appropriately grouped if the budget is assigned by aligning the actions with their purpose. Grouping of actions is also done by looking at the people involved in fulfilling them and the purposes of those actions. For each of the impact factors, a list of actions should be created and useful marketing initiatives carried out. If actions are cross-functionally distributed, a progress overview should be provided on an occasional basis. The responsibility for such a report is given to those responsible for the action, as they are closer to the market impact and thus have a clearer overall view of the impact.

The above paragraphs have shown that marketing strategies should be implemented in a manner that is aligned with internal as well as external impact factors. All these impact factors have some cost attached to them and the marketing management team has the responsibility to identify this cost. Budgeting is done on the basis of available resources. Allocation of these resources is finalized by the management team responsible for the annual round of budget planning. Preparing the budget is a repetitive activity that addresses the future needs of the company. Estimating time demands can help avoid manipulation of the budget. Moreover, previous budgets that are used for future budgeting can lead to repetitive program activity that brings the company further from real business needs. Budgeting based on previous records is thus not a best practice; instead, market dynamics should be kept in mind so that the company can learn year after year. As a result, the company's agenda

and the costs of various aspects will be much clearer. The company will stop poor spending habits and finally, the cost of operations will become clearer. The marketing budget can also be linked with the budgets of other functions, and should consider each of the identified impact factors.

3.4.3.1 Action research in the field of marketing

An ever-changing business environment requires marketers to undertake actions that can bring competitive advantages. Sometimes, bold actions are not very rewarding and at other times they can result in immense benefits for the company. In other words, the situation is not always very clear and some study is required before making decisions about company activities. Therefore, prior to implementing some actions, it is critical to take into account the marketing intelligence database that can help marketers with proper decision making. Getting the latest market intelligence requires resources in terms of time and money, so larger firms have a greater ability to gather intelligence and align their activities with the results (Simmons, Armstrong, & Durkin, 2011). Hence, it was essential for the team participating in this research to collect data during the early action research workshops and to combine that with the data from the first component of this research along with secondary marketing data in order to build a useful marketing intelligence dataset.

Marketers have focused largely on the outcomes of marketing factors that can intervene between reward and expenditure at the same time. Lack of awareness of these factors can result in a lack of control, which might negatively affect business activities. The measurement of factors that may enhance marketing efforts results in improvement in returns (Simmons et al., 2011). The company can position and forecast

its efforts in a better way. Through such policies, activities generated in a vacuum are discouraged and the chances of failure are minimized.

Action research in marketing helps identify how changes in marketing activities affect customer choices. As a result, company management is provided with accurate and valuable choices using reliable internal sources of information and secondary market data. Sound information also provides a basis for future decision making. Programs for marketing performance management and control can be initiated with the help of such research. Although previously, only marketing managers were involved in marketing research, various other departments such as sales, management, and production and supply units also participate in this area now. Informed decisions are made based on information shared on all fronts. Therefore, it was essential in this research to have participants from both the sales and marketing functions.

According to Anstead et al. (2008), marketing is a complex phenomenon that is driven by customer demand. If a marketing action runs opposite to the demands of the customer, it can result in a total loss for that business. Initially, marketers are unaware of what the end results of their efforts will be, and this might lead to decisions that cause financial losses. Action research in marketing allows the marketer to perform a practical analysis of marketing activities to determine whether or not his actions will suit the interests of the company. Once the results are favourable, implementation of the strategy can be carried out (Anstead et al., 2008).

Gray et al. (2003) add that marketers can forecast the effects of their operations with the help of action research; their expectations can also be quantified according to the organizational expectations. The clarity obtained through these initiatives creates stability in the organization and employees become able to direct their efforts in a

correct way. It is believed that companies that operate based on these principles learn to obtain competitive advantages through improved marketing decision making. In line with that, it was important for the marketer in the researcher's organization to participate not just in the marketing planning session, but also in the sales planning session to benefit from the collective knowledge available in both the sales and marketing teams.

Market segmentation is an important procedure that helps develop an understanding of the company's marketing progress. Action research in this field is aimed at tracking performance and comparing it with past data and future projections. Marketing segmentation was a key tool that utilized for this research. A dedicated workshop session was set for the purpose of identifying segments. In this process, organizational aspirations are expressed in terms of goals and the nature of these goals and threats are defined. Segmentation is also of great importance in action research because the market is not homogenous; it is divided into various individuals, companies, groups and patents. This requires subdivision of the market into segments, which can create order according to people's needs and demands. Through segmentation, people are placed into different groups and their demands are prioritized.

Through action research, a company can decide how meaningful a part of the market is. Activities can be aligned to the purchasing decisions of the customer. Meaningful results are obtained through sales analysis of people's buying preferences. Sometimes, one product is not attractive for one segment but carries a great deal of value for another segment of the same market. Therefore, market segments should be identified in terms of the attitudes, behaviours, needs and demands of potential

customers. Suppliers can better address customer drivers if they study these segments carefully.

According to Woodburn (2006), management of marketing cannot be done effectively unless segmentation is done in a proper manner. A set of characteristics are studied before segmentation of the market is performed. The information that is collected is fundamental to developing strategic measurements for the company. The external backdrop of the segmented behaviour makes it possible for the supplier to understand the expected trends in the market. Action research is also a valuable tool for determining the opportunities and threats in a given market segment. Location, agreement and numbers are defined in relation to the needs and demands of the customer. From the results obtained through the research, segmentation criteria such as lifestyle, technological uses and buying attitudes are defined. Then, market segments are identified in relation to the projtect's priorities and goals. In the current research, segmentation was as a key tool for defining the metrics of the model used.

Actions that are taken in order to implement new marketing strategies can help assess marketing efforts in terms of their usefulness and progress. Every action should be evaluated in terms of the cost required to perform it. Grouping of actions should be done on the basis of the individuals or groups involved in fulfilling those actions. For instance, some actions are taken on a departmental basis and others might involve customers. Such groupings serve to simplify the process, making it easier to measure the impact of the actions. Sometimes, more than one department is involved in an actions and hence, the involvement of individuals from all the relevant departments is needed. This might increase the complexity of the project. Along with this, the resources required for a particular action are identified. The budget is a strong force in

determining the success of a program. Therefore, the internal and external costs of an action require a good deal of attention. Strategic impact factors should also be measured in terms of cost and then appropriate actions taken (Shiv, Carmon, & Ariely, 2005).

3.4.3.2 Role of action research in marketing

Action research is gaining popularity in many fields, including education, marketing and human resource management. In this type of research, anecdotal evidence is used to establish facts. Companies are now being guided by action research in the adoption marketing strategies to facilitate and improve performance.

How does the researcher create the system used for action research?

In order to solve a problem in marketing, the researcher must take some important steps that create a proper system for resolving issues (Riel, 2010):

- Identify the problem.
- Select an investigation procedure.
- Determine the data collection techniques and interpret the data.
- Create a plan of action to solve the problem.
- The researcher must be provided with the authority to implement the recommended procedures.

The teams and groups that are involved in solving any issue must take certain steps in action research. The first is identifying the research problem, which must be specific and clear, but which can be either predictable or unpredictable. Large-scale and complicated problems should be left to more experienced researchers. Since problems also involve the consumers, efforts are made to know their views on how to resolve the

issues. For this purpose, surveys are developed and provided to the consumers in order to evaluate their satisfaction with the organization's marketing process. The granted authorised scholar practitioner in this research played a major role in facilitating the study's flow and the active involvement of the participating team members.

3.4.4 Resource costs

When an impact factor is identified by the market, external costs are incurred. This happens in cases where new equipment and software is purchased. For instance, delivery time can be shortened if delivery is done via trucks; the purchase of these trucks will require a cost known as an external cost. This brings a competitive advantage to the company with regard to this particular market activity. The needs of the marketplace can be best fulfilled if investments are made by taking into account the specific advantage factor and making it part of the marketing activity. Companies that do this are prepared to better respond to the changing needs of the market. The budget is tight when resources are required on short notice. Therefore, intelligent budgeting can be done by taking into account market needs and the position of the company in the market. In other cases, several dangers can be experienced by the business. If the provision of budget is not done, the intended marketing strategies are blocked, after which different decisions that may prove unsuitable for the company are made abruptly. Investment is wasted as the company goes against the market demands.

3.5 Conclusion

This chapter has identified the measurements that are required in order to apply the proposed RoMI framework. The aim of this framework is to develop an understanding of the market. Activities within organizations can be maintained with the lowest level of

uncertainty through such procedures. Measurements that are made through variable costs help in tracing costs. Cause and effect planning is conducted and marketers make assumptions according to their understanding of market. Cause and effect planning becomes useful in such cases where it is important to measure the return on marketing investment. For instance, if someone knows that a discount price promotion is more attractive than a banded coupon, investment can be directed toward the former. This knowledge cannot be achieved if the appropriate data is not gathered. Moreover, repeated updating of this knowledge is of critical importance; otherwise, companies can move into lazy spending. However, the RoMI model includes cause-and-effect relationships that cannot be measured very easily for some areas. Difficult-to-capture systemic information is sometimes required. Exceptions can be made clearer by marketers and company management if the different stages of the RoMI model are clearly identified.

If a 2% increase in an impact factor takes place, a positive response may be expected. However, in some other cases, management may consider that a positive response is achieved at 5%. Quantification of the linkage between actions can decrease misunderstanding and differences in perception. Such outcomes can be applied to various business cases, leading to better decisions. One study of market performance measurement in an emerging Turkish market indicates that marketing performance metrics are mainly production-oriented rather than sufficiently oriented that focus on the quality in which the focus is on the volume rather than the quality (Hacioglu, 2013). The reason for this is due to the historical attitude of Turkish firms, where production has been a key area for growth.

The most important aspect of the model is data collection. The more data that is collected, the greater the chance of improving performance, since learning is enhanced

with data gathering. Unfortunately, records on marketing actions are maintained at a poor level in some companies and repeated mistakes are made each year. In such organizations, since an appropriate mechanism for learning is not encouraged, achievement of long-term goals and targets becomes impossible.

Chapter 4

Methodology

4.1 Introduction

This study uses a mixed methodological approach to assess the impact on sales and return on marketing investment of marketing activities for OTC pharmaceutical products at the researcher's organization. The theoretical and practical importance of this research is its goal of developing and implementing an effective intervention to measure the impact on sales and RoMI of marketing activities for OTC products. More specifically, this study investigates what drivers influence the sale of OTC products at pharmacies in different practice settings. To address the research objectives, this study uses the quantitative method and an action research (AR) approach.

4.2 Quantitative component of the study

In the quantitative component of the study, a survey is used as a simple way to collect data, as it offers flexibility, versatility and efficiency (Alreck & Settle, 1985). The researcher aimed to simplify the survey to ensure a high level of focus and clarity. The quantitative component of the research was accomplished by collecting data from the survey shown in Appendix A. The survey was distributed to pharmacists to assess their perceptions of the marketing activities conducted for OTC products. The aim was to optimise the marketing decision making process for executives managing OTC medicines in an emerging market by exploring the perceptions of community, hospital and polyclinic pharmacists regarding different types of marketing activities. The reason for choosing pharmacists in the private sector was because pharmacists are the sole central stakeholder through which prescription flow, marketing activities and discount offers occur. For the past decade, the role of the community pharmacist has increasingly included involvement in things like customer medical counseling and services. With the community pharmacy as a key channel for the majority of pharmaceutical company

activities, it was essential to assess the pharmacists' perceptions of marketing and sales activities related to OTC medicines. This is due to the fact that pharmacists are believed to be uniquely qualified to serve the public interest in assisting with OTC product selection. The first component of the research was of an explanatory nature and was aimed at measuring pharmacists' motives for making favourable recommendations. This component measured 18 influential items categorised under medical, social and marketing forces. Since the aim of this study was to look at the return on marketing investment, it was recommended by the researcher's sales team to ask about the ranking of non-prescription analgesic product sales at the pharmacy. The last section of the questionnaire was used to collect sociodemographic data on the characteristics of the respondents, as well as on the setup of the pharmacy. Chapter Five explores the study sample selection, survey design, results and data analysis in further detail.

4.2.1 Sampling method

The study population consisted of pharmacists licensed in the state of Kuwait to practice pharmacy in the private market. The reason for excluding governmental sector pharmacies from the study was due to the regulations prohibiting any marketing activities in governmental pharmacies. A pharmacist database was obtained from the Ministry of Health, Pharmacy Licensing Administration. The total number of pharmacists licensed for the private market was 1,042 as of December 2013. The number of private market pharmacies listed with the Pharmacy Licensing Administration was 534 and the number of active pharmacies in terms of operation was around 390. The pharmacies were sorted by their practice setting, based on a market survey conducted by the researcher's sales team in December 2013. There are three different known practice settings in the private market: the private hospital pharmacy,

the private polyclinic pharmacy and the community pharmacy. The following table shows the distribution of pharmacies according to the different practice settings:

Table 2: Distribution of pharmacies according to practice setting

Practice setting	**Number of pharmacies**
Private hospital pharmacy	11
Private polyclinic pharmacy	55
Community pharmacy	324
Total	**390**

Determination of the necessary sample size was done using the Macorr© Research Solution sample size calculation tool. A confidence level of 95% and a confidence interval of 5% were used in order to gain a clear observation of the impact of different marketing activities on the sales of analgesic OTC products. The same significance level of 5% was also used for the study of Awad & Abahussain (2010), which assessed the health promotion and education activities of community pharmacists in Kuwait. In that study, the sample size was determined using Java applets to be 186 pharmacists in order to achieve a 5% significance level. Based on the Macorr© Research Solution sample size calculation tool, the necessary sample size in the current study was determined to be 194 pharmacies. Each pharmacy was asked to have one staff pharmacist answer the questionnaire.

4.2.1.1 Inclusion criteria

To determine eligibility for participation in the study, the following criteria were set for pharmacists in the private sector:

- Licensed in the state of Kuwait as a pharmacist for the private market.
- Active practitioner in a private sector pharmacy in the state of Kuwait.
- Working as pharmacist at a hospital pharmacy, polyclinic pharmacy or community pharmacy.

4.2.2 Survey design and approach

The survey was designed based on a study by Kotecki (2002), which aimed to investigate what factors influence pharmacists' over-the-counter (OTC) recommendations. Kotecki's (2002) study extended the research of Benrimoj (1991) on the factors that influence pharmacists' purchases and recommendations.

The decision to design the survey based on the work of Kotecki (2002) was mainly because the author explored the factors influencing pharmacists' OTC recommendations. Pharmacists are considered to be vital in the area of the OTC product selection. The pharmacist also has the best view of the factors that influence the purchase of OTC products, since the prescriptions, promotions, direct consumer feedback, OTC product procurement and product displays are all present in the pharmacy under the pharmacist's supervision. Kotecki (2002) measured pharmacists' motives for making favourable recommendations using 19 influential items categorised under medical, social and marketing forces. For this study, the number of influential factors was reduced to 18, using the same groups: medical forces (3 items), social factors (6 items) and marketing factors (9 items). Some of the influential items were redefined based on recommendations from the sales team at the researcher's organization and from selected pharmacists currently practicing as community and hospital pharmacists. Since the aim of the current study was to look at the return on

marketing investment, it was recommended that the pharmacists be asked about the sales ranking of non-prescription analgesic products in the pharmacy. The last section of the questionnaire was used to collect sociodemographic data on the characteristics of the respondents as well as on the setup of the pharmacy. The researcher worked on collecting the data for the study.

4.3 Action research component of the study

The second component of the research was accomplished using the action research (AR) approach. Here, the survey data was analysed and a marketing action plan was created for a range of analgesic OTC products from the researcher's organization. The second component involved a series of meetings conducted by the researcher in the presence of the sales team to discuss the results of the survey and how the action plan could be designed to achieve the best possible results. The researcher was involved in all the meetings. Towards the end of the second component, the implementation of the action plan and a continuous evaluation process allowed the researcher and sales team to apply corrective actions when needed to ensure that the team could deliver the best possible results. Chapter Six of this study describes the action research inquiry and the method applied in greater detail. The AR model was utilized after analysing the data collected by the survey. The use of the AR methodology allowed the survey data to be made the basis for the action plan developed by the researcher's sales team. The researcher was the managing director at the organization where the research was conducted and received permission to conduct the research.

If applied within a democratic environment, action research is considered to be a useful tool for solving an identified problem by involving relevant stakeholders as co-researchers throughout the research process. This is done through a social

transformation process involving interaction in conducting the research, problem formulation, operationalization, data gathering, analysis, formation of the action plan, implementation of the action plan and action evaluation (Greenwood & Levin, 1998). The model requires an appropriate implementation process, as shown in Figures 4 and 5, which was adapted in the current research to revolve around a series of workshops conducted within researcher's organization.

The first workshop had two key objectives: first, to identify current organization-level metrics that were expected to be affected by the marketing activity; and second, to develop a set metrics for key identified segments in the researcher's organization. The second workshop's objective was to identify the metrics reflecting the impact factor in order to use impact factor analysis to track the performance of the marketing strategy. The third workshop focused on identifying actions necessary to deliver the marketing strategy, the budget to deliver the marketing goals and the financial metrics that would be used to track the actions and their impact on the set goals. The objective of the fourth workshop was to identify the responsibility of all team members involved in the action research in terms of who would be collecting the data, producing and tracking metrics and who would be responsible for corrective action if a metric indicated actual performance below the target. The fifth and sixth workshops were the final workshops, where the metrics were reviewed while the implementation was taking place. These workshops focused on monitoring the performance of the action plan implementation phase. This reflected the final part of the action research cycle, the evaluation. These two workshops were added to the model developed by Mouncey (2009) to help the researcher cover a complete action research cycle.

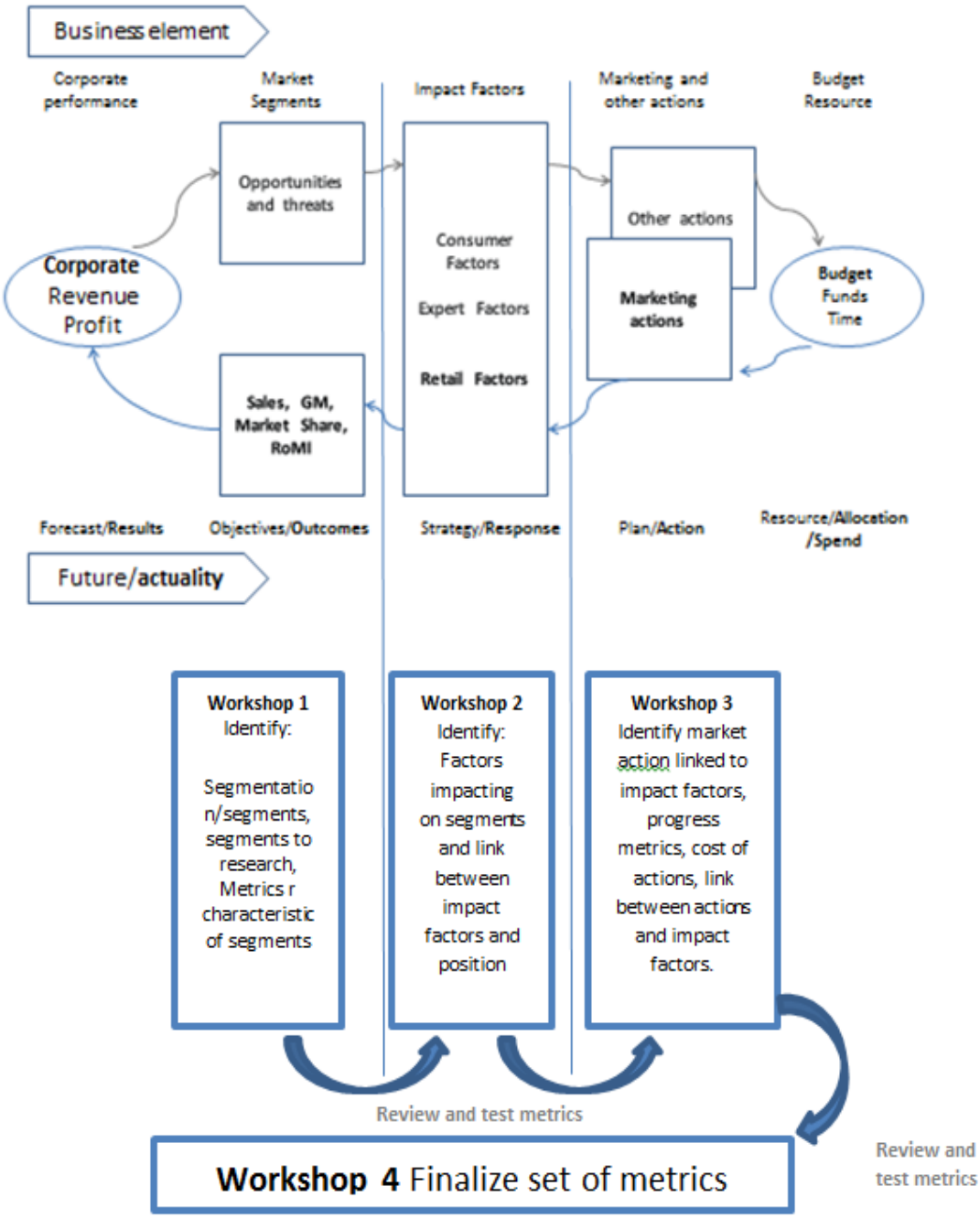

Figure 4: The marketing metrics model process (adapted from Woodburn, 2006, p.63)

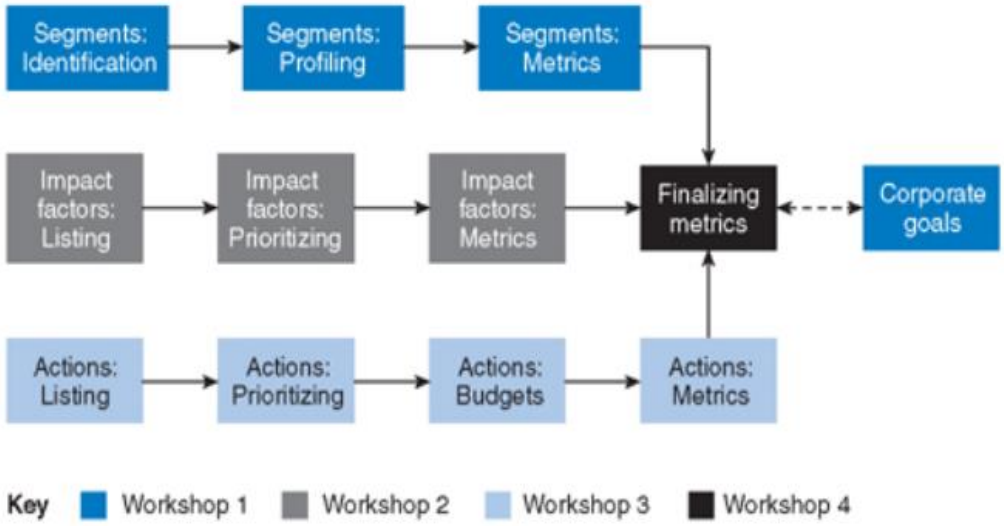

Figure 5: Final marketing metrics model with four workshops (adapted from Mouncey, 2009, p.209)

The purpose of bringing all the metrics together was to show the cause and effect relationship across the defined metrics. The objective was to help management assess the likely impact of implementing the defined marketing actions (McDonald, 2011). Appendices B and C present the template used for the information collected through the action research, covering the following items:

- Actions: The actions listed as part of the marketing plan and derived from the impact factors
- Metrics: How the likely impact of the actions will be measured.
- Current: Reflects the current level of performance
- Change: The change expected as a result of the action's impact
- Segment performance metric: Metric that is expected to be influenced by the defined action

4.3.1 Action research deployed in this research

What action research offers to this applied research is the fact that the sales team at the researcher's organization worked together with the researcher. As Lonergan (1990) emphasizes, being attentive to the data, intelligent in making an inquiry, reasonable in making judgements and responsible in making decisions allows the team to better analyse the data and achieve better ROI research. The action research methodology applied in this research consisted of assessing the collected survey data, developing a joint action plan, implementing the intervention and evaluating the impacts. This was done through participatory action research.

One key challenge was related to the question of whether or not the action research conducted at the researcher's organization would be scientifically rigorous. Based on the reviewed literature (Gummesson, 2000; Greenwood & Levin, 1998), action research, compared to other scientific research methods, is about taking action, solving the problem and contributing to the knowledge. Action research is enacted using the scientific method, moving through the stages of problem formulation, operationalization, hypothesis formation, data gathering and analysis, action design and action evaluation. Because of this, as argued by the reviewed literature, that qualifies the approach as a scientifically rigorous research method.

Assessment of action research is done to confirm the validity and value of the research (Cassell & Johnson, 2006). Some authors (Cassell & Johnson, 2006; Gummesson, 2000) argue that a main benefit of action research is its ability to correct deficiencies discovered through the positivist approach, thus rectifying the past in addition to building toward the future. With the aim of finding a better approach for achieving higher ROI through various marketing activities, maintaining constant

interaction between team members in a democratic atmosphere will create the desire to implement the planned action, solve the problem and contribute to the knowledge and science (Gummesson, 2000).

It has been discussed how action research methods can be used to solve immediate issues in marketing. Action research is used in various fields of study in order to can bring advancement in these areas. The personal involvement, reflection and insight developed through this technique are valuable in determining solutions to the problem being investigated. Marketers perform this kind of research during their studies and also in practice, with deliberate analysis of data and monitoring of the impacts of specific actions.

As discussed in the literature review, the four basic steps of action research are planning, acting, observing and reflecting. These steps might be simple or complex, depending upon the nature of the problem being discussed. The plan can be modified according to the research requirement and all of the steps can be repeated until suitable results are obtained. The research method can also be adjusted to identify better options. The process might involve a number of research techniques, such as interviews, surveys, observations and discussions.

The active participation of team members in an existing situation can help solve problems effectively. This kind of research carries a great deal of importance, as it provides the team members with the chance to explore new techniques in practice. Activities and strategies that have never been used before are initiated. Various forms of research, leading to new social actions, have been conducted in the field of marketing. The approach comprises a circle of planning that assists in finding a solution to a given problem.

Presently, marketing requires a great deal of study in order to bring its activities and strategies into line with the business cycle. These strategies can then be used by the organization to solve financial issues. Sometimes, a workable approach cannot be found unless actions are taken. Avoidance of the problem is not recommended, as it stops the organization at a point where it cannot move forward. In this context, business organizations that are able to collect systematic data and use this information to build a framework of action can move forward in a more objective manner. Doing so provides a number of advantages over continuing to operate without knowing the impacts of the company's activities. Finally, an informed company is in a position to improve and adapt in a manner that can best meet its needs and demands.

Action research involves teams or groups of individuals assessing the issues faced. In this way, both internal and external communication are enhanced. Teams that include stakeholders like employees and customers identify where the problem stems from. This improves employee performance and helps them become better professionals. Once the employees go through the action research steps, they come to know how problems can be assessed and resolved. This is a collaborative process, as it involves the employees, the employer and the stakeholders. They share their ideas, communicate with one other, inform one another and treat everybody on an equal basis. The authoritative approach is discouraged and employees and stakeholders gain the opportunity to participate equally and demonstrate their skills (Lewin, 1946).

Action research is employed in daily situations rather than in an experimental setting because the main goal of the research is to find a solution to a real life problem. However, such research can first be employed by social scientists in their primary research or in pilot studies, followed by the actual action research. This approach can

resolve research problems in cases where the situation is not clear. When conditions require flexibility, this process can be employed, with the involvement of other participants used to improve the outcome (Stringer, 2013). The people who use action research in their studies are mainly practitioners who want to improve the understanding of their actions and the corresponding results. For instance, social change activists who are trying to create an action campaign can utilize this type of study. Similarity, people involved in designing marketing campaigns can also use it to assess the efficacy of their plans (Chisholm & Elden, 1993).

4.3.2 Types of action research in marketing

There are two kinds of action research that work effectively in marketing: practical action research and participatory action research. These types are discussed below.

4.3.2.1 Practical action research

Practical action research is related to the organization's internal environment. Employees and employers participate in addressing a specific marketing problem at their company. The process can be carried out in a business setting such as in offices or production units. The aim of this type of action research is to improve business practices in the short term and to be aware of and communicate larger issues with the employees. The research is performed by a group of individuals, by teams or even by larger groups. The groups are provided with a clear and specific focus aimed at solving certain issues that interrupt the business process. An action plan is the outcome of this type of action research (Valtonen, Korhonen, Rekonen, & Leppanen, 2010). For the current research, this type of action research was not preferred, as the purpose of this research was to assess the business from the perspective of external environment in

terms of the effectiveness of sales and marketing activities, rather than being concerned with the internal environment.

4.3.2.2 Participatory action research

Participatory action research involves the individuals or groups known as stakeholders. Stakeholders play an almost equal role in the process and are meant to act as equal partners. They are highly concerned about the internal issues at the organization. They also help inform the organization about external business trends, so their participation is critical. The aim of participatory action research is to strengthen the company's position in the external environment by having action researchers and participants take an active part in business operations and bring about social changes to enhance the company's value in the long term. Stakeholders do not get involved at the start of the research. The company first seeks their help, and they become active early in the process. Then they collaborate in studying the action plan and finding ways to implement it (Berg & Lune, 2004).

Collaborative research is an essential aspect of action research. It provides employees, employers and stakeholders with the means to step forward and take systematic and regular action for the sake of resolving significant problems. Collaborative research is democratic, as it invites all team members to actively take part in the process and values their decisions and ideas. The involvement of employees and stakeholders makes the research participatory. Participatory action research encourages employees and stakeholders to come up with explanations of their actions and then develop plans to best resolve the problem (Berg & Lune, 2004). The current study employed this type of action research by having managers and key employees from the researcher's organization participate in the study as co-researchers.

4.3.3 Method of inquiry

The researcher's organization is specialized in trade related to healthcare products. The organization uses of two key models of operation. The first is called the distributor model; it takes care of the logistical support in terms of clearance, storage, distribution and market access, with key accounts in the market. The second key business model is known as sales and marketing, which revolves around the management of the sales and marketing function related to certain product lines. The model of interest for this research is sales and marketing. The aim is to investigate how the sales and marketing team can invest effectively and then monitor the outcomes of the investments made. The project of interest within the researcher's organization is related to sales and marketing for pharmaceutical consumer products, particularly an OTC analgesics line.

This section explores the method of inquiry for the action research component of the research and it includes an explanation of the applied action research learning cycle enacted through the workshops conducted, the secondary data used and the method used to validate the outcome and interpretations.

Action research is considered a valuable tool for monitoring and evaluating the success of a given procedure. The participatory nature of action research helps generate a sense of ownership of the evaluation that is done. It also aids in retaining the knowledge generated by a given evaluation within the organization. Stakeholders are more involved in the process of research and this helps in the maintenance and retention of knowledge in communities and organizations (Majgaard, 2010).

Action research is a process that is based on some fundamental steps. These steps have been described by different authors in different ways. Susman (1983) provides a step-by-step interpretation of the activities followed during the process of an

action research study. The first step of an action research study is identifying the problem. This process is also called diagnosis. During this phase, the problem for which a solution is being sought is defined. Afterwards, collective brainstorming is used to bring forth several possible solutions. Identification of the most suitable solution is done with the help of research that includes data collection and analysis. After the data is collected and analysed, the findings are interpreted in a detailed manner. This determines how useful the studied action was. The problem is then reassessed and the process is continued until a suitable solution is found.

Action research cannot be regarded as a single method for finding a solution to an issue. Rather, it is a more holistic process in which several different research tools are used. Most of these methods are the same as those used in qualitative research, including data collection and analysis, keeping a journal, recording observations and conducting structured and unstructured interviews.

Of all the tools discussed above, the most important and commonly used procedure for action research is the research conference. The research conference includes many different participants, including customers, decision makers, workers and policymakers, who all play a role in the reorganization of the business. During these conferences, the problem is identified in groups composed of the various stakeholders. The opening sessions provide detailed information regarding the problem and the environmental context in which the problem is being faced. All of the content of the conferences is created by the participants themselves, and the researchers are only there as facilitators to the process. Without criticism from the researchers, the group engages in in-depth discussion and the composite picture is checked by the entire group. The group then examines the after-effects of all the efforts made in the

organization and an overall picture of the desired future state is constructed. Finally, consideration is given to action or implementation steps (Chisholm & Elden, 1993).

According to Lewin (1946), the action research process has three main stages. These stages involve a planned change that is cyclic in nature. This cyclic process of change and the stages involved in this are discussed below.

In the first step, a series of planning sessions is undertaken, where the change agent and client work together to identify the issue. During this process, actions related to the learning process are undertaken and an analysis of the problem requiring behavioural changes in the organization is done. Learning activities are developed with the help of feedback obtained through this process. For that purpose, a feedback loop is created.

After the first stage, the second phase is the action phase or the transformation. This is the phase that involves the learning process associated with a change in behaviour for the client organization. The feedback received in the first phase is utilized in the second phase to implement changes to the existing client structure. One important aspect of this phase is determining which learning system will best align the change with the research objectives. Members and consultants from the client system provide their opinions after each joint session. Joint sessions are carried out based on the workshop sessions and then actions are taken for bringing the change to the organization.

The third and final stage is the evaluation phase, which leads to actual behavioural change in the members of the organization. In this phase, corrective actions are taken based on the information gathered from the second phase. This stage also involves data gathering, through which progress can be determined and any necessary

changes can be made. Further adjustment is done on the basis of learning activities conducted during this phase.

The first cycle of planning and re-evaluation brings basic changes to the organization. The entire approach introduced by Lewin (1946) includes the planning, action and evaluation phases. The planning stage is also called the period of unfreezing, where the discovery of problems is done. This is followed by a change period, when problem awareness is created. The final, action stage is the actual stage of change and includes trying out new behaviours that can help in addressing systemic problems. These stages sometimes overlap one other, as the boundaries are not very well defined and a continuous cycle cannot be carried out, as it would lead to unnecessary cost due to the possible repetition. The end phase or the period of refreezing is the one wherein new behaviours and activities are assessed in terms of their success. Attitudes that have proven helpful are reinforced and become part of the system. This shows how action research takes a problem-centred approach that can also be client-centred or action-centred. During this process, diagnostic or active learning is done to bring about a solution for a given issue (Lewin, 1946).

4.3.4 Action learning cycles and the workshops conducted

The action research cycle adopted in this research comprised four basic steps: constructing, planning the action, taking action and evaluating the action, as per Figure 6 (Coghlan & Brannick, 2014). The cycle included constructing the issue that the research intended to tackle and resolve, planning which actions would be taken, implementing the plan, and evaluating the result. The cycle captured a number of activities carried out in the form of workshops and post-workshop interventions.

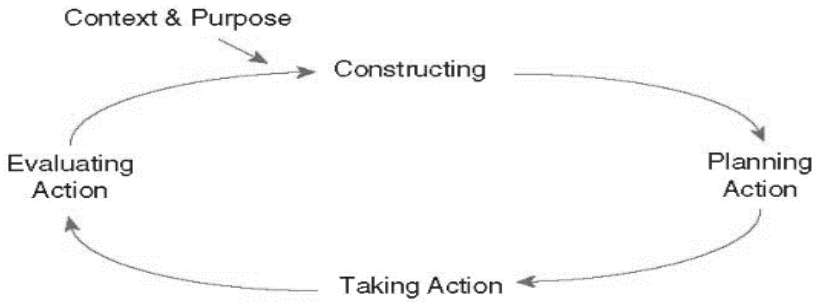

Figure 6: Action research cycle

The marketing metrics model used, which is illustrated in Figure 7, consisted of four workshops. The model follows a similar path to the action research cycle illustrated in Figure 6, which starts with construction, or defining the market and understanding the related values, followed by defining the plan through determining the value proposition, followed by action in delivering value, and ending with evaluation of the action by monitoring value.

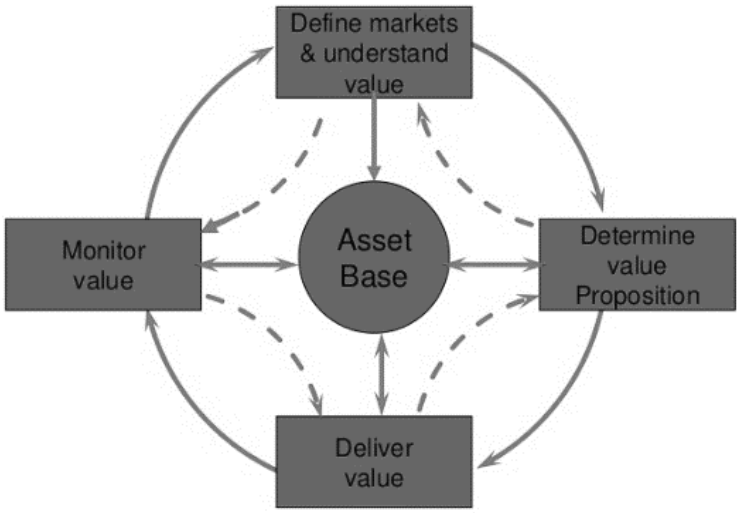

Figure 7: Positioning of the marketing metrics model

The selection of the workshop team, as described in Section 4.3.3.1 below, is vital for the success of the action research process in terms of the team's ability to develop

the key metrics, implement the action plan and appreciate the value gained from the process through continuous reflection and construction. The workshop process utilized for this study is described in detail in the following sections. Another important aspect of the team was the request that "criticism should be accepted and no hard feelings be taken." The team wanted to make sure that there was a democratic environment and they were convinced that critical active learning was the best way to develop the research and action plans. It was not easy to convince the team to actively participate in this research and to take it as a serious assessment of the research and action plans. Hence, the researcher decided to run the workshops as per the model, in the form of business planning sessions and business review sessions that replaced the traditional business planning and business review sessions that take place in the researcher's organization on a quarterly basis.

- First workshop (building the case, defining the market & understanding value):

As explained by Mouncey (2009), the first workshop had two key objectives. The first was to identify business metrics that might be influenced by the marketing activity and the second was to identify the key metrics related to the target segment. To achieve this objective, the team used the data collected from the quantitative component of the study and an analysis was done on the data. Business metrics can be in the form of sales targets, desired market share, market position, and gross margin. Metrics related to the target segment are critical metrics that are linked to segments found to be attractive for the chosen project, whose related consumer profiles match the key strengths and advantages of the organization's products, capabilities and goals. The purpose of this workshop was to identify metrics that would enable the organization to track performance from the corporate and segment perspectives.

- Second, third and fourth workshops (Forming a plan of action, determining value proposition)

As highlighted by Mouncey (2009), the remaining three workshops focused on defining the action plan and determining the value proposition. The second workshop was conducted to ensure that the strategy formed for achieving the set goals was appropriate and that the defined metrics could help track the progress toward the goals. The third workshop was focused on identifying the actions needed to implement the strategy, the budget required to deliver the action plan and the metrics to be used to track the actions, budget funding versus action, and the expected impact. The fourth workshop divided responsibility among participants by identifying how each member would be involved with each metric.

- Fifth workshop (Taking action and delivering value)

The fifth workshop was added to the model developed by Mouncey (2009). It included a review of the data generated through the enterprise resource planning (ERP) system post implementation, in addition to discussing secondary data like International Marketing Statistics (IMS) related to market share and market size.

- Sixth workshop (Evaluating action and monitoring value)

The sixth workshop was also added to the model developed by Mouncey (2009). It included a business review of the project's performance after completion of the full action plan, in which the defined metrics were used to track and evaluate the performance. The team reflected on the results, how they might impact the existing plan, and whether modification was needed for the second cycle of the action plan. The current research covered only one complete action research cycle. The second, third

and further cycles will continue in the same manner as the first in the form of an annual business plan formulation workshop and quarterly business review workshops to ensure that there is a continuous action learning cycle.

4.3.4.1 Participants

The workshop participants were sales team members who were directly involved in promoting the analgesic OTC line at the researcher's organization. The involved members included the commercial director, business development officer, sales manager, marketing manager, medical sales supervisor and pharmacies sales supervisor. The researcher was the managing director of the organization and had been acting as a researcher in the group. A key benefit of action research is the authority it offers to employees by enabling them to participate in the decision making process (Coghlan & Brannick, 2009). This approach is known as participatory action research. Another key feature of action research is the importance of group work and active participation. For the applied research, it would be impossible to conduct an action research study without the support of all participants. Coghlan and Brannick (2009) stress the importance of group work in reaching the desired state, as it strengthens the commitment level of all involved in the team. It is important to have active participants who have been involved in the collaborative inquiry move forward through the different phases of the action research. According to Beckhard and Pritchard (1992), the participants determine the need for change, the future desired state, and the work to be done to reach that desired state. Finally, they manage the transition phase. This requires group work at an intergroup level via productive dialogue between team members to assess what needs to be changed, mutual needs, and how the future can be shaped (Coghlan & Brannick, 2009).

4.3.5 Data sources

A survey was distributed to a selected sample of pharmacists. Secondary data in the form of literature, company information and market data were also used. The dialogic inquiry action research approach between the researcher and workshop participants had an exploratory emphasis (Franco, 2005), describing the views of participants, which helped achieve a high level of detail from the collected data.

4.3.6 Role of the researcher

The researcher worked with the sales and marketing teams to analyse the survey data and the secondary data, and also organized the group conducting the action research, acting as an insider. Regarding the dual role of being an insider action researcher and an employee, it was politically challenging to act as both the front-line researcher and an employee. This challenge was minimized by having other members of the sales team supervise the research group. Building credibility was a key element as an insider researcher to achieving the research objectives as well as overcoming political challenges (Björkman & Sundgren, 2005). This was done by defining the purpose of the action research and communicating the benefits that could be gained by the organization and the team. Another key challenge that was faced in conducting the action research was related to accessing the secondary data, particularly the informal data in the form of personal experiences rather than officially documented information.

The action researcher must play multiple roles during the course of the research. He is the conductor and implementer of the research and also communicates the advantages and disadvantages of the research. In other words, the researcher is the person who can explain the consequences of 'wearing different hats.' In addition, the researcher is also a mandatory reporter when the research is complete. The researcher

is required to report both the positive and negative aspects of a technique's implementation. As an action researcher, the researcher has the ability to analyse the socio-cultural context in which the results are found. During the research process, the role of the researcher becomes very challenging when more information is needed to respond quickly to a situation.

When identifying an issue and finding a solution in marketing, it is the responsibility of the researcher to identify the problem and then bring it to the attention of the stakeholders. It is not necessary for the problem to be related to the researcher; it can be associated with the stakeholders. The researcher must support the stakeholders in solving their issues, acting as an internal consultant to the organization and informing them about the internal situation and activities of the organization (Lewin, 1946).

4.3.7 Limitations of the deployed action research methodology

Upon review of the literature, it was clearly noticed that there is limited literature on the documentation of the action research process. This is in line with Herr's (2014) finding that only a few studies have worked on the documentation of action research. In addition to that, less than 1% of all published information-system-related research is on action research, which means that action research is a relatively undeveloped research methodology.

Regarding the current research, it is acknowledged by the researcher that the research has not followed the commonly understood conventions of action research. That has cyclical process. According to Susman (1978), action research involves a cyclical process comprising the five stages of diagnosis, action planning, action taking, evaluation, and specifying learning. After the final stage is completed, the cycle

commences again with the diagnosis stage. The long-term aspect of action research is crucial in order to ensure the rigor of this research methodology. According to Kock Jr. (1997), action research should be conducted in a cyclical format in order for it to strengthen the results of the research and achieve a more solid evidence-based outcome. Moreover, the iterative pattern of the repeated cycles of action research offers expansion of the research scope, helping build up the generality of the research outcome. This increases confidence, as the greater the exposure of the research work to the real world, the more reliable the data would be. Due to the limitations in time for the current research, it was relatively difficult to conduct an additional cycle of action research. The duration of this research was limited to 28 months and it was not possible to extend this period. In addition, the researcher also carried out quantitative research in addition to the action research component, which made it difficult to perform an additional cycle. The validity of the quantitative data was enhanced by combining it with the action research approach. The validity can be enhanced further if the research is done in iterations.

4.3.8 Personal involvement

The positivist approach followed in this research came from the understanding of the theoretical perspective of positivism. According to Gray (2013), positivism argues that that inquiry should be based upon a scientific observation. In the case of this research, the inquiry initiated for the action research component was built on the scientific quantitative component of the research. Hence, the action research was initiated based on an empirical inquiry. It is also important to acknowledge the claims of positivists and their fundamental beliefs; based on that understanding, the action researcher should respond in a neutral way with minimal bias in giving the opinion (Kock Jr., 1997). In

action research, an understanding of positivism can come from the definition given by Greenwood (1998), who argues that logical positivism is based on the ontological argument that the world can be defined objectively by applying objective techniques to acquire the truth and the solution to the problem. In this research, the researcher has followed positivistic logic and objectivist ontology by including quantitative methodology and applying a survey in order to build a base of truth prior to the action research approach.

As suggested by David Gray (2013), it is important to have a theoretical perspective in research in order to help clarify issues in research design. The research philosophy should be acknowledged in order to define which research design will work and which will not. In the current research, it was decided among research peers that it would be best to first use a quantitative survey component as a scientific query of pharmacists' views on the most effective marketing activities for promoting analgesic OTC pharmaceuticals.

The quantitative methodology in this research was followed by action research and as defined by Greenwood and Levin (1998), action research is a joint learning process that consists of a set of self-consciously collaborative and democratic strategies for generating knowledge and designing actions. Here, the researcher and local stakeholders collaborate to generate action and knowledge. Action research focuses on doing "with" rather than doing "on," aiming to enhance the change and generate data for the generation of scientific knowledge through broad participation. Therefore, the researcher worked closely with participants in the organization in order to generate useful knowledge for the organization. Action research rejects the separation between thoughts and actions, as it promotes a participatory approach that aims to alter the

initial situation. In order to alter the initial situation at the researcher's organization, it was important for the research team to collaborate to identify the ideal methodology for determining ROMI and to identify the marketing activities that would bring the best results through scientific inquiry.

Due to the different natures of identified problems, action research follows a multidisciplinary approach and uses different methods. Action research must respect the multidimensionality of the defined problems in order to utilize local knowledge in a systematic manner to enable participants to make smarter business decisions.

In order to minimize bias, it is important for the researcher to acknowledge the personal effect of involvement in the research, which often results in a high degree of emotional response, especially in situations that involve conflict and stress (Kock Jr., 1997). Ignoring this fact might lead to failure in the intervention implemented by the action research practitioner. Such consideration has been given by the researcher in this research in order to avoid failure due to the researcher's own behaviour.

Considering the limitations of this research stated above, it is advisable to carry out additional iterations of the action research cycle, which would help overcome any possible distortions in the findings of this research caused by the researcher's over-involvement. The researcher avoided identification as the managing director and instead self-identified as the research facilitator for the sake of avoiding the negative consequences of personal over-involvement in the research. This is supported by the work of Greenwood (1998), who argues that the key benefit of the action research approach is that it opens the conversation to all participants and keeps the conversation going by bringing all forces of authority and representatives of different functions together in a structured way to make positive contributions.

Finally, it is important to visit the statement of Greenwood (1998) that action research produces meaningful and valid research results. This defends action research against the standard criticism arguing that action research is unscientific. In this case, acknowledgement of personal involvement should come hand in hand with the stated goal of seeking meaningful and valid research results.

4.4 Conclusion

With action planning being a key part of the action research cycle, it was important to enhance this phase using the quantitative survey data. This data was meant to help the research team solidify the action plan, aim for better engagement within the research team and reach a desirable outcome. Since the action research methodology is not common, it is also uncommon to find combined research that includes both quantitative methodology and action research, as this study does. Chapter Six covers the definition of action research, the use and role of action research in marketing, the types of action research and the specific type used for this study, the investigation and validation of the action research, the intervention that took place through a series of six workshops, and the outcome of the research. It was important for the researcher to acknowledge the possible effects of personal involvement, the positivistic logic used in the research and the fact that the research did not use successive iterations. It is also important to acknowledge that the validity of the research outcome can be enhanced by conducting further iterations of the action research cycle.

Chapter 5

Quantitative Component of the research

5.1 Introduction

In the initial, quantitative component of this study, the data collected from the questionnaire were analysed. The survey, which was distributed to pharmacists, was aimed at assessing the efficacy of marketing activities in the pharmacy channel with regard to OTC products. The survey consisted of two sections, with the first section containing the following questions:

- What is your gender?
- How many years of experience as a pharmacist do you have?
- What is the practice setting of the pharmacy?
- How many point-of-sale materials (POSMs) are currently available in the pharmacy?
- What is the frequency of pharmacist-patient interactions regarding OTC products?
- What is the potential of the pharmacy in terms of daily revenue?
- What is the most effective POSM in terms of its impact on analgesic OTC sales?

The second section of the survey was aimed at investigating the pharmacists' perceptions regarding the impact of POSM, prescriptions and the pharmacist-patient relationship on the sale of OTC analgesic products. The second section comprised 7 questions measured on a 5-point Likert scale. The items were rated from 1 to 5, with 1 representing "strongly agree" and 5 representing "strongly disagree." The reason for using a 5-point scale was that it offered a few alternatives to the respondents. A smaller scale might have affected the reliability of the answers by forcing respondents to give an imprecise answer regarding the statement being investigated (Creswell, 2003). A larger

scale, on the other hand, might have led to more ambiguity regarding the meaning of the answer (Creswell, 2003).

5.2 Results and data analysis

The survey was distributed to 194 pharmacies in Kuwait, and of these, 141 pharmacists agreed to participate in the research. Due to the poor mail service in Kuwait and the lack of a database with pharmacists' email addresses, the researcher distributed the survey to all participants in person. The purpose of the research was explained to all participants and they were asked to fill in the survey completely. Table 3 shows the demographic information for the participants, including sex, years of experience in practice, the practice setting of the pharmacy and number of POSMs. The majority of respondents (60.6%) were male, most (50.7%) had experience of longer than 10 years, and 30% had work experience between 6 and 10 years. The pharmacy practice settings of the respondents fairly reflect the proportion of different settings in the state of Kuwait, with the vast majority (82.9%) working at community pharmacies, 4% at hospital pharmacies and 14.3% at polyclinic pharmacies. Another key element for this study was the level of pharmacy activity in terms of marketing; that was reflected by the number of POSMs present in the pharmacy. The result showed that 28.3% of pharmacies had more than 10 POSMs, 23.2% had 8 to 10 POSMs, and 34.8% had 4-7 POSMs.

Table 3: Demographic information for the participants

What is your gender?		
Answer Options	**Response Percent**	**Response Count**
Female	39.4%	54

Male	60.6%	83
answered question		**137**
skipped question		**4**
How many years have you practiced as a licensed pharmacist?		
Answer Options	**Response Percent**	**Response Count**
Less than a year	2.1%	3
1-5 years	17.1%	24
6-10 years	30.0%	42
More than 10 years	50.7%	71
answered question		**140**
skipped question		**1**
What is your current practice setting?		
Answer Options	**Response Percent**	**Response Count**
Community pharmacy	82.9%	116
Hospital pharmacy	2.9%	4
Polyclinic pharmacy	14.3%	20
answered question		**140**
skipped question		**1**
How many point-of-sale materials (POSMs), e.g. counter top, stand, banner, are currently present in the pharmacy?		
Answer Options	**Response Percent**	**Response Count**
Nil	0.7%	1
1-3	13.0%	18
4-7	34.8%	48
8-10	23.2%	32
More than 10	28.3%	39
answered question		**138**
skipped question		**3**

skipped question	**25**

The pharmacists were asked whether they provide favourable recommendations to walk-in customers for key OTC product/medication categories, including analgesics, vitamins and nutritional supplements, home diagnostic devices for blood pressure and blood glucose, dieting/weight reduction medication and smoking cessation products. All participants answered this question. As can be seen in Table 4, analgesics and vitamins/nutritional supplements were the categories with the highest number of pharmacists giving favourable recommendations, with 139 out of 141 pharmacists. Dieting/weight reduction medications came in third, with 127 pharmacists providing recommendations, and the OTC classes with the least recommendations were home diagnostic devices for blood pressure/blood glucose and smoking cessation products.

Table 4: Results showing whether the pharmacist provides favorable recommendations for OTC products/medications to customers

Section 1: Do you provide favourable recommendations for OTC products/medications to customers walking in to your pharmacy for the following product categories:			
Yes or No			
Answer Options	**Yes**	**No**	**Response Count**
Analgesics	139	2	141
Vitamins and nutritional supplements	139	2	141
Home diagnostic devices for blood pressure, blood glucose	103	37	140
Dieting/Weight reduction	127	13	140
Smoking cessation	95	44	139

products				
				Question Totals
answered question				**141**
skipped question				**0**

The revenue potential and pharmacy environment were measured by asking about the level of interaction with the customers, the total number of prescriptions received per day and the classification of the pharmacy in terms of sales per day. The results are shown in Table 5. Since most of the respondents were in a community pharmacy setting, the number of prescriptions received per day for all respondents was on the low side, with 43.2% receiving less than 10 prescriptions per day and 44.6% receiving 10 to 50 prescriptions per day. On the other hand, the level of interaction with patients was on the high side, with 73.8% of respondents identifying that they interact with patients regarding OTC products more than 10 times per day. The distribution of pharmacy classes reflects the overall classification of pharmacies in Kuwait in terms of revenue, with 39.7% of respondents achieving sales greater than 1000kd per day and 46.6% achieving sales greater than 500kd per day. The low revenue potential pharmacies represent the minority of the respondents, with 13.8%.

Table 5: The revenue potential and environment of the pharmacy

On average, how often do patients interact with you regarding OTC products per day?		
Answer Options	**Response Percent**	**Response Count**
Nil	0.7%	1
Less than 5 times	11.3%	16
5 – 10 times	14.2%	20

More than 10 times	73.8%	104
answered question		**141**
skipped question		**0**
On average, what is the total number of prescriptions you receive per day?		
Answer Options	**Response Percent**	**Response Count**
Less than 10	43.2%	60
10 to 50	44.6%	62
51 to 100	8.6%	12
More than 100	3.6%	5
answered question		**139**
skipped question		**2**
Describe the classification of your pharmacy in terms of revenue?		
Answer Options	**Response Percent**	**Response Count**
Class a (sells more than 1000kd/day)	39.7%	46
Class b (sells more than 500kd/day)	46.6%	54
Class c (sells less than 500kd/day)	13.8%	16
answered question		**116**
skipped question		**25**

The collected data were analysed using SPSS 22.0 and several analytical tools were employed, including mean, standard deviation, t-test and ANOVA. Table 6 presents the mean and standard deviations for 18 possible different forces that can affect the recommendations and sales of OTC products. The forces were categorized into medical, social and marketing forces. The pharmacist's personal experience (M=4.63), positive feedback from customers regarding the product (M=4.49), the formulation/active ingredient of the product (M=4.41), the percentage bonus (i.e. free-of-charge goods

supplied with the product) (M=4.25) and stock pressure (M=4.23) were found to be the most significant influencers of OTC product sales and recommendations. Moderately important forces influencing the sales and recommendation of OTC products were cost of the product to the consumer (M=3.98), physicians' recommendations of the product through prescription (M=3.89), the mark-up on the product, reflecting the profit margin for the pharmacy (M=3.86), the manufacturer's reputation (M=3.86), and information from general medicinal guidelines (M=3.84). The least influential forces included what other pharmacists recommend (M=3.39), the market share held by the product (3.46), and availability through the pharmacy outlet only (M=3.56).

As shown in Table 6, Cronbach's alpha tests were conducted and the variable for the medical forces was 0.69, for the social forces jt was 0.74, and for the marketing forces it was 0.73, indicating that the group items had acceptable internal consistency (George & Mallery, 2003; Kline, 2000).

Table 6: Cronbach's Alpha results for the three categories of forces

Scale: Medical Forces

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N Items
.687	.692	3

Scale: Social Forces

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N Items
.737	.740	6

Scale: Marketing Forces

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N Items
.735	.738	9

As shown in Table 7, the mean scores for the three categories of influential forces showed no significant difference between them. Medical forces had the highest mean score (M=3.98) followed by social forces (M=3.97) and marketing forces (M=3.88).

Table 7: Mean and standard deviation for the three categories of influential forces

	Mean	N	Std. Deviation
Medical Forces			
The formulation/ active ingredient of the product	4.41	141.00	0.80
Scientific evidence/clinical studies	3.70	141.00	1.07
Information from general medical guidelines	3.84	141.00	0.96
Average	***3.98***	***141.00***	***0.94***
Social Forces			
My personal experience with the product	4.63	140.00	0.76
Positive feedback from customers	4.49	140.00	0.77
Physicians' recommendations of the product through prescriptions	3.89	141.00	0.98
Cost of the product to consumers	3.98	141.00	0.99

What other pharmacists recommend	3.39	140.00	1.08
Market share held by the product	3.46	140.00	1.04
Average	***3.97***	***140.33***	***0.94***
Marketing Forces			
It was formerly a prescription product	3.79	140.00	1.12
The manufacturer's reputation	3.86	139.00	1.05
Available only through pharmacy outlet	3.56	140.00	1.11
General advertisement of the product	3.77	140.00	1.01
The sales representative's influence	3.80	138.00	1.01
The display materials	3.80	139.00	1.01
The mark-up of the product	3.86	139.00	1.06
The percentage of the bonus related to the product	4.25	141.00	0.98
Stock pressure/inventory	4.23	141.00	0.97
Average	***3.88***	***139.67***	***1.04***

Next, the pharmacists were asked to rank the most effective drivers for OTC analgesic product sales in the pharmacy. As seen in Table 8, the results showed that the pharmacists' recommendations are the most influential driver of OTC analgesic product sales, with an average score of 1.95. This result is related to the finding for social forces,

in which the pharmacist's personal experience with the product was the most influential force affecting OTC product sales and recommendations (see Table 7). The free of charge good/mark upwas the second most influential driver, with an average score of 2.38, followed by prescriptions, which had an average score of 2.65. Point of sales materials were the least effective driver, with an average score of 3.03. The ranking results are presented graphically in Figure 8.

Table 8: Influential forces affecting OTC products sales and recommendations

Section III: Rank the most effective driver for analgesics OTC product sales in your pharmacy (Please rank in order of importance from 1 to 4, where 1 is most important to you and 4 is least important.)						
Answer Options	**1**	**2**	**3**	**4**	**Rating Average**	**Response Count**
Point of sales material	12	27	36	55	3.03	130
Prescription	24	35	34	37	2.65	130
Pharmacist's recommendation	55	38	26	11	1.95	130
Free of charge goods/mark-up provided	39	30	34	27	2.38	130
answered question						**130**
skipped question						**11**

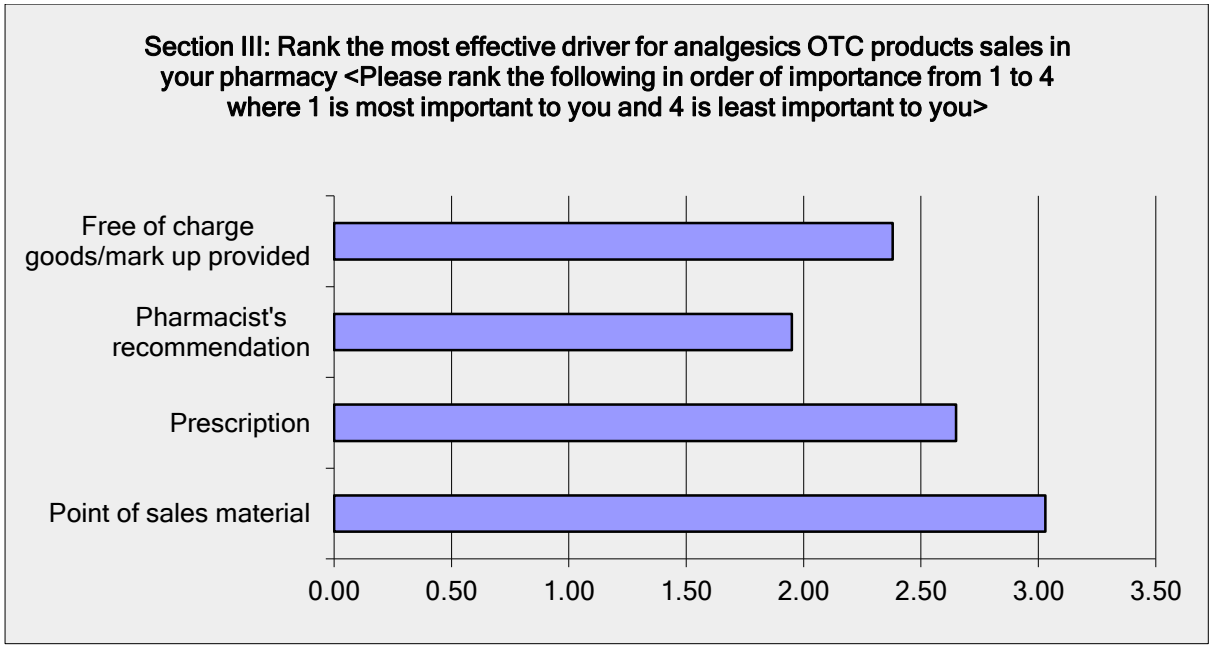

Figure 8: Ranking of the most effective drivers for OTC analgesic product sales in the pharmacies

ANOVA and t-tests were conducted to determine whether the medical, social and marketing forces differed significantly depending on the respondents' gender, their work experience, the practice setting of the pharmacy, the amount of point-of-sale material available in the pharmacy, the level of interaction between the patients and pharmacist, the number of prescriptions received per day and the class of pharmacy in terms of daily revenue. The results are shown in Table 9. Medical forces scored higher with female participants (M=4.41) in comparison to social forces (M=4.05) and marketing forces (M=3.92). The t-test value was 1.54, reflecting a significant difference between the mean scores between males and females for the medical forces, with male participants giving a mean score of 3.89. The medical forces also achieved a high mean score, despite the difference in the work experience, where one-way analysis of variance showed a value of 0.44. The lowest mean score was found under the marketing forces with participants that had work experience of between 1-5 years. Surprisingly,

the mean of the medical forces in the community pharmacy practice setting was the highest (M=4.17) compared to the polyclinic practice setting (M=3.86) and the hospital practice setting (M=3.75). The hospital practice setting had the highest mean score of 4.20 for the social forces, compared to the polyclinic pharmacy practice setting (M=4.09) and the community pharmacy practice setting (M=3.94). All pharmacies had POSMs when the survey was conducted, with at least 1-3 POSMs in each pharmacy. The level of interaction of pharmacists with patients was on the passive side, with the minimal interaction level being 1-5 times daily. Pharmacies that receive more than 100 prescriptions daily had the highest influence of social forces on sales (M=4.1). Class A pharmacies achieved the highest mean score for the medical forces (M=4.12) and marketing forces (M=3.93), and class C pharmacies achieved the highest score for the social forces (M=4.02). Overall, medical forces were more influential for female pharmacists, pharmacists who had practiced less than a year, the community pharmacy practice setting, pharmacies with one to three POSMs, pharmacists who interacted with patients between 5 and 10 times daily, pharmacies that received 10-50 prescriptions per day, and class A pharmacies. Social forces were higher influences for female pharmacists, pharmacists who had practiced less than a year, the hospital pharmacy practical setting, pharmacies with one to three POSMs, pharmacists who interacted with patients more than 10 times daily, pharmacies that received more than 100 prescriptions per day and class C pharmacies. Marketing forces were higher influences for female pharmacists, pharmacists who had practiced less than a year, the polyclinic pharmacy practice setting, pharmacies with one to thee POSMs, pharmacists who interacted with patients less than 5 times daily, pharmacies that received 51 to 100 prescriptions per day and class A pharmacies.

Table 9: Mean (M), Standard deviation (STD), t-test (t) and ANOVA (F)

	Mean (M), Standard deviation (STD), t-test (t) and ANOVA (F)		
Item	Medical	Social	Marketing
Gender			
Male	M=3.89 (STD=1)	M=3.92 (STD=0.99)	M=3.84 (STD=1.11)
Female	M=4.41 (STD=0.85)	M=4.05 (STD=0.85)	M=3.92 (STD=0.91)
	t=1.54	t=0.49	t=0.46
	p=1.170	p=0.110	p=0.030
Experience			
Less than a year	M=4.11 (STD=1.27)	M=4.22 (STD=0.45)	M=4.4 (STD=0.62)
1-5 years	M=3.95 (STD=1.12)	M=4 (STD=1.08)	M=3.66 (STD=1.13)
6-10 years	M=3.92 (STD=0.99)	M=4.04 (STD=0.85)	M=3.96 (STD=0.99)
More than 10 years	M=4 (STD=0.82)	M=3.91 (STD=0.93)	M=3.87 (STD=1.03)
	F=0.44	F=1.16	F=1.06
	p=0.728	p=.452	p=0.428
Practice setting			
Community pharmacy	M=4.17 (STD=0.94)	M=3.94 (STD=0.94)	M=3.90 (STD=1.05)
Hospital Pharmacy	M=3.75 (STD=0.65)	M=4.20 (STD=0.75)	M=3.70 (STD=0.84)
Polyclinic Pharmacy	M=3.86 (STD=0.99)	M=4.09 (STD=0.95)	M=4 (STD=1.08)
	F=0.59	F=0.98	F=0.99
	p=0.644	p=0.445	p=0.428
Number of POSMs			
Nil	M=4 (STD=NA)	M=4.5 (STD=NA)	M=3.77 (STD=NA)
1-3	M=4.34 (STD=0.75)	M=4.12 (STD=0.86)	M=3.99 (STD=0.98)
4-7	M=3.80 (STD=1.04)	M=4 (STD=0.95)	M= 3.96 (STD=1.03)
8-10	M=3.88 (STD=1.02)	M=3.85 (STD=0.98)	M= 3.77 (STD=1.08)
More than 10	M=4.07 (STD=0.80)	M=3.94 (STD=0.89)	M= 3.80 (STD=1.02)

	F=1.381	F=1.198	F=1.005
	p=0.264	p=0.452	p=0.452
Level of interaction			
Nil	M=4.33 (STD=NA)	M=3.66 (STD=NA)	M=3.44 (STD=NA)
Less than 5 times	M=3.87 (STD=0.88)	M=3.99 (STD=0.81)	M= 4.04 (STD=0.80)
5-10 times	M=4.13 (STD=0.83)	M=3.96 (STD=0.97)	M= 3.92 (STD=0.90)
More than 10 times	M=3.96 (STD=0.97)	M=4 (STD=0.81)	M= 3.85 (STD=1.07)
	F=0.816	F=1.183	F=1.624
	p=0.493	p=0.502	p=0.285
No. of prescriptions			
Less than 10	M=3.88 (STD=0.99)	M=3.97 (STD=0.86)	M=3.86 (STD=0.98)
10-50	M=4.08 (STD=0.89)	M=3.97 (STD=1.01)	M= 3.88 (STD=1.09)
51-100	M=3.94 (STD=1.05)	M=3.91 (STD=0.87)	M= 3.99 (STD=1.02)
More than 100	M=3.86 (STD=0.62)	M=4.1 (STD=0.75)	M= 3.68 (STD=0.81)
	F=0.851	F=1.059	F=0.862
	p=0.503	p=0.442	p=0.515
Class of Pharmacy			
Class a	M=4.12 (STD=0.86)	M=3.99 (STD=0.94)	M= 3.93 (STD=1.06)
Class b	M=3.93 (STD=0.90)	M=3.92 (STD=0.94)	M= 3.85 (STD=0.97)
Class c	M=3.95 (STD=0.92)	M=4.02 (STD=0.91)	M= 3.72 (STD=1.03)
	F=0.843	F=0.518	F=0.985
	p=0.524	p=0.651	p=0.485

5.3 Discussion

Since the objective of this study was to assess the return on marketing investment and marketing efficiency for OTC pharmaceutical products, it was vital to understand how competition forms, why certain marketing tools are used over others and how that is reflected inside the pharmacy. The reason for choosing pharmacists who worked in the hospital, polyclinic and community pharmacy settings was because all types of marketing activities are present in those pharmacies. For example, if the marketing authorisation holder for the OTC product, who owns the product's intellectual property, decides to intensify marketing activities through the expert channel (i.e. detailing with physicians), the return on their investment in marketing should be reflected in the number of prescriptions generated by physicians and hence, this is how the return on marketing investment should be measured. In another example, if the marketing authorisation holder decides to intensify marketing activities through POSMs, consumers will find the POSMs inside the pharmacy. Therefore, the majority of marketing activities related to the OTC pharmaceutical products will fall inside the border of the pharmacy. Thus, it is important to assess pharmacists' opinions of the marketing forces related to OTC pharmaceutical products.

Regarding OTC medications, it is important to continuously assess how this category of medication is evolving with time, how it is impacting public health and how the marketing authorisation holder for the OTC products is contributing toward increasing public awareness of OTC products. One study showed that OTC medications account for an annual savings of 4.2 million USD for the treatment of headaches, 4.6 million USD for indigestion and heartburn and 3 million USD for common cold symptoms (Lowe & Ryan-Wenger, 1999). Advertising and promotional activities

encourage the promotion of self-diagnosis and self-care in the public arena (Lowe & Ryan-Wenger, 1999), which is positively reflected by savings on general healthcare costs.

According to a study by Lowe & Ryan-Wenger (1999) conducted in the world's largest pharmaceutical market, the United States, retail sales of OTC products for the treatment of common diseases and symptoms increased from 1.9 billion USD in 1964 to 16.6 billion USD in 1997. That means that every dollar spent on OTC products saved 2.47 USD in healthcare costs, which has encouraged the growth of the OTC market along with its horizontal expansion into new categories (Lowe & Ryan-Wenger, 1999). A study by Awad and Abahussain (2010) conducted in Kuwait regarding the health promotion and education activities of community pharmacists showed that the majority of pharmacists in the study had a positive attitude toward encouraging health promotion and believed that lack of time was the biggest barrier to health promotion.

It was encouraging to find that pharmacists are active in providing favourable recommendations for different types of OTC products/medications. The overall result was 603 affirmative answers to whether favourable recommendations were given, versus 98 negative answers. The result varied from one category of OTC product to another. Looking at analgesic OTC products, which include pain killers and headache relief products, and vitamins and nutritional supplements, 98% of pharmacists confirmed that they give favourable recommendations for OTC analgesics, vitamins and nutritional supplements.

OTC dieting and weight reduction products achieved the second highest score, with 73% of pharmacists providing favourable recommendations. A study by Gordon, Watson, and Avenell (2011) evaluated the effectiveness and cost effectiveness of

community pharmacy weight management interventions and found that while community pharmacy weight management interventions can produce significant weight loss from baseline, the effect was not significant enough to justify the investment in the intervention. In the current study, 127 pharmacists out of 140 stated that they give positive recommendation for weight management products. This was higher than for blood glucose and blood pressure measurement devices, as well as smoking cessation products. It is not surprising that weight management products did not get a higher score than analgesics and vitamins, and there could be many reasons for that result. One possible reason can be found from a study done in the UK, which confirmed that pharmacies were not the preferred point of contact for advice on weight management, compared to other locations like gyms, leisure centres, primary care centres and dieticians (George, Lovelady, Connolly, Parmar, & Davies, 2010).

Generally, the contribution of the pharmacist in encouraging the use of blood pressure monitors is limited. A study by Chambers et al. (2002) showed that this limited contribution is mainly due to poor communication between physicians and pharmacists. Pharmacists' positive contribution toward encouraging the use of blood measurement devices would help facilitate the diagnosis and control of high blood pressure. In the current study, the pharmacists reported that they do not give as favourable recommendations for blood pressure self-monitoring devices and blood glucose devices as they do for OTC analgesics, vitamins and diet medications. The communication between pharmacists and physicians is considered to be poor due to limited communication channels, e.g. poor filing systems, limited email correspondence and lack of meetings between healthcare professionals. Thus, it is not surprising to find that the result of this study is similar to the findings of Chambers et al. (2002).

Pharmacy access is available for both healthy and sick customers. A study by Bauld, Chesterman, Ferguson, and Judge (2009) found that for smoking cessation, the pharmacy treats many more smokers that speciality group services, reflecting the greater accessibility of the pharmacy. As shown in Table 4, smoking cessation products are not highly recommended by pharmacists, and the study by Bauld et al. (2009) showed that pharmacy services were less effective than specialist-led group-based services, despite access to pharmacies being much higher. Bauld et al.'s (2009) finding can be seen as being reflected in the fewer pharmacists who reported giving positive recommendations for OTC smoking cessation medications. This topic would need further study in order to find ways to increase the effectiveness of pharmacy-based services, which would then reflect positively on the impact of promotional activities for OTC smoking cessation products.

According to the commonly accepted rules for internal consistency based on Cronbach's alpha (D. George & Mallery, 2003; Kline, 2000), the results for the medical, social and marketing force variables shown in Table 10 indicate that all three forces had acceptable internal consistency, despite the fact that medical forces had a Cronbach's alpha of 0.69, reflecting an acceptable internal consistency rather than good. However, the variable was not eliminated, as it stands above the acceptance value of 0.6.

Table 10: Internal consistency based on Cronbach's alpha

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low-Stakes testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

The averages of the categories of forces affecting OTC product recommendations and sales were not significant from one another, but the averages of the individual forces did significantly differ. The highest influencers were found to be the pharmacists' personal experience with the product, followed by the formulation/active ingredients of the products, and positive feedback from the customers. These findings suggest that the clinical evidence is as important an influencer as pharmacists' own experience with the product and recommendations from the customers. The personal experience of the pharmacist seems to influence the recommendation given to the patient as significantly as a clinical study. Howard, Tsourounis, and Kapusnik-Uner (2001) found that the personal use of dietary supplements by pharmacists leads to a two-fold increase in the likelihood of the pharmacist recommending a dietary supplement to a patient. Hence, pharmacists do not only utilize their university education in making recommendations for OTC products; they are likely to place a high weight on their own personal experience.

It was interesting to note that out of the marketing forces, bonuses related to the product and stock/inventory pressure achieved the highest score among all marketing forces, with mean scores of 4.25 and 4.23, respectively. Additionally, the overall marketing forces mean had the lowest score compared to the overall mean scores for medical forces and social forces. This might indicate that, in general, pharmacist behaviors in this part of the world are more biased toward a direct benefit to the pharmacy. In other words, marketing forces do not bring an immediate result but require time in order to create brand awareness and sales. Or, as indicated by Kotecki's (2002) similar findings, the result suggests that pharmacists as healthcare professionals are qualified to serve the public interest objectively rather than considering monetary factors, and that they consider themselves a reliable source of OTC product information.

This data is further validated by the second component of the research—the RoMI from the marketing interventions analyzed through action research. Interestingly, the average mean of the stock/inventory pressure achieved a high score in this study compared to Kotecki's (2002), which found stock pressure to be the least influential marketing force, suggesting that pharmacists are not more likely to recommend products that have been purchased in bulk. In this study, on the other hand, pharmacists reported that having high stock influences them to recommend products. Presumably, the high stock forces them to push products to avoid shouldering the cost of expired stock or having the cash flow cycle of the pharmacy be affected by high stocks of slow-moving items.

According to IMS data from 2013, analgesics maintained the leading position among all OTC products in the Kuwaiti market, and this was led by the drug paracetamol. Many products are available in the market with similar active ingredients but in different pharmaceutical forms, combinations and strengths. The analgesics category is of great interest to the researcher for many reasons, one of them being the fact that analgesics cover a wide range of customer segments, including adults, pregnant women, parents, the elderly, children and infants. In light of that, one question was dedicated to exploring the most effective driver for analgesic OTC product sales in the pharmacy, and a large portion of the second component was dedicated to assessing marketing interventions related to analgesic OTC products. It was interesting to find that pharmacists' recommendations were considered the most influential driver of OTC analgesic sales. This can be supported by the finding of a relatively high level of interaction between pharmacists and patients, with all pharmacists reporting at least 1-5 daily interactions.

When looking at the overall scores, pharmacists' recommendations came first, followed by free-of-charge goods/mark-up provided, prescriptions, and finally, point of sales materials, despite the fact that all pharmacies had at least 1-3 POSMs when the survey was conducted. The result may suggest a biased effect, as pharmacists can reject the POSMs' allocation in the pharmacy outlet despite the fact that all participants have POSMs in their pharmacy without acknowledging a significant effect. This finding is similar to the finding for driving forces, where social and scientific forces had a higher group average than marketing forces. It is worth noting that despite the fact that the OTC market in Kuwait is considered small, presently accounting for only about 15.5% of total pharmaceutical spending, BMI (2011) expects spending in this sector to increase from KWD28mn (US$99mn) in 2010 to KWD41mn (US$146mn) by 2015. Furthermore, from the data collected by the IMS (2012) related to the market in Kuwait, prescriptions are the main driver for pharmaceutical product revenue, dominating the vast majority of sales. In the current study, prescriptions were the 3rd most effective driver for OTC products, which is supported Weeks et al.'s (2001) finding that healthcare consumers rely mainly on physicians for information and Cockburn and Pit's (1997a) finding that the prescribers themselves are the strongest determinants of which drug is chosen, even when patients have prior expectations about the choice of medication.

A significant difference was found between males and females for the medical forces (t-test value of 1.54), for which the male participants gave a mean score of 3.89. Interestingly, this finding is similar to that of Kotecki (2002), who found that female participants scored higher for both medical and social forces. The medical forces achieved a high mean score, despite the difference in the work experience, which means that medical detailing is essential to pharmacists regardless of how many years of experience they have. One-way analysis of variance showed a value of 0.44, which may

suggest that pharmacists as healthcare professionals are qualified to serve the public interest in an objective manner rather than considering the monetary factors, and that they consider themselves a good source of OTC product information. The lowest mean score for the marketing forces was with participants that had work experience between 1-5 years. This may suggest that pharmacists with less work experience might not have yet have sensed the impact of marketing forces on building the brand and creating demand for OTC products.

It was interesting to note that the mean of the medical forces for the community pharmacy practice setting was higher (M=4.17) than for the polyclinic practice setting (M=3.86) and hospital practice setting (M=3.75). The hospital practice setting achieved the highest mean score of 4.20 for the social forces, compared to the polyclinic pharmacy practice setting (M=4.09) and the community pharmacy practice setting (M=3.94). This may suggest that prescriptions dominate OTC product sales in the polyclinic and hospital pharmacy settings. This is in agreement with the finding of Weeks et al. (2001), who found that healthcare consumers rely mainly on physicians for information. It also agrees with Cockburn and Pit's (1997a) finding that the prescribers themselves are the strongest determinants of which drug is prescribed, even when the patients have prior expectations about the choice of medication. This is unlike the case of the community pharmacy, where access to physicians is lower and the pharmacy is used as a primary source of information on general symptoms and OTC products.

Pharmacies that receive more than 100 prescriptions on daily basis showed the highest influence of social forces on sales (M=4.1). Class A pharmacies achieved the highest mean score for the medical forces (M=4.12) and marketing forces (M=3.93) and class C pharmacies achieved the highest score for the social forces (M=4.02). This may

indicate that the higher the number of customers, the higher the interaction, leading to a greater influence from the social forces.

Overall, medical forces were more influential for female pharmacists, pharmacists who had practiced less than a year, the community pharmacy practice setting, pharmacies with one to three POSMs, pharmacists who interacted with patients between 5 and 10 times daily, pharmacies that received 10-50 prescriptions per day and class A pharmacies. This may suggest that education-based influence is higher with fresh graduates than with more experienced pharmacists.

Social forces were higher influences for female pharmacists, pharmacists who had practiced less than a year, the hospital pharmacy setting, pharmacies with one to three POSMs, pharmacists who interacted with patients more than 10 times daily, pharmacies that received more than 100 prescriptions per day and class C pharmacies. This suggests that the higher the level of interaction with the patient, the stronger the social force influence.

Marketing forces were higher influences for female pharmacists, pharmacists who had practiced less than a year, the polyclinic pharmacy practice setting, pharmacies with one to thee POSMs, pharmacists who interacted with patients' less than 5 times daily, pharmacies that received 51 to 100 prescriptions per day and class A pharmacies. This may suggest that when there is less interaction and a high flow of customers, marketing forces will have a stronger influence by communicating directly to consumers and creating demand for OTC products in the pharmacy.

This data was further validated by the findings of the second component of the research, in which action research was conducted to analyze the impact on sales and RoMI of marketing interventions carried out by the researcher's organization.

5.4 Conclusion

Growth of the OTC product market is occurring every day. This has had a positive influence on healthcare costs and has encouraged self-care and health promotion. At the same time, marketers are trying to take advantage of this growing market by carefully selecting how to invest in the promotion of OTC products. The quantitative, survey component of the study has provided insights about what drives the sale of OTC products from the pharmacist's perspective, and what the most effective factors are that can help in promoting and selling OTC products inside the pharmacy. The pharmacy was a key channel for conducting this study because all pharmaceutical company efforts meet in that setting. If the pharmaceutical company decides to promote a product through medical experts, the resulting prescriptions will be processed through the pharmacy. POSMs will be placed inside the pharmacy if the pharmaceutical company wants to use direct communication tools with consumers, and finally, pharmacists' interactions with consumers take place in the pharmacy. It is important to combine the findings and conclusions of the study's first component with the second component of action research, which will be further described in the following chapter. Such a combination is used to effectively assess the factors driving OTC product sales and to determine the best driver for delivering optimal RoMI.

Chapter 6

Deploying action research

6.1 Introduction

To help decrease risk in marketing investment and improve the marketing decision making process, working toward solving business problems is one of the main roles adopted by a marketing researcher. However, new practices within sales and marketing, as well as within business development, have left traditional market investigation behind. These disciplines are moving in the direction of greater involvement of front-line staff and customers in the co-creation of value for companies. As a result, an increasingly participatory attitude towards employees and customers is being reflected. Various authors have illustrated how market researchers can assist in and improve this co-creation process for both commercial and not-for-profit organizations. Action research provides the tools and methods to enhance the level of customer satisfaction. The process of action research involves experimentation with other teams in order to find solutions to problems encountered in community practices.

Marketing is a phenomenon that connects customers, sellers and end users in a manner that is beneficial for all stakeholders. During the action research process, information is collected to define and identify various kinds of opportunities and issues in the area of marketing. This helps improve the understanding of various marketing procedures and their potential impact on the revenue of a company. At the end of the research, the results are analysed in order to improve the implementation of the entire process (Donnelly, Simmons, Armstrong, & Fearne, 2012).

To reduce failure and attain success, marketing departments can employ action research. Action research helps solve problems in a market, such as competition, product failure, gaining consumer attraction and satisfying stakeholder interests. It can also help decrease failure by motivating the employees to improve their communication

both inside and outside of the organization. However, high commitment is needed on the part of those conducting the action research. It is also necessary for all involved researchers to be seriously committed to improving performance and solving problems. They need to be fully engaged in the research in order to achieve the desired outcomes.

Action research is a process that is carried out during a procedure or an activity to improve the methods and approaches already in use. This type of research was first used in the field of education and then became popular in various other fields. There are a number of marketing devices that must be checked for effectiveness and the entire process can be used to prepare a model for use in a business. During the process of action research, hypotheses are first developed and then they are evaluated. Therefore, the two main procedures that underpin action research are evaluation of a hypothesis and analysis of that hypothesis on the basis of the available literature (Webster Jr, 1992).

According to Ladkin (2004), action research relies on a protracted epistemology that assimilates theory and practice. It is grounded in the phenomenology of daily involvement (Ladkin, 2004). Another distinctive characteristic of action research is that it includes numerous perspectives. Therefore, action research is a participatory as well as a democratic process that pursues research by and for individuals, to restore the balance of influence over knowledge formation. Market orientation is supposed to facilitate better business performance. It helps in understanding trends fitting the requirements of the customer, according to the fluctuating market trends (Martin, Martin, & Minnillo, 2009). Analysis of behavioural viewpoints through action research, with an emphasis on idea generation, diffusion and receptiveness, contributes to market intelligence, ultimately benefitting the marketer.

According to Barton (1994), action research provides a chance to control vital marketing procedures, aiding in the development of a system with the right people and right data. However, the information is not always as good as expected. Planned marketing forecasting can benefit firms and yet, few firms are able to devise an action research marketing concept effectively. In a constantly changing business environment, executives cannot manage operations according to environmental changes if they are unable to obtain information by properly connecting front-liners to the external environment (Bartlett & Ghoshal, 1995). Thus, the primary role of managers in action planning is to sense environmental changes and deliver up-to-date market data that can be used by top executives to make decisions (Webster Jr., 1992).

Action research also has a tendency to challenge the traditional and social sciences, as it moves beyond reflective knowledge. It aids in the creation of ideas through critical thinking. The process involves the creation of samples, the emergence of structure and knowledge, and the theorization of data. Knowledge is gained through the implementation of a procedure, or, in other words, actions are taken to validate a particular phenomenon. The entire process revolves around developing a well-informed action so as to understand how a process should be conducted.

In this chapter, there is a description of the role of action research in the field of marketing and types of action research used in marketing. The chapter describes the participatory action research approach that was tailored to this research and how the intervention took place through a series of six workshops.

6.2 Investigation and validation of action research

The philosophical view of people's ever-expanding cycles of action-reflection-theorizing underpins action research. It is a social construction that takes the view that reality is generally created by people's ideas and perspectives (Berg & Lune, 2004). Some researchers, including Berg and Lune (2004), perceive that developing realism by going through these cycles creates the basis of action research. For instance, about fifty years ago, McLuhan (1964) projected the idea of a global village; currently, people around the world are associated with one another through electronic means, creating virtual societies. After a new invention is emerges, it becomes less intimidating with the passage of time. Patterns, training, and additional support can encourage its acceptance, eventually turning adopters into assimilators. The phenomenon of adoption does not take an excess amount of time when the results are desirable or according to expectations. In many cases, innovation comes forth when people are unwilling to adopt the change. Sometimes, when an institution has incorporated and integrated a given idea, systems might still be unwilling to develop acceptors. Then, the upsurge of change can transform late adopters into critical accepters (Bruner, 2003). As acceptors increase in number and use the invention more and more, a learning point is reached and the invention becomes part of the developing culture.

Research on invention tells us that there might be an association between an training and competence levels in an organization, and obstacles may arise during the course of adoption (Berg & Lune, 2004). In this context, the main obstacle is an embedded organizational philosophy. According to Mast and Zaltman (2005), supervisors frequently waste efforts on unproductive advertising, and setting up and executing the marketing strategy. There is a need to allow sufficient time for the

invention to be assimilated into the target culture. Research conducted at Harvard on novel product marketing found that people often make buying decisions based on word of mouth (Mast & Zaltman, 2005). The same study found that testimonials were more effective for marketing novel products than media advertisements and other techniques. People communicate when they are enthusiastic or feel good about something, but they likewise want to express their negative viewpoints. This shows that the product must be conveyed reliably in order to gain positive recommendations from satisfied consumers. Recommendations are equally relevant for the marketing of over-the-counter medicinal products.

Acceptance of novelty appears to occur more readily once the innovative product integrates into the culture of a place (Savenye & Robinson, 1996). Fullan (2007) adds that increased exposure to a product and familiarity with it reduces confrontation, thus improving its acceptability. As the invention becomes less threatening over time, acceptors become more eager to use and recommend it to others. At the same time, they begin to use the invention more often and integrate it into their lives. This inspires their peers to adopt it. By this point, acceptors require support and inspiration as they embrace and integrate the invention into their daily lives (Savenye & Robinson, 1996). Acceptors must feel that the benefits of the invention exceed its cost. Finally, the effort devoted to producing and distributing the invention will be worth the outlay.

Action investigation is similar to a procedure used by many researchers. Lewin (1946), a famous organizational investigator, termed that procedure field research. The process involves project documentation, examination, planning, perceiving, assessing, amending, and then evaluating the cycle once more. Action investigation has proven to be a useful application of technical methods and an additional form of self-controlled

investigation that helps in dealing with daily problems. Assimilating theory into practice is the most vital part of action investigation. The term action investigation or action research developed out of kindergarten through twelfth grade classroom investigations that were directed informally by educators who wanted speedy solutions to classroom issues (Gay & Airasian, 2003).

The effort required before action investigation can begin is more challenging. In a conventional study, the researcher knows ahead of time which writings are pertinent to the study and he can thus form an idea of what the study is going to achieve. In most systems of action investigation, however, the pertinent literature is only made clear through the data the researcher gathers. For these reasons, action research is much more difficult to report, especially for thesis efforts. The researcher must validate the entire methodology prior to the research. At the same time, it is important to recognize that even if the assessors do not agree with the method, they have to see and accept that an acceptable justification has been delivered in the course of the research.

6.3 Personal involvement

The personal involvement of the researcher in the research process cannot be ignored, and it was acknowledged by the researcher throughout the entire research process. Action research requires the researcher's involvement and the bias of the researcher can be controlled by the acknowledgement of possible bias. The industry influence on the scholar practitioner is a key feature distinguishing this type of research from traditional research approaches. With the iterative nature of action research, the effects of personal over-involvement can be minimized, as suggested by Kock Jr. (1997), through the successive iterations. Disconfirmation of the evidence using further

successful iterations can correct any distortion of truth coming from previously conducted iterations where researcher over-involvement was an issue.

6.4 Intervention

Action research has important elements that must be in place to protect participants from being threatened by corporate management. These elements, as suggested by Coghlan and Brannick (2009), include democracy, justice, freedom and participation. The literature provides a few useful suggestions about how to overcome political threats. For example, it is advisable to inform the sponsor—in my case, corporate management—about the progress of the action research on regular basis, as well as to be smart in communicating the benefits of the research (Roth, Shani, & Leary, 2007). Buchanan and Boddy (2008) also suggest establishing solid personal relationships with key decision makers in the organization by becoming a 'political entrepreneur.' They suggest managing the political stage at two levels: first, through actively participating in planning, processing, implementing and monitoring the change process; and second, through having the proper skills to conduct the action research, having skills that match the proposed strategy, properly preparing the team to conduct the research through back-staging, proper planning and implementation, building strong relationships with corporate management and knowing how to deal with decision makers. The intervention that took place in the current study was in alignment with those suggestions. The researcher collaborated with team members to implement the action plan developed based on the analysis of the data obtained through applied research.

It is helpful to know about the five areas of interest for incorporating organizational planning and implementation, as described by Coghlan and Rashford (1990). These are framing the corporate picture, naming the corporate words, doing

corporate analysis, choosing and implementing corporate actions and evaluating corporate outcomes. The wisdom here ensures that for any action taken, the action is evaluated and revisited if further modification is needed. This continuous evaluation process drives the active learning to be achieved by adopting action research. Such continuous learning should be used with the intervention in the business plan formulation process enacted at the researcher's organization.

6.5 Story and outcomes

The story and outcomes are considered the heart of this research, as they reflect the course of events that took place through the series of workshops as well as through the sales and marketing activities implemented as part of the action research. The researcher decided to undertake this research as part of his organization's annual business plan formulation and business review processes. The rationale for doing this was to make the participants feel like they were working within their comfort zones in a regular company process. During the action research process, it was important for the researcher to take account the sense-making and sense-giving done with the participants, especially throughout the process of collecting the story. According to Rouleau (2005), sense-making is defined as the way managers create sense for themselves through their attempts to understand and interpret the information collected related to a strategic change. Rouleau (2005) defines sense-giving as managers' attempt to communicate their ideas and thoughts to others and influence others regarding the planned change. According to Coghlan and Brannick (2014), the sense-making process can take three forms for the action researcher. The first is the reflective pause, in which the researcher pauses at a point to reflect on events that surprised or disappointed the researcher. The second is going back to the story and

reflecting on how to interpret it. The third form is making sense of the overall interpretation of the story. The outcome of the six workshops is summarised in the following sections.

6.5.1 Outcome of the first workshop

The first workshop took place at the end of fiscal year 2013. As discussed earlier, the key objective of the first workshop was to define the corporate goals and business metrics that could be used to evaluate the marketing activity. In this workshop, the participants discussed how the organization would handle the consumer line in general and the analgesics line in particular. This was done from the focus of entering the private market business, a key segment that had not been of interest in the past. The organization decided to invest in rebranding the analgesic line, which is a generic OTC line, to gain a solid lead position in the market over the next five years. At the corporate level, the organisation set a desired growth rate of 45% in revenue for 2014, a target revenue of 600,000 USD, a target gross margin of 240,000 USD and a net profit of 108,000 USD for the analgesics line. The targets set at the corporate level were based on the market size for the analgesics line in the private market, which was defined by the IMS data for 2013 to be around 9,000,000 USD, with an expected growth of 5%.

The team defined three target segments for the analgesics line: community pharmacies, polyclinic pharmacies and hospital pharmacies. The defined segment profiles are summarised in Table 11.

Table 11: Segment profiles

Important drivers	Segment 1: Community pharmacies	Segment 2: Polyclinic pharmacies	Segment 3: Hospital pharmacies
What do they buy?	Consumer products more than prescription products	Prescription products more than consumer products	Prescription products more than consumer products
Who buys?	Healthy and non-healthy patients	Mainly non-healthy consumers	Mainly non-healthy consumers
Number of pharmacies	324	55	11
Segment proportion of the total market in number of pharmacies	0.83	0.14	0.03
Segment proportion of the total market in value	0.35	0.21	0.44
Physician prescription influence	low	High	high
Pharmacist recommendation influence	high	Low	low
Direct marketing to consumer influence	high	high	Medium
Spending contribution on medical marketing	30%	20%	44%
Spending contribution on POSM marketing	56%	24%	20%

Impact factor for medical marketing	20%	30%	35%
Impact factor for POSM marketing	30%	15%	10%

Since the organization decided to move the analgesic consumer line from its comfort zone of the tender business to a focus on the private market, it was critical for the team to define a set of metrics that could help management track performance. This would ensure positive and desired progress toward achieving the corporate goals. The team defined key metrics, shown in Table 12 that could be greatly influenced by the planned marketing activities, along with set targets. As described in Table 11, the community pharmacy has access to both healthy and non-healthy consumers, unlike the polyclinic and hospital pharmacies. Community pharmacies represent the vast majority of pharmacies in Kuwait in terms of number. However, that does not reflect the potential of the pharmacies in terms of revenue, as the hospital pharmacies represent 44% of the revenue stream related to pharmaceutical products despite only making up 3% of total pharmacies. Due to the high flow of prescriptions coming from hospitals and polyclinics, the team decided to set the influence of prescriptions as high for polyclinics and hospitals. Based on the survey, and as shown in the rankings of the most effective drivers of OTC analgesic product sales in pharmacies (see Figure 6), pharmacists believe that their own recommendations are the most effective driver of OTC sales. Thus, the team ascribed high influence to pharmacists' recommendations for community pharmacies compared to polyclinic pharmacies and hospital pharmacies. According to the survey and the mean scores for the three categories of influential forces shown in

Figure 9, the team decided to set the influence of direct-to-consumer marketing as high for both polyclinic pharmacies and community pharmacies compared to hospital pharmacies. The team decided to distribute the spending across the three different segments based on the identified influence levels. Spending contribution for medical marketing represented the majority of spending in the hospital pharmacy segment due to the high revenue potential and number of physician prescriptions. The spending contribution for POSM marketing was the highest for the community pharmacy segment, followed by the polyclinic pharmacies and the hospital pharmacies. The impact factors were calculated based on the team's assumptions of the revenue that would be generated with and without the marketing activity. Using this information, the ROMI calculation shown below defines the incremental revenue attributable to marketing for each marketing activity in each segment.

$$\text{ROMI} = \frac{[\text{Incremental Revenue Attributable to Marketing(USD)} * \text{Contribution Margin\%} - \text{Marketing Spending(USD)}]}{\text{Marketing Spending(USD)}}$$

The second objective of the first workshop was to identify sets of metrics related to the target segments. The team decided to set the metrics and targets as shown in Table 12.

Table 12: Metrics for each target segment

Metric (title)	How measured/source	Actual	Target
Segment metrics			
Desired Market Share vs. Actual market leader	%/ IMS		8% vs. 82%
Sales Value vs. Competitor (market leader)	Value/IMS		$885,000 vs. $6.1m
Revenue segment 1: community pharmacies	ERP system		$310,000
Revenue segment 2: polyclinic pharmacies	ERP system		$185,000
Revenue segment 3: hospital pharmacies	ERP system		$390,000
Gross Margin segment 1: community pharmacies	ERP system		$124,000
Gross Margin segment 2: polyclinic pharmacies	ERP system		$74,000
Gross Margin segment 3: hospital pharmacies	ERP system		$156,000
ROMI (Medical Marketing) segment 1: community pharmacies	ERP system		3%
ROMI (Medical Marketing) segment 2: polyclinic pharmacies	ERP system		4%
ROMI (Medical marketing) segment 3: hospital pharmacies	ERP system		12%
ROMI (POSM marketing) segment 1: community pharmacies	ERP system		107%
ROMI (POSM marketing) segment 2: polyclinic pharmacies	ERP system		48%
ROMI (POSM marketing) segment 3: hospital pharmacies	ERP system		212%

The team decided to define the corporate metrics as follows: the desired market share versus the market leader, sales value versus the market leader, revenue target for each defined segment, and the ROMI target for each defined segment for both medical marketing and POSM marketing. The target ROMI was defined by applying the above mathematical formula for ROMI. It was important for the team to first define the incremental sales of the marketing activity for each defined segment, allowing the ROMI calculation. The determination of the market leader in the category of OTC analgesic medications was done according to AC Neilson's report for the year 2013, when the market leader had a more than 80% share of the market. As such, the competitor was set as the benchmark against which to monitor performance. It was also important to monitor market share as a key metric. The market is monitored by the IMS, which was a key secondary source of data. The target revenue and gross margin are normal metrics that the sales team was accustomed to using in all scenarios related to sales activities. The ROMI calculation was a new metric that was being introduced to the team for the first time. At first, it was difficult for the team to accept its use and it was also difficult for the team to make the calculation of incremental sales related to the marketing activities. In the end, however, the team began to realise how important the exercise was, as it enabled them to reflect on how each marketing activity would be reflected in the metrics for each defined segment. The other important factor was for the team to appreciate the marketing spending for each marketing activity in each segment. This gave them a thorough understanding of the amount to be spent and allowed them to carefully calculate the desired ROMI. The team also concluded that having more historical ROMI data in the coming years would enhance their learning about how to increase the efficacy of the marketing decision making process.

6.5.2 Outcome of the second workshop

The second workshop dealt with developing the strategies to help the team achieve the desired goals and determining what the team needed to focus on. The question that needed to be answered at this workshop, as defined by Mouncey (2009), was 'What impact factors will impact the performance?'

The team decided to investigate the impact of four different drivers: POSMs, medical detailing to influence prescription writing, the pharmacist's recommendation, and free-of-charge goods supplied with the products as a promotional tool. It was a challenge for the team to agree on the analytical outcome of the data collected from the survey and how this could influence the intervention plan. According to Mouncey (2009), impact factors need to be divided into three types: qualifying factors, competitive advantage factors and productivity factors. Qualifying factors are those that bring products to the minimal acceptable level from the customer's perspective. In our project, the customers were physicians, pharmacists and consumers. According to industry norms, the team believed that having all the different driving factors (POSMs, medical detailing and supply of FOC goods) was essential and a minimum requirement to compete in the market. The competitive advantage factor meets the customer's needs and demands; doing so over time is crucial in order to gain a competitive advantage in the market, which would be reflected in the project's performance. The qualifying and competitive advantage factors aim to increase the project's revenue and market share, whilst the third type of impact factor, the productivity factor, aims to improve the profitability of the project. The focus of the productivity factor is on the team's decision-making process, how the team is structured, and how the strategy is formed to deliver

results and performance. In line with that, the team selected the following impact factors:

- Detailing activities for physicians and pharmacists
- Implementation of POSMs by the marketing department according to the defined planograms
- Supply of FOC goods

As noted, the above three impact factors were considered minimal requirements to be competitive in the market, but what provides the competitive advantage is the effective implementation of the marketing activities to improve visibility and brand awareness, in addition to the marketing and sales coverage of the detailing activities and supply of FOC goods. Smart spending through close monitoring of the ROMI is what improves the productivity factor; that can be done by selecting the physicians to be covered in the detailing activities, how much to spend for the POSM activities and what percentage of FOC goods should be supplied to pharmacies as a bonus. The following table presents the gap analysis of the impact factors by strategy.

Table 13: Gap analysis of impact factors by strategy

Impact factor and actions	Metric	Actual	Target	Segment performance metric	Actual	Target
Consumer factor: Promotional activities related to point of sale materials						
Improve visibility	Number of POSMs implemented		35 counter-top and 30 floor stands	Market share vs. market leader		8% vs. 82%
Improve brand awareness	Cost of POSM implemented		$17,000	Sales value vs. market leader		$885,000 vs. $6.1m
Improve coverage				Revenue for segment		$575,000 polyclinic and hospitals
				Gross margin for segment		$286,000
				ROMI for segment		107% in community pharmacies, 48% in polyclinic pharmacies, 212% in hospital pharmacies
Expert Factor: Medical detailing with physicians and pharmacists						
Full coverage of pharmacies	Number of visits		3422	Market share vs. market leader		8% vs. 82%
Coverage of all class A and B general practitioners	Cost of medical representative visits		$82,000	Sales value vs. market leader		$885,000 vs. $6.1m

Using medical marketing aids	Medical Aids (Drop-card and brochures)		$3000	Revenue for segment		$354,000
	Scientific gatherings		$6000	Gross margin for segment		
				ROMI for segment		58% in community pharmacies, 11% in polyclinic pharmacies and 86% in hospital pharmacies
Retail Factor: Supply of free-of-charge goods to pharmacies						
Full coverage of pharmacies	% of FOC goods supplied versus revenue		60%	Market share vs. market leader		8% vs. 82%
Reduction in the percentage of the FOC goods to be supplied versus last year	Cost of FOC goods supplied versus revenue		$244,000	Sales value vs. market leader		$885,000 vs. $6.1m
Achieve growth in the revenue and gross margin in all segments	Cost of FOC goods supplied versus gross margin		$244,000 vs. $477,000	Revenue for segment		$885,000
				Gross margin for segment		$354,000

Table 14 summarizes the metrics chosen to assess the outcome of the defined impact factors. For the consumer factor, the team decided to focus on pharmacies in the community and polyclinic segments, in which there was a high influence of direct marketing to consumers. The team also decided to implement some of the POSMs in a few outlets in the polyclinic and hospital pharmacy segments. The target revenue related to this impact factor was set at $477,000, while the target gross profit was set at $286,000. As defined in Table 14, the target ROMIs for this impact factor were based on POSM marketing to improve feasibility and brand awareness. The target revenue and gross margin for the expert and retail impact factors were generalized with the total of all three segments. The team decided to cover all three segments with medical detailing activities since physicians have the highest influence on prescriptions in both the polyclinic and hospital pharmacy segments while the pharmacist, as per the survey findings, have the highest influence on the consumer's decision in community pharmacies. The target revenue and gross margin for the retail impact factor, which is related to the supply of FOC goods, was also generalized, as the FOC goods are supplied to all three segments.

6.5.3 Outcome of the third workshop

The aim of the third workshop was to link the marketing actions with their relevant costs and performance measurements, in order to measure the impact of the defined action plan on the budget and the outcome. In other words, it was about building the assumption of cause and effect. Since the project was of a consumer nature, It was important for the team to assess the causes and effects of the marketing activities related to the consumer impact factor. Since the project was well diversified, it was therefore difficult for the team to generalize the impact, unlike with the expert and

retail factors. Setting the budget for each element of the action plan and the expected outcomes in the form of revenue and net profit was already a regular process at the researcher's organization. It was important to identify the linkages of all key metrics; these are summarized in Table 14.

Table 14: Marketing actions for the consumer impact factor

Marketing action	Metrics	Quantity	Budget ($)	Actual Related incremental revenue	Target Related incremental revenue	Segment performance metric	Actual	Target
Consumer factor: Promotional activities related to point of sales materials								
Indoor activity (POSM)	Floor stand	30	$13,650		$125,000	Market Share vs. competitors		8% vs. 83%
	Counter top	35	$3,350		$50,000	Sales Value vs. competitors		$885,000 vs. $6.1m
	Cost of POSMs implemented in community pharmacy segment		$12,000		$75,000	Revenue for community pharmacies segment, Revenue for polyclinic pharmacies segment, Revenue for hospital pharmacies segment		$310k, $135k, $390k
	Cost of POSMs implemented in polyclinic pharmacy segment		$2,500			Gross margin for community pharmacy segment, Gross margin for polyclinic pharmacy segment, Gross margin for hospital pharmacy segment		$124k, $74k, $156k
	Cost of POSMs implemented in hospital pharmacy segment		$2,500			ROMI of segment		107% in community pharmacies, 48% in polyclinic pharmacies and 212% in hospital pharmacies

The team defined the indoor activities for the selected line as including floor stands and counter tops as POSM locations. The team also defined incremental revenue for POSMs that could directly impact sales, like floor stands, counter tops and gondolas. It was decided that the general target for community pharmacies would be the key indicator for the window display rollups, as these POSMs do not have as much of a direct impact on sales as they do on product branding, which was a key strategy for the brand for the defined year. The total cost of the indoor activity was estimated to be 17,000 USD and this amount also included also the estimated space rental at each pharmacy outlet. When calculating the incremental sales, the team considered two factors: the revenue expected without the indoor marketing activity; and the revenue expected with the indoor marketing activity. The team chose the following formula to calculate the incremental revenue for the indoor marketing activity:

$$\begin{aligned} &Incremental\ revenue\ for\ indoor\ marketing\ activity \\ &= revenue\ with\ indoor\ marketing\ activity - revenue\ without\ indoor\ marketing\ activity \end{aligned}$$

The workshop was found to be useful for the team, as it was the first time that all participants calculated the incremental revenue for the indoor marketing activities. The team faced some difficulties in doing the calculation, but with the help of the marketing team, they were able to create their own formula to calculate how each POSM could impact the revenue. They did this by considering the potential of the community pharmacy, the space rental, the seeding orders and the repeat orders. It was clearly defined that the marketing team would be responsible for finalizing the design of the POSMs as well as for choosing the locations for implementation. The sales team would be responsible for implementing the plan defined by the marketing team.

6.5.4 Outcome of the fourth workshop

The fourth workshop aimed to bring the previous efforts together by reviewing the corporate goals and market segments from the first workshop, the defined impact factors from the second workshop and the correlation between the budget and action plan from the third workshop. The team decided to follow the audit process suggested by Mouncey (2009) by covering the following list of points:

- Is the team implementing the authorized action plan?

According to company policy, the approved business plan empowers the sales manager to take the actions necessary to implement the plan without needing to consult with management. A quarterly business review is carried out at the organization to ensure that the business outcomes are occurring according to the plan, and in the case of any major deviation, management interference in the project would be valid.

- Does the action plan have a sponsor in senior management?

The researcher is the organization's managing director and has given full authority to the sales manager to execute the action plan without interference. Interference will only be used in the case of non-compliance with organizational policy or in the case of a deviation of more than 10% from the set targets.

- Have the resources needed to execute the action plan been allocated?

The action plan was approved prior to the commencement of the new fiscal year. Thus, the required resources in terms of manpower, marketing budget and other requested expenses and resources have been allocated for the project.

- Which corporate goals could be influenced by the marketing strategy?

Smart spending is a key corporate goal that has evolved dramatically within the organization as a result of the action research.

- Have the responsibilities been distributed to members who will monitor each metric?

Each team member has clearly defined responsibilities, as do the sales manager and researcher. This is key for tracking the performance of the metrics, which have been incorporated into the organisation's ERP system. The following table describes the frequency and responsibility for data collection related to the defined metrics.

Table 15: The frequency and responsibility of collecting & monitoring data related to the set metrics

Metric (title)	How measured/source	Frequency of collecting the data	Who measures	Who monitors	Who acts
Desired Market Share vs. competitor (market leader)	%/ IMS	Quarterly	Business development department	Management	Sales Team
Sales Value vs. competitor (market leader)	Value/IMS	Quarterly	Business development department		
Revenue for segment 1: community pharmacies	ERP system	Monthly	Account and finance department		
Revenue for segment 2: polyclinic pharmacies	ERP system		Account and finance department		
Revenue for segment 3: hospital pharmacies	ERP system		Account and finance department		
Gross Margin for segment 1: community pharmacies	ERP system		Account and finance department		
Gross Margin for segment 2: polyclinic pharmacies	ERP system		Account and finance department		
Gross Margin for segment 3: hospital pharmacies	ERP system		Account and finance department		
ROMI (Medical Marketing) for segment 1: community pharmacies	ERP system		Account and finance department		

ROMI (Medical Marketing) for segment 2: polyclinic pharmacies	ERP system		Commercial director & marketing department		
ROMI (Medical marketing) for segment 3: hospital pharmacies	ERP system		Commercial director & marketing department		
ROMI (POSM marketing) for segment 1: community pharmacies	ERP system		Commercial director & marketing department		
ROMI (POSM marketing) for segment 2: polyclinic pharmacies	ERP system		Commercial director & marketing department		
ROMI (POSM marketing) for segment 3: hospital pharmacies	ERP system		Commercial director & marketing department		

6.5.5 Outcome of the fifth workshop

The research team conducted several business review sessions throughout the year to ensure that the implementation plan was being carried out according to plan with no major obstacles, and that the field force had an acceptable understanding of their obligations with regard to the implementation of the action plan. Many difficulties were reported during the business review meetings. Details about these difficulties are provided in the conclusion of this chapter and in Chapter Eight.

A key challenge identified by Mouncey (2009), who created the RoMI model adapted for this research, is the ability to find a reliable data source for tracking performance. One measure for minimizing the risk of unreliable data in the current study was its size. The study was carried out only on the analgesics lines, with a defined marketing spend to ensure that the framework for measuring the RoMI and impact on sales was clearly defined. The purpose of the fifth workshop was to look at the data that had been collected and reviewed during the business review meetings. The team made sure that all the collected data had been validated, compared the findings with the first component of the study, and confirmed that the secondary data came from defined sources.

The following tables represent the data collected after the close of the fiscal year.

Table 16: Data collected for gap analysis of impact factors

Metric (title)	How measured/source	Actual	Target
Segment metrics			
Desired market share vs. market leader	%/ IMS	7% vs. 81%	8% vs. 82%
Sales value vs. market leader	Value/IMS	$765,000 vs. $5.9m	$885,000 vs. $6.1m
Revenue for segment 1: community pharmacies	ERP system	$322,000	$310,000
Revenue for segment 2: polyclinic pharmacies	ERP system	$135,000	$185,000
Revenue for segment 3: hospital pharmacies	ERP system	$308,000	$390,000
Gross Margin for segment 1: community pharmacies	ERP system	$136,800	$124,000
Gross Margin for segment 2: polyclinic pharmacies	ERP system	$57,375	$74,000
Gross Margin for segment 3: hospital pharmacies	ERP system	$129,360	$156,000
ROMI (Medical Marketing) for segment 1: community pharmacies	ERP system	7%	3%

ROMI (Medical Marketing) for segment 2: polyclinic pharmacies	ERP system	30%	4%
ROMI (Medical marketing) for segment 3: hospital pharmacies	ERP system	-57%	12%
ROMI (POSM marketing) for segment 1: community pharmacies	ERP system	105%	107%
ROMI (POSM marketing) for segment 2: polyclinic pharmacies	ERP system	8%	48%
ROMI (POSM marketing) for segment 3: hospital pharmacies	ERP system	146%	212%

Table 17: Data collected for impact factors

Impact factor and actions	Metrics	Actual	Target	Segment performance metric	Actual	Target
Consumer factor: Promotional activities related to point of sales materials						
Improve visibility	Number of POSMs implemented	33 counter top and 30 floor stands	35 counter top and 30 floor stands	Market share vs. competitor	7% vs. 82%	8% Vs. 82%
Improve brand awareness	Cost of POSMs implemented	$17,000	$17,000	Sales value vs. competitor	$765,000 vs. $5.9m	$885,000 Vs. $6.1m
Improve coverage	Cost of POSMs implemented in community pharmacies segment	$12,000	$12,000	Revenue for segment	$322k, $135k, $308k	$310k, $185k, $390k
	Cost of POSMs implemented in polyclinic pharmacies segment	$2,500	$2,500	Gross margin for segment	$136k, $57k, $129k	$124k, $74k, $156k
	Cost of POSMs implemented in hospital pharmacies segment	$2,500	$2,500	ROMI for segment	105% in community pharmacies, 8% in polyclinic pharmacies and 146% in hospital pharmacies	107% in community pharmacies, 48% in polyclinic pharmacies and 212% in hospital pharmacies

Expert Factor: Medical detailing with physicians and pharmacists						
Full coverage of pharmacies	Number of visits	3198	3422	Market share vs. competitor	7% vs. 82%	8% vs. 82%
Coverage of all class A and B general practitioners	Cost of medical representative visits	$82,000	$82,000	Sales value vs. competitor	$765,000 vs. $5.9m	$885,000 vs. $6.1m
Using medical marketing aids	Medical Aids (Drop-card and brochures)	$3000	$3000	Revenue for segment	$443,000	$575,000 polyclinic and hospitals
	Scientific gatherings	$6700	$6000	Gross margin for segment	$186,735	$230,000
				ROMI for segment	7% in community pharmacies, 30% in polyclinic pharmacies and -57% in hospital pharmacies	3% in community pharmacies, 4% in polyclinic pharmacies and 12% in hospital pharmacies

Retail Factor: Supply of free of charge goods to pharmacies						
Full universal coverage of pharmacies	% of FOC goods supplied versus revenue	55%	60%	Market share vs. competitor	7% vs. 81%	8% vs. 82%
Reduction in the percentage of the FOC goods to be supplied versus last year	Cost of FOC goods supplied versus revenue	$231,800	$244,000	Sales value vs. competitor	$765,000 vs. $5.9m	$885,000 vs. $6.1m
Achieve growth in the revenue and gross margin in all segments	Cost of FOC goods supplied versus gross margin	$231,800 vs. $323,000	$244,000 vs. $477,000	Revenue for segment	$765,000	$885,000
				Gross margin for segment	$323,535	$354,000

6.5.6 Outcome of the sixth workshop

In the sixth workshop, the participants reviewed the outcome of the intervention plan and discussed the findings. The team found it useful to employ the ROMI model throughout the process, as it helped them identify new key performance indicators that allowed them to analyse the business situation and devise a more effective action plan.

The team found additional metrics to add to the previously identified ones:

1. The registration timeline, if applicable
2. Necessary regulatory approvals
3. Supply chain process
4. Distribution efficiency
5. Classification of the outlet
6. Demographic factors
7. Sales team stability
8. Listing of the products in the hospitals' formularies

The team identified the above key metrics because it was thought that they could dramatically affect the outcome of the intervention plan, especially since the products are pharmaceuticals, which require special storage and distribution practices. The only two metrics from the above eight that actually affected the intervention plan were metrics related to the supply chain and the listing of the products in the hospitals' formularies. There was a delay from the factory in supplying the goods to the market and that made the team unable to generate sales for the defined products for around 45 days. The delay in listing the products in the hospital formularies did not significantly affect the overall outcome.

The revenue achieved was 15.6% below the target. This affected the goal of achieving 8% market share; only 7% market share was achieved. The main factor behind the decline in sales was the delay related to the supply of the goods to the market. The revenue achieved per segment was positive for the community pharmacies, as the team managed to achieve good coverage and hence, exceeded the set target. Revenue targets were not achieved for either the polyclinic or hospital segments, mainly due to the delay of supply of goods as well as the delay in listing the products on some key hospitals' formularies. The gross margin/revenue ratio for all three segments was higher than the target, but was less in value than the set target due to the lower revenue achieved.

In assessing the impact on sales of consumer factors related to the indoor marketing activities, it was noted that the implementation of the activities had 97% success, with 63 out of the 65 materials being implemented successfully and the remaining 2 not being implemented due to damage to the counter-top materials. The impact on sales was significant in the community pharmacies, as the majority of the implemented POSMs were in the community pharmacies and 70% of the POSMs' cost was invested in this segment. Thus, the impact on sales was outstanding, with the community pharmacy segment being the only segment in which the team managed to achieve its targets. Regarding the RoMI, one notable finding was with the ROMI achieved through the hospital pharmacies. Even though it was below the set target, the hospital pharmacy is the most valuable segment in terms of revenue stream compared to other segments in the private sector. The key learning outcome out of this experience was that the successful implementation of POSMs in the hospital segment would result in an extremely high RoMI. However, the challenge here is the difficulty of implementing POSMs in the hospital segment. Reasons for this difficulty include the limited number of

hospital pharmacies, limited space availability and tough competition. Successfully implementing indoor marketing activities in hospital pharmacies was considered by the sales team to be a good achievement. A disappointing result came from the polyclinic pharmacy segment in terms of the RoMI related to the implementation of indoor activities. A significantly lower figure than the set target was achieved (8% vs. 48%). The research team justified this result as being because the pharmacies selected had low potential and none were classified as class A pharmacies.

When assessing the impact on sales as a result of the medical activities, it is fair to conclude that the impact was positive as a result of the sales achieved in the hospital pharmacy segment. It is important to note that the team made a tremendous effort to list one key product in 7 hospitals, and considering the impact of the delay in supply, the result of 12.4% under the target revenue can be seen as a positive result. The RoMIs achieved through the polyclinic and hospital pharmacy segments were interesting to note, with the polyclinic pharmacies achieving a 30% ROMI versus a target of 4%, and the hospital pharmacies achieving a -57% ROMI versus a target of 12%. The research team explained this significant variation in ROMI between segments as being due to the high attention given to listing a product and increasing prescriptions of that product in the hospital pharmacy segment. The same reason explains the low impact on sales achieved in the polyclinic pharmacy segment. It worth noting that the coverage of the medical team must have had a positive impact on sales in the community pharmacy sector and that is in line with the finding from the first component of this research, in which the pharmacists' recommendations were considered the most influential driver of OTC product sales in pharmacies. As a result, the resulting ROMI for the community pharmacy segment was higher than the set target.

Regarding the free-of-charge goods, the sales team decided to decrease the FOC goods supplied to the pharmacies by 5%. As a result, the gross margin exceeded the set target of 40%, with 42%, mainly in the community pharmacies and polyclinic pharmacies. The impact on sales was insignificant. The key finding here is that gradually reducing the FOC goods supplied to the market is a wise thing to do rather than enacting a sharp decrease, in order to avoid a negative impact on sales. The sales team was not able to reduce the FOC goods supplied to hospital pharmacies due to the limited number of hospital pharmacies and the low bargaining power of the team based on limited historical data.

6.6 Conclusion

The main components of action research are creating the action, seeing the results and undergoing a transformation on the basis of these results. Transformation comes through thinking and acting in a particular manner. With the passage of time, the researcher can implement changes in the wider social arena, involving even more stakeholders. The research takes shape as it is performed by the people involved. Greater understanding is achieved at each point and with time, ways to improve practices are developed (Creswell, 2003).

Some important points regarding the course of action research are highlighted below:

- Practice and inquiry: These are done to effect a change in a given scenario by taking into account a purposeful action. Emphasis on rigorous approaches and methodologies, which are required to validate assumptions, is maintained.
- Converting theory into practice: Theories are used to generate practices. This begins with the study of human interactions, values and needs. Patterns of change are informed by social needs and demands.

- Inside and outside expertise: Inside expertise is used to develop an understanding of the problem through action research. Then, methods are employed to empower the user. Outside expertise is also called upon to guide the process of change.
- Individual and group processes: Action research is a phenomenon in which the researcher explores research questions to investigate a process. At times, a group of researchers works to identify a common question and then undertakes the investigation.
- Problem-based approach: In a problem-based approach, the problem is identified and progressive problem solving is undertaken. Multiple cycles of inquiry can be employed in order to remove confusion.
- Transformation of identity and effecting social change: The main outcome of action research is meant to be change in a social context by influencing the processes by which people think and feel.
- Shared knowledge and shared practices: After the results are obtained, action researchers share their practices and findings in a more general and applicable manner.

Regarding the action research component of this study, the entire experience was unique, not only for the research itself, but for all co-researchers (team members) who participated in the research. It was a positive learning process in which the learning outcome significantly impacted the know-how of the research team. This was a result of the positive impact on the business achieved due to the project. The team decided to extend the practice to all other potential projects managed by the organization, and that decision has already been put into place through a request that

the business development team include the defined model in the business plan template for all potential projects. The business development team will also consider the addition of the new metrics agreed upon in the sixth workshop. Applying the defined model to new projects will increase the size of future studies, which will proportionally reduce the impact of the small study size in this study. The team also identified a new factor to be considered for other projects—the stock pressure tool of promotion. It was found in the quantitative component of this study that the influence of inventory pressure was higher than was previously found by Kotecki (2002); in Kotecki's study, pharmacists who purchased products in bulk were less likely to recommend the product to the customer. The geographical distribution of pharmacies was not considered in this study, but the team decided to include this consideration in future studies. They will also consider retail avenues other than pharmacies, including supermarkets and grocery stores. It is also important to note that the study did not consider the classification of the pharmacies as a key metric prior to the implementation, in order to avoid a low ROMI, similar to what was found in polyclinic pharmacies after the implementation of the POSMs. As a result, the team agreed that more attention will be given to the visit plans of the medical representatives and the classes of the physicians to be visited. The team will not over-visit Class A physicians while neglecting clinics with lower potential. This action research did not consider the demographic factors of the healthcare professionals, despite the fact that the survey clearly found that medical forces influence female pharmacists to a higher degree. It was interesting that the coverage of the medical team had a positive impact on sales in the community pharmacy sector, as this is in alignment with the finding from the survey that the pharmacists' recommendations are considered to be the most influential driver of the sales of OTC products in pharmacies. It is important to note that the expected ROMI coming from

medical activities and indoor marketing activities in community pharmacies cannot be as high as the expected ROMI coming from the polyclinic and hospital pharmacies. The reason for this is the high number of community pharmacies versus other pharmacy settings, as well as the low average per-pharmacy revenue stream coming from the community pharmacy segment compared to the average per-pharmacy revenue stream coming from the polyclinic and hospital pharmacy segments. In conclusion, the team managed to overcome many major obstacles that caused them to consume a large amount of time, such as the difficulty in doing the ROMI and incremental revenue calculations.

Chapter 7

Conclusion and Implications

7.1 Introduction

This study aimed to assess the return on marketing investment and the impact on sales of various marketing activities for OTC pharmaceutical products. The goal was to help improve the sales and marketing decision-making process. Quantitative and action research components were used to meet the objectives of this research, test the defined hypotheses and answer the research questions. The aim was to address the gaps in the existing practice regarding the measurement of marketing's impact on sales and return on marketing investment by executives in the pharmaceutical industry. This chapter elaborates on the overall conclusions of the study and how the findings can be taken extended through future research.

7.2 Main findings

The study answered all the research questions, with the following key findings:

The action research component found that the impact of indoor promotional activities on revenue was positive for the community pharmacies. It was interesting to find that successful implementation of POSMs in the hospital segment would result in a high ROMI while a low ROMI would be achieved for POSMs in the polyclinic pharmacy segment. The ROMI achieved through medical marketing activities was around 30% for polyclinic pharmacies, while these activities had a -57% ROMI at hospital pharmacies. The team found that the coverage of the medical sales team with healthcare professionals had a positive impact on sales in the community pharmacies, which was in line with the survey finding that pharmacists' recommendations are considered the most influential driver of OTC product sales in pharmacies. Also in line with those findings, the medical marketing ROMI for the community pharmacy segment was higher than the set target. Furthermore, the average ROMI achieved through indoor

promotional activities was 86.3%, while the average ROMI achieved through medical detailing was -6.6%.

In the survey, 98% of pharmacists confirmed that they provide favourable recommendations for OTC products, including analgesics. In terms of pharmacists' opinions of the factors driving sales, the marketing forces achieved the lowest score overall compared to the medical and social forces. This might indicate that the behavior of pharmacists is based on what directly benefits the pharmacy. In addition, pharmacists' recommendations were rated as the biggest driver of OTC analgesic sales in the pharmacy, followed by free-of-charge goods/mark-up provided, and prescriptions, with point-of-sale materials receiving the lowest score. This finding can be considered as being in line with the action research finding that the reduction of FOC goods supplied to pharmacies had no significant impact on sales.

As per the first component of the study, the highest influencer of revenue was found to be the pharmacists' personal experience with the product, suggesting that pharmacists' own experience with the product is as influential as the clinical evidence. Additionally, pharmacists' recommendations were found to be the most influential sales driver, meaning that medical detailing of pharmacists is a crucial marketing activity. This was supported by the study's second component, in which the medical detailing of pharmacists at community pharmacies led to a 7% ROMI, while the target was 3%. The polyclinic pharmacies achieved a 30% ROMI, while the set target was 4%, showing the high influence of pharmacists in the polyclinic pharmacies.

Of the marketing forces assessed, the percentage bonus related to the product and stock/inventory pressure achieved the highest scores in terms of impact on revenue, achieving mean scores of 4.25 and 4.23, respectively, on the survey. The

finding from the action research found that reduction of FOC goods supplied to pharmacies had no significant impact.

7.3 Research and managerial implications of the findings

Regarding the implications of this research, several key learnings can be identified. The first is that the use of action research in the workplace is clearly beneficial for scholar practitioners who aim to create simple and customized models that can be used in practice. Executives are too busy to study complex models; these can only be implemented by hiring leading consultancy firms at a high cost and are thus not suitable for ordinary workplace problems. Although the literature contains plenty of theories that are impossible to implement without external support, an important way to identify solutions to workplace problems is to create a link between academia and business practice. Tenkasi and Hay (2004) assert that theory and practice together lead to an actionable study that can act as a bridge between the worlds of business and academia. Two outcomes are generated from this: one is the organizational result and the other one is the theoretical knowledge gained. However, there is still a lack of clarity as to how these dual outcomes can be achieved. The scholar-practitioner serves as a link through which desired results are obtained (Tenkasi & Hay, 2004: 114).

According to Tenkasi and Hay (2004), actionable scientific knowledge is the only means that can help successfully span the science that provides a rigorous base for action research. Such knowledge meets the criteria for information required by the scientific community and by the business needs of an organization. Management science calls for relevance and rigor that affect knowledge change practices, which are different modes of knowledge practices generated from practical issues arising in a business. A useful, actionable study not only advances knowledge about practical business

problems but also provides a better understanding of business solutions (Tenkasi & Hay, 2004).

The second key learning from this study is about the ability to play the dual role of executive and scholar-practitioner. It was a key challenge for the researcher to play that role while being an executive and guiding the other co-researcher to play a similar role. In order to become a scholar-practitioner in a particular field of study, it is critical to embed theory within a practical approach. Superficial knowledge does not make one a true scholar-practitioner; it is a role that requires true engagement, both as a scholar and as a practitioner. A third important learning was regarding the industry's influence on the researcher, as the practical support provided to the scholar-practitioner is an important factor. Industry support can take the form of sponsorship of case study research within a corporation. A company can even allow a practitioner who is employed full time to carry out academic activities on a part-time basis. The industry can support the scholar-practitioner by offering opportunities to practice and apply management theories.

Scholar-practitioners can face a tough challenge in managing their professional and educational goals at the same time. Therefore, industries can support them by offering part-time jobs that allow them to balance study with the chance to undertake research based on factual knowledge. In this research, being an insider in the organization allowed the researcher to complete the study successfully. Scientific knowledge is usually based on empirical skills. However, in the scholar-practitioner approach, the focus is maintained on objective and subjective skills and the self-observations of the participants. The problem is identified and the hypothesis is formulated. Appropriate evidence is sought to support or disprove that hypothesis.

Finally, the overall opinion formed is publically shared and the conclusions are presented to peers. If all these steps are followed, better outcomes can be achieved. Otherwise, application of the model may be in vain.

From the perspective of practical managerial implications, the study's purpose was to explore the impact on revenue and ROMI of different marketing elements. Analysis of the data identified several key practical managerial implications that can be considered as central takeaways for executives responsible for the marketing of OTC medicines in emerging markets similar to Kuwait. First, detailing as part of medical marketing is an essential tool that can be used intensively in community pharmacies to increase pharmacists' awareness of OTC medicines. Many executives neglect pharmacists in the community pharmacy segment, instead putting sole focus on prescribers in their medical marketing. The expectation of ROMI for medical marketing in the community pharmacy segment should be reasonable, reflecting steady improvement in pharmacists' awareness levels.

Second, introducing POSMs to the hospital pharmacy segment, where possible, should achieve a significantly high ROMI if an attractive location and rent can be secured at the outlet; this is due to the high flow of patients visiting the hospital pharmacy. The number of hospital pharmacies is considered to be limited in comparison to other types of pharmacy practice settings and securing a location in a hospital pharmacy would be a key achievement that would contribute toward a high impact on revenue and ROMI.

Third, the majority of executives managing OTC medicines in emerging markets are likely to be hesitant to make significant changes to marketing tactics due to the traditional nature of those markets and the fear of sudden unexpected reactions to a

major shift in marketing approach. Reducing the bonus being supplied to pharmacies might be difficult for many executives to do. The finding of this study, however, suggests that bonus goods provided to pharmacies have an insignificant influence on sales. Hence, investment in other marketing elements, such as medical marketing in the form of workshops, detailing, conference sponsorship and POSMs, would be more effective. At the same time, however, bonuses may have a role that was not looked at in this study, in areas like listing and promotional offers.

7.4 Contributions made to the researcher's organization

This research work contributed to the researcher's organization in many key business aspects. First, the introduction of the multidimensional practice of measuring ROMI by bringing both a quantitative approach and action research methodology created a decision making process to be followed by the organization's executives. Second, bringing theory to practice while carrying out a research in the workplace provided a key contribution to the organization. This is something that was done for the first time by all research participants and gave them the confidence to carry out further research in the organization, with the aim of improving business practice and creating new knowledge to solve workplace problems. Conducting the research in an action research form greatly contributed to the research team's increased confidence with carrying out research. This is due to the participatory nature and democratic process of action research, which balanced the influence of team members and led to knowledge formation. Third, the ability to transfer knowledge among research peers was crucial in the ability to find solutions to the identified problem of measuring the ROMI, which represents a relatively common challenge among all key players in the industry. Fourth, the researcher's organization is a mid-sized company for whom hiring a reputable consultancy firm to help with complex problems would be very expensive. The team

believed that they could solve a complex problem by thinking collectively in a rigorous manner; such an achievement can be considered a solid foundation to be used by other players in the industry and to be replicated on other projects within the researcher's organization. Finally, a key empirical implication is the ability to generalize the findings of this research, such that they are not limited to the specific project tackled. The ability to transfer knowledge has made the research team confident in the quality of the cumulative knowledge built into this research. This cumulative knowledge aims to collect the empirical evidence to apply to other workplace problems that have a similar context. As a result, the researcher agreed with the business development team to apply the same ROMI model to all the other trading projects in order to gain the long-term perspective of the applied ROMI model and to continuously contribute toward improving the cumulative empirical evidence from the research and the future application of the ROMI model in the researcher's organization.

7.5 Conclusion

The scientific rigor of the scholar-practitioner model can be called into question in many cases. However, according to the researcher and his executive peers, the actual impact brought about by the scholar practitioner as a result of the research—in particular the action research component—is what needs to be questioned. The scholar-practitioner model is widely accepted and may be considered a key learning process that encourages critical thinking and innovation. The final essential aspect of the scholar-practitioner model is ensuring a democratic environment and minimizing bias throughout the model's formation and the analysis process.

Chapter 8

Limitations and recommendations for future research

8.1 Introduction

Many key limitations were encountered by the researcher in this study. One was the time constraint, which restricted the ability of the researcher to play the dual role on certain occasions. The research skills of the co-researchers presented another key challenge that consumed a great deal of the researcher's time. There are limited number of studies covering OTC medicines in an emerging market, despite the significant importance and complexity of the subject. Many of the identified aspects of this market can be further studied by scholars and marketers, especially regarding the interactions among the marketing elements and their impact on sales, listing capabilities, market share and ROMI.

8.2 Limitations

Some key limitations were identified based on the findings of this study. One limitation is the possible bias resulting from pharmacists favouring their own recommendations as the main driver of OTC product sales. This result was further validated through the action research component of this study, but the survey can be directed to other stakeholders in future studies. Another key limitation is that the survey only targeted pharmacists practicing in three settings: the community pharmacy, the hospital pharmacy and the polyclinic pharmacy. The study did not target medical doctors, who are targeted by pharmaceutical companies to promote OTC products through prescriptions. Another limitation is that a key segment, the consumer segment, was not approached. The consumer segment is influenced either by direct communication through POSMs or by indirect communication through expert recommendations from healthcare professionals like pharmacists and medical doctors.

While the pharmacists were completing the survey with the help of the researcher, they were often distracted by consumers walking into the pharmacy to ask questions or make requests. In some cases, the pharmacists were not able to answer all of the survey questions due to such distractions. Because the study had a marketing focus and pharmacists are more oriented toward scientific subjects, having the pharmacists understand the terms used in the survey was a challenge. The researcher needed to explain in detail the meanings of the terms used, which probably influenced the answers of the respondents. It would have been ideal if the study had covered the full population of pharmacies in Kuwait. However, due to time constraints, the researcher only covered the determined sample size, which took around 100 days.

A key limitation that was identified, particularly at the early stage of the action research component, was gaining the active participation of the co-researchers. The acceptance of such participation was initially low, as the co-researchers had a negative perception of the participation due to their busy schedules, low expectations of the outcome, and the time required. The size of the study was small and that is also a key limitation to achieving a reliable finding. Many other limitations have been identified and discussed in the conclusions of Chapters 5 and 6.

There are numerous challenges in action research. The library work is more demanding than in traditional research, in which the literature relevant to the research is known ahead of time. In contrast, in action research, the interpretation of data determines the course of the research. In other words, the researcher first collects data and then he consults the literature to assess the findings.

Another challenge encountered in action research is its reporting protocol, which is considered to be more complex than that of conventional research. For action

research, it is important to elaborate on the overall purpose of the phenomenon and justify the approach. This needs to be done in a manner such that even if others do not agree with the approach, they can acknowledge the rationale behind the research.

Following on the above two challenges, another problem in action research is encountered while documenting or writing up the results in the form of a thesis. During the thesis writing, more compelling justification is required regarding what the researcher aims to do. To provide such justification, the researcher must write the thesis in two stages. He first needs to describe the methods, interpretations and results, and then he needs to explain why these methods were appropriate for the given situation. If qualitative data was used in the research process, even more space is needed to report it.

Prior to implementing a new initiative, various concerns are presented and one may not be sure how to effectively perform a task. In order to sort out these concerns and arrive at a practical solution to the problem, the context in which the problem is being solved or the solution is being applied must be analysed. The starting point in action research is to sort out a given issue to the extent that its solution can be generated. However, the most important aspect of the phenomenon is that the researcher is honest, rigorous and open.

The value of action research is great because it is a procedure of interactive inquiry in which collaborative analysis is undertaken to create an understanding of the nature and cause of a research issue. At the same time, predictions about personal and organizational changes are made. During this process, many methods are utilized to adjust the balance toward a greater focus on action, thus creating a reflective understanding of a particular action. At various stages of action research, tensions can

arise amongst participants with different viewpoints. For instance, those who are more driven by the aim of the study and those who are more driven by their own agenda might have different aims than the aim of the study. At the same time, differences may arise between those who are more interested in organizational transformation and those who want to attain instrumental goals and targets.

8.3 Future research

A key practical implication that is worth noting is the ability to complete the action research process in an actual workplace setting. Completing the full process on a rigorous and continual basis would facilitate the learning process, the ability to find a solution for the problem through establishing a bridge between academia and practice, and the ability to generate innovative and creative ideas through critical thinking. The focus on OTC medications has a key implication considering the savings that self-medication can bring to any nation, along with improvements in public welfare. A useful practical implication is that action research improves the ability of pharmaceutical industry executives to find the most practical, systematic approach to improving decision making related to sales and marketing investments in the OTC business.

Pharmaceutical marketing is regarded as an important source of information and data, where new concepts are generated and information is progressively layered. The patient-centred approach has gained popularity, in which the person receiving treatment remains the focus of attention for the physician and the pharmacist. Information systems built to improve the understanding of drug products will play a central role in pharmaceutical marketing in the coming years. This information will result in the useful application of knowledge in the healthcare system. Transfer of information and knowledge to the practice occurs on a regular basis. It allows

practitioners to make informed choices, through which the physician can align the drug therapy to individual patients' needs (Chesney & Christensen, 2004).

Within that context, the process of pharmaceutical marketing remains the most comprehensive information system for updating physicians about the pharmaceutical aspects of a drug. Hazards, efficacy, safety, and also techniques for the use of particular products are shared with the practitioner. Information is communicated to sophisticated users who can ascertain the appropriate use of the medicine. The cost is offset by the savings resulting from appropriate use of the medication and this helps in achieving a better position in price competition.

Doing a study in a particular region in the world, with its unique features and characteristics, uncovers valuable practical implications. Since this study was done in an emerging market, it can help pharmaceutical executives adapt their global market approach to specific regions. R. Smith (2005) predicts that the pharmaceutical industry will shift from a mass market to a targeted market. This will help companies reach their desired audiences more efficiently. An entirely new model of marketing will replace the previous one, supporting investment in specific areas. These areas will be identified on the basis of market demand. The pharmaceutical workforce will become smaller and more agile to match the new dynamics. Incremental innovation in marketing techniques will be needed to meet the needs and demands of patients. Only those brands that provide cost value and that can impart the benefits of incremental innovation will survive. The market will be led by the brands that offer a whole healthcare package to patients and that have the capability to meet the changing needs. This means that pharmaceutical companies will need to change their marketing and sales techniques in the coming years in order to sustain their business.

The bargaining power of both suppliers and buyers is increasing with time. The pharmaceutical industry will need to work harder on achieving cost savings. This will require improved collaboration with marketers, suppliers, payers and providers. In such an environment, the pharmaceutical companies will need to prove that their medicines actually work and that people are receiving value for their money. Currently, the shift towards OTC products is increasing. This has given rise to increased attention on the part of the general public to the outcomes of drug therapy. Companies should also share their risk management practices, as well as safety and efficacy rules, to make their products more viable in the long run (Cockburn, 2004).

In order to remain successful in a particular environment, companies need to understand the marketing rules of a given economy. For instance, in the developing world, rules and regulations are entirely different from those of developed countries. Therefore, any company planning to take the plunge into a new market will need to devise strategies that fit the local needs and demands of the market.

All of the changing trends mentioned above, which are either regulatory or economic in nature, will require effective analysis before a strategy for pharmaceutical marketing can be finalized. A company with sufficient knowledge about the local and international business environment can shape and re-shape its strategies in a manner that is effective and useful.

According to Law, Majumdar, and Soumerai (2008), the social, economic and demographic context in which the pharmaceutical industry is operating compels it to move towards change. Seven main trends are currently affecting the pharma sector. These trends are diverse, including the burden of chronic disease, the need for new forms of healthcare, the increasing influence of policymakers and payers, regulatory

burdens, emerging markets, and a focus on prevention rather than treatment (Law et al., 2008).

The economic and social value of treatments for chronic disease will rise according to the nature of the diseases. However, the pharmaceutical industry must reduce its prices and rely on sales volume for such products, as most countries cannot currently afford them. Healthcare policymakers and payers exert a large influence on the prescriptions written by doctors. Treatment protocols have replaced individual prescriptions. The target audience of the pharmaceutical industry, which includes healthcare professionals and consumers, has become more powerful and associated. Now, the industry needs to work harder to reduce costs and to form productive collaborations with healthcare payers and providers. The industry also needs to enhance patient compliance. Therefore, the pharmaceutical market has taken a data-driven approach to prove that their medicines are working, providing cost value, and giving better results than alternative forms of intervention.

Emerging markets refer to the markets of the developing world. In these markets, the demand for medicines is growing rapidly and is also varying with the passage of time. Developing countries possess diverse economic and clinical characteristics, healthcare systems, and attitudes towards the protection of IP (intellectual property). All these factors can affect the future of pharmaceutical marketing in these environments. Regulators are becoming more averse to risk. The leading national and multinational pharmaceutical agencies have become more conscious about offering innovative and diverse medicines.

Pharmaceutical companies need to engage in research and development in addition to developing their marketing capabilities. Improved marketing capabilities

will help increase health awareness, product knowledge and accessibility, from both the healthcare professional and consumer perspectives. It is essential for pharmaceutical companies to come up with marketing models that are customized to the industry, in order to overcome tough challenges and high complexity. The customization of marketing strategies should not just be industry specific; it is essential to customize marketing strategies according to the market's specific nature and characteristics, seeking the highest possible impact on revenue and ROMI.

8.4 Conclusion

It can be concluded that in the coming years, pharmaceutical industry management will need to work on an entirely new model of sales and marketing. The sales team should be trained to launch a product, spread positive information about it and enact price controls. The competitive demands of pharmaceutical sales, regulatory burdens, chronic diseases and the increased influence of policymakers are inducing some dramatic changes that can affect the growth of the overall market. All of these factors should be considered and an entirely new model of pharmaceutical marketing should be constructed that can fulfil the needs and demands of patients in the coming years.

The above context reflects the high pressure being built at a fast pace, increasing the necessity to improve the sales and marketing decision-making process. Thus, more research can help pharmaceutical executives find best model for measuring marketing's impact on sales and the return on marketing investment.

Chapter 9

Reflection on my experience as a scholar-practitioner

9.1 Introduction

This thesis reflects my personal experience as a scholar-practitioner conducting a research in my workplace. This chapter explains how my learning evolved throughout the research process. As indicated previously, I took account of the sense-making and sense-giving within the coherent format within the organization to enable an effective interactive dialogue among research participants and to enhance the learning in practice. I use this chapter to reflect on my learning during the 28 months spent carrying out this research at my organization and, in particular, the 12 months of conducting action research, when my organizational team members participated in the research.

9.2 The research journey

I joined the organization as a managing director and co-partner in 2013 and the research was conducted in the same year. I had previous experience in the field at a different organization that is also in the healthcare industry. Over a period of 7 years, I held several executive positions in the industry. The difficulties that I encountered during my previous experience with increasing efficiency through smart spending were brought with me to my new organization. These difficulties were recognized by myself and my other peer executives, and as a result, we constrained our marketing spending. I recall a sales manager stating, "On several occasions, we worked with the marketing team on a campaign that got rejected by the management due to its high cost without considering the possible return on investment." A pharmacy sales supervisor once indicated the following: "Sometimes we get frustrated, as we are asked to repeat certain marketing activities that we believe are not useful but we do not have solid proof that can support our argument." Furthermore, a brand development manager once stated,

"There is no tracking of our performance and the sales team gets more credit for our work more than we do." I wanted to prevent such problems from reoccurring by tackling the measurement of marketing spend in my workplace through research. The team and I were aware that the research process would take time and that it would require a high level of collaboration to agree on a model to help the organization quantify the projected ROMI and to be a key tool for tracking marketing performance.

With the help of my CEO, partners and executive team, I managed to obtain consent to proceed with this research. It was accepted because it would not distract the team from their daily work activities and at the same time would serve to extract innovative ideas from the team members to help in the measurement of the marketing spend. As indicated in Chapter 6, I arranged a series of workshops with the research team, as per the identified ROMI action research model developed by Mouncey (2009). The dual role that I played throughout the research was quite challenging, since I had to carry out the research work and facilitate democratic dialogue by enabling the participants to openly discuss their views and thoughts without consideration of the authority levels of the other participants. I decided to conduct the series of workshops as part of the regular business plan review meeting and business reviews. The reason for that was because I didn't want the team to feel that they were doing something completely new, which could possibly have increased their resistance to actively participating. The only difference from the regular practice was that, first, I asked the business development manager to introduce the ROMI model into the business plan template that the team used every year to formalize their business plan. The ROMI model was introduced into the OTC project in our organization and in particular, the analgesic line, as described in previous chapters. Second, I shared the survey results with the team and asked them to use it as a basis for the formation of the business plan,

in order to determine the impact factors as per the ROMI model. We ran several sample calculations of the ROMI model prior to the implementation of the action plan to familiarize the team with the model. That helped significantly with improving their understanding of the model. Being the researcher and the managing director at the same time gave the team a high confidence level due to the authority my dual role provided.

The end result can be considered positive, as all participants agreed that they learned something new and it was the first time our organization implemented a model to measure the ROMI. Some participants still doubted the accuracy of the ROMI model and suggested limiting its application to the OTC line and waiting for three years to evaluate the efficacy and the accuracy of the model. In addition, they suggested taking this time to utilize the long-term perspective in order to gain a better understanding of the business and achieve better returns. This critique from some of the participants is in line with the findings of many researchers, who have stated that an evidence-based result that is maintained over a period of three years can build trust in the ROMI model. The overall experience was positive and the since the workshops were part of the business plan and business review meetings, the team felt that the research can have an ongoing nature and that their participation in these meetings will continuously generate ideas, evaluation and rigorous action plans.

9.3 Assimilating theory into practice

Bringing theory and practice together is challenging task and requires an actionable study that can act as a bridge between the worlds of business and academia. Being a researcher and an industry practitioner at the same time gave me a great privilege, as I had access to both theory and support from the industry. I decided to follow an action

research approach for the second component of this research in order to experience the problem first hand. The questions raised in this research made it possible for the ROMI model, as a theory, to be applied in practice. Throughout the entire research process, it was in my mind that action research does not necessary mean that I should expect a successful outcome and hence, I considered that the least outcome I should aim for was to use the action research as a process that could be used by the organization to produce local knowledge that could be used to solve work-related problems.

Many studies have tackled the possibility of bringing theory to practice and the process by which the scholar-practitioner explores management learning and education. Many arguments have been presented in the literature, and Ramsey (2014) describes how ongoing learning in organizations helps managers achieve better work performance through an espousal of the theory of learning-in-practice.

Ramsey (2014) explores three different arguments to reflect on the development of the scholarship of practice and these arguments promote, first, the epistemology of practice as per the research work of Cook and Brown (Cook, 1999), second, Aristotle's intellectual virtue of phronesis (Kraut, 2008) and third, social poetics per the work of Shotter (2001).

The work of Cook and Brown (Cook, 1999) explains that knowing interacts with the world, is shaped by that interaction and is also generative. Hence, practitioners develop knowing in action and that is what leads to the production of new knowledge and innovation. To the best of my understanding, effective interaction generates knowledge transfer, which in turn generates new knowledge with a high possibility of a new theory emerging that can be used to explore similar problems. Aristotle argues that the social science of phronesis, the practical wisdom used to develop action, generates

universal and sustainable knowledge. Hence, action research is considered to be a type of social science research and thus requires a dialogical approach to practice by which the action taken can provide a rigorous contribution. This is in agreement with what has been explored in this research and transferred to the co-researchers. Action research brings a rigorous base to the practice by giving sense to the research team regarding the importance of establishing a link between academia and business practice.

Ramsey (2014) identified the learnings from his own action research as falling within three domains: first, the engagement with ideas, second, the practice of inquiry and finally, the navigation of relations. In the current research, Engagement with ideas was achieved through experiencing the ideas throughout the action research process in this research and assessing what would be appropriate to apply in practice and what would not be. It was essential that the engagement with ideas be embedded with evaluative inquiry by asking for feedback after each workshop and asking members from outside the research group to provide feedback on the ideas generated and ongoing reflections. This was done after each workshop until the first action research cycle was completed, as per the work of Mouncey (2009). What made me not follow the most common action research approach of using iterative cycles was the fact that there was not enough time to do so within the constraints of the academic research.

It is essential to establish linkages and cause-effect relationships between ideas, opportunities and problems arising throughout the ongoing action research process. In my research, a reflective pause was carried out at the start of each workshop, during which the research team would reflect on what they had learned so far and how to relate their learnings to the situations they had experienced. According to Gibbs (1988), reflection starts with the description of what happened, following by identification of

how the experience was perceived. This is followed by evaluating how useful the occurrence was, what sense has been made out of it and what could have been done differently. In the final, crucial stage, the team defines the course of actions to be followed.

As stated by Pedler (2012), critical action learning has three key roles. The first defines the problem, the second helps others with their problems and third, facilitates the solution making process. This is done through an action learning cycle that starts with the action, followed by learning from the experience, followed by reflection on that learning, and ending with reframing the plan prior to taking action. The cycle has an ongoing nature, as the cycle starts again after finishing. Evaluation of the critical action learning is done by assessing the empirical value of the work, the work outcome and the contributions to knowledge. As a researcher, I totally believe that the action research approach done in this research has contributed significantly toward enhancing the critical action learning experience in all the conducted workshops.

The focus of this research was on practice-centred learning. Shotter (2001) defines three key features for practice centred learning: first, it involves the physical practice; second, action learnings are generative, creating the world rather than expressing it; and third, action learning is spontaneous, with no predefined form, in order to emerge relationally. Hence, the research was meant to be physical by having it conducted in the actual workplace where there is physical interaction with the real world. The team was aware that the aim of the research was to be able to generalize the findings for use by other projects. Finally, the research team was encouraged to participate freely and criticize openly, with no restrictions on their knowledge and idea generation process. In addition to what stated by Shotter (2001), I found it important to

develop the skills of the participants, as mindfulness skills are crucial for critical action learning in practice. Having the key features of the action research in the learning set is important to achieve the above defined three roles of action learning.

9.4 Conclusion

The whole purpose of conducting the research in my workplace was to enhance the learning experience through active knowledge transfer in order to create new knowledge and solutions to workplace problems in a rigorous manner. I wanted to develop a set of actions that would be the fruits of cooperation between peer participants rather than created through the sole efforts of the researcher.

A series of workshops was used to initially develop knowledge through the sense-making process of reflecting on events or arguments and then figuring out how to interpret them. From my experience in this research work, the sense-making process did not just include the analysis of the experienced event within the workplace but it also included the action aimed toward gaining a better understanding of the experienced event. Due to this process, the organizational managers can now apply new skills of interpretation, investigation and evaluation of challenges encountered in the workplace and manage the process of inquiry effectively. As indicated by Ramsey (2014), such skills can help these managers turn vague suggestions into rigorous scholarly practice.

I wanted the executive team to differentiate between their learnings from daily business experience and the learnings from the workplace research experience. As indicated by Becket (2000), the epistemology of practice not only leads to the development of know-how, but also leads to know-why by questioning the

intentionality and purposefulness of the practice. I believe this is a key difference that distinguishes learning from practice and learning from scholarly practice.

The key challenge that I experienced in this research was the need to obtain positive empirical implications of this research. I made sure to encourage the team to value the collective knowledge being gained and to enhance the knowledge transfer among peers in order to accumulate empirical evidence that would make the findings of the action research generalizable, at least at the organizational level, where they could be cross-utilized by other projects. Another key challenge I experienced throughout the action research process was documenting the action research. This was a difficult challenge because there is more in the literature about action research itself than there is documentation of the action research, as noted by Gary Anderson and Kathryn Herr (Herr, 2014).

If I were to repeat this action research in the future, I would be sure to complete the full action research process by carrying out multiple cycles. This would enable me and my research peers to build evidence from the previous iterations of the action research cycle and achieve stronger and more generalizable results.

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APPENDICES

APPENDIX A – Survey

Dear Pharmacist,

Please try to answer the following survey, keeping in mind marketing and promotional activities conducted for OTC products that you come across every day.

Section I: Do you provide favorable recommendations for OTC products/medications to customers walking in to your pharmacy for the following product categories?

Category	Yes	No
Analgesics		
Vitamins and nutritional supplements		
Home diagnostic devices for blood pressure, blood glucose.		
Dieting/Weight reduction		
Smoking cessation products		

Section II: Please select the option that best describes your opinion on how the following factors affect your OTC product recommendations and sales.

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Medical Forces					
The formulation/Active ingredients of the products					
Scientific evidence/clinical studies					
Information from general medical guidelines					
Social Forces					
My personal experience on the product					
Positive feedback from consumers					
Physicians' recommendations of the product through prescription					
Cost of the products to consumers					
What other pharmacists' recommend					
Market share of the product in the market					
Marketing Forces					
It was formerly a prescription product					
The manufacturer's reputation					
Available only through pharmacy outlet					
General advertisement of the product					
The sales representative's influence					
The display materials					
The mark-up of the product					
The percentage of the bonus related to the product					
Stock pressure/inventory					

Section III: Rank the most effective driver for OTC analgesic product sales in your pharmacy (Please rank the following in order of importance from 1 to 4, <u>where 1 is most important</u> to you and <u>4 is least important to you</u>)

Driver Factor	
Point of sales material	
Prescription	
Pharmacist's recommendation	
Free of charge goods/mark up provided	

Section IV

What is your gender?

- Male
- Female

What is the number of years in practice as licensed pharmacist?

- Less than a year
- 1-5 years
- 6-10 years
- More than 10 years

What is your current practice setting?

- Community Pharmacy
- Hospital Pharmacy
- Polyclinic Pharmacy

What is the number of Points of Sales Material, e.g. counter top, stand, banner, are currently available in the Pharmacy?

- Nil
- 1-3
- 4-7
- 8-10
- More than 10

Service and Environment

On an average, how often does the patient interact with you regarding OTC products per day?

- Nil
- Less than 5 times
- 5 – 10 times
- More than 10 times

On an average, what is the total number of prescription you receive per day?

- Less than 10
- 10 to 50
- 51 to 100
- More than 100

Describe the classification of your pharmacies in terms of revenue?

- Class a (sells more than 1000kd/day)
- Class b (sells more than 500kd/day)
- Class c (sells less than 500kd/day)

Additional Comments

About You (optional)

Name
Pharmacy
Phone
Email

Thank you for your participation!

APPENDIX B – Linkage of metrics

Metric (title)	**How measured/source**	**Current**	**Target**
Segment metrics			
Market Share vs. competitor	%/ IMS		
Sales Vale vs. competitor	Value/IMS		
Revenue of segment	ERP system		
Gross margin of segment	ERP system		
ROMI of segment	ERP system		
Impact factor metrics			
Consumer factors	Number & cost of promotional materials implemented based on survey results / sales team and survey		
Expert factors	Number and cost of visits of medical representatives based on survey results / CRM		
Retail factors	% of FOC goods supplied based on survey results and cost/ERP		
Marketing Action metrics			
Detailing activities	See table 12 for linkages of impact factors to segment performance		
Implementation of POSM			
Supply of FOC goods			

APPENDIX C – Linkage of actions effect on impact factors to segment performance

Impact factor and actions	Metrics	Current	Change	Segment performance metric	Current	Change
Consumer factor: Promotional activities related to point of sales materials						
Improve visibility and brand awareness	Number of POSM implemented			Market Share vs. competitor		
	Cost of POSM implemented			Sales Volume vs. competitor		
				Revenue of segment		
				Gross margin of segment		
				ROMI of segment		
Expert Factor: Medical detailing with physicians and pharmacists						
	Number of visits			Market Share vs. competitor		
	Cost of medical representatives visits			Sales Volume vs. competitor		
				Revenue of segment		
				Gross margin of segment		
				ROMI of segment		
Retail Factor: Supply of free of charge goods to pharmacies						
	% of FOC goods supplied versus revenue			Market Share vs. competitor		
	Cost of FOC goods supplied versus revenue			Sales Volume vs. competitor		

	Cost of FOC goods supplied versus gross margin			Revenue of segment		
				Gross margin of segment		

APPENDIX D – Ethics committee approval

Thread: Ethics committee Feedback on second submission(Sept 21st, 2013)

Actions for Content Page

October 5, 2013 10:54:19 AM EDT	1 year ago

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Ethics committee Feedback on second submission(Sept 21st, 2013)

COLLAPSE

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Hi Rashid,

We have looked through the updated ethics form and documents submitted by you on Sept 21st(the revised version) and we are fine with approval.

With Best regards

Anant