
Consumer Survey on Perception of E Pharmacies

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Approach & Methodology of the Study

Objective & Scope

The study was undertaken to understand the perception of consumers towards 'E Pharmacy'. It was done through detailed assessment of feedback from prospective users by conducting a cross country survey.

Methodology

The study was conducted using secondary as well as an extensive primary survey.

Secondary Research & Research Tool Development

A dedicated research team was deployed to understand the concept of e-pharmacy by studying several reference materials on the subject. On the basis of information from secondary sources, the research tool was developed for primary data collection including 'Semi-Structured Questionnaire' in a pre-conceived format. The research tool (questionnaire) developed for the study was administered on the identified target audiences.

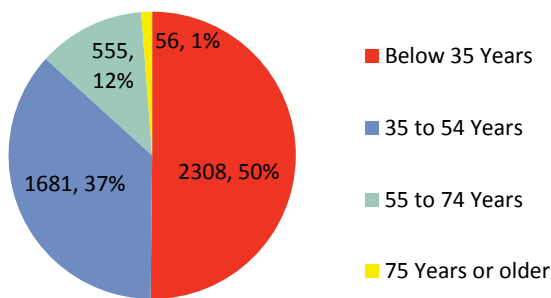
Primary Research

Before starting the main survey, the prepared survey tool was pretested through a pilot field survey. The outcomes of the pilot survey were examined properly and necessary changes were made.

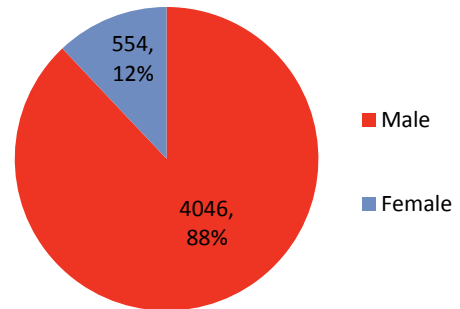
Sample Size	
Type of Respondent	Sample
Consumers	4600

The Final Questionnaire was prepared and online survey was conducted to gather responses.

Age Profile



Gender Profile

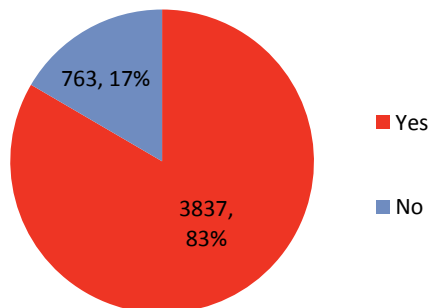


Demographic Characteristics of Consumer Respondents

Consumer respondents from all the age groups have participated in the survey and we can observe a fair representation across all the age groups. As evident from the chart, around half the respondents were in the age group of 18 to 34 years. While 37 percent of the consumer respondents surveyed were from the age group of 35 to 54 years. Cumulatively, around 13 percent of the sample were more than 55 years of age.

It was seen that off all the surveyed respondents, 88 percent were males whereas the remaining 12 percent were females.

Online Shopping/ Banking Behavior

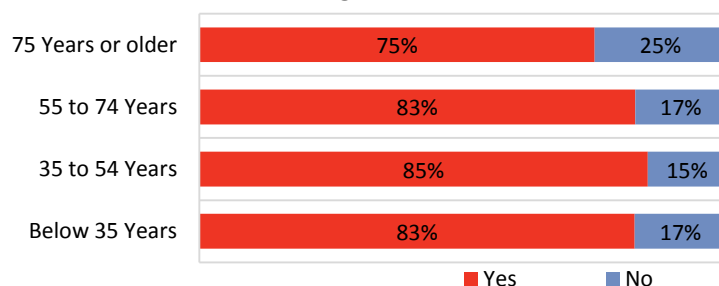


With the improved penetration of internet and computer/smartphones, in today's time, internet based services are increasingly becoming an integral part of people's lives. Some of the popular internet based services such as online shopping and banking have positively influenced the lives of users by making transactions less cumbersome. Consequently, it was observed that **83 percent of the consumer respondents bank or shop online.**

Considerable shares of the respondents falling within the age groups of below 35 and 55 to 74 years (83 percent each) were into online banking and shopping. Further, around 85 percent of the respondents in age groups of 35 to 54 years performed such transactions. It can be concluded

here that **online shopping or banking is not restricted to any particular age group, especially the young.** Additionally, limitations on physical movement due to old age as well as a continually

Online Shopping/ Banking Behavior - Age Wise



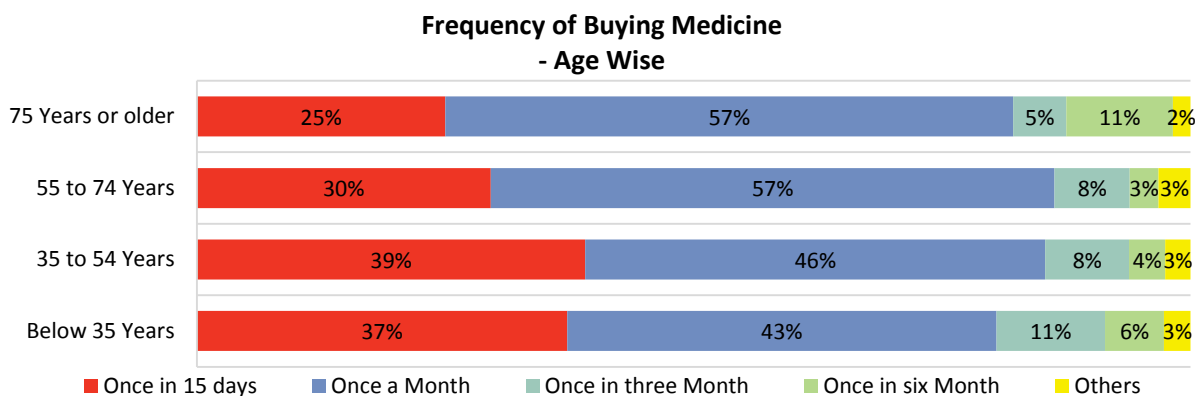
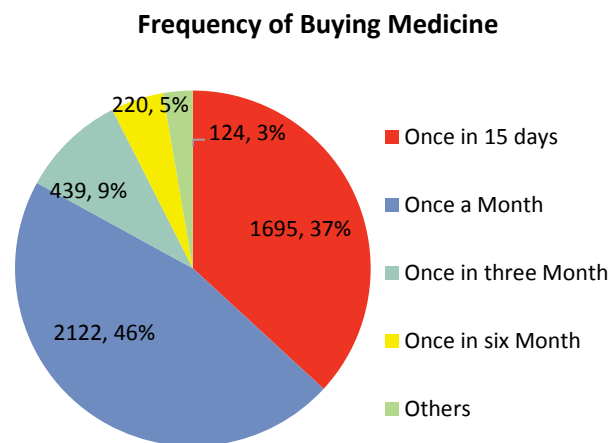
increasing number of nuclear families – leading to a rise in elderly population with limited support from family members - can be responsible for such a huge percentage of online shoppers.

Analysis of Surveyed Consumers

Medicine Buying Behaviour

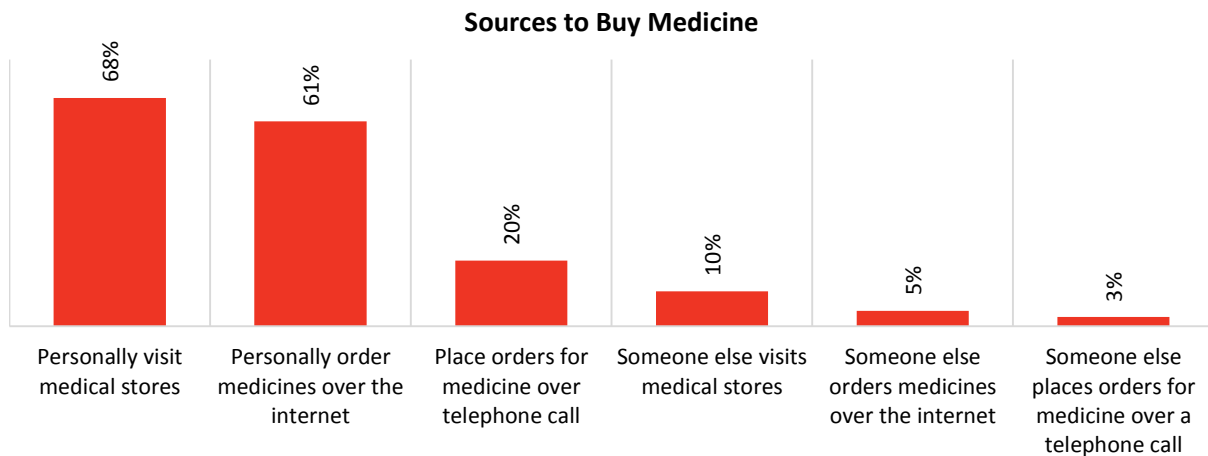
Frequency of Buying Medicine

The survey findings revealed that a considerable share of the respondents tend to buy medicine either once in a month (46 percent) or once in 15 days (37 percent). Some of the respondent consumers reported that they buy medicines as and when needed or prescribed by their respective doctors. Further, it would be required to understand the effect of different parameters on the medicine buying frequency of consumers to get a detailed insight on the same.

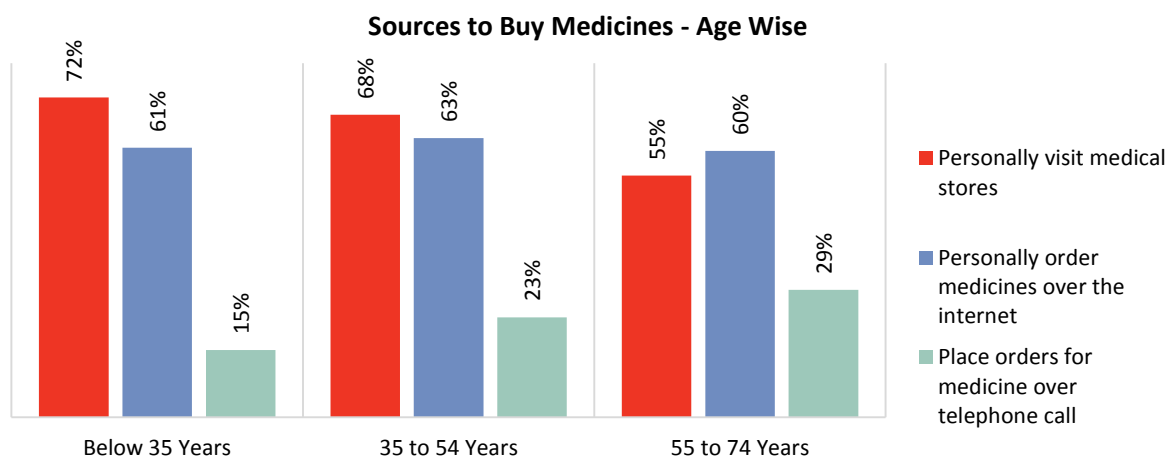


As analyzed, the frequency of buying medicines changed significantly for different age groups. It can be observed from the chart that instances of buying medicines once in 15 days decreases with increase in age. On the other hand, instances of buying medicines once in a month increases with increasing age as far as the sample respondents are concerned. In simple words, **with increase in age, consumers tend to have more planned purchases of medicines.**

Sources to Buy Medicines



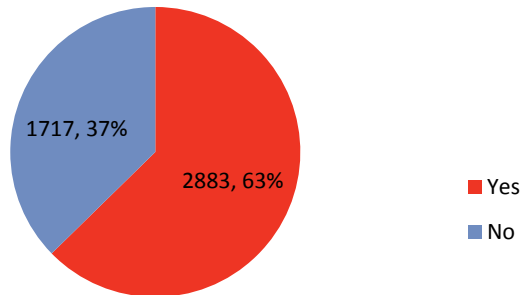
While analyzing the medicine buying behavior of sample consumers, it was observed that **majority of them buy medicines on their own**. The fact that physical medicine outlets formed the primary source of medicines was reiterated by the findings, which showed that majority (68 percent) of the surveyed consumers personally visit medical stores, and about 20 percent of the respondents order medicines over the telephone from such outlets. However, 61 percent consumers have reported that they resort to online purchase of medicines.



As per the responses, personal visits to medical stores was the most adopted mode of purchase across all age groups except the age group of 55 to 74 years, where the adoption of e-pharmacy (60 percent) is more as compared to other means of buying medicines. On the other hand, as is evident from the chart, **the preference of buying medicines through physical visits to the medical stores decreases with increase in age. Subsequently, placing orders for medicines over the telephone increases with increasing age**, as indicated by the sample respondents. Also, it was observed that majority of the elderly respondents are buying their medicines on their own, though it has shown a decreasing trend with increase in age.

Medicines Bought for Chronic Diseases

Buying Pattern of Medicines for Chronic Diseases

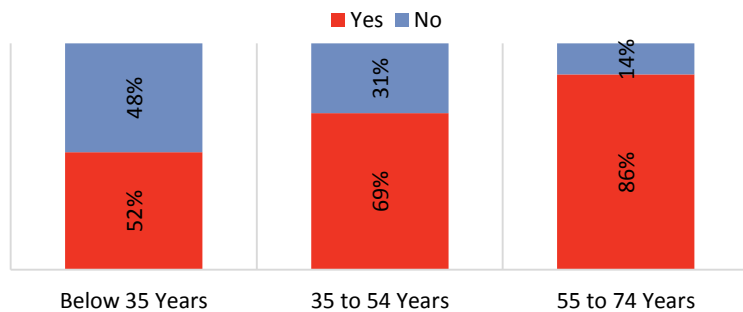


On being enquired whether the respondent consumers took medicines for chronic diseases like BP, Diabetes, Asthma etc., around 63 percent responded on the affirmative, whereas the remaining 37 percent reported that there were no such requirements. Irrespective of their age and other

factors, **majority of consumers need to buy medicines for chronic diseases.**

People are expected to be more prone to chronic diseases with age. Evidences of this pattern can be seen in the chart, wherein **with increase in age, the frequency of buying medicines for chronic diseases was found to increase** among the surveyed consumers. Approximately 86 percent of the respondents in the age group of 55 to 74 years have been buying medicines for chronic diseases.

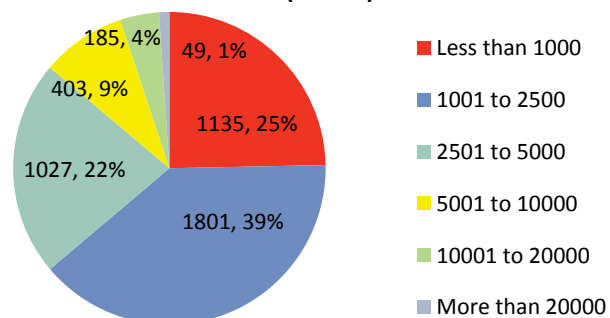
Buying Pattern of Medicines for Chronic Diseases



Expenditure on Medicine

On analyzing the expenditure pattern over medicine by the sample respondents, it was observed that majority (39 percent) of the surveyed consumers reportedly spent between INR 1001 to 2500 in a month on medicines, followed by 25 percent and 22 percent spending less than INR 1000 and INR 2501 to 5000 respectively. Altogether, **the monthly expenditure incurred over medicine by 86 percent of the respondent consumers is up to INR 5000.**

Monthly Expenditure Incurred Over Medicine (In INR)

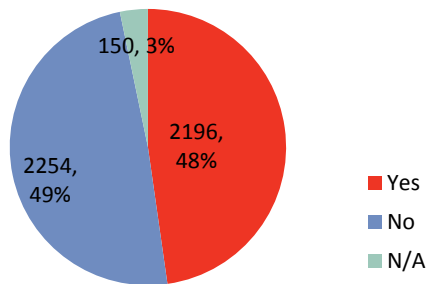


Perception on Retail Pharmacy

Consumers' Perceptions towards Existing Pharmacies

The respondents were also enquired with a view to understand certain key aspects about their experiences and perceptions on the services/facilities offered by the existing retail medicine outlets they regularly buy from.

Need to Visit Multiple Pharmacies

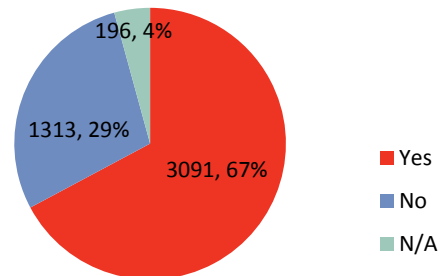


It is important to assess the aspect of consumers not being able to find all the required medicines at one particular pharmacy and therefore, having to go through the inconvenience of visiting multiple pharmacies. In order to get a view on this aspect, the respondent consumers were asked about their experience as regards the need to visit multiple pharmacies for medicines. In

response, **around 48 percent respondents reported that they have to visit multiple pharmacies to buy medicines.**

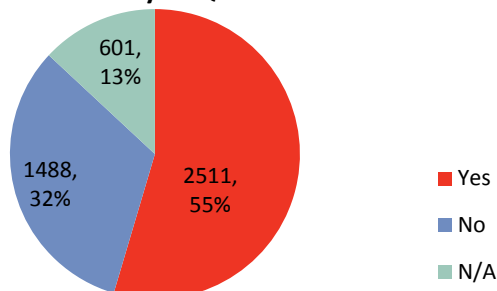
Pricing is another sensitive issue for customers and their past experience on it needs to be analyzed. To ascertain the same, the respondents were asked if they have been through occasions where they were charged different prices for the same medicine at different pharmacies. **A significant 67 percent of the sample indicated towards differences in prices of medicines at different outlets.**

Difference in Medicine Price among Pharmacies



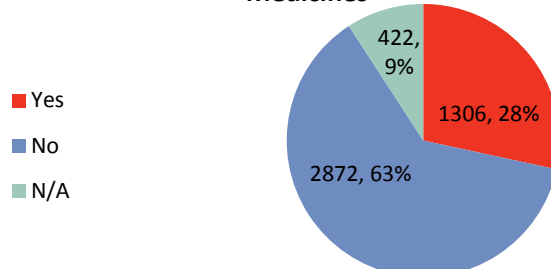
Further, **32 percent of the consumers reported the unavailability of qualified pharmacists to dispense medicines at pharmacies,** whereas more than half the respondents i.e. around 55 percent were of the opinion that they found qualified personnel dispensing medicine at the retail outlets they visited.

Availability of Qualified Pharmacist

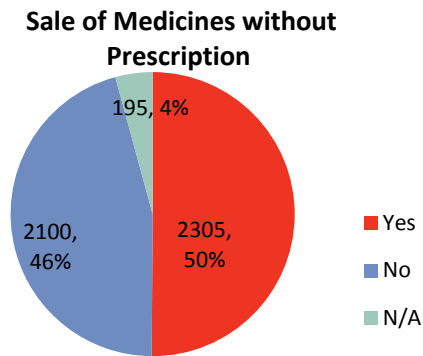


Counselling on areas such as dosage, administration, side-effects, etc. of medicines is an extremely important aspect to understand the level of service received by buyers at medical stores. **Approximately 63 percent respondents reportedly don't**

Counselling on Administration of Medicines

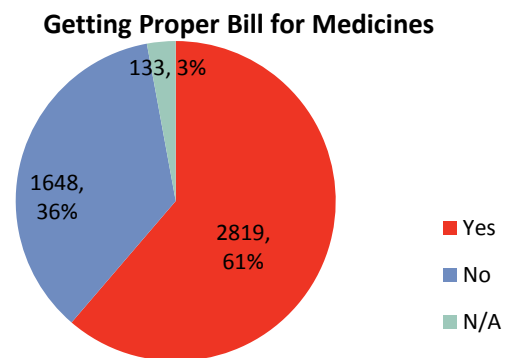


get proper counselling about the administration of medicines at their preferred medical stores, as per the responses.

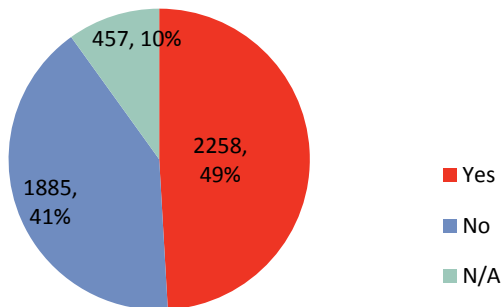


On assessing the extent of distribution of medicines strictly on the production of valid prescriptions by the buyers at the counter, it was found that 50 percent respondents get medicines without any prescription as against 46 percent who said that they do not get medicines or other pharmaceutical products without valid prescriptions. **The sale of medicines without prescription is a market norm according to half the respondents.**

In order to determine if the sale of generic or over the counter drugs is accompanied by proper bills with batch numbers and expiry dates of medicines, the respondents were asked if they receive the same during purchase of medicines from the stores they visit. **Around 36 percent reported that they do not get bills with batch number and expiry date for their purchases,** while more than 60 percent respondents reported that they receive the same.



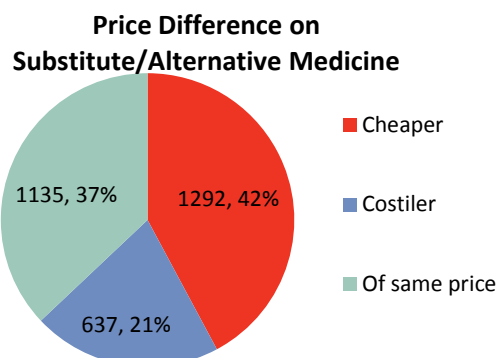
Home Delivery of Medicines



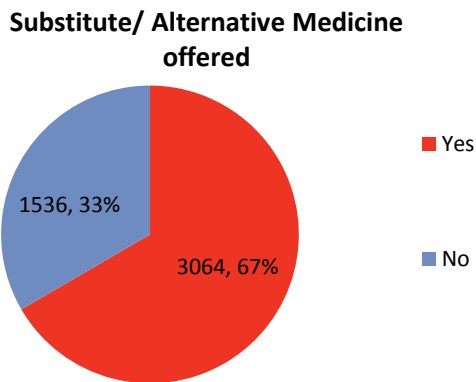
To increase sales and retain customers, some chemists provide a value added service of taking orders over phone. In order to determine to what extent was this trend prevalent in the market, the respondents were asked if they received such added services. Nearly half the sample reportedly have received such services, whereas **41 percent have never been provided home delivery service by their respective chemists** as per the

responses.

Normally, it is a practice (intentionally or in case of unavailability of a particular brand of medicine) adopted by pharmacists to offer customers medicines of alternate brands of similar composition. On asking about such incidences, **67 percent of the respondents recalled instances wherein they were offered with an alternate or substitute brand for the same composition during the process of**



purchase whereas 33 percent could not recall any such offer.

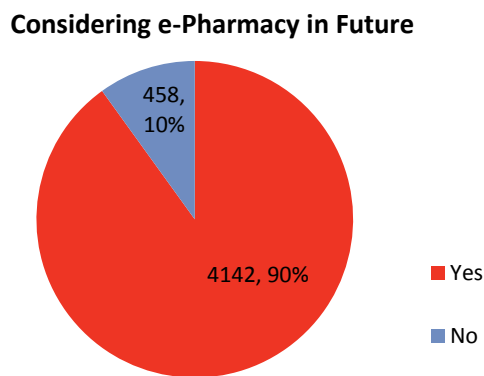


Further, on enquiring about any variations in the price of the alternate brands of medicine offered by the pharmacist to customers, it was observed that **42 percent of the sample found the alternate brands to be cheaper in price, 37 percent found the alternate brands to be of the same price** and only 21 percent reported that price was on the higher side. This shows that the most dominant trend in the market is to provide a cheaper alternative

to consumers.

E-Pharmacy

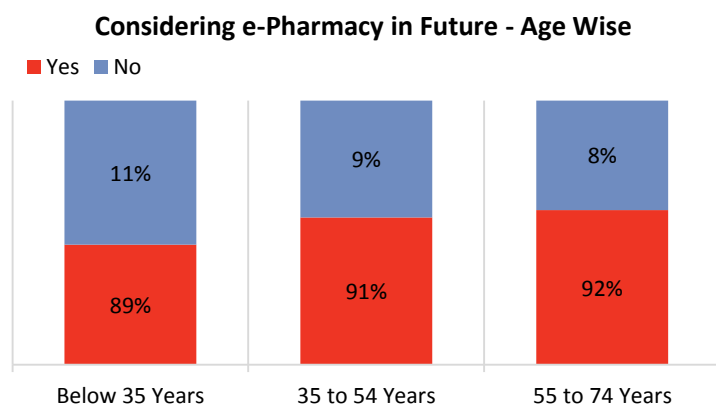
E-Pharmacy – Way Ahead



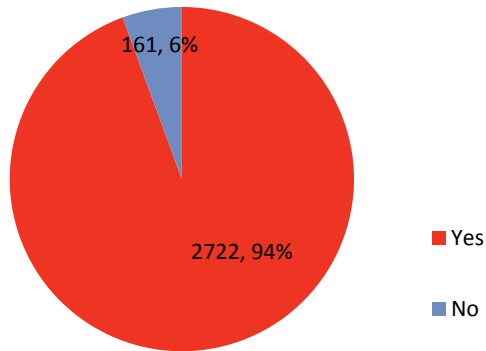
The willingness of the target consumers towards adopting e-pharmacy needs to be considered to understand its future potential, as it is one of the major growth drivers in addition to internet penetration, computer/smartphone penetration, computer literacy, health consciousness and purchasing power. **On enquiring about the willingness of the buyers towards online**

purchase of their medicinal requirements in the near future, it was observed that 90 percent of the respondents showed such inclination whereas 10 percent were averse.

Respondents across all age groups had shown receptiveness towards the concept of e-pharmacy. **Consumers in the age groups 65 to 70 years and 35 to 44 years have shown the highest intent to use e-pharmacy in the future.** Respondents aged below 35 years (89 percent) have shown the lowest inclination towards the adoption of e-pharmacy in the times to come.



Considering e-Pharmacy in Future by Patients with Chronic Diseases



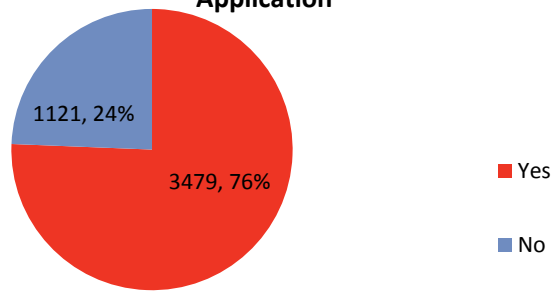
displayed by only 6 percent of the sample.

The perception of consumers buying medicines for chronic diseases is expected to have a significant impact on determining the acceptance as well as growth of e-pharmacy in the future. Among such respondents, the acceptability for e-pharmacy as an important prospect has been found to be higher, with **94 percent of the respondents currently buying medicines for chronic diseases showing the inclination to accept e-pharmacy in the future**, reluctance towards the same being

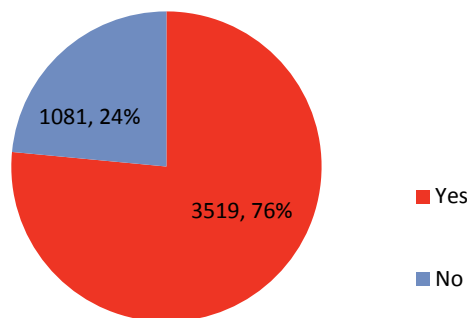
Features Attracting Consumers towards E-Pharmacy

The convenience factor associated with e-pharmacies happens to be one of the major determinants for attracting more and more consumers. Against the routine purchase of pharmaceutical products from physical outlets, the respondents were enquired as to how much convenience online purchase of medicines using a mobile based application would potentially bring. **Approximately 76 percent respondents agreed that e-pharmacy will be convenient as compared to the existing mode of purchase they are using.**

Convenience of Ordering from Mobile Application



All Required Medicines at one Store/website

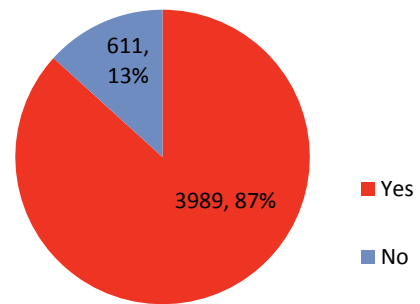


medicines was necessary in their case.

To find out whether consumers get all required medicines from a single store or have to go to multiple stores to obtain the same, the respondents were enquired on those lines. **A majority (76 percent) of the respondents stated that a single store or website sufficed their medicinal requirements.** A small percentage of the respondents i.e. 24 percent indicated that visits to multiple stores for buying

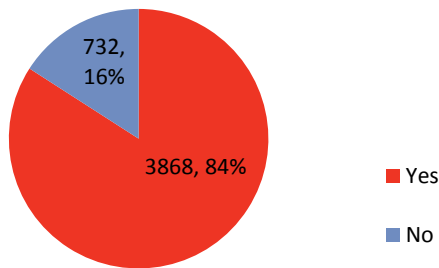
Around 87 percent respondents perceive that home delivery of medicines would be a major factor propelling the increase in acceptance of online shopping of medicines. According to them, this would be considerably helpful for the patients/end users as it would reduce their dependency on other persons for the purchase of medicine.

Home Delivery of Medicines



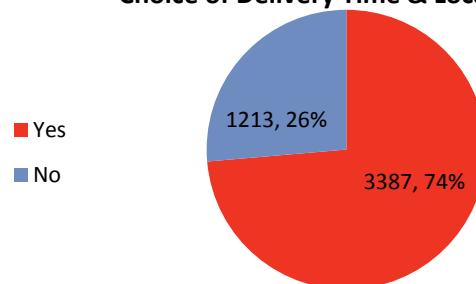
Lower prices of products is also perceived as one of the biggest advantages of switching to online shopping of medicines. Around 84 percent of the respondents are of the opinion that low prices, discounts and savings on purchases would be a big feature that would attract consumers towards e-pharmacy.

Better Price

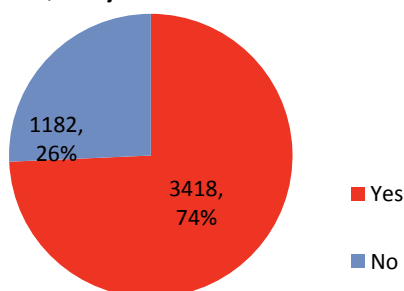


Around 74 percent of the respondents agreed that convenience in choosing the date, time and location for the delivery of orders would improve the acceptability of e-pharmacy in the market, leading to more takers for this value added service.

Choice of Delivery Time & Location



Quality of Medicines

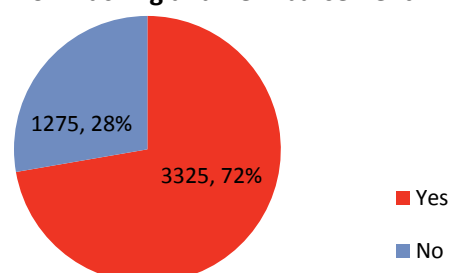


Quality of medicines on offer happens to be a crucial determinant for attracting more and more consumers. Around 26 percent of the respondents think that quality of medicines, which is a key aspect having considerable ramifications on the health of people, would be compromised if medicine is traded online. However, a majority of the respondents i.e. 74 percent are of the opinion that quality of

medicines would not be compromised at e-pharmacy stores, and will eventually be key to attracting consumers to this platform.

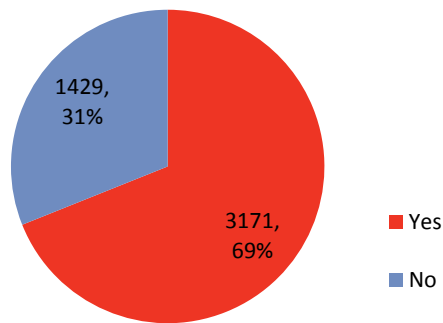
Approximately 72 percent of the respondents perceive that ease of tracking orders, convenience in cancellation of orders and the option of reimbursement in online purchase of

E-bill for Tracking and Reimbursement



medicines are advantages that consumers will enjoy if they opt for e-pharmacy.

Certification for Legitimacy



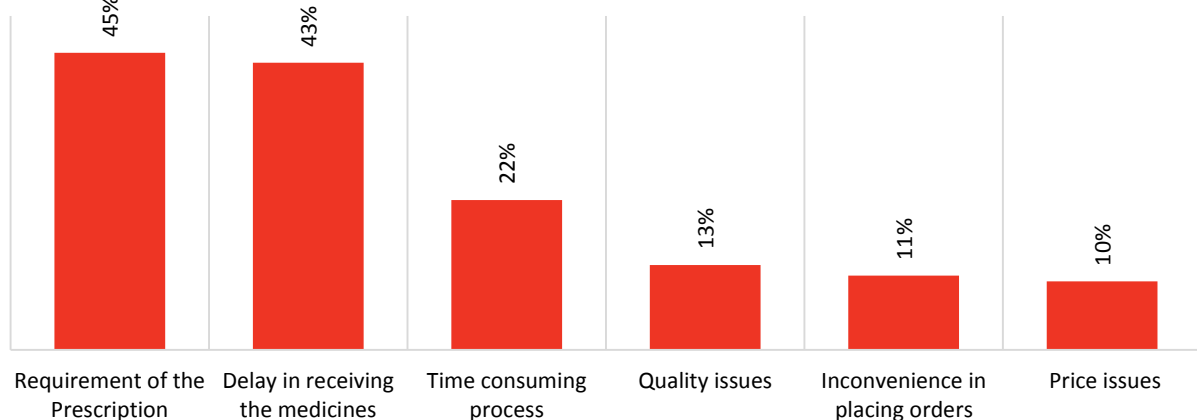
Registration of e-pharmacies with the regulatory authorities like drug control authority would enable the customers to differentiate among the e-pharmacies. According to our survey, **69 percent respondents think that proper guidelines and certification of e-pharmacy stores by competent authorities would increase the base of online medicine shoppers.** The remaining 31 percent respondents are of the opinion that proper licensing and certification will not boost the market share of e-

pharmacy.

Perceived Issues in E-Pharmacy

Since the concept of e-pharmacy is still at a nascent stage, customers are expected to face different problems while placing orders online. These problems may be related to technology, operational processes or government norms.

Perceived Problems during Online Transaction



As per the respondents, **requirement of valid prescription (45 percent) by the e-pharmacies has emerged as the major problems perceived while buying medicines online. Other major problem perceived by consumers was related to delays in delivery of medicines (43 percent)** which is related to the operational efficiency of e-pharmacies in delivering medicines at the door steps of consumers in time. Further, time consuming processes to place the order for medicines online and quality issues were indicated by 22 percent and 13 percent of the surveyed consumers respectively.

Key Highlights

- A total of 4600 consumer respondents from all the age groups have participated in the survey with a fair representation across all the age groups. Around half the respondents were in the age group of 18 to 34 years.
- Of all the surveyed respondents, 88 percent were males whereas the remaining 12 percent were females.
- Majority (83 percent) of the consumer respondent's bank or shop online. Additionally, online shopping or banking is not restricted to any particular age group, especially the young.
- A considerable share of the respondents tend to buy medicine either once in a month (46 percent) or once in 15 days (37 percent).
- With increase in age, consumers tend to have more planned purchases of medicines as the instances of buying medicines once in a month increases (from 43 percent to 57 percent) with increasing age.
- Majority of the sample consumers buy medicines on their own by personally visiting medicine outlets (68 percent) and about 20 percent of them ordering medicines over the telephone from such outlets.
- The preference of buying medicines through physical visits to the medical stores decreases (from 72 percent to 55 percent) with increase in age. Subsequently, placing orders for medicines over the telephone (from 15 percent to 29 percent) increases with increasing age.
- Majority (63 percent) of consumers need to buy medicines for chronic diseases and with increase in age, the frequency of buying medicines for chronic diseases was found to increase (from 52 percent to 86 percent).
- The monthly expenditure incurred over medicine by 86 percent of the respondent consumers is up to INR 5000. Of them, 39 percent reportedly spent between INR 1001 to 2500 in a month on medicines.
- Around 48 percent respondents reported that they have to visit multiple pharmacies to buy medicines.
- A significant 67 percent of the sample have been through occasions where they were charged different prices for the same medicine at different pharmacies.
- Unavailability of qualified pharmacists to dispense medicines at pharmacies has emerged as another major issue as reported by 32 percent of the consumers.
- Approximately 63 percent respondents don't get proper counselling about the administration of medicines at their preferred medical stores.
- The sale of medicines without prescription seems to be a market norm as reported by half the respondents.
- Around 36 percent of the sample consumers reported that they do not get bills with batch number and expiry date for their purchases.
- Approximately 41 percent of the sample consumers don't get home delivery service by their respective chemists.

- Majority (67 percent) of the respondents recalled instances wherein they were offered with an alternate or substitute brand for the same composition during the process of purchase. Off them, 42 percent found the alternate brands to be cheaper in price and 37 percent found the alternate brands to be of the same price.
- 90 percent of the respondents showed inclination towards online purchase of their medicinal requirements in the near future. Further, consumers in the age groups 65 to 70 years (92 percent) and 35 to 44 years (91 percent) have shown the highest intent to use e-pharmacy in the future. Also, 94 percent of the respondents currently buying medicines for chronic diseases have shown the inclination to accept e-pharmacy in the future.
- Approximately 76 percent respondents think that e-pharmacy will be more convenient as compared to the existing mode of purchase they are using.
- A majority (76 percent) of the respondents stated that a single store or website would suffice their medicinal requirements and would be a major benefit for consumers.
- Around 87 percent respondents perceive that home delivery of medicines would be a major benefit propelling the increase in acceptance of online shopping of medicines.
- Around 84 percent of the respondents are of the opinion that low prices, discounts and savings on purchases would be a big feature that would attract consumers towards e-pharmacy.
- Around 74 percent of the respondents agreed that convenience in choosing the time and location for the delivery of orders would improve the acceptability of e-pharmacy in the market.
- 74 percent are of the opinion that quality of medicines would not be compromised at e-pharmacy stores, and will eventually be key to attracting consumers to this platform.
- Approximately 72 percent of the respondents perceive that ease of tracking orders, convenience in cancellation of orders and the option of reimbursement in online purchase of medicines are advantages that consumers will enjoy if they opt for e-pharmacy.