A Study on Service Quality in Pharmaceutical Retail Marketing (With Special References To Thiruvarur District)

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ABSTRACT

The pharmaceutical industry is a core industry in any economy. It is an asset to scientific and medical progress such that it directly impacts the health, hygiene, and fitness standards of society pharmaceutical companies manufacture, develop, and market drugs and medications. These companies are licensed to deal with medicines and medical equipment as well

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INTRODUCTION

According to the World Health Organization, the global pharmaceuticals market is worth US dollar 300 billion a year and this is expected to rise the US dollar 400 billion within 3 years. Due to the heavy market prospect and demand for advanced medicines pharmacy companies accurately the need for new drug discovery and development. This leads to empires on research and development and huge costs of innovation. It takes approximately 12 - 13 years for year synthesized substances to pass all the laboratory tests and become a marketable medicine. The added pressure for innovation and the fragile nature of the health industry have motivated the pharmaceutical industry to adopt various strategies to standardize manufacturing and research processes. Competitive global pharmaceutically companies employ programs such as lean, ERP, six Sigma operational excellence, and efficient quality compliance in order to reduce cost and eliminate waste. In recent times, there has been a gradual migration of the economic and research activities of pharmacy companies from Europe and the USA to the fast-growing emerging economies of Brazil, China, and India. The pharmaceutical market in India is about dollar 11.1 billion growing at the rate of 17.6% and expected to reach $20 billion in Indian rupee 88,820 cross buy 2015. India's Pharma marketing is the 13th largest in terms of value and 4th largest in terms of volume. Currently only one percentage - 3 percent of the Pharma retail is in the organized sector as stated by the annual report 2009 - 10. Department of Pharmaceuticals Government of India. The size of India's pharmacy retail market is estimated at dollar 4.5 billion which is dominated by 12 - 15 big players. There are about 8 lakh retail shop servicing in India and the more than 3500 organized retail pharmacy outlet in India. This is expected to grow nearly 3 times to 10,000 outlets by end of 2012. In similarly fashion we are going to experience changes in pharmacy retail service quality in expectation and perceptions of customer.

Empirical Studies

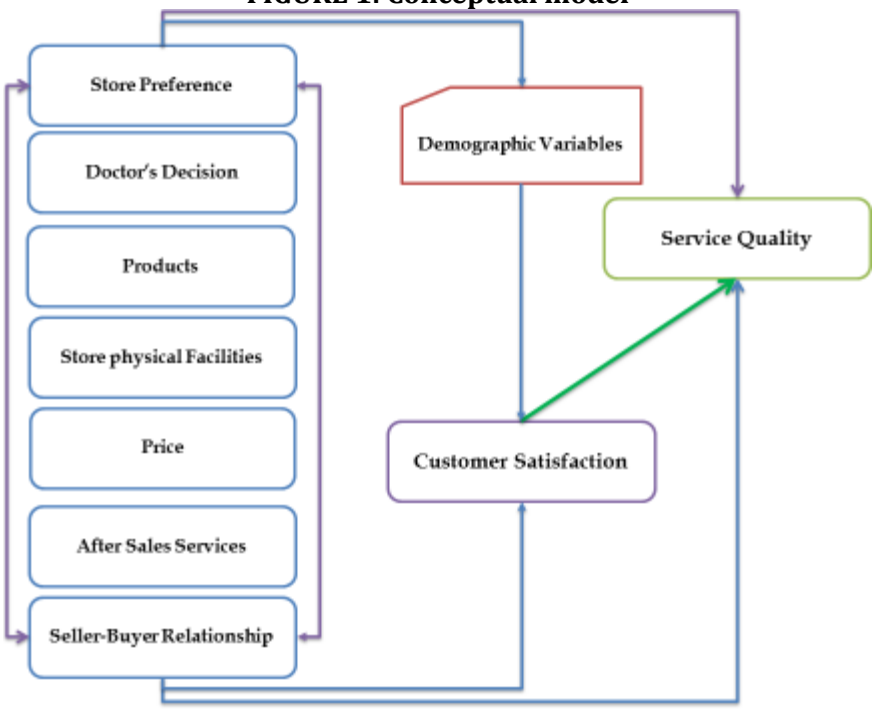
Service quality is considered a significant strategy to satisfy the customer and encourage repeated service which attract loyal customers. Thus, the continual improvement of service is needed in order to compete with other players in the hospital industry. In the hospital industry. Most hospitals provide common service but differ in service quality which is an indicator to gain competitive advantage in the business. Currently there are many hospitals in the market. This gives customers or client more option to choose the best service with the reasonable price they require.

Therefore, hospital has to improve the service quality and other functions in every small detail to succeed. However, the medical service in developing countries is often managed by the government and faced is with a limited budget. And also lack human resource. This leads to customers dissatisfaction with the level of service quality. The hospital service industry has a perceived level to excellent service quality. And this leads clients to expect these levels of excellence. Customer satisfaction is found when the level of customer's expectations is met by the actual quality of the service provided. Thus, service quality is the actual service quality the customers or client perceived when measured against their expectation before receiving a service the pharmacy is the department which is reasonable for the medicines and drugs in the hospital. Thus, the topic of this study is the service quality that the clients perceive from the pharmacy department in public hospitals. it could guideline to improve service management in public hospitals.

Conceptual model

Our Conceptual model has eight dimensions. Dependent variable includes customer satisfaction and service quality. Independent variables include store preference, products, store physical facilities, price, after sales services and seller-buyer relationship. The conceptual research model (figure1) shows service quality in pharmaceutical industry of medicating causes.

FIGURE 1: Conceptual model



Hypotheses

Mediation refers to a process or mechanism through which one variable (i.e., exogenous) causes variation in another variable(i.e., endogenous). Studies designed to test moderation provide stronger mediation than partial and whole covariance approaches (Baron and Kenny,1986;James and Brett,1984).A mediator hypothesis is supported if store preferences, products, store physical facilities, price, after sales services seller-buyer relationship, customer satisfaction

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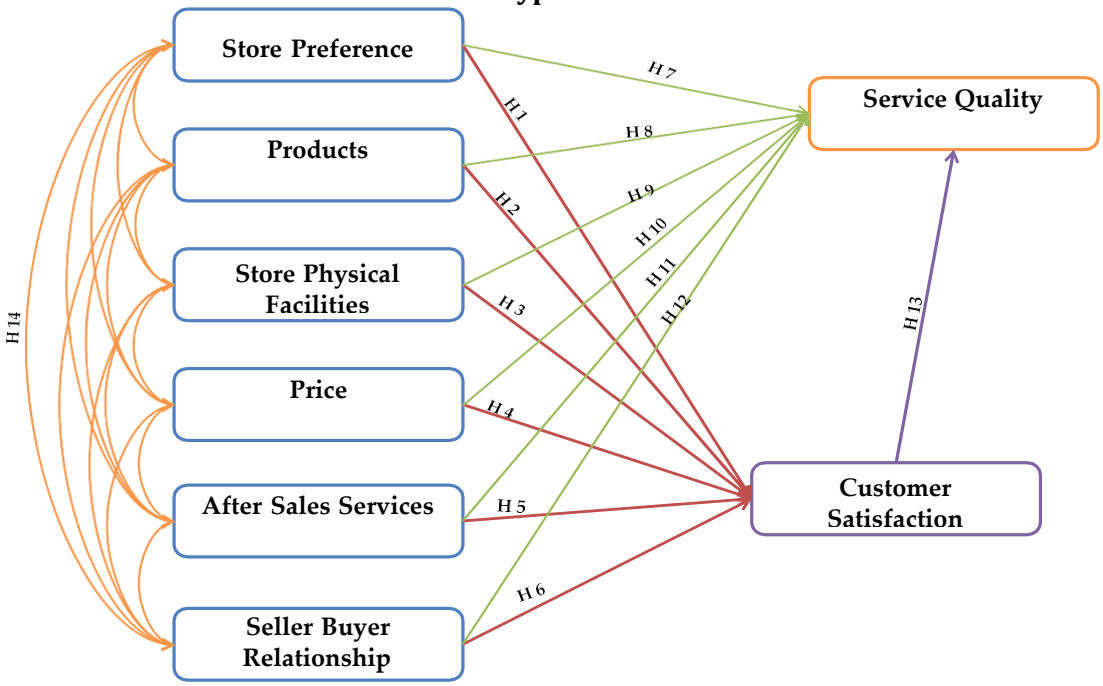
and service quality are significant. There may also be significant main effects for the predicator service quality (SQ) and mediator-customer satisfaction(CS).Our study, therefore, examined relationship between service quality in pharmaceutical industry and other independent variables. Hence, we formulated the following hypotheses; Cs is mediated towards SQ through:

Store preferences (SP)
Products (PR)
Store physical facilities (SP)
Price (PC)
After sales services (AC)
Seller-buyer relationship (SR)

FIGURE 2: Hypothetical Motel



Research design

We employed a cross sectional methodological approach, which was used to collect data on all relevant variables at one time; an approach that is useful for studies designed to collect information on attitudes and behaviors among large geographically diverse population (O'Sullivan and Rassel, 1999).A survey is the most appropriate research design as it can enable researcher to collect information from a large population. The information obtained from the sample can then be generalized to an entire population (kerlinger and Lee, 2000). Survey research is usually quantitative, requiring standardized information to define or describe variables, or to study the relationships between variables. Surveys generally fall into two categories, descriptive or relational. Descriptive surveys describe current states, while relational surveys empirically examine relationship among two or more constructs either in an exploratory or in a confirmatory manner. Our study is a relational survey that explores the relationship between several variables and service quality in pharmaceutical industry in India.

Data analysis

Analyses were performed using: (I) the statistical package for social sciences(SPSS) including descriptive statistics and correlation; and(ii) analysis of moment structures (AMOS) Package for structural equation modeling,

Structural equation modeling

The latent model examines PD's relative importance as an IMR medicating factor. After identifying a potential model that best explains theory and model fit, confirmatory factor analysis (CFA), using structural equation modeling(SEM), tested the factorial model .All model invariance tests begin with a global

equality of covariance structures across groups(Joreskog,1971). Data for all groups were analyzed simultaneously to obtained efficient estimates (Bentler,1995). Constraints included, from weaker to stronger: (i) model structure;(ii) model structure and factor loadings;(iii) model structure, factor loadings and unique variance.

Figure 3: SEM Model:

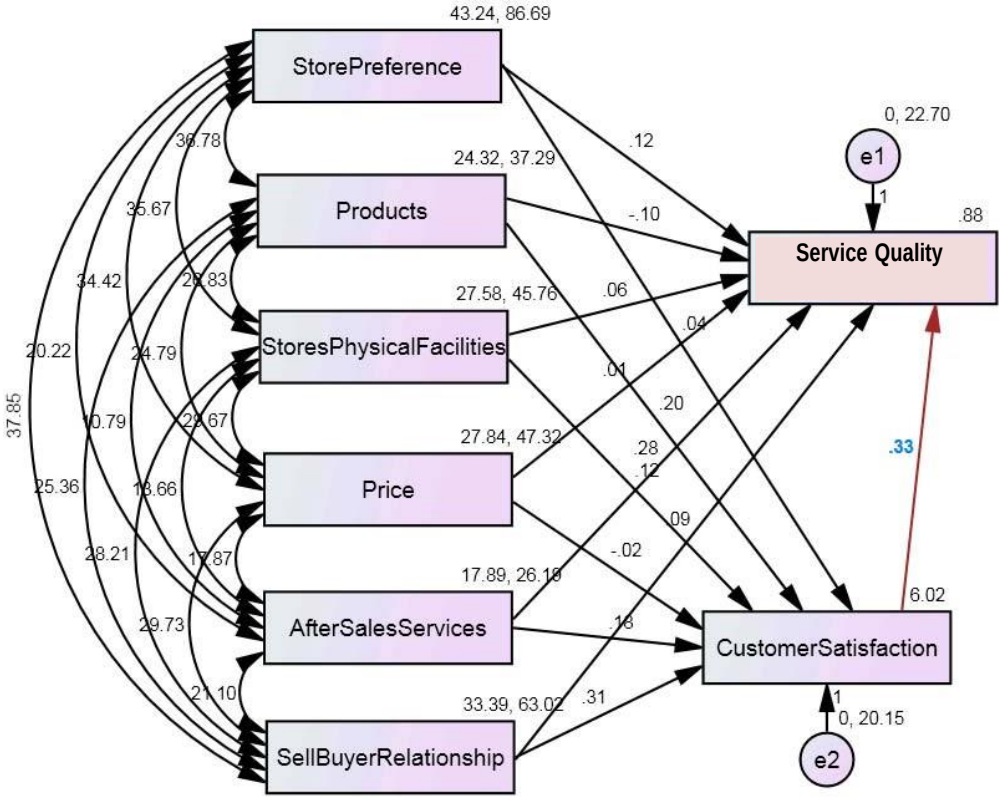


Figure 3 shows the AMOS path diagram. The roots mean square error of approximation (RMSEA) fit statistic for the model was 0.08, which was considered best fit (Brown and cudeck1993; Diamantopoulos and siguaw, 2000: senthil Kumar and Arulraj,2011). The path diagram shows that CS is service quantity in pharmaceutical industry for mediating cause. The regression coefficients (0.33) signify the mediating factor cs's impact on other dimensions.

Implications

From the service quality in pharmaceutical industry model building relationship with customer and service quality has been identified as a major source of competitive advantage with in the grocery pharmaceutical sector. Location and customer relationship are the important factors identified by the customers because they want to reduce the time, energy and psychic cost involved in the shopping from a retail store. Product attributes has more profound effects on consumers than store attributes. The pharmaceutical industry service quality factors identified by customers in unorganized outlets are store preferences, products, store physical facilities. Price after-sales services, seller-buyer relationship. The most important retail service quality factors are seller -buyer relationship and availability of products and. The present study reveals that factors like products, seller-buyer relationship and after-sales services have a significant impact on consumers' satisfaction and factors

like products and seller-buyer relationship have a significant impact on service quality in pharmaceutical industry.

Conclusion

The government of India could come forward to establish the regulated pharmaceutical sector rather than the FDI Multi brand trading. From above research, the researcher, could conclude that the pharmaceutical service is influenced by the service loyalty from the pharmaceutical owners it shows that relationship between customer and pharmaceutical owners. It will be impact on employment opportunities for labors and growing business economics in India.

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