

## Understanding Consumers' Behaviour towards Retail Medical Stores in Kerala

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**ABSTRACT:** *This research empirically examines the consumers' behaviour towards the retail medical stores in Kerala. A total of 150 customers, who are selected across different parts of Kerala under a multistage sampling framework, participate in the survey to complete the questionnaire containing the items measuring the constructs of interest. The analytical design of the research solely rests on the mean scores and non parametric binomial test procedures. The findings of the study reveal that the consumers of retail medical stores in India follow rational buying motives where price and product availability are most dominant. The consumers expect the greater role of governmental in regulating drugs and pharmaceutical marketing in Kerala. The study ultimately acknowledges the need of promoting subsidized retail medical stores and centers in Kerala for helping the poor and weaker sections to make avail of the quality medicines and medical treatments.*

**Key Words:** *Perception; Retailing, Medical Stores*

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### I. INTRODUCTION

Pharmaceutical products have become the part and parcel of the life in the modern world. Pharmacy retail or the sale of pharmaceutical products includes over-the-counter drugs and prescription drugs. Pharmacy retail stores also sell various FMCG products along with pharmaceutical products and its related services. The market for the Pharmaceutical sector is growing rapidly due to variety of reasons. The acceptability of modern medicine and newer therapies will increase due to aggressive market creation by players, an increased acceptance of biologics and preventive medicine, and a greater propensity to self-medicate. Unlike any other segment more and more customers are compelled to enter into this consumer market continuously. Modern way of life has been gifting a number of life style diseases, which automatically create demand for the medicines and medical equipments. Similarly, the increased health consciousness due to the increase in the level of education also supported the growth of health care market.

The pharmaceutical market in most countries is a complex and heterogeneous array of agencies, organizations, companies and individuals. Within the pharmaceutical supply system a number of subsystems exist, including those related to drug development, regulation, production, distribution, prescribing and dispensing. Different actors or stakeholders are involved at different stages of this process which include actors from the public sector, the private sector, and the cooperative sector.

People in all walks of life have at least some occasional need to shop at a retail medical store. The retail medical store industry consists of neighborhood pharmacies, large drug store chains and supermarkets or general retailers with drug store departments. As the consumption of medicines is found increasing day by day, pharmaceutical retailers play a significant role in the society. Hence a study focused on the customers' perceptions towards retail stores in pharmaceutical sector is attempted to analyse the factors influencing in selecting a medical Shop and to analyse the perception of customers on selected retail practices of medical stores in the geographical setting of Kerala.

### II. REVIEW OF LITERATURE

Boscarino and Steven (1982), in their paper stated that when consumers shop for different types of hospital services (e.g., general care, specialty care or emergency care), they use different criteria in their choices. Corrêa da Silva, et al. (2012) conducted a study to identify the prevalence and factors associated with self-medication among students enrolled in healthcare and non-healthcare programs. In their study 86.4 per cent of the total students reported self-medicating. The study could find that factors such as being male, having children, and having average or poor medication knowledge significantly influenced self-medication, as protection factors. Pujari, et al. (2016) researched on the behavior of pharmacy consumers to discover the

factors behind their behavior for prescription and non-prescription drugs. The study found that 52 per cent of customers incur a monthly expense for medication in the range of Rs 100-400 and more than 60 per cent of the consumers buy pharmaceutical products as per the advice of their physicians.

Katarina (2011), in her study on consumer behavior of pharmacy customers, found that majority (53 %) of sample customers often buy over-the-counter medicines from a specific pharmacy while 33 % do the same only sometimes. The study analyzed the customers' perceived level of importance in respect of five selected elements in choosing a pharmacy. Of these five, the factor 'location' was found to be the most important for 78.69 per cent of total sample respondents followed by product range (11.48 %), Loyalty card / membership program (6.97%), staff (1.64 %) and extra services (1.23).

Gould (2005) in his study highlighted that some consumers may take a more scientific approach to health care and prevention than others and also pointed out that demographics, health status, and health consciousness are partial predictors of that consumer approach. Srivastava and Wagh (2017) observed in their study that there is a significant difference in the perception for over the counter products based on gender and age. Doctors' advice, brand name, pharmacist's advice, past experience, safe to use, prior awareness, friends' advice, testimonial from users are influencing factors that affect purchase behaviour of consumers of OTC products.

Dadhich and Dixit (2017) conducted a study in Rajasthan on the consumer perception towards over-the-counter (OTC) medicines and factors that influence consumer buying behavior for OTC brand medicines marketed by pharmaceutical companies. It also aimed to study the impact of marketing mix factors on consumer perception and OTC brand loyalty. It is observed in the study that OTC marketing mix factors like Place, Price and Promotion has positive impact on consumer perception and OTC brand loyalty whereas self-medication practices have negative impact. The study also revealed that Place (Product availability), Price and Promotions are the major influencing factors in considering consumer OTC medicine buying behavior.

### III. DATA AND METHODOLOGY

On the backdrop of the literature reviewed, the present study is attempted on the perceptions of customers of medical products. This descriptive study covers the customers of allopathic medical stores, who buy routine or regular health care products. Or in other words the study does not cover the customers of exclusive ayurvedic and homeopathic stores and also the customers for emergency or urgent Medicare products of all systems. First hand data gathered through a sample survey of customers who buy medicines from retail allopathic medical stores in Kerala constitute the data base of the present study. The data collected from 50 sample respondents each from three towns namely Thiruvanthapuram, Thrissur and Kozhikode are analyzed with mean score and Binomial test results.

### IV. RESULTS AND DISCUSSION

This section analyses the profile of sample respondents, the major factors influencing the buyers in selecting a medical stores and the perception of respondents on retail marketing practices of medical stores.

#### Profile of Sample Respondents

The demographic profile of sample respondents covered in the study shown in **table No 1** indicate that the majority of respondents are male (61.3%), middle aged (55.3%), and having an educational qualification of at least graduation (52%). They mainly (69.3 %) belong to salaried or wage class with a monthly income less than Rs 30000 (79.3%). Regarding the health care system preferred by the family, when 71 per cent of sample respondents prefer only Allopathy, 16 per cent accept Allopathy and Ayurveda and 13 per cent accept Allopathy and Homeopathy. In respect of expenses of the family on routine medical products, it is found that around 52 per cent incur at least Rs.500 per month.

**Table 1. Demographic Profile of Consumers**

Variable	Category	Number	Per cent
Gender	Male	92	61.3
	Female	58	38.7
Age Group ( Yrs)	Less than 30	17	11.4
	30 to 60	83	55.3
	60 and above	50	33.3
Education	School level	70	46.7
	Graduate	56	39.3
	Post Graduate	19	12.7
	Other non graduates	05	2.3
Monthly Income(Rs)	Below 15000	54	36.0
	15000 to 30000	65	43.3

	30000 to 45000	19	12.7
	45000 to 60000	06	4.0
	60000 and above	06	4.0
Occupation	Agriculture	22	14.7
	Business	24	16
	Salary / wage	104	69.3
Monthly Medical Expenditure	Less than Rs.250	03	7.1
	Rs.250 - 500	60	40.0
	Rs.500 – 1000	51	34.0
	Above Rs 1000	36	18.9
Health care system preferred	Only Allopathy	107	71.33
	Allopathy and Homeopathy	19	12.67
	Allopathy and Ayurveda	24	16

Source: Primary Data

### Factors influencing in Selection of a Retail Pharmacy Store

The study analysed the perception of the respondents towards the factors that influence them in selecting a retail allopathic medical store for buying routine health care products. Convenient Location, Behaviour of Salesmen, Doctors’ suggestions, discounted price, Exterior features of store and Medicine’s Availability are the variables selected for the analysis selected for collecting responses. Analysis of the data on the basis of mean score reveals that discounted price (4.03) is the only factor that has a high influence on the customers in selecting medical stores. All other five factors selected for the study namely the ‘availability of medicines on demand’ (3.93) , Behaviour of Salesmen(3.83) , Convenient Location( 3.79) Exterior features of store (3.64)and Doctors’ suggestions(3.30) influence the customers moderately (Table 2).

**Table2: Factors Influencing in Selection of a Retail Pharmacy Store**

Attributes	Very Low	Low	Moderate	High	Very High	Total	Mean
Convenient Location	4	16	37	43	50	150	3.79
Behaviour of Salesmen	3	15	42	34	56	150	3.83
Doctors’ suggestions	8	14	62	52	14	150	3.30
Lower price	8	11	12	52	67	150	4.06
Exterior features of store	2	7	58	59	24	150	3.64
Medicine’s Availability	3	3	48	44	52	150	3.93

Source: Primary Data

### Perception of Sample Respondents on Pharmacy Retail Practices

The study also collected the perception of the sample respondents on selected retail practices of medical stores. The results of the analysis of data by using Binomial Test, a popular the nonparametric tool, with a test proportion of 0.5 are presented in Table 3. As per the test results, 91 per cent of the respondents do not perceive that all medical stores sell their medicines at a uniform price. When 85 per cent of the sample respondents perceive that governments have a great role in pharmaceutical retail sector, the majority do not perceive the need of prescribing generic name of a medicine by the medical practitioners (54%). Similarly, the majority of (56%) respondents have rated their unwillingness to accept the substitute medicines for the brand prescribed by their doctors. Further, when the most (75%) of the respondents don’t perceive that the medicines under Govt. project are inferior in quality, only 46 per cent are familiar with Janaushadhi. brand. The binomial test results validate these descriptive results.

**Table 4 Perception of Sample Respondents on Drug Retailing: Binomial Test Results**

Particulars	Number & Observed Proportion		Test Proportion	Sig. tailed (2-tailed)	Inference
	Yes	No			
All medical shops sell Medicines at same price	13 (8.7)	137 (91.3)	0.5	.000*	Retail prices are different in different medical shops
Governments have role in pharmacy retail market	128 (85.3)	22 (14.7)	0.5	.000*	Customers prefer governmental intervention in pharmacy retail
Doctors should prescribe Generic	69	81	0.5	.369	Majority Customers do not

name of a medicine instead of brand	(46)	(54)			perceive the need of prescribing generic name of a medicine
Willing to accept substitute medicines in place of the brand prescribed by doctor.	66 (44)	84 (56)	0.5	.165	Majority Customers are unwilling to accept substitute medicines in place of the brand prescribed by the doctor
Medical products supplied under govt. projects are inferior in quality	37 (24.7)	113 (75.3)	0.5	.000*	Medicines under Govt. project are not inferior in quality
Heard of Janaushadhi stores	67 (46.7)	83 (53.3)	0.5	.221	Janaushadhi is not widely popular

Source: Compiled Data \* Significant at 1 per cent level.

## V. CONCLUSION

In the modern retail industry, the medical stores have a great role to play both quantitatively and qualitatively. Competition among retailers in the segment is so strong and they have to adapt to the changing trends in the market to gain new customers and to retain the existing customers. Present empirical study highlights some perspectives of customers of pharmaceutical products. The majority of consumers whose monthly income is found to be less than Rs. 30000 incur a monthly expense of Rs 500 for purchasing their routine medicines. Majority of consumers perceive that different sellers are selling a medicine at different prices. Customers of medical products prefer to get their medical products at a discounted price from the retailers. Moreover, the consumers of medical stores rate comparatively high importance for the factors namely 'availability of product' and 'behaviour of sales people' in selecting the stores. At the same time, the study also highlights that the costumers don't consider the "recommendation of doctors" as a highly important factor in choosing a medical store. But, they give importance to prescribed brand and therefore do not prefer to accept the substitute medicines for the brand prescribed by their doctors. It is also notable that the consumers perceive a high role of governmental authorities in regulating pharmaceutical retailing. However, the majority of consumers are unaware of Janaushadhi retail outlets, which sell products at reduced prices with the governmental support. Hence, it can be noted to conclude that the authorities should promote more subsidized retail medical stores in the formats like Neethi store and Janaushadhi stores. Similarly, all stakeholders, especially the medical practitioners and traders, should educate the customers about the basic contents of the products, features of the brand and about its available substitutes.

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