

EMBA IV Term - Major Project Report On

Marketing and Business model innovations shaping the new normal in the ePharmacy Sector: A case study of 1MG Technologies in backdrop of Covid19 pandemic.

by

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Certificate

This is to certify that Dr Hemant Sahni, Roll No: 2K17/EMBA/520, a student of Masters of Business Administration (Executive) at Delhi Technological University, Delhi has accomplished the project titled “Marketing and Business model innovations shaping the new normal in the e-Pharmacy Sector: A case study of IMG Technologies in backdrop of Covid19 pandemic” under my guidance and to the best of my knowledge completed the project successfully, for the fulfilment of the course Executive MBA. This copy of report has been supplied on condition that anyone who consults it, is understood to recognize that its copyright rests with the author. No quotation from this report, nor any information derived therefrom, may be published without author’s prior consent.

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Abstract

India is poised to be among the top five pharmaceutical and healthcare markets with an estimated size of over USD 55 Billion by 2020. Despite the high potential, the penetration of e-Pharmacies in India remains low with over 85% sales being performed through brick and mortar stores and diagnostic centres. In recent years, a plethora of start-ups have emerged on the scene to fill the vacuum and have brought with them an array of operating models and innovations thereof. In this study, I examine the Indian e-Pharma Industry to understand the various verticals the e-businesses in this segment engage in and the dimensions on which they have made innovations to penetrate the Indian market. I dissect the marketing journey of a popular e-Pharmacy IMG Technologies using the ASCOR framework and analyse the consumer decision making process through a focus group of one of its established target segments to highlight the multiple variables affecting this decision making process and have presented a model of gears to represent the consumer decision making, which is capable of being influenced by marketers. This work helps to elucidate the new norms for marketers across different value dimensions of the business in the backdrop of Covid19 pandemic to generate favourable consumer decisions. This study also includes scans, appraisal, evaluation of the external and internal environments affecting the e-Pharmacies. Established frameworks including PESTLE, Porter 5-forces, Strategic groups, ETOP, EFE, RBV, VRIO, SAP and IFE etc along with 360° business innovation model which have been applied on information available through reputed international and national bodies to unravel the critical external threats and opportunities, and internal strengths and weaknesses, and their relationships. To my knowledge this is the first study of this kind in India and is of immense use for not just emerging players but also for existing operators to choose or develop adequate business models, formulate their corporate and business unit strategies, identify gaps in their marketing efforts in various value dimensions and improve them accordingly considering the present status and emergent norms of the market in the backdrop of Covid19 as we all learn to co-exist with pandemics in a globalized world.

Table of Contents

| | |
|--|----|
| Certificate..... | 1 |
| Acknowledgement | 2 |
| Abstract..... | 3 |
| Table of Contents..... | 4 |
| List of Figures | 6 |
| List of Tables | 8 |
| Chapter 1: Introduction..... | 10 |
| 1.1 Disease Patterns in India Today | 10 |
| 1.2 The Digital Power to Empower..... | 11 |
| 1.3 Pharmaceutical Sector in India..... | 13 |
| 1.4 Redefining a Pharmacy | 14 |
| 1.5 Covid19 Pandemic | 15 |
| 1.6 Value based Business Model Innovation | 16 |
| 1.7 ASCOR Framework for Digital Marketing..... | 17 |
| 1.8 Aims of this Project..... | 19 |
| Chapter 2: Methodology | 17 |
| 2.1 Research Design..... | 17 |
| 2.2 Analysis..... | 17 |
| Chapter 3: Results..... | 20 |
| 3.1 IMG: From Medical Repository to an E-pharmacy..... | 20 |
| 3.2 E-pharmacy: Business Verticals..... | 21 |
| 3.2.1 Pharmaceuticals: Novel Business Flow..... | 21 |
| 3.2.2 Diagnostics and Laboratory Testing..... | 22 |
| 3.2.3 Doctor Consultancy | 24 |
| 3.2.4 Private Label..... | 25 |
| 3.2.5 Information Repository and Advertising..... | 25 |
| 3.3 The Business Model Innovation..... | 26 |
| 3.4 External and Internal Environment Analysis | 28 |
| 3.4.1 External Environment..... | 28 |
| 3.4.1.1 Strategic Groups..... | 28 |

| | |
|--|----|
| 3.4.1.2 PESTLE Scan and ETOP Appraisal | 30 |
| 3.4.1.3 Porter 5-Forces Model and EFE Matrix..... | 33 |
| 3.4.2 Internal Organizational Analysis | 35 |
| 3.4.2.1 RBV and VRIO Scan | 35 |
| 3.4.2.2 SAP and IFE Matrix..... | 37 |
| 3.4.3 SWOT Analysis..... | 38 |
| 3.5 Assessment - Setting Digital Marketing Objectives | 39 |
| 3.5.1 Digital Presence Analysis..... | 39 |
| 3.5.2 Marketing Objectives and Review | 41 |
| 3.6 Digital Strategy Roadmap | 41 |
| 3.6.1 Digital Strategy Definition and STP2.0..... | 41 |
| 3.6.2 Digital Marketing Mix and 6S Digital Implementation Framework..... | 43 |
| 3.7 Communication and Channel Mix | 45 |
| 3.7.1 Digital Media Planning and Program Design..... | 45 |
| 3.7.2 Channel Mix Development..... | 47 |
| 3.8 Digital Marketing Operations | 47 |
| 3.8.1 Digital Campaign Planning and Multi-Channel Setup | 47 |
| 3.8.2 Digital Campaign Monitoring and Tracking | 49 |
| 3.9 Digital Marketing Refinement | 51 |
| 3.9.1 Measurement Framework, Analytics and Assessment | 51 |
| 3.10 IMG Shaping the new normal in uncertain times..... | 53 |
| 3.10.1. What IMG has done | 53 |
| 3.10.2 Shaping the decision-making process..... | 55 |
| 3.10.3 E-pharmacy marketing lessons in the new normal..... | 59 |
| Chapter 4: Discussion and Future Directions | 64 |
| Bibliography | 71 |

List of Figures

| Description | Page No. |
|--|----------|
| Figure 1.1. Disease-wise distribution of mortality rates in India | 11 |
| Figure 1.2. Growth of internet users in India | 12 |
| Figure 1.3. Retail Pharmaceutical Market in India (USD Billion) | 13 |
| Figure 1.4. Operations in an ePharmacy | 15 |
| Figure 1.5. 360° Business Model Innovation Framework | 17 |
| Figure 1.6 ASCOR Digital Marketing Framework | 18 |
| Figure 3.1 Rebranding and reorganization of Healthkartplus to 1MG Technologies. | 20 |
| Figure 3.2 Conventional e-Pharmacy Model adopted worldwide | 21 |
| Figure 3.3 Marketplace model adopted by 1MG for Pharmaceuticals | 22 |
| Figure 3.4 Aggregation model adopted by 1MG for Diagnostic Services | 23 |
| Figure 3.5 Online doctor consultancy offered by 1MG | 24 |
| Figure 3.6 Products sold under private label by 1MG | 25 |
| Figure 3.7 Representative image of 1MG as an information repository and using the portal for native advertising. | 26 |
| Figure 3.8 Value Innovations performed by 1MG circled in the respective dimensions. | 27 |
| Figure 3.9 Lean Business Model of 1MG | 28 |
| Figure 3.10 Snapshots of important legal decisions and stands concerning e-pharmacy | 31 |
| Figure 3.11 Plummeting data prices and rising data consumption in India | 32 |
| Figure 3.12 Porter 5-forces model application to 1MG e-Pharmacy. | 34 |
| Figure 3.13 Profit Generation potential of an e-pharmacy market-place model. | 36 |
| Figure 3.14 RBV and VRIO framework applied to 1MG. | 36 |
| Figure 3.15 SWOT Analysis of 1MG highlighting the major aspects in each dimension. | 39 |
| Figure 3.16 Digital Presence Analysis of 1MG Technologies | 40 |
| Figure 3.17 1MG Verticals plotted on the three dimensions of e-commerce | 40 |
| Figure 3.18 Setting Digital Marketing Objectives in line with Mission and Vision of 1MG | 41 |
| Figure 3.19 Digital Value Proposition of 1MG Technologies as per 6C Framework | 42 |
| Figure 3.20 STP2.0 Customer Development Strategy adopted by 1MG Technologies | 43 |
| Figure 3.21 8Ps of Digital Marketing Mix and illustration of its utilization by 1MG | 44 |
| Figure 3.22 1MG Technologies placed on the 6S Digital Marketing framework | 44 |

| | |
|--|----|
| Figure 3.23 IMG Digital Media Plan and Strategy guiding it. | 45 |
| Figure 3.24 Communication Program Design adopted by IMG | 46 |
| Figure 3.25 Channel Mix adopted by IMG to target varied digital segments | 48 |
| Figure 3.26 Illustrations of few campaigns undertaken by IMG | 49 |
| Figure 3.27 Illustrations of Digital Deployment Approaches by IMG | 50 |
| Figure 3.28 Digital Campaign Monitoring and Tracking by IMG | 51 |
| Figure 3.29 Key Activities for Refinement of Digital Marketing | 52 |
| Figure 3.30 An Illustration of Refinement in Digital Marketing by IMG | 53 |
| Figure 3.31 E-Books launched by IMG covering wide facets related to Covid19 | 54 |
| Figure 3.32 Mobile Van Collection for Covid19 Testing by IMG | 55 |
| Figure 3.33 Stages in a Consumer Decision Making Process | 56 |
| Figure 3.34 Integrated Model for Consumer Decision Making Process for e-Pharmacy based on the study highlighting each phase as a gear interlinked with the next stage capable of two-way flow and major variables affecting the decision-making process. | 59 |
| Figure 3.35 Marketers innovating at multiple dimensions to affect the consumer decision making variable to shape the new normal as we learn to co-exist in a Covid19 world. | 61 |
| Figure 4.1 Article in premier scientific journal Nature citing importance of credible and open flow of information for engagement | 68 |

List of Tables

| Description | Page No. |
|---|-----------------|
| Table 1.1. Key Pillars of Digital India Programme | 11 |
| Table 1.2. Key Services under e-Kranti | 12 |
| Table 1.3. Features of an offline Pharmacy such as 98.4, Emami Frank Ross etc | 14 |
| Table 3.1 Three major strategic groups within the E-Pharmacy Sector | 29 |
| Table 3.2 Environmental Threat and Opportunities profile (ETOP) of 1MG. | 33 |
| Table 3.3 External Factor Evaluation Matrix of 1MG. | 34 |
| Table 3.4 Strategic Advantages Profile of 1MG. | 37 |
| Table 3.5 Internal Factor Evaluation Matrix of 1MG. | 38 |
| Table 3.6 Semi-structured questionnaire used by moderator | 57 |

Chapter 1

Chapter 1: Introduction

1.1 Disease Patterns in India Today

Chronic Non-Communicable Diseases (NCDs) including cardio-vascular disorders, type 2 diabetes, mental disorders, tumour, cancer, pulmonary diseases etc have risen two-folds in the last ten years compared to communicable diseases to become the major cause for mortality and morbidity in India with a severe loss of productive years of life (Jaisani, Pant, & Shivam, 2016). Such a rampant rise is explained by the multiple health transitions such as those in demographics, environment, epidemiological, nutrition and lifestyle of Indian population post liberalization era. As per figures published by World Health Organization (WHO) South East Asian Regional Office (SEARO) NCDs account for 60% of all deaths in India (Figure 1) with a four-fold increase in cardio-vascular disorders in rural areas and six-fold rise in urban India (“WHO | India: country profiles,” 2018). Additionally, the burden of NCDs is only expected to increase considering the rising life expectancy and aging of Indian population in the coming two decades. NCDs are accompanied with great health-costs to both the individuals as well as the economy at large wherein medicines account for 45% of direct expenses. As per a Boston Consulting Group (BCG) report, there shall be more than 200 million nuclear households in India by 2020 reducing the access of elderly to medicines (Mall, Sanghi, Singhi, & Subramanian, 2012). Among the major barriers to accessing quality medication, is lack of access to information and knowledge to make informed decisions, and consequent lack of availability of requisite diagnostics and medication.

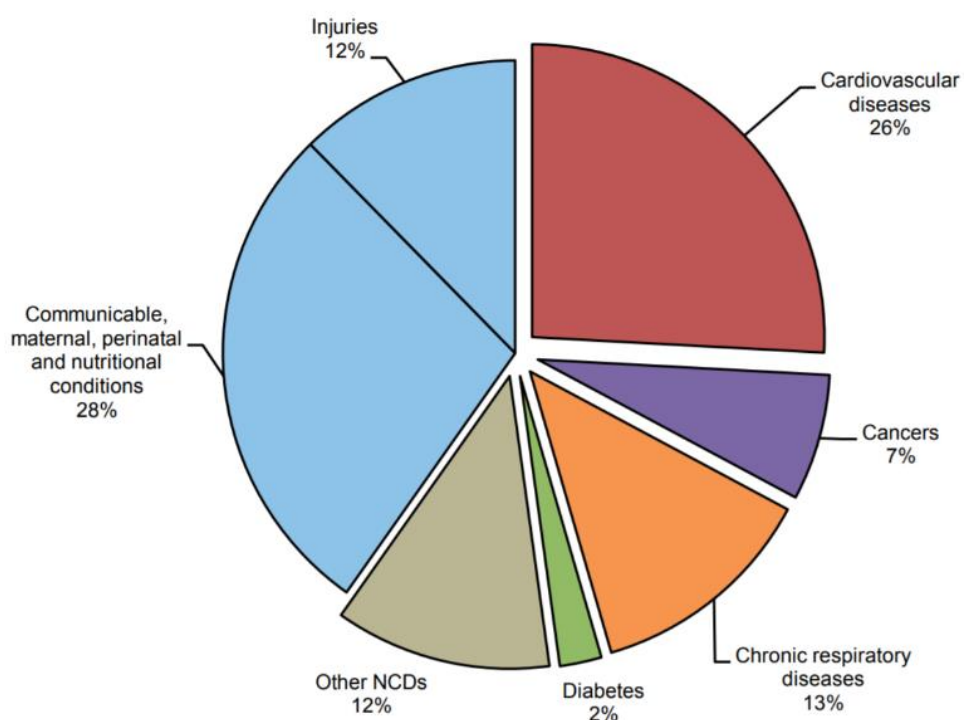


Figure 1.1. Disease-wise distribution of mortality rates in India
Adapted from (“WHO | India: country profiles,” 2018)

1.2 The Digital Power to Empower

Under the Digital India flagship programme, the government of India in 2015 set out a vision to digitally connect every corner of the country by high-speed internet by creation of digital

| Sl. No. | Pillar | Summary |
|---------|--------------------------------|--|
| 1 | Broadband Highway | <ul style="list-style-type: none"> To provide high-speed broadband coverage highways connecting about 250,000 villages, various Government departments, universities, etc. |
| 2 | Universal Access to Mobile | <ul style="list-style-type: none"> To provide mobile connectivity to about 42,300 villages |
| 3 | Public Internet Access Program | <ul style="list-style-type: none"> To make 250,000 CSCs operational at Gram Panchayat level for delivery of Government services To convert 150,000 post offices into multi-service centers |
| 4 | e-Governance | <ul style="list-style-type: none"> To use business process re-engineering to transform Government processes and make them simple, automated, and efficient |
| 5 | e-Kranti | <ul style="list-style-type: none"> To use technology for service delivery such as e-education, e-healthcare, technology for planning, farmers, security, financial inclusion, justice, etc. |

Table 1.1. Key Pillars of Digital India Programme [adapted from (Goswami, 2016)]

infrastructure, increasing digital literacy and delivering government services electronically. Among the many key pillars identified to achieve the vision, the government of India, identified broadband highway, universal access to mobile phones, public internet access programme, e-governance and e-Kranti (Table 1.1) as the five most important ones, which would help to deliver among other services – e-Education and e-Healthcare (Table 1.2).

| Sl. No. | Services | Offerings |
|---------|--------------|---|
| 1 | e-Education | <ul style="list-style-type: none"> • Free broadband at panchayat level • Free Wi-Fi will be provided in all the secondary and higher secondary schools (coverage would be around 250,000 schools) • A program on digital literacy would be taken up at the national level • Massive Online Open Courses (MOOC) shall be developed and leveraged for e-Education |
| 2 | e-Healthcare | <ul style="list-style-type: none"> • Online medical consultation • Online medical records • Online medicine supply • Pan-India exchange for patient information |

Table 1.2. Key Services under e-Kranti [adapted from (Goswami, 2016)]

These services have potential to break the barrier of information lying with experts and allows it to be spread to the common man under a robust eco-system. Internet & Mobile Association of India has recorded an enormous surge in the number of internet users (especially mobile internet users) majorly attributed to increased adoption of smartphones as summarized in Figure 1.2. Consequently, a digital transformation has been noted in India

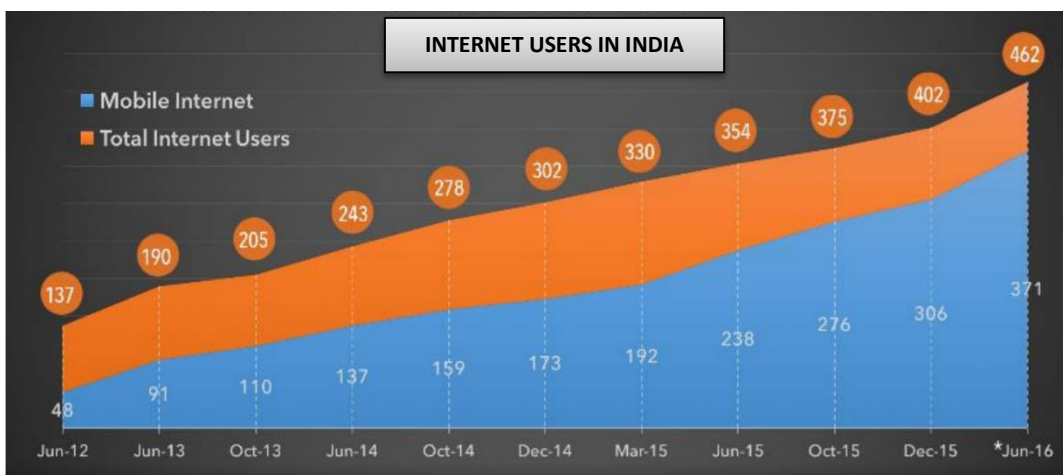


Figure 1.2. Growth of internet users in India

wherein Indian consumers including those in rural areas are now at a centre stage with access to both domestic and global products at the click of a button. (Jaisani et al., 2016).

1.3 Pharmaceutical Sector in India

India is projected to be the fifth largest pharmaceutical market in the world by 2020 due to the factors described in Section 1.1. such as NCDs, aging population and increase in disposable income. The industry is highly fragmented with over 24000 manufacturers with generics contributing to 75% of market share, and a 50-50 divide between domestic consumption and export (IBEF, 2019). The distribution channel has been dominated by unorganized Retail Pharmacies with over 85% of all pharmaceutical sales in India being undertaken through them. Pharmacy retails includes over the counter drugs, prescription medicines, fast moving consumer goods as well as diagnostic services such as blood sugar assays. Figure 1.3 summarizes an India Brand Equity Foundation forecast of compounded growth rate of 15% from 2018 to 2023 to become a USD 59 Billion sector. Despite the majority market to be unorganized, the health and digital transitions referred in sections above, and expected to cause a gradual shift towards modern pharmacy retail outlets.

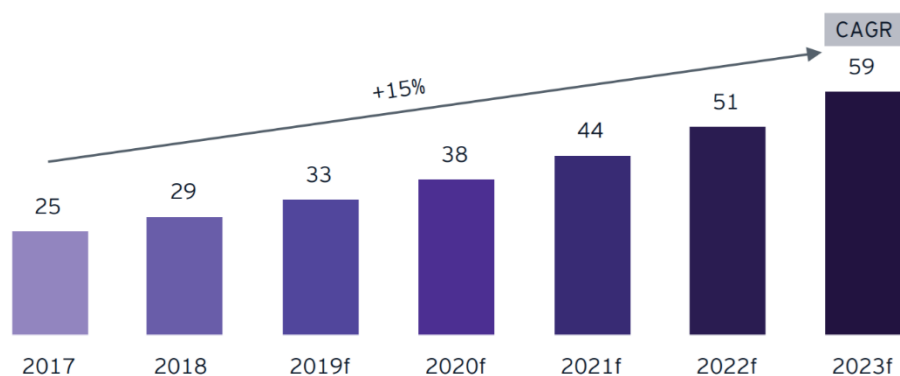


Figure 1.3. Retail Pharmaceutical Market in India (USD Billion)

[adapted from (IBEF, 2019)]

Additionally, technology would result in information symmetry, increased awareness and more efficient supply networks wherein consumers make more informed choice from a wider set of options – which makes increased market share from unorganized to organized pharma retail much more probable.

1.4 Redefining a Pharmacy

Oxford dictionary describes that the word pharmacy is derived from the Greek word ‘Pharmakeia’ i.e. practice of a druggist, based on ‘Pharmakon’ i.e. a drug. Thus, “a shop or hospital dispensary which prepares or sells medicinal drugs” is defined to be a Pharmacy. Such a definition fits well with traditional brick and mortar pharmacies wherein stocks are procured by the offline pharmacy from several distributors and stockists who in-turn procure it from the manufacturers. Such pharmacies are the most widespread presently in India, and their features are captured in Table 1.3.

| Operating model | Key feature | Operating margins | Pros | Cons |
|---|---|-------------------|--|--|
| Offline pharmacies procure from several distributors and stockists (who procure it directly from the manufacturer). | Currently, these are the most widespread form of pharmacies in India with the presence of over 800,000, most of them being non-branded. | ~20% | <ul style="list-style-type: none"> ▶ Well spread out and within the reach of most large population centers. ▶ Undertake deliver to the consumer as they can delivery within a small radius. ▶ Lower customer acquisition cost and can enjoy better customer loyalty | <ul style="list-style-type: none"> ▶ High fixed costs (rent). ▶ Lower margins if the cost of salaries and rent are accounted for. ▶ Inability to scale given high capex requirement. ▶ Limited inventory. ▶ Quality of drugs cannot be guaranteed since they do not control sourcing. |

Table 1.3. Features of an offline Pharmacy such as 98.4, Emami Frank Ross etc

[adapted from (Pahwa, 2018)]

By corollary, an ePharmacy should be a shop or hospital dispensary which prepares or sells medicinal drugs using computer networks such as the internet. Internationally this is the case wherein a model as summarized in Figure 1.4 is adopted such that the ePharmacy lists medicine, processes orders, received payment and finally delivers the medicine which it buys from the pharmaceutical manufacturers/stockists.



Figure 1.4. Operations in an ePharmacy

However, the definition and model described above are too restrictive, and in Indian context, the ePharmacy definition is expanded to include all businesses engaged in distribution, sale, stock, exhibit or offer for sale of drugs through web portal or any other electronic mode. This expanded definition allows for inclusion of several innovative business models to be classified under the ambit of ePharmacy (Economic-Times, 2018).

1.5 Covid19 Pandemic

At the time of writing this section, on the 10th of May 2020, there were over 4 million cases and over 280,000 deaths caused due to Covid-19 infection reported from 212 countries and

independent regions across the world. Covid-19 or the Coronavirus disease 2019 is caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It is known to spread during close contact through small droplets released during talking, sneezing, and coughing. Though a race is on to develop a preventative vaccine and/or a specific antiviral therapy for treatment, till date, none exists – and that has caused unprecedented steps taken by various governments worldwide to decrease close contact between people to control the spread of this pandemic disease. The steps range from total or partial shutdown of economic activities, to national/international passenger movement restrictions, suspension of sporting, cultural, religious, political events, and strict adherence to hand-sanitization and washing along with measures to cover face through masks and/or shields. One clear impact of the pandemic has been the grave disruption of economic activities estimated to cause the largest global recession since the Great depression. However, besides the direct impact on health and economy, it is widely believed that the psychological and social impact of the pandemic shall be extremely significant and shall last for long times to come irrespective of whether or not the vaccine/therapy is developed. It is bound to affect the way information is taken by societies at large, how human interactions take place, how businesses are conducted, how learning is undertaken, how clinical tests are conducted, how practitioners and patients use technology etc. Accordingly, based on the impact caused the businesses need to adapt themselves to remain relevant and viable to serve their customers and their needs while at same time keeping a healthy workforce.

1.6 Value based Business Model Innovation

Business model innovation is a complex relationship between business model changes and market outcomes. Rayna and Striukova developed a framework (Figure 1.5) that encompasses all the components of a business model and presents a holistic view of the

possible business innovations and their likely outcomes, this framework is dubbed as the 360° framework. The key components identified by them are value creation, value proposition, value capture, value delivery and value communication, which are stated to be the value dimensions that make up the foundation of any business. The model thus helps to highlight where precisely the business model is innovative and the long-term competitive of the innovation (Rayna & Striukova, 2016).

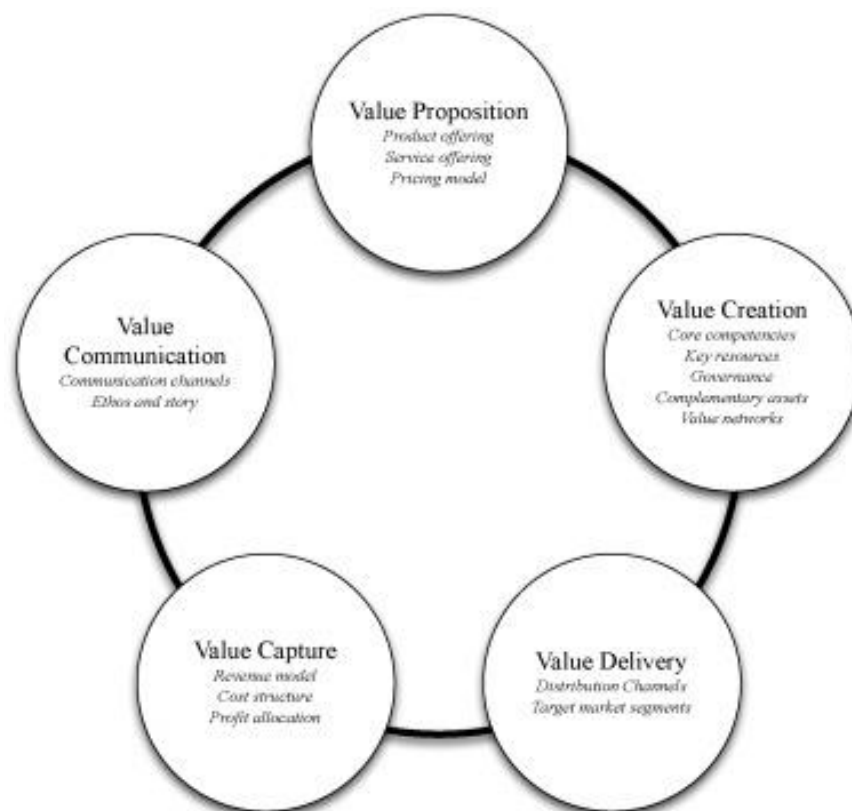


Figure 1.5. 360° Business Model Innovation Framework
 [Reproduced from (Rayna & Striukova, 2016)]

1.7 ASCOR Framework for Digital Marketing

Digital marketing refers to the umbrella term encompassing all marketing efforts that use an electronic device or the internet to promote products and services. Businesses leverage digital channels such as search engines, social media, email, and other websites to connect with

current and prospective customers. Primary difference between digital and traditional marketing is that former is executed exclusively through digital channels and this potentially gives marketers more control, tools, and data to analyze the effectiveness of a campaign. ASCOR is the acronym for the five phases (Assessment, Strategy, Communication and Channel Mix, Operations and Refinement) of a stage-wise plan formulated by Puneet Bhatia to guide marketers in developing and managing digital marketing as a predictable process



rather than viewing it as a discipline of art on which they have no control.

Figure 1.6. ASCOR Digital Marketing Framework
[Reproduced from (Bhatia, 2019)]

1.8 Aims of this Project

In this term project, I aim to understand the Marketing and Business Model Innovations introduced in the ePharmacy sector in India with a focus on IMG technologies by analysing the value dimensions on which the business is founded, and to perform its internal organizational and environmental analysis, and determine course corrections required in light of covid19 pandemic. I shall be applying widely accepted frameworks and published approaches to perform this work with information taken from public sources and would perform a qualitative analysis of the trends in consumer behaviour by established methods in the sector in light of the Covid19 pandemic to develop an integrated model of consumer decision making in this sector and the variables affecting it which are capable to be influenced by marketers. This would help to identify the new norms in the industry across various value dimensions and shall help to gain inferences for both refinement of marketing campaigns and/or re-strategization on part of the marketers. The study shall thus include dissecting the various operating models, strategic groups, analysis of external opportunities and threats, and internal strengths and weaknesses, unravelling the marketing journey of the firm through application of the ASCOR digital marketing framework, and online focus groups on known target segment to establish an integrated model of consumer behaviour for the e-Pharmacy sector. The results so obtained shall be useful for not just emerging players but also for existing operators to choose or develop adequate business models, formulate their corporate and business unit strategies, identify gaps in their marketing efforts in various value dimensions and improve them accordingly considering the present status and emergent norms of the market in the backdrop of Covid19 as we all learn to co-exist with pandemics in a globalized world.

Chapter 2

Chapter 2: Methodology

2.1 Research Design

In this study an exploratory research has been performed using secondary data and information from a wide range of public sources such as periodic reports released by widely regarded organizations such as FICCI, WHO, EY, and Government departments. Further, large amount of information has been taken from published terms of service and other policies published by e-Pharmacy portals such as IMG to infer their business models and innovations thereof. Each report has been cited as such wherever any data or information has been used from it. Data or information from generic blogs has been purposely left out from the analysis due to want of credibility.

2.2 Analysis

Widely accepted external and internal environment scanning, appraisal and evaluation techniques, and business model innovation model have been applied. For understanding business model innovations - 360° Business Innovation Model (Rayna & Striukova, 2016) and lean diamond models have been used (David, 2011), while for external factor scanning, PESTLE, Porter-5 forces and strategic groups frameworks have been applied (Porter, 1991). External Environmental appraisal was performed using ETOP while the evaluation was performed using EFE matrix, all previously described. For internal organizational analysis RBV and VRIO frameworks were used, appraisal was performed using Strategic advantages profile and evaluation was performed using IFE matrix respectively (Glueck W., 1980; Jugdev, 2005; Pahl & Richter, 2009). Depth Interviews of three e-commerce experts from the healthcare industry has been performed to develop reasonable weights for the External and Internal Factor evaluations. Final weights have been developed by clubbing my own understanding of the field to the inputs received from the depth interviews. The tracking of

the marketing journey has been performed by application of established ASCOR framework (Bhatia, 2019), and an online focus group with me as the moderator has been conducted in a semi-structured manner on twelve participants of a well-known target group of 1MG technologies using Google Meet Platform (Google-LLC, 2020) to develop insights on the factors affecting consumer decision process for 1MG at the various stages and any obvious interventions possible to be performed by alleviate such risks. The basic structure of the questions used in the focus group have been presented in the text though the participants were allowed to take tangents wherever needed.

Chapter 3

Chapter 3: Results

3.1 1MG: From Medical Repository to an E-pharmacy

1mg Technologies, originally started as HealthKartPlus in 2013 – a brand of Bright Lifecare Private Limited - as a medical repository for understanding how different drugs work, their side effects and equivalents especially in case of branded prescription drugs. Within 2 years, it went a re-branding exercise by its founders and an organizational re-structuring as a separate entity – 1mg Technologies Private Limited (1MG) i.e. the form it exists and is popular today. It has described itself as an initiative taken in the spirit of public service with a vision to empower Indian consumers and caregivers to select the most appropriate healthcare service at the best possible price, with a mission to make healthcare accessible, understandable and affordable for a billion Indians through a comprehensive website and mobile app (Figure 3.1).

HEALTHKARTPLUS GENERIC DRUG SEARCH ENGINE LAUNCHED

By Kul Bhushan | Updated Jul 04 2013



Bright Lifecare Private Limited

Online marketplace for medicines HealthKartPlus rebrands as 1MG; raises \$6M

By Binu Paul | 20 April, 2015



1MG Technologies Private Limited



1mg co-founders Gaurav Agarwal, Prashant Tandon and Vikas Chauhan



Figure 3.1 Rebranding and reorganization of Healthkartplus to 1MG Technologies.

3.2 E-pharmacy: Business Verticals

3.2.1 Pharmaceuticals: Novel Business Flow

Globally e-Pharmacies have operated in a model wherein the patient visits the web portal or app of the e-Pharmacy operator, uploads the medical prescription for controlled drugs, or just selects the over-the-counter products which are verified, accepted and processed by the e-Pharmacy such that the respective products are bought from manufacturers by the e-Pharmacy or through bulk distributors (Figure 3.2), and are onwardly sold and delivered to the consumer. However, for operating under such a model the e-Pharmacy in fact needs to be registered as a Pharmacy itself under the Pharmacy Act, 1948 (in case of India) or a similar provision of the respective jurisdiction in which the e-Pharmacy operates. 1MG was the first company in India in 2015 to re-engineer this model to a marketplace model such that the web-portal and/or app acts as a facilitator for the consumers and third-party pharmacies

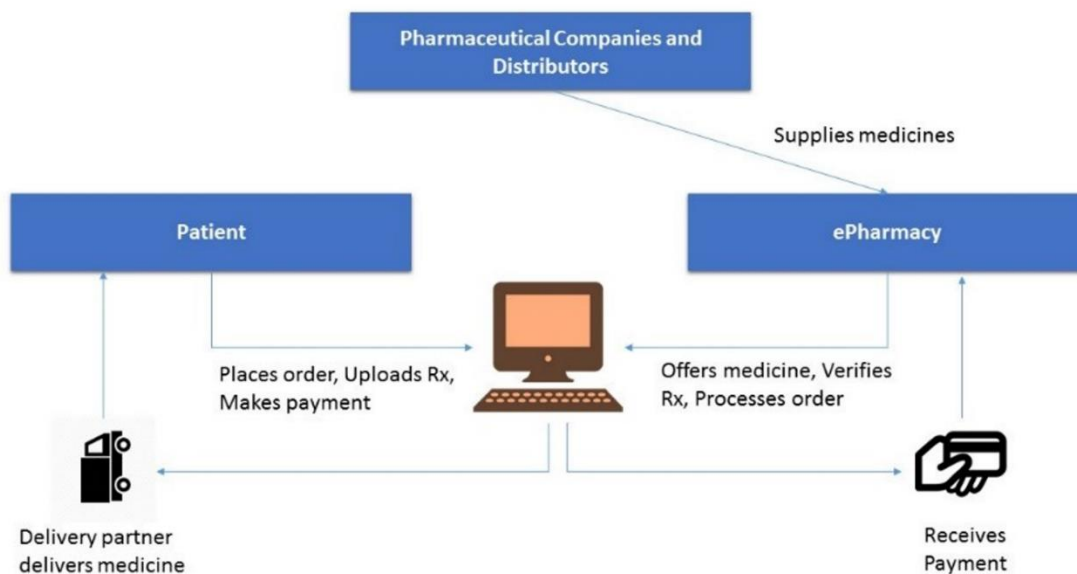


Figure 3.2 Conventional e-Pharmacy Model adopted worldwide

(independent firms), on the same lines as that of Uber in taxi services or Airbnb in hospitality. Thus, the contracts for the purchase of any of the pharmaceutical goods and services available

on sale on the 1MG website, are bipartite contracts between the third parties and the consumer.

Figure 3.3 illustrates the marketplace model adopted by 1MG for pharmaceuticals vertical.

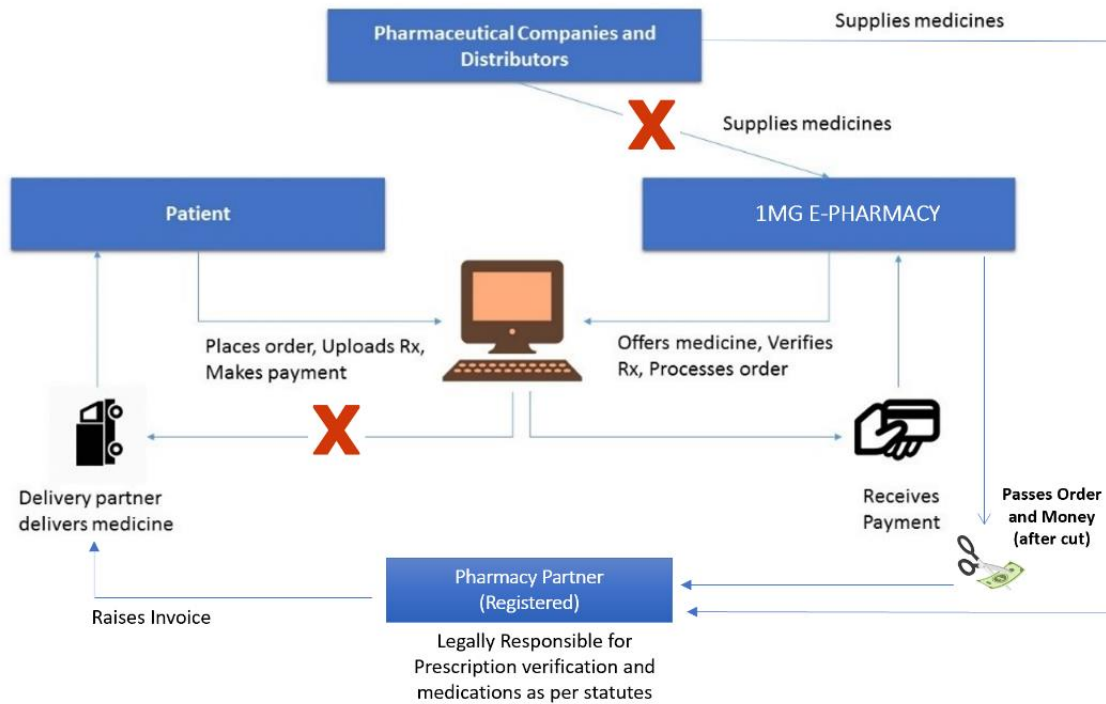


Figure 3.3 Marketplace model adopted by 1MG for Pharmaceuticals

3.2.2 Diagnostics and Laboratory Testing

In order to decipher the business model adopted by 1MG to offer diagnostics services, I studied the terms of services publicly published by 1MG on its portal. It was found that while the conventional model adopted by brick and click diagnostic centres who have been offering home collections is to accept orders electronically, collect samples from home, test and deliver results in accordance with statutes, however, 1MG and several other e-Pharmacies have innovated the business model to act as aggregators for a large number of diagnostics laboratories, wherein the responsibility is limited to provide comparative pricing and complete payment processing. All technical and logistical responsibilities are shifted to the third-party diagnostic centres, with whom the bipartite contracts are entered by the consumer. It is pertinent to point that since 2019, 1MG has also launched its own laboratory dubbed ‘1MG

Labs' on its portal, however, the terms of service lists IMG Labs to also be a third party vendor and there is no apparent clarity regarding the lines of difference between the responsibility and legal identities of IMG Labs and IMG Technologies. It is not improbable that IMG Labs is only a market name for an OEM third party service provider who has been licensed to use the tradename IMG. The pricing strategy adopted for the laboratory tests

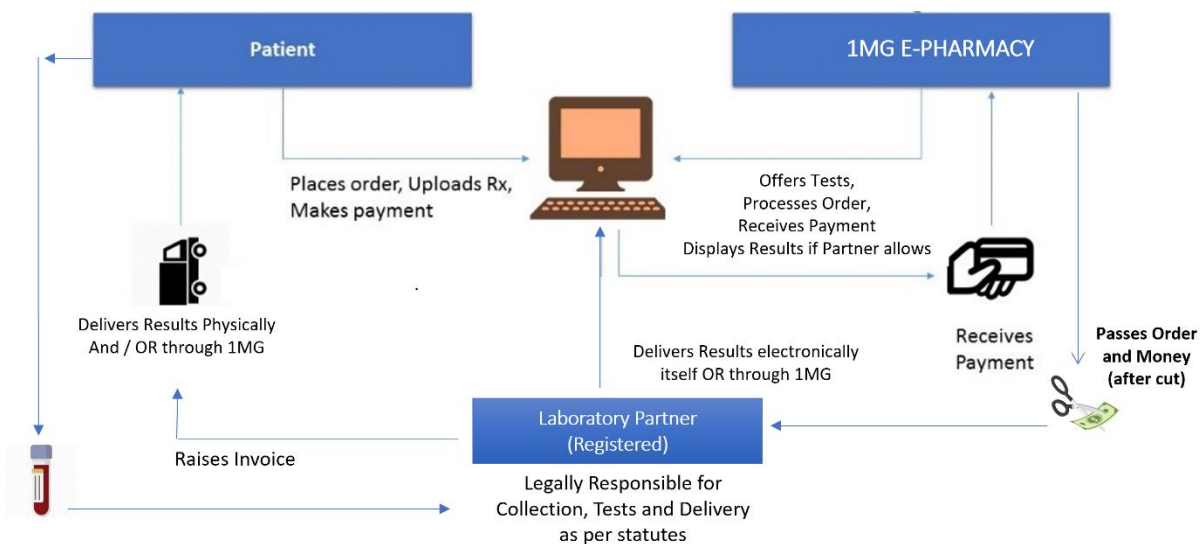
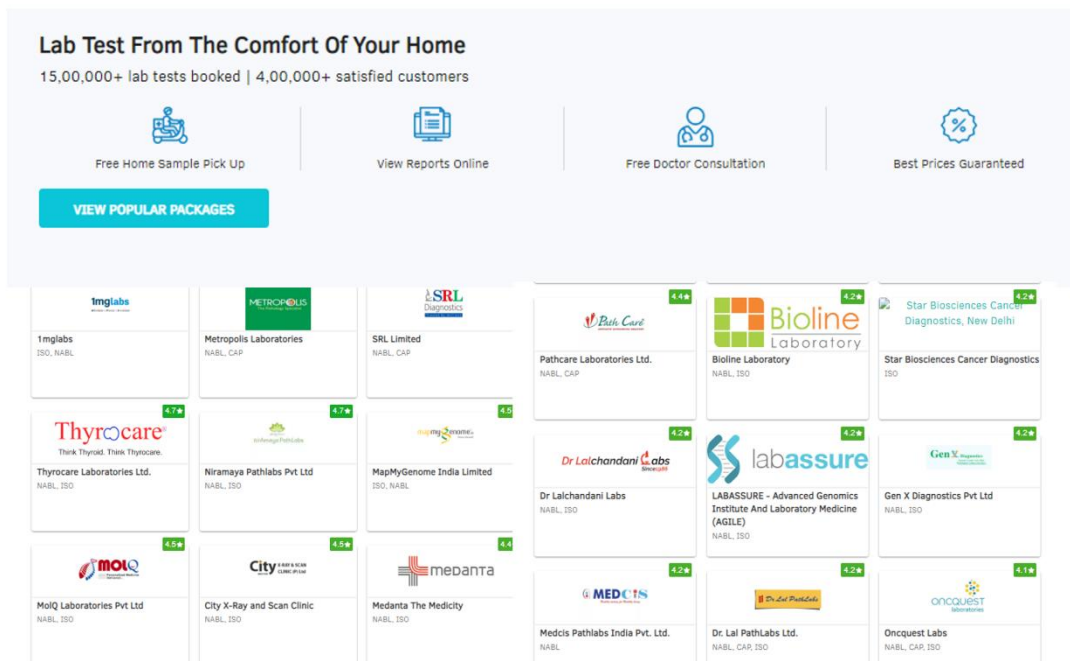


Figure 3.4 Aggregation model adopted by 1MG for Diagnostic Services

offered on the portal are extremely aggressive and are bundled into packs with special promotions all through the year.

3.2.3 Doctor Consultancy

To understand the online doctor consultancy model, I perused the relationship described by IMG for itself regarding this vertical. It was found that IMG demarcates itself out of the patient-doctor relationship and in that sense IMG is not a healthcare provider and again restricts its role as only an online platform. Under this model, a patient can login to the e-Pharmacy portal and express his problem to a panel of online doctors. While all basic consultancy is free of cost but depending on the speed of required service and in case any particular doctor specialization is needed by the patient, then in that case a premium payment is required. The prescription given by the doctor, can be readily used on the same platform to purchase medicines from a third-party pharmacist as in Section 3.2.1. As pointed above IMG removes its onus from both the advice given by the doctor and the medicines supplied by the pharmacy.

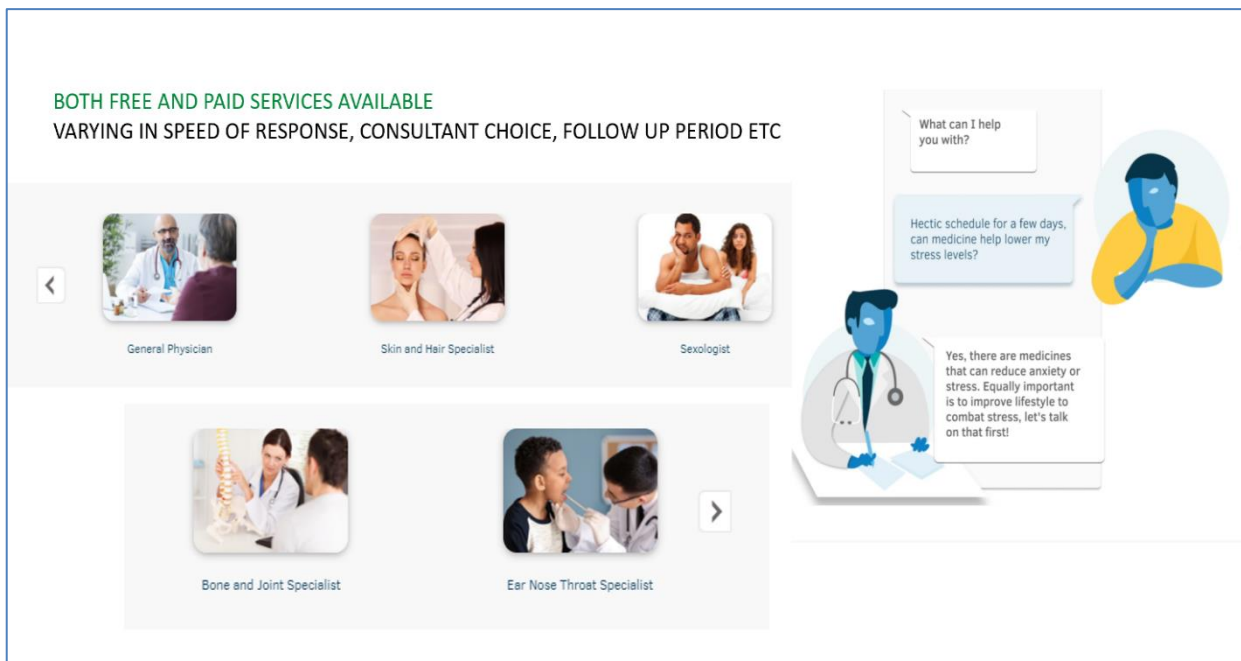


Figure 3.5 Online doctor consultancy offered by IMG

3.2.4 Private Label

Since 2018, another vertical introduced by 1MG is the online retail of over the counter goods under its own private label in order to bank on the success and popularity of its trademark (Figure 3.6). Till May 2020, the range of these items were less than a dozen and included mostly health supplements. At one level these products are synergistic to the parent HealthKart product range and also offers much higher profit levels to the tune of 40-50% than conventional drugs.



Figure 3.6 Products sold under private label by 1MG

3.2.5 Information Repository and Advertising

From the very inception of 1MG, and in fact HealthKartPlus, it has actively been popular and marketed as an information repository of medicines, a tool to find alternatives, understand the working and side-effects. Under this vertical, 1MG has actively taken the stance of an editorial wherein health and fitness content is created and reviewed actively by members on its editorial

board. The authenticity and validity of the information is vouched by IMG itself and the platform is used by IMG for revenue generation through featured partner content and by native advertising (Figure 3.7)

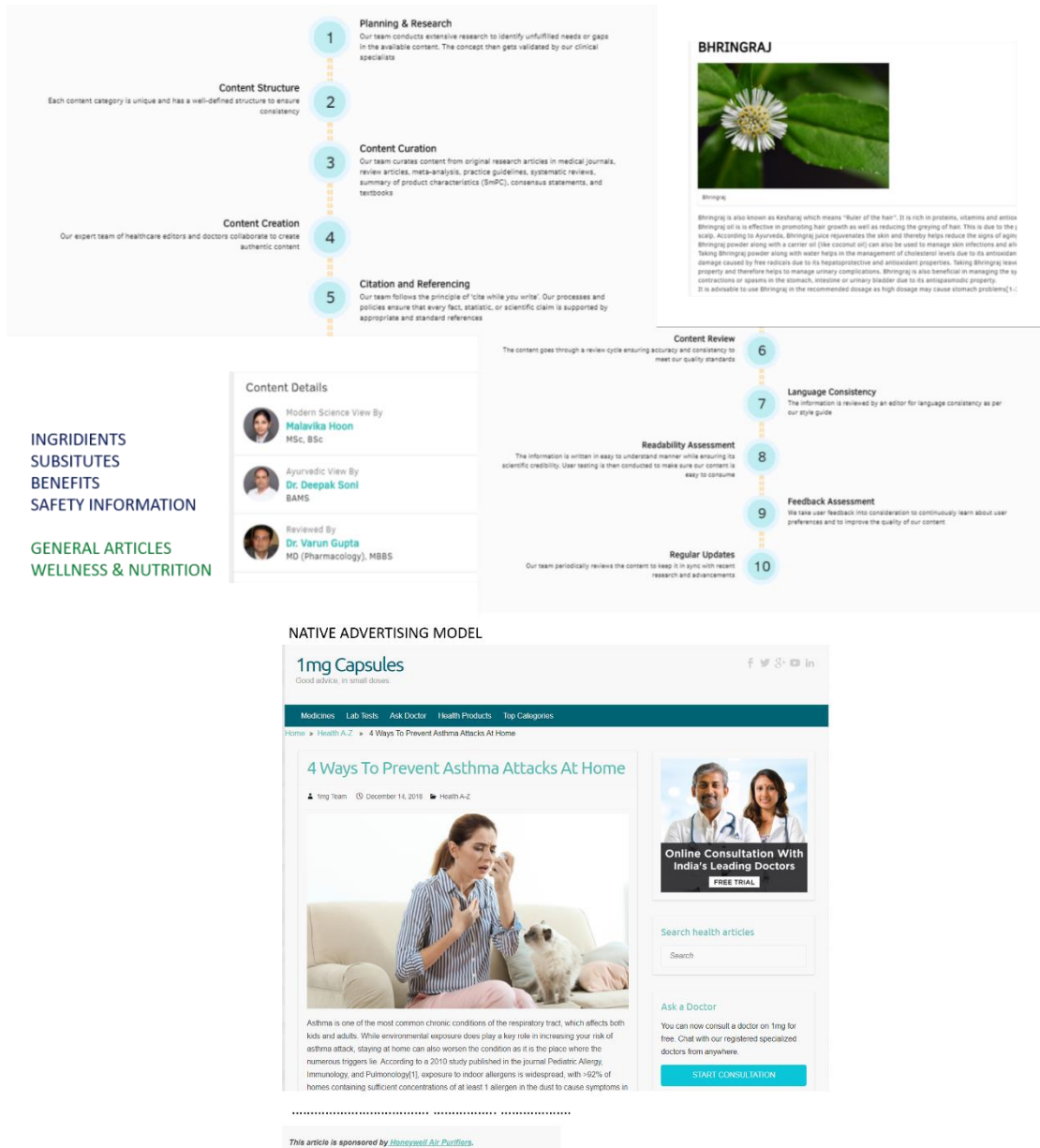


Figure 3.7 Representative image of IMG as an information repository and using the portal for native advertising.

3.3 The Business Model Innovation

In order to highlight the business dimensions innovated by IMG, I applied the Rayna and Striukova 360° Business model (Rayna & Striukova, 2016). It was revealed that IMG undertook innovations at at-least four dimensions (Figure 3.8). The value created by IMG in

terms of information content and aggregation (primarily in pharmaceutical vertical but also in other major vertical of laboratory testing) was unprecedented in 2015 when 1MG was launched. Rampantly falling data prices in India around 2016 created an invaluable complementary asset for the e-pharmacy. Another important value created by 1MG has been in terms of its partnering pharmacies and diagnostic centres in over 1000+ Indian cities.

The information directory developed by 1MG not only led to innovation in terms of value created but also offered a new value proposition to the customers as a service which was not available earlier to them. The online consultancy freemium model discussed earlier was also revolutionary in the industry at the time it was released. In terms of value delivery, the model adopted at least for online consultancy is akin to sharing economy wherein physicians use the platform for consulting patients. The sharing here is not in terms of a classical material but is



Figure 3.8 Value Innovations performed by 1MG circled in the respective dimensions.

more of a 'skill'. An important dimension innovated by IMG has been in terms of the value capture wherein they relied on commission cuts instead of revenues through sale of pharmaceutical goods and laboratory services on its website. Other unconventional mode of revenue has been the native advertising, made possible due to the wide range of information and health content on the IMG portal where such native adverts and featured brands could be camouflaged for the readers. Figure 3.9 summarizes IMG business's as per the lean diamond model (O' Connell, Clancy, & van Egeraat, 1999).

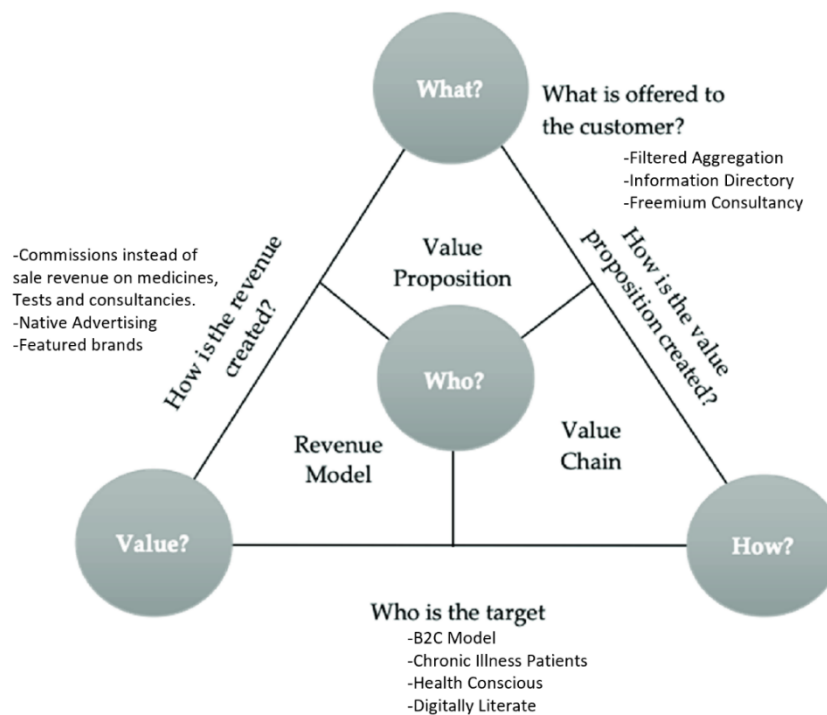


Figure 3.9 Lean Business Model of IMG

3.4 External and Internal Environment Analysis

3.4.1 External Environment

3.4.1.1 Strategic Groups

To scan the external environment for IMG e-Pharmacy, I first determined the strategic groups within the e-Pharmacy Industry (Table 3.1). These groups were segregated based on the core business models used by them such that few online pharmacies such as IMG, practo etc work



| Pure market place model | | | | |
|---|---|-------------------|--|--|
| Operating model | Key feature | Operating margins | Pros | Cons |
| Aggregates several pharmacies and help themselves to onboard the offline pharmacies to its platform. Once the order is placed, the company and pharmacy verifies the prescription. Thereafter, the order gets dispatched by the company using either their in-house logistics team pharmacy or their third-party logistics (3PL) partner. | Aggregates and bring buyers and sellers on a common platform without holding any inventory. | ~25%-27% | <ul style="list-style-type: none"> ▶ Asset light business model - till they invest in warehouses, which happens with scale. ▶ Ability to provide other affiliated services. ▶ Data analytics: customer spending patterns may be used to target other products/ services | <ul style="list-style-type: none"> ▶ They have little control over the quality/ authenticity of products sold. ▶ No physical presence for customers to visit which may lead to trust issues. |



| Hybrid: inventory led | | | | |
|--|--|-------------------|--|--|
| Operating model | Key feature | Operating margins | Pros | Cons |
| Companies under this model operate using warehouses and tie-ups with pharmacies at strategic locations. A part of inventory is sourced from the manufacturer and other part, from local pharmacies. Once the order is placed, the prescription is verified by a pharmacist who then dispatches the products to the fulfilment center/ dark store, where the goods are packed and then sent for delivery. | It is a hybrid of inventory and marketplace model. | ~20% | <ul style="list-style-type: none"> ▶ They are in control of the entire process - from sourcing medicines to vetting prescriptions. ▶ Ability to service orders quickly due to hyperlocal pharmacy partners. ▶ Also gives customers the option to pick up goods from the local pharmacy partner. | <ul style="list-style-type: none"> ▶ Working capital requirements for inventory management. ▶ More asset-intensive compared to a platform. ▶ Lower margins compared to the franchise-led model. ▶ A high focus on inventory management is needed |



| Hybrid: franchisee led | | | | |
|---|--|-------------------|---|--|
| Operating model | Key feature | Operating margins | Pros | Cons |
| Once the order is placed online, the franchisee verifies the prescription, then order the goods. Once the goods are delivered to them (from a distributor, which may also be an online pharma company), the order is delivered to the customer. | Companies following this model have their online platforms (website or mobile applications) as well as on-ground presence via franchisee partners/ pharmacies. | ~25%-30% | <ul style="list-style-type: none"> ▶ Operational costs are borne by the franchisee. ▶ They have both online and offline presence. ▶ Procurement is directly from the manufacturer, ensuring authentic products and higher margins. ▶ Inventory ordering may be optimized using customer ordering patterns for chronic diseases as it is predictable. ▶ Higher operating margins. ▶ Gives customers the option to pick up goods from the store or have them delivered at home. | <ul style="list-style-type: none"> ▶ Investment in franchisee and quality of growth depends on franchisees' selection. ▶ Franchisee may also place an order on other platforms. ▶ Franchisee is the face and therefore brand is likely to get impacted by the customer service that franchisee may provide. ▶ More asset-intensive compared to an online platform. |

Table 3.1 Three major strategic groups within the E-Pharmacy Sector

only as a pure-market place facilitating the interaction of consumer with the third-party Pharmacy or diagnostic centre or a physician as the case may be. While other e-Pharmacies are licensed Pharmacies who either operate on their own as virtual pharmacies with few physical stores bearing the same name such as Net-meds or operate under a franchisee led model with a large number of physical stores across a state or region such as SastaSundar in West Bengal. All the three groups are very different in terms of the effect of their external environment threats and also their internal strengths and weaknesses, however, all of them tend to compete for the same end-user with many a times consumer not even realizing the starkly different business models.

3.4.1.2 PESTLE Scan and ETOP Appraisal

Having identified the above three major strategic groups, I applied the PESTLE (Political, Economic, Social, Technological, Legal and Environmental) framework technique to assess the macroscopic external environment factors critical for IMG e-pharmacy (Perera, 2017). The brief findings to this effect are presented below:

While the direct political interference in ePharmacy sector has been minimal in the past, changes have been proposed by the government of India regarding functioning and operations of e-Pharmacies in August 2018. The proposed changes (though still not implemented) include registration of all e-Pharmacies with a central authority, periodic inspections, specifications on localization of patient data and restrictions on sale of certain psychotropic drugs. The impact of these changes would vary depending on individual players, however for established companies such as IMG and others in its strategic group, it shall help to formally legitimize their business model, though would also put them under some checks and balances. Presently, there is extreme ambiguity in terms of legality of e-Pharmacy business considering the conflicting orders from different High Courts and regarding requirement of licence under Pharmacy Act,

1948 especially in case of marketplace model practices by IMG. Figure 3.10 presents a brief snapshot of conflicting court orders and stance taken by IMG in the proceedings.

Delhi high court bans online medical sales across country

Abhinav Garg | TNN | Updated: Dec 13, 2018, 10:31 IST

✉ 🖨 A- A+

Madras High Court bans online sales of medicines

The court set January 31, 2019 as the deadline for the central government to notify the rules.

By Bharani Vaitheesvaran, ET Bureau | Updated: Dec 17, 2018, 09:20 PM IST

Madras High Court Suspends Ban On Online Sale of Medicine



Shivam Srivastav
Inc42 Staff
20 Dec'18 • 3 min read

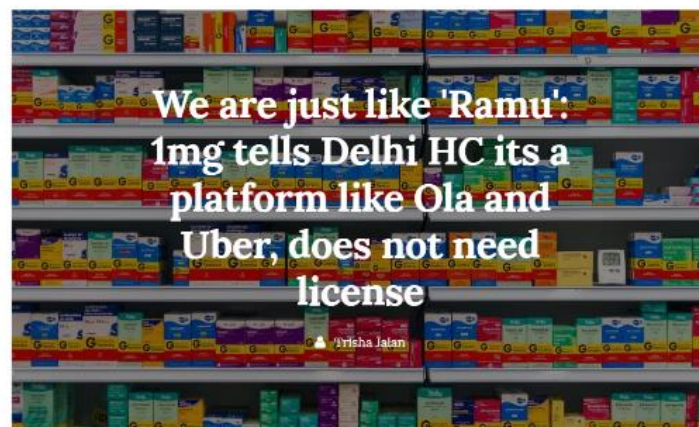
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138 SHARES



Ban on sale of medicines online: HC notice to Centre, e-pharmacies on contempt plea

Press Trust of India | New Delhi
Last Updated: April 24, 2019 20:50 IST



By 🇮🇳 Trisha Jalan (@trishajalan trisha@medianama.com) © September 24, 2019

Figure 3.10 Snapshots of important legal decisions and stands concerning e-pharmacy

Among the economic factors, rising spending power in India with individual disposable income experiencing a rapid growth from 2010 to 2016, is an important driver of entire healthcare sector. A projection made by Boston Consulting Group (BCG, 2017) with regard to

household income growth in India in short term is above 10%. The economic factor of rising spending power combined with increasing the socio-cultural awareness on hygiene and fitness issues, an increase in aged population, fast-paced lives and rise in chronic diseases are all expected to impact the consumption of health services and products at large. Another critical factor is the mobile-telephony revolution which has raised smartphone adoption and penetration in India combined with plummeting data rates (to the tune of 97% between 2016 and 2017, figure 3.11) that have been the lowest in the world. An EY study (Pahwa, 2018) has shown that greater than 85% users in both urban and rural India consider mobile phones to be their primary devices to use the internet, which is itself large driven by the affordability and availability of smartphone. This smartphone penetration is likely to rise further in the coming years with number of users expected to double by 2021 as more Indians switch from feature phones to smart-phones. The recent data price rises are not expected to impact significantly to these trends considering the critical mass of users has already surpassed comfortably.

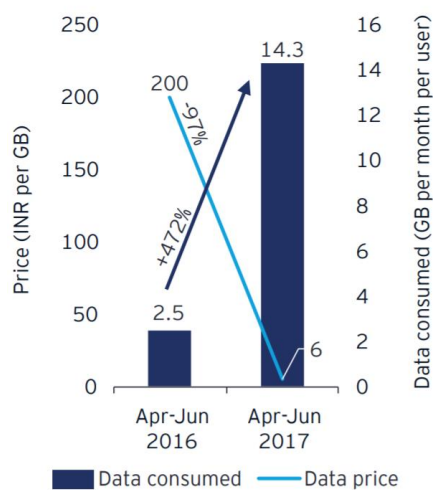


Figure 3.11 Plummeting data prices and rising data consumption in India

The increasing concerns of global warming, rising vehicular pollution and traffic in big cities etc and the perception of e-commerce being inherently more environmentally friendly is another factor influencing the e-Pharmacy industry. A summary of the factors above and

their stated impact are captured in the Environmental Threat and opportunity profile (Glueck W., 1980) of 1MG, presented in Table 3.2.








| Environmental Sectors | Nature of Impact | Impact of the Sector |
|-----------------------|---|--|
| Legal |  | Ambiguity and conflicting nature of orders issued by multiple High Courts. The potential effects are existential. |
| Political |  | New draft of e-Pharmacy regulations tends to control e-Pharmacy business but in the processes legitimizes it as well which would work in favour of 1MG kind of businesses. |
| Economic |  | Rising disposable incomes and living standards. |
| Socio-Cultural |  | Increased awareness of hygiene, health and fitness issues. Rise in Chronic Illnesses. Increase in Population above 65 years |
| Environmental |  | Rising concerns of viral infections and increasing pollution / climate change. Perception of e-commerce as clean. |
| Technological |  | Rise in Smartphone usage across India. Plummeting data prices and rise in availability of high-speed internet. |
| Market |  | High growth rates in retail Pharmaceuticals Encouraging growth rates however bring threat of bigger retail players or big conglomerate entering the market. |

Table 3.2 Environmental Threat and Opportunities profile (ETOP) of 1MG.

3.4.1.3 Porter 5-Forces Model and EFE Matrix

To further investigate the impact of these external environment factors identified above on the various stakeholders including the consumers, pharmaceutical companies, pharmacies etc I applied the Porter 5-forces model (Porter, 1991) to scan and assess the influence on bargaining powers and external pressures. A summary of the analysis is presented in Figure 3.12. Subsequently, the opportunities and threat identified above were weighed and a rating

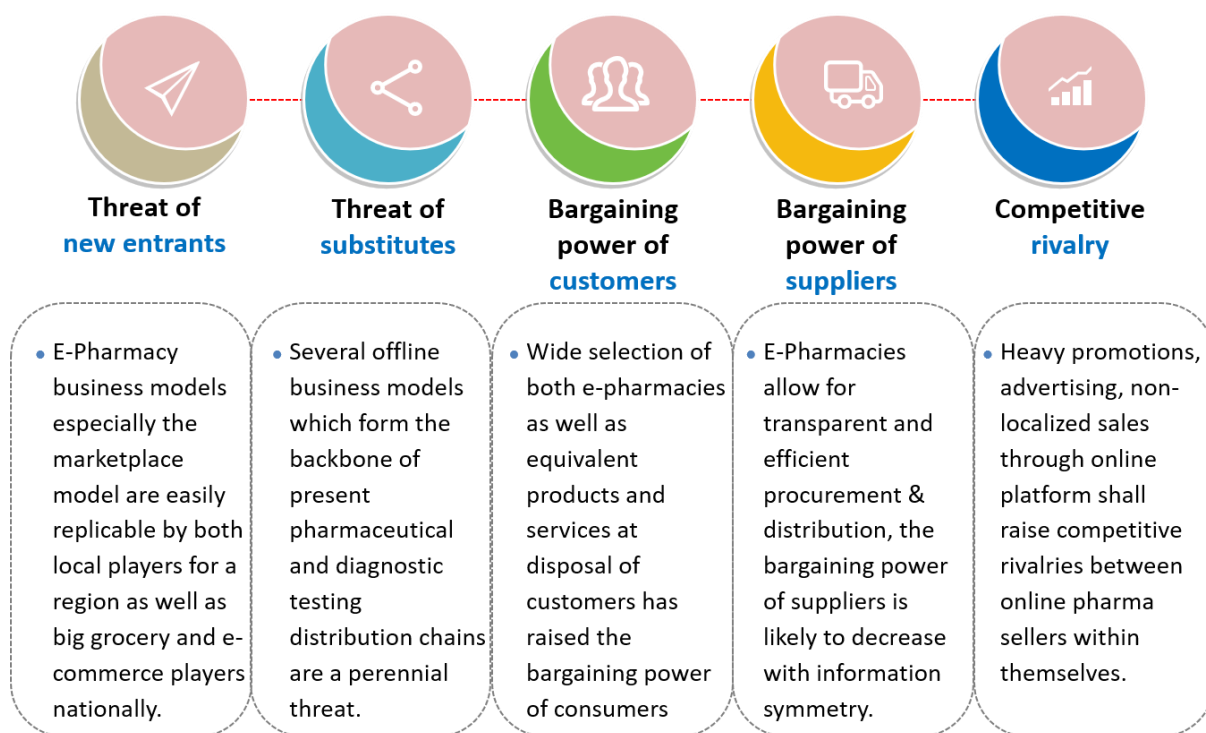


Figure 3.12 Porter 5-forces model application to 1MG e-Pharmacy.

| Opportunities | Weight | Rating | Weighted Score |
|---|---------------|---------------|-----------------------|
| Contactless shopping and convenience | 0.10 | 5 | 0.50 |
| Authentic Products | 0.10 | 4 | 0.40 |
| Consumer Education | 0.10 | 5 | 0.50 |
| Anonymity | 0.06 | 3 | 0.18 |
| Increased penetration of smartphones | 0.08 | 5 | 0.40 |
| Indian Pharmaceutical and Diagnostics Market | 0.08 | 5 | 0.40 |
| Threats | Weight | Rating | Weighted Score |
| Regulatory framework envisaged in Pharmacy Act, 1948 | 0.20 | 1 | 0.20 |
| Data Privacy | 0.08 | 3 | 0.24 |
| Marketplace complaint handling responsibilities and regulations thereof | 0.10 | 2 | 0.20 |
| Traditional Chemist Union and Trade Bodies boycott and threats thereof | 0.10 | 2 | 0.20 |
| Total | 1.0 | - | 3.22 |

Table 3.3 External Factor Evaluation Matrix of 1MG.

Was given to IMG using the external factor evaluation (EFE) matrix (Table 3.3) (David, 2011). It was found that the net score of IMG is 3.22 in the EFE matrix which is above the average score of 3 for EFE.

3.4.2 Internal Organizational Analysis

3.4.2.1 RBV and VRIO Scan

To perform an organizational analysis of IMG Technologies, I scanned the internal environment using the resource-based view (RBV) approach of an organization (Jugdev, 2005). It is well established that organizational resources can be both tangible and intangible. Tangible resources for IMG include the financial funding it has obtained since 2015 especially the latest USD 70 million raised in the 2019 round of funding. Most other resources of IMG are intangible including the goodwill and the brand 'IMG' that it has popularized. The business model of being a marketplace is itself an intrinsic intangible organizational strength that drives profits with nil inventory (See Figure 3.13). However, the most precious resource which I believe that IMG has built-up is the information compendium and knowledge base that pulls the customers to its web-portal. This invaluable resource would be extremely hard for any competitor to develop overnight despite deep pockets. Another valuable resource for IMG are its founders, employees and management who have had deep experience in running an e-commerce firm (HealthKart) in the fitness segment earlier. It is these two resources that have enabled the organization to build a distribution capability wherein they have forged partnerships with third party laboratories and pharmacies in over 1000+ cities across India. Both these resources and competencies thereof are rare, heterogenous in the industry and are immobile to the extent that they differ between organizations and cannot be transferred overnight. Thus, they allow for a sustainable competitive advantage since the cost of imitability for these strengths are extremely high. Figure 3.14 summarizes RBV approach application on

1MG and the resources which exhibit VRIO (Value, Rarity, In-imitability, Organizational usefulness).

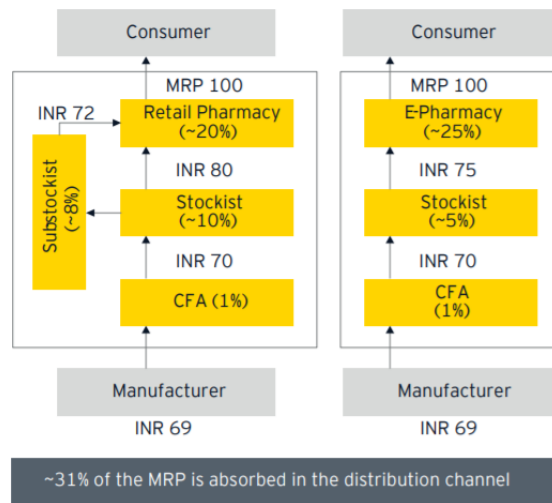


Figure 3.13 Profit Generation potential of an e-pharmacy market-place model.

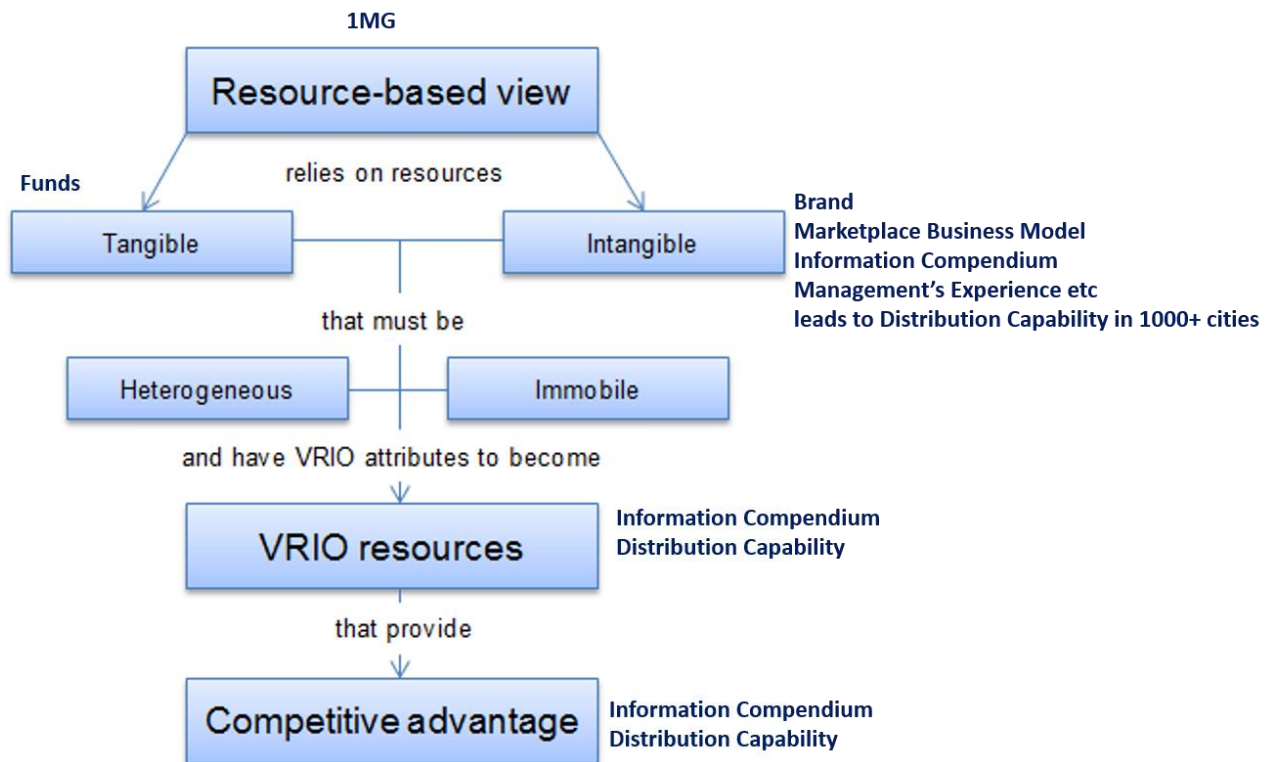


Figure 3.14 RBV and VRIO framework applied to 1MG.

3.4.2.2 SAP and IFE Matrix

In order to appraise the internal factors identified in the internal scanning above, I applied the strategic advantages profile framework (Glueck W., 1980) to understand the competitive strength and weaknesses of IMG against key capability factors. The results of this application are presented in Table 3.4 below.

| Capability Factor | Competitive Strength (+) and/or Weakness (-) |
|--|---|
| Finance | (+) Over USD 150 million Capital raised in 11 funding rounds. (+) Over 200% increase in revenues YOY 2017 to 2018. (-) Losses also increased by 50% YOY 2017 to 2018. |
| Marketing & Service | (+) Extensive information compendium of drugs. (+) Extensive and synergistic Product lines. (-) Ultimate service and product responsibility shifted to third party retailers and diagnostic labs. |
| Distribution Downstream Value Chain | (+) Over 1000 cities presently being served in India (-) Responsibility regarding collection, transport and analysis of diagnostic samples shifted to third party. |
| Personnel | (+) Founders experienced in the e-commerce industry (HealthKart) that too in a closely related industry – fitness. (-) Employees not in full control of Partner activities in verticals of pharmaceuticals, diagnostics, doctor consultations. |
| Operational | (+) Market Place Business Model offers advantage of driving higher margins. (-) Intrinsic limitation of not being the Pharmacy or the Laboratory to customize solutions or being in total control. |

Table 3.4 Strategic Advantages Profile of IMG.

Further, the individual strengths and weaknesses in key functional areas were evaluated and audited by me using the strategic management tool – internal factor evaluation (David, 2011). A summary is presented here in Table 3.5. The ratings were done from 1 to 4, and the average weighted score for IMG was found to be just above average at 2.55, suggesting only a marginal above average score.

| Strengths | Weight | Rating | Weighted Score |
|---|---------------|---------------|-----------------------|
| 1MG as a popular brand | 0.10 | 3 | 0.3 |
| Extensive Line of Products | 0.10 | 3 | 0.3 |
| Information Compendium | 0.15 | 4 | 0.6 |
| Value Network for Distribution | 0.15 | 3 | 0.45 |
| E-commerce experienced personnel and management | 0.10 | 3 | 0.3 |
| Weakness | Weight | Rating | Weighted Score |
| Complaint and service responsibility passed to vendors | 0.10 | 2 | 0.2 |
| Less committed delivery timings in tier 2 and tier 3 cities | 0.10 | 1 | 0.1 |
| Increase in losses YoY | 0.10 | 2 | 0.2 |
| Not a registered Pharmacy or Diagnostic Laboratory as per statues / Customization Potential | 0.10 | 1 | 0.1 |
| Total | 1.0 | - | 2.55 |

Table 3.5 Internal Factor Evaluation Matrix of 1MG.

3.4.3 SWOT Analysis

To put the results of above analysis in perspective of internal and external environments together, I applied the strengths, weakness, opportunities and threats framework (Pahl & Richter, 2009). The major three aspects for each dimension are placed in the figure 3.15. The results of application of this model reveal the strategy presently been employed by 1MG i.e. to use it strengths to maximally exploit the opportunities, thus, a maxi-max strategy. Part of the reason for adopting present strategy may be since the threats and weaknesses listed here are presently dynamic due to the fluid situation of new e-Pharmacy draft rules not being implemented and no clear court orders on status of e-Pharmacies, for which the hearings continue as this report is written.



Figure 3.15 SWOT Analysis of IMG highlighting the major aspects in each dimension.

3.5 Assessment - Setting Digital Marketing Objectives

3.5.1 Digital Presence Analysis

The preceding section contained an analysis of the external and internal environment of IMG Technologies. To better understand the marketing objectives developed by IMG especially for digital marketing communication, I performed the digital presence analysis (DPA) of IMG (Figure 3.16). The DPA helps in understanding how IMG business is perceived when someone searches for healthcare in India. Based on the dimensions of Type of agent, Processing (Process), Output (Product), I have placed the various business verticals of IMG based on their digital presence (Figure 3.17). Online consultations and information repository are completely virtual processes with high digital presence. Lab Tests on the other hand use physical agents

for virtual processes and products, while E-pharmacy provides physical products using physical agents and virtual processes. In all four verticals 1MG is undoubtedly among the leaders in the digital market.

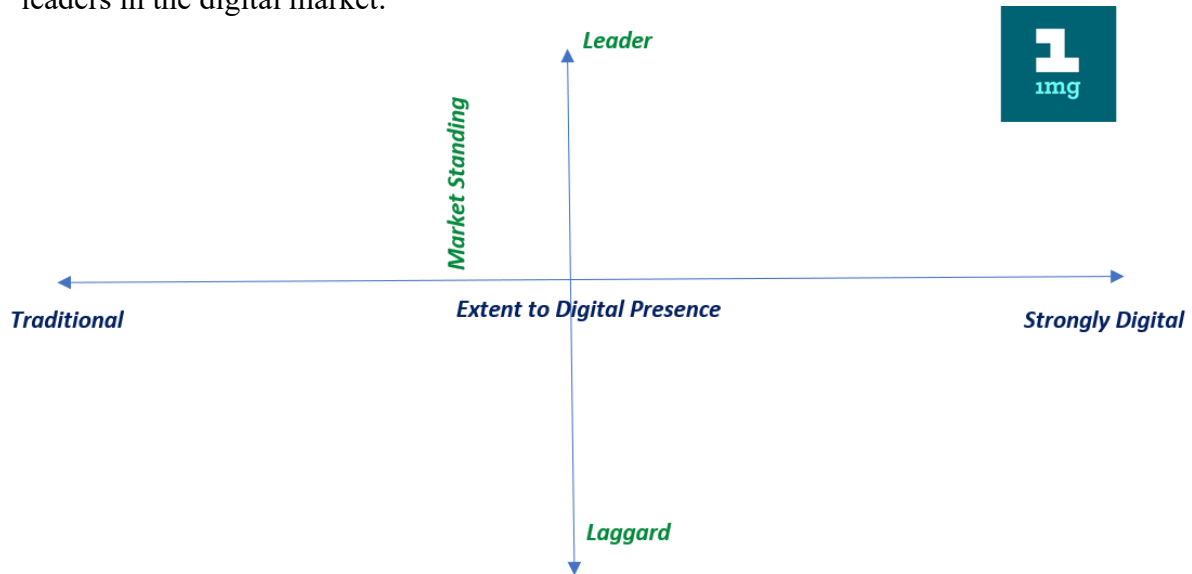


Figure 3.16 Digital Presence Analysis of 1MG Technologies

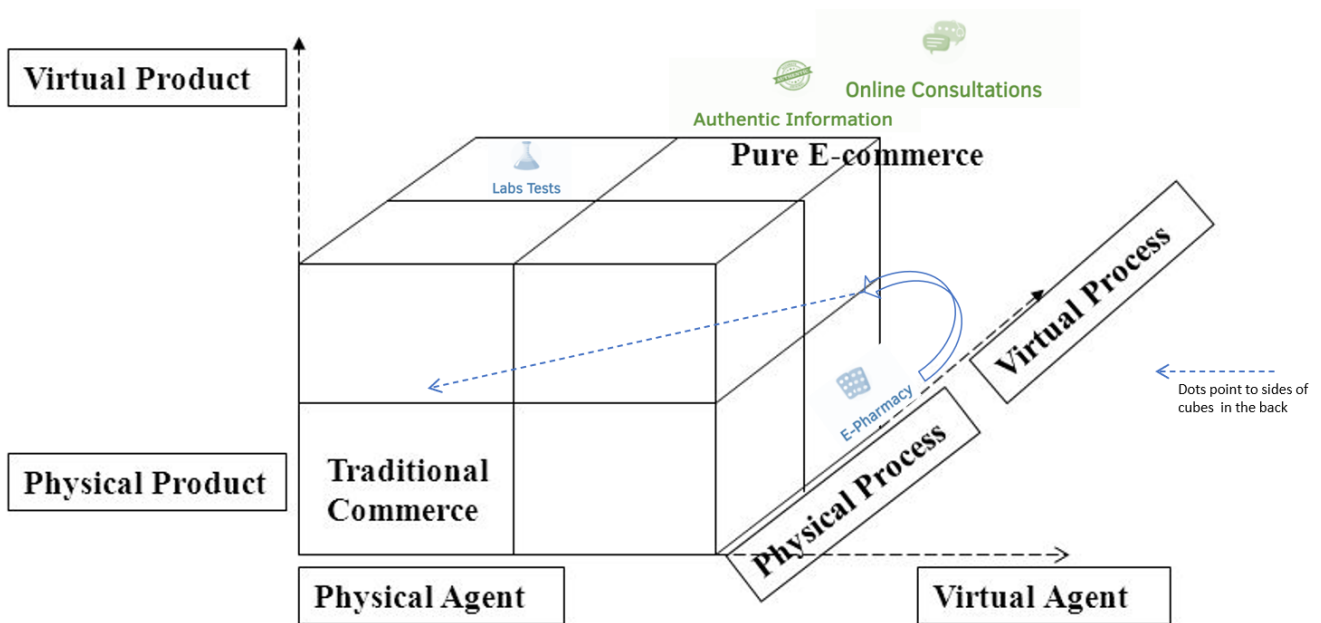


Figure 3.17 1MG Verticals plotted on the three dimensions of e-commerce

3.5.2 Marketing Objectives and Review

The digital marketing objectives development phase within the ASCOR framework is part of the broader Assessment which helps the firm to understand its current digital presence to develop high level digital marketing objectives. When the framework is applied to 1MG, it reveals the following Digital Marketing Objectives in line with its mission and vision as described in Figure 3.18. The objectives focus on organic growth and further development of the platform as the ‘wikipedia’ of healthcare. Further thrust, is on retaining the online visitor and driving conversions not just for sale of product or service but also for building communities.

A *vision* to empower Indian consumers and caregivers to select the most appropriate healthcare service at the best possible price with a *mission* to make healthcare accessible, understandable and affordable for a billion Indians through a comprehensive website and mobile app.

Digital Marketing Objectives in line with Vision and Mission

- **Make 1MG as the first point of information for Indian Drugs – Content is King !**
- **Increase Organic Traffic from across regions.**
- **Reduce Bounce Rates**
- **Improve Conversion Rates from Tier 2 and 3 cities**
- **Build Communities for Discussion**

We make healthcare Understandable, Accessible and Affordable.

Content is king: How 1mg leverages content to drive commerce

Jai Vardhan September 12, 2017

Figure 3.18 Setting Digital Marketing Objectives in line with Mission and Vision of 1MG

3.6 Digital Strategy Roadmap

3.6.1 Digital Strategy Definition and STP2.0

To understand whether the digital strategy roadmap adopted by 1MG is in line with its marketing strategy and objectives, I applied the key stages of the second phase of ASCOR framework. The first step of Strategy Definition involves alignment of 1MG’s core

competencies to changing value function to develop an online value proposition. 1MG has combined its core competencies of being an online Information Repository/Search Engine and Deep Distribution Channels to develop an online value proposition of being a holistic healthcare platform. The online value proposition developed is closely tied to its brand positioning and answers questions such as - Who we are? Online Health Platform. What we offer? Information | Medicine | Tests | Consultancy. Which markets do we serve? Chronic Illness | Fitness | Information Seeker | Ayurveda/Alternate Medicine. What makes us different? Quality Information | Regularly updated and edited content | One roof for information, consultancy, medicine and testing.



Figure 3.19 Digital Value Proposition of 1MG Technologies as per 6C Framework

Analysis of the 1MG web and app platforms helps to dissect the segmentation, targeting and positioning customer development strategy adopted for the digital world (Figure 3.20). The

analysis highlights that IMG as an organization always envisioned it to be an online platform initially as an information provider and later as a healthcare platform which additionally provided medicines, tests and online consultancy above its core proficiency of sharing information. The Segments targeted aggressively are highlighted in green in figure below.

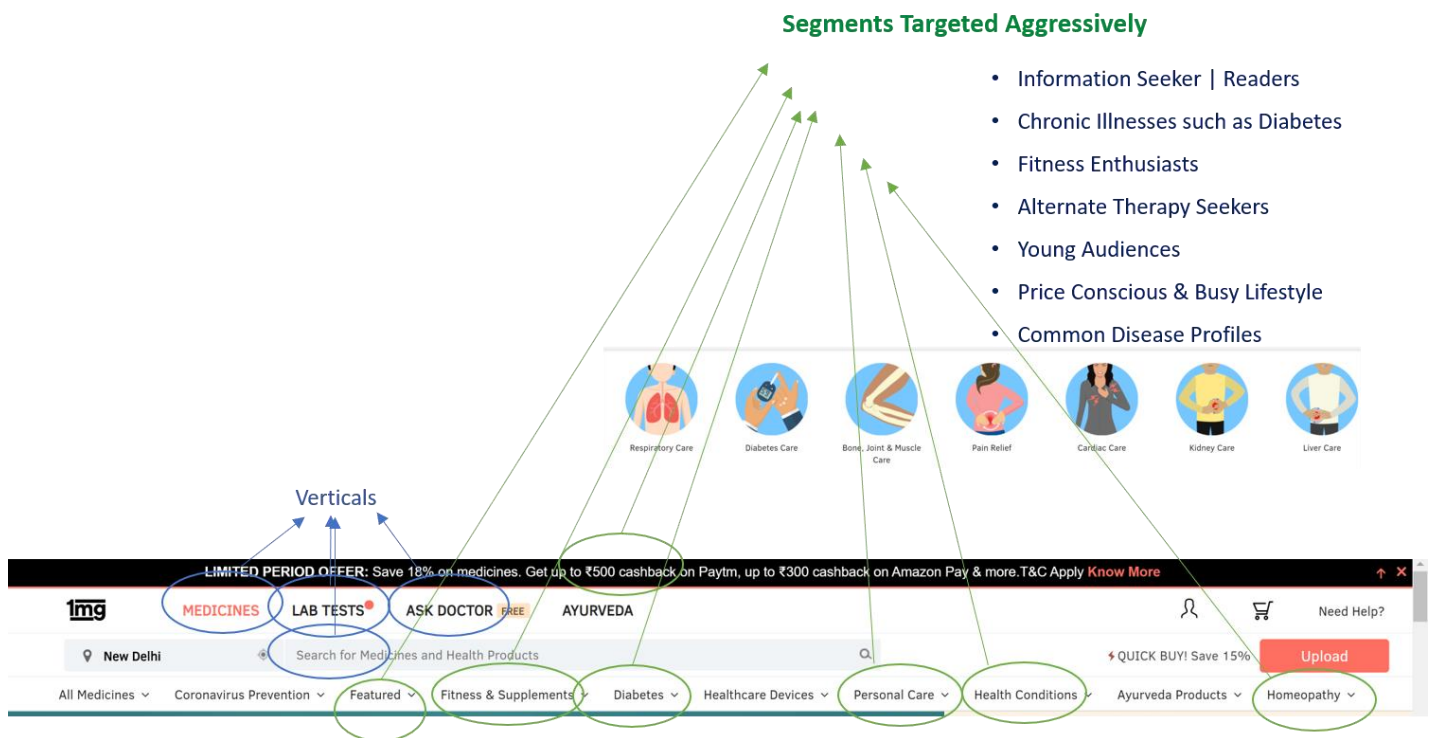


Figure 3.20 STP2.0 Customer Development Strategy adopted by IMG Technologies

3.6.2 Digital Marketing Mix and 6S Digital Implementation Framework

To understand the marketing mix adopted by IMG Technologies, I looked at all the 8Ps of Digital Marketing Mix including both the classical 4Ps of Product, Price, Place and Promotion as well as modern 4Ps of People, Process, Programs and Performance. Figure 3.21 compiles all the classical and modern 8Ps with illustrations from IMG business. On the implementation framework, IMG uses AI based targeting, content optimization, funnel-stage specific response marketing, analytics-driven customized recommendations etc. IMG Technologies is thus a digital-first in nature organization where most of the digital activities and campaigns



Figure 3.21 8Ps of Digital Marketing Mix and illustration of its utilization by 1MG

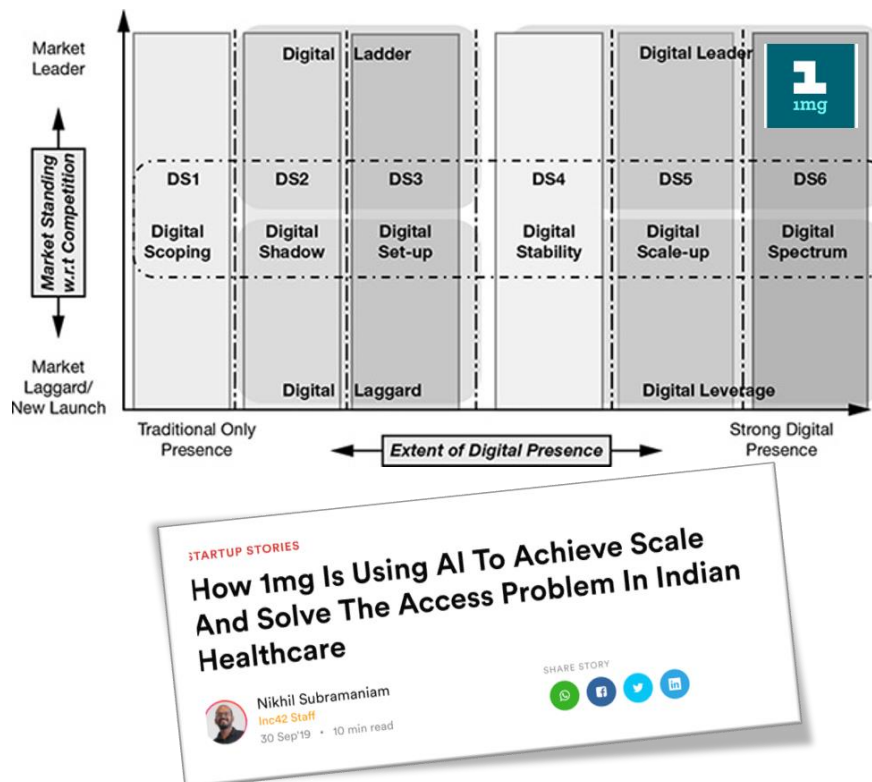


Figure 3.22 1MG Technologies placed on the 6S Digital Marketing framework

are well orchestrated with clarity of desired outcomes thereby IMG is classified as being in the Digital Spectrum DS6 Digital Leader Stage (Figure 3.22).

3.7 Communication and Channel Mix

3.7.1 Digital Media Planning and Program Design

For a better in-depth understanding of the communication and channel mix adopted by IMG, I first analysed the Digital Media Planning performed by IMG. This is a process which involves developing a strategy towards creating a digital media plan post the digital strategy definition exercise from the previous phase of the ASCOR framework. According to a Pew Research Centre Survey, 77% of online health seekers say they began at a search engine such as Google, Bing, or Yahoo (Remez, 2013). Another 13% say they began at a site that specializes in health information. Thus, focusing on role of not just adwords or SEO, but also on content and need for engaging rich information to attract users from Search Engines like Wikipedia does. Consequently, search is indispensable in customer’s (patient) journey for IMG as well as mobile applications which are today more frequently visited by consumers in varied segments sometimes even more-so than desktop. The third strategy adopted by IMG is to



Figure 3.23 IMG Digital Media Plan and Strategy guiding it.

develop online videos for spreading information and to gain a better connect with the end-user since videos help in narrating stories and drives engagements and conversions. The Digital media strategy and planning by IMG is summarized in Figure 3.23.

To understand the program design to execute the above strategy, I performed simple search on

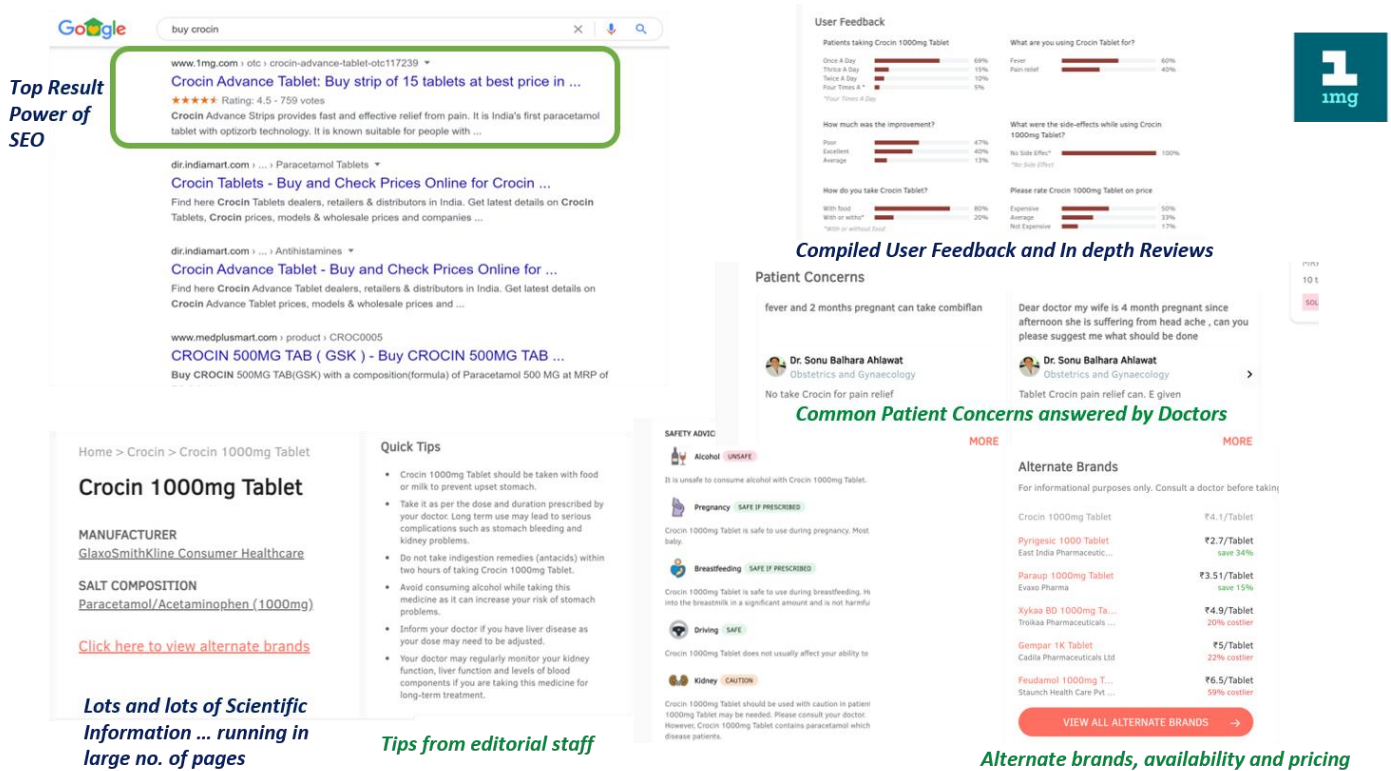


Figure 3.24 Communication Program Design adopted by IMG

a popular search engine (Google India) for purchasing a common over the counter drug paracetamol (Crocin). The 1MG portal was listed at the top of the results demonstrating the power of effective Search Engine Optimization used by IMG to attract potential customers. The landing page displayed heaps of information regarding the drug, its manufacturer, composition, tips from 1MG editorial staff, safety advise as well as alternate brands with similar composition. At each point, the user has option to purchase any drug – thus demonstrates the power of being an information compendium in driving organic traffic. Further, interactions are promoted through common patient concerns being answered by

doctors, and a compilation is listed on the product page as a ready reckoner – along with reviews and ratings by customers who purchased the product – thus building wholesome customer engagement by design (Figure 3.24).

3.7.2 Channel Mix Development

To dissect the nature of digital channels and type of communication adopted by IMG technologies, I studied the communication targeted by IMG across various channels such as mobile notifications, whatsapp, facebook, twitter, youtube etc. While the mobile based app was primarily used for communicating drug information, comparing equivalents etc, the social media platforms such as facebook were used for targeting younger audiences as illustrated by the ‘Count on 1’ campaign of super-heroes. Similarly, the contrast in twitter feed and youtube posts was stark to the effect that twitter primarily contained health based information on current generic health concerns while youtube posts offered not just current health news but also specialized videos posted for different segments including segments such as sexual health, women health, alternate therapies etc along with fascinating story-cum-documentaries of inspirational medical professionals in India as part of IMG ‘Grandmaster Series’. The Whatsapp messaging platform was found to be mainly utilized by IMG for building referrals to its own app and for utilitarian purposes of uploading prescriptions in a more convenient manner. Channel Mix adopted by IMG to target varied digital segments are illustrated in Figure 3.25.

3.8 Digital Marketing Operations

3.8.1 Digital Campaign Planning and Multi-Channel Setup

This operations phase within the ASCOR framework refers to the deployment stage with campaigns being essentially unique, and planned for their own target segments, with its own

Facebook's WhatsApp is so huge in India that one app reached 9 million users without spending a dime

Published Sun, Jun 25 2017 9:00 AM EDT | Updated Mon, Jun 26 2017 2:10 PM EDT

Christine Ferr
@CHRISTINEFERR

KEY POINTS

- 1mg has become one of India's largest digital health companies with help from WhatsApp.

PING TO PLACE ORDERS, PAYMENTS

- Businesses to get access to platform's 1 billion daily users, 200 million of whom are in India
- WhatsApp is doing pilots with a number of companies, including Zomato, BookMyShow and 1mg
- Tying up with businesses to test for payments using NPCI's payment interface, UPI
- Plans are similar to route taken by WeChat, the most popular messaging app in China

Message us on WhatsApp

Refer & Earn

Invite your friends and earn up to ₹500 in 1mg Cash

Invite your friend to download 1mg app. On sign up, your friend will earn ₹100. You earn ₹100 when your friend receives their first order from 1mg.

Refer Via

WhatsApp Email Share

Invite from PhoneBook

Terms and Conditions

*"We didn't do any marketing to get where we are."
- Prashant Tandon, Founder 1MG*

Using twitter as a health information disseminator

How do throat LOZENGES WORK?

YOU ARE SUCKING ON A LOZENGE

AS IT SWIRLS AND FLOWS THROUGH YOUR THROAT, IT LUBRICATES THE IRRITATING TISSUES.

THE MILD ANTISEPTIC STARTS TO KICK IN.

IT ATTACKS THE CELL MEMBRANE OF BACTERIA INSIDE YOUR THROAT.

THIS MAKES IT DIFFICULT FOR THEM TO SURVIVE.

YOU FEEL RELIEVED OF THE IRRITATION.

FOR ALL YOUR MEDICAL INFORMATION

COUNT ON 1

What type of cloth face covers should be worn?

- Must consist of three cotton cloth (multiple of 3)
- Covers cover the mouth and nose completely
- Covers fit snug over the face evenly

DIY Idea: Quickest scarf / Bandana Face Cover

How to wear a cloth face cover?

Your cloth face cover should

Combating Coronavirus: Safety masks at home

Click on the link in description

DON'T LET DIABETES SLOW YOU DOWN.

WHILE YOU ARE ON NATURE'S TOING & YOU CAN ENJOY THE ADVENTURES YOU ALWAYS WANTED TO & LIVE LIFE TO THE FULLEST

CAN I GO ON AN ADVENTURE TRIP USING A DIABETIC?

FOR GOOD ADVICE IN SMALL DOSES

COUNT ON 1

Seamless Pleasant App to be a constant companion

One app for all your healthcare needs

- Medicine Information
- Medicine home delivery
- Book lab tests at home
- Consult doctors online

Onboarding

Home Page - Search Medicine

Checkout, Add Prescription, Payment

Download App from Play Store

Register New User

Medicine Details Page - Add to Cart

- Rounded edges
- No openings for cheap
- Organic and friendly forms
- Light pastel colors
- High side shadows

Building Youtube Content for both health and entertainment

| | | | | | |
|---|-----------------------------|----------------------------|--|--------------------------|--|
| Protection Against COVID-19: Tips and Substitutes | Popular Uploads | Latest health news | COVID-19 UPDATES | Sexual Health | Women's Health |
| How to use Type 2 diabetes injections | Home remedies | Effective use of medicines | Grandmasters | Skin & Hair Care | Bringing Care to Health - 1mg Brand Campaign |
| Diabetes | Miscellaneous | Healthy Heart | Women's Health Issues: Symptoms & Care | Health Tests to Stay Fit | Health Symptoms and Treats |
| How to handle diabetes with 1mg | Inhaled Medicines in Asthma | Heart Attack | Heart Attack | Recent Uploads | GrandMaster Series |

Facebook Campaigns targeted at young adults

Figure 3.25 Channel Mix adopted by 1MG to target varied digital segments

unique mix of tools or resources and key activities. An analysis of the campaigns undertaken by 1MG revealed that they were created in a manner to increase customer engagement with the company by particular target segments such as some for particular disease segments while others purely for price conscious customers, and few for information or entertainment seeker.

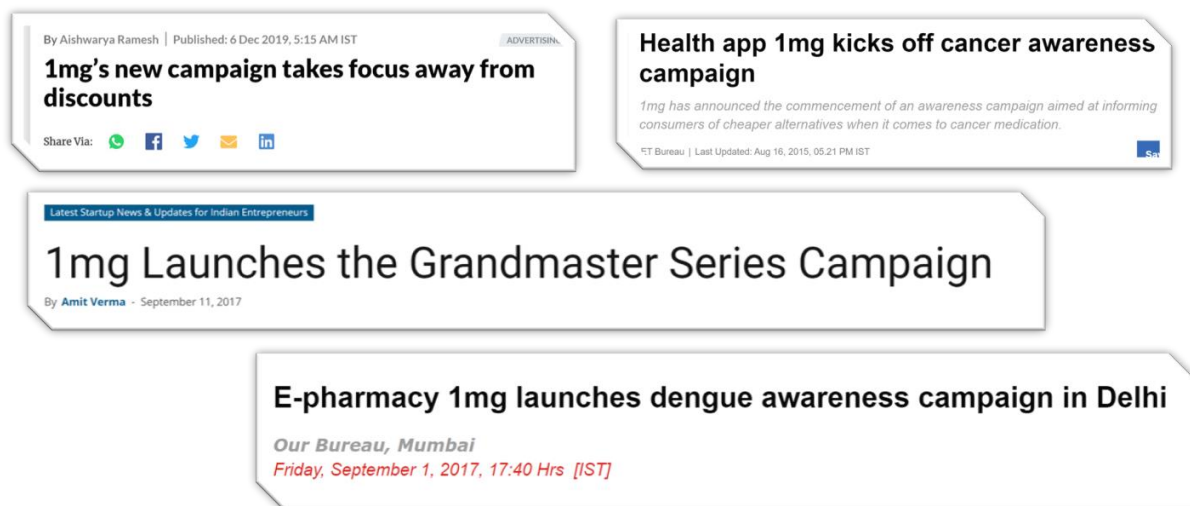


Figure 3.26 Illustrations of few campaigns undertaken by 1MG

The communication channels used for the campaigns are as presented in section 3.7, while the methodologies used for execution included call to action messages, special coupons, daily reminder and AI based disease progression models to prepare multiple use-case notifications. Frequently 1MG has also collaborated with local social influencers for segment specific execution of campaigns through the common social media channels. Figure 3.27 summarizes these deployment approaches.

3.8.2 Digital Campaign Monitoring and Tracking

1MG has exploited its dominant position to capture the search and buying of medicines and over the counter drugs- using API loggers. Part of this data has been made available by 1MG publicly at 1mgTrends.com. This data helps 1MG attain knowledge about what is trending in medical spheres, in different areas of India and in which period. For example, sexual items trend over Valentine week and Eyecare trends in Holi. The rise in understanding of trend

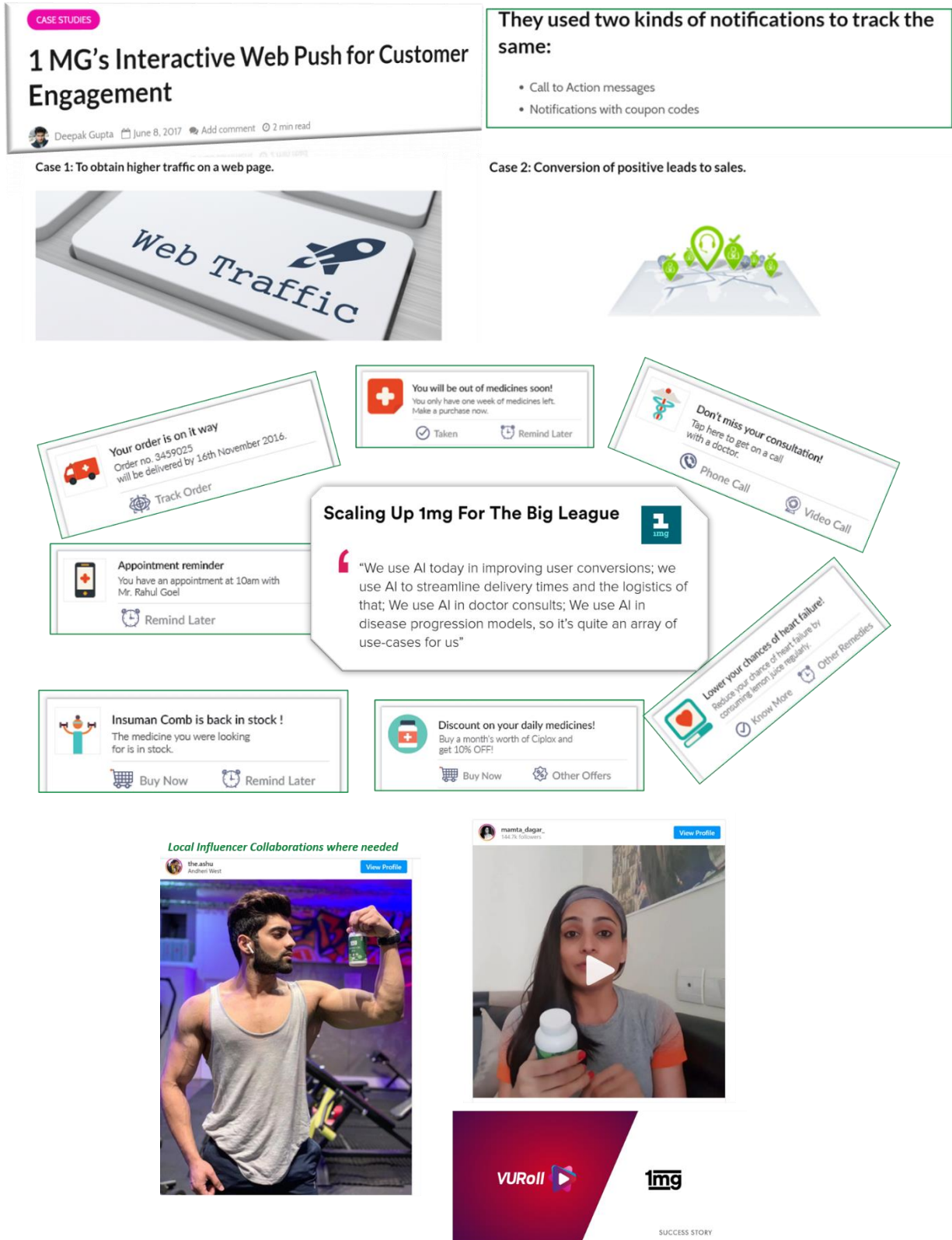


Figure 3.27 Illustrations of Digital Deployment Approaches by 1MG

helps IMG to target its customers what they are looking for in a particular territory at a particular time (Figure 3.28) and to map it to its live campaigns so as to design and tune them as per current requirements of the customers through various channel mix discussed earlier.

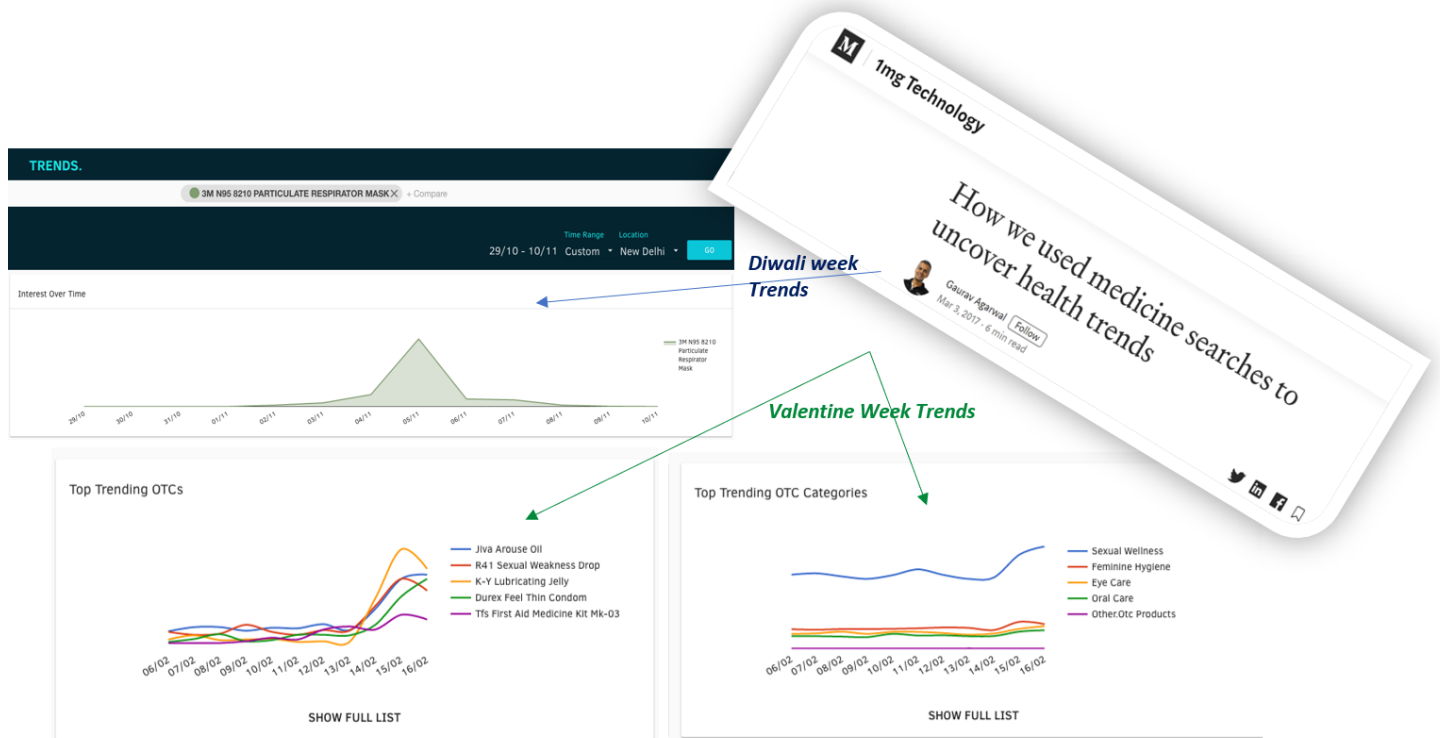


Figure 3.28 Digital Campaign Monitoring and Tracking by 1MG

3.9 Digital Marketing Refinement

3.9.1 Measurement Framework, Analytics and Assessment

To understand the impact of all marketing efforts and investments made, the refinement phase is critical for any business. For an e-pharmacy such as 1MG for every program, marketers need to know - who is interacting with the programme, what is their journey to conversion, what is happening at the e-pharmacy, and what is happening post-e-pharmacy, i.e., the financial and clinical impact in terms of return on investment or as per any other criteria or framework set. Thus, setting a framework for measurement is the first step in this phase, followed by implementation of analytics, assessment and finally refinement if and wherever needed.

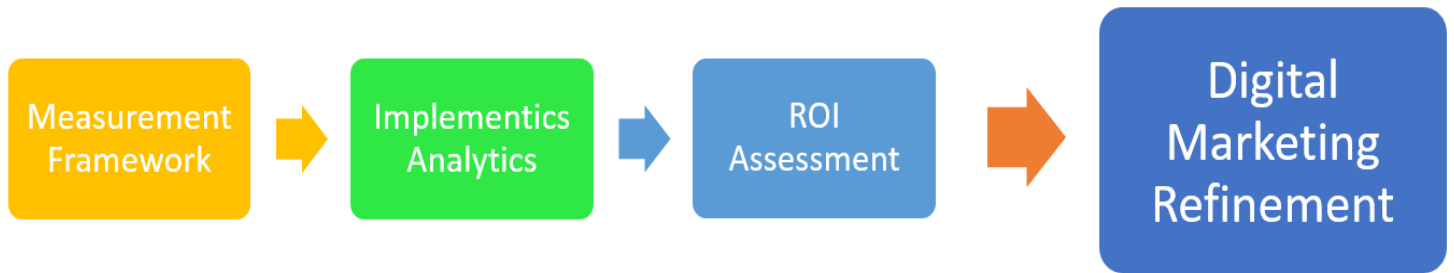


Figure 3.29 Key Activities for Refinement of Digital Marketing

As discussed in preceding sections by me, IMG, being an online health platform, gathers large amount of data on trends, viewing and sale information on drugs, reviews, reading patterns, most searched keywords, locations, click-through-rates etc allowing for vast analytics which empower it significantly when applied on a measurement framework. The framework being one or more combinations of Return on Marketing Objective, Quality of Interaction (or Provider Journey), Payer/Pharmacy Experience, Financial and Clinical Impact. Both as the marketing campaign matures and as company enters different life phases, it leads to requirement of refinement of campaigns to tweak them to meet the real time position and requirements. Sometimes may lead to abrupt endings to campaigns to initiate another variant campaign to meet company/customer requirements. For example, shifting away from IMG's traditional price conscious campaign, it shifted to a video engagement campaign attracting customers to documentaries and entertainment content related to healthcare than price discounts and coupons.

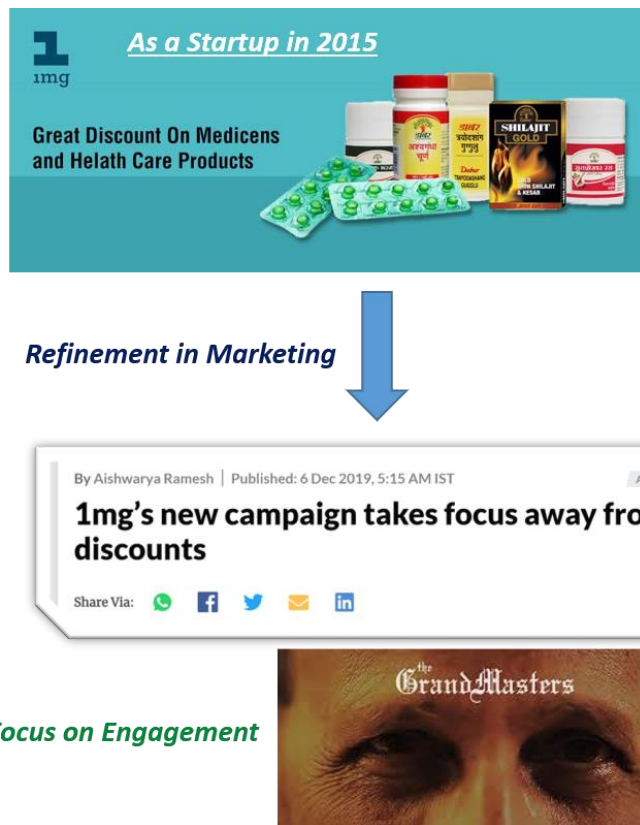


Figure 3.30 An Illustration of Refinement in Digital Marketing by 1MG

3.10 1MG Shaping the new normal in uncertain times

3.10.1. What 1MG has done

Among the biggest casualty of the Covid19 pandemic has been the availability of reliable and truthful information. World Health Organization has gone on the extent to label the situation as an 'infodemic' where fake news spreads at alarming rates. The deluge of mis-information, often also through mainstream media as well as social media has been filled with falsities, rumour, distortions, xenophobia related to the coronavirus, its origins, handling and potential cure. Many a times the driving agenda has been to gain attention or quick profits or more sinister ones to cause harm or take advantage of chaos. In such times, 1MG through its team of medical experts, doctors, design personnel, brand and marketing professionals has tweaked its

campaigns significantly to spread and stress on authentic and verified information across its communication channels spanning to its 14 million customer-base. This is akin to its going back to its roots for IMG wherein it started as an information repository and has been the leading healthcare platform based on this very strength. Among other things such as push



Figure 3.31 E-Books launched by IMG covering wide facets related to Covid19

notifications, emails, youtube videos etc – IMG launched a large number of E-books on a wide range of topics related to Covid19 such as how to handle groceries, cash, parenting guide, practicing social distancing etc (Figure 3.31). Another major and recognizable intervention adopted is what to do if one thinks one has become sick with symptoms of Covid19. The solutions offered by IMG range from information sharing of state to district-wise nearest Covid19 government centre to the availability of online appointment with practitioners to get an e-prescription and to book a covid19 detection test. Additionally, the IMG

distribution/phlebologist network initiated the use of mobile vans to collect samples from hotspots in Tier 1 cities for testing purposes and for sanitization (Figure 3.32).



Figure 3.32 Mobile Van Collection for Covid19 Testing by 1MG

Lastly, the other measures adopted so far have been those also practised by other e-commerce platform such as contactless delivery and digital payments, protecting its own team and partners by regular check-ups and internal doctor support, keeping the warehouses clean and hygienic and most importantly keeping the partner pharmacies well stocked.

3.10.2 Shaping the decision-making process

As famously quoted by Aristotle - all human actions have one or more of these seven causes: chance, nature, compulsions, habit, reason, passion and desire. A typical consumer decision making process is known to involve three major stages viz a viz the pre-purchase, consumption and post evaluation stages (Figure 3.33). The pre-purchase stage itself involves three phases of need recognition, information search and alternatives evaluation. In the preceding sections of this project, I have focussed on the various marketing and business innovations adopted by 1MG for each of these stages. In order to dissect the various variables that affect the consumer decision making process, I performed a semi-structured online focus



Figure 3.33 Stages in a Consumer Decision Making Process

group on a well-known segment targeted by E-Pharmacies including IMG, i.e. urban working parents of young kids. All twelve participants in the focus group discussion were chosen in the age segment of 30-40 years such that both partners were known to be working and one partner took part in the focus group discussion, and had placed at least one order on IMG platform since January 2020. The study was performed online during the Covid19 national lockdown. The aim of the focus group was to develop insights on the factors affecting consumer decision process for IMG at the various stages and any obvious interventions possible to be performed by IMG to alleviate such risks. The basic structure of the questions used in the focus group were as under (Table 3.6) , though the participants were allowed to take tangents wherever relevant, and the setting was of an informal semi-structured discussion moderated by me as meeting host.

Based on the discussions with the participants, a recurrent theme emerged where in, it became evident that the linear stages in the consumer decision making process are not really linear for healthcare segments, rather there is a back and forth movement along with interactions with marketer at each stage. An illustration to the effect is for example recognition of the need to

| S.No. | Question for discussion | Collated majority response |
|-------|--|---|
| 1 | Please introduce us with your name and occupation | -Entire group was that of working professionals (by design) |
| 2 | Describe your familiarity and last product/service used from the 1MG portal | -Entire group was familiar and had ordered medicines, OTC products and had read blogs based on which they had also selected products to order. -Majority had also used laboratory tests, while only 1 had taken online consultancies. |
| 3 | Read the E-book "Lockdown Essentials" by 1MG. Do you read similar content on blogs, emails, you-tube, newsletters etc by 1MG. | -Yes, the group was very familiar with similar information-oriented content from 1MG and has been using it both as information and entertainment source. |
| 4 | What are your immediate reactions to the content and what feelings does it invoke. | -Group felt curious in the sense that the content helped to satisfy their information needs, and videos were watched for entertainment, time-kill and forwarding to other social groups. |
| 5 | Do you look for reliable information while making healthcare decisions and how you rate/use 1MG in this process. For example if your kid develops red rashes – do you read about them somewhere online or offline – please advise. | -Yes the majority had done a google search for conditions developed in their kids/or in themselves before taking a consultation while some had also looked at chats in community forums such as that at 1MG. Unanimously group sought reliable and relevant information. |
| 6 | Do you read about the drugs prescribed by the doctor to your kid, its efficacy/reviews, side effects, composition etc or in general about healthcare products you purchase. | -Majority had checked out the drugs online to look for side effects of drugs prescribed by consultant. |
| 7 | Have you ever considered alternatives for drug/products based on compositions/price etc information on 1MG. What factors have you made a decision on? | -Yes, the participants had looked for alternatives when the prescribed drug was unavailable and/or in cases where the generic drug had significant price differences. |
| 8 | Do you use 1MG to compare laboratory tests and how do you choose the laboratory ? | -Yes, the majority participants had used 1MG to compare laboratories for accreditations, pricing and reviews. The most important criteria being accreditations followed by pricing. |
| 9 | Why (or why not) do you regularly visit/purchase any blog/product/service from 1MG. | -Participants had used 1MG as an information provider regularly looking for reliable information. The reason they had made purchase using 1MG previously was the lack of time to physically go to store, and for recurring products such as baby milk and diapers. |
| 10 | Do you prefer to visit your local family doctor offline or do you prefer to visit any specialist online for consultancy ? If you prefer offline what do you think can make you switch to online. | -Majority of the group preferred offline family doctors due to the human connect especially with babies. To convert, most participants wished to get consultancy with their doctor of choice at convenient times, which is not always available as not all doctors have imbibed the medium. |
| 11 | Which manner (online or offline) do you think you would prefer to adopt during lock and post lockdown in short-term for medicines/lab tests/ doctor consultancy. | -Unanimously the group suggested an online mode in interim future considering physical distancing requirements and physical and psychological threat of catching infections. |
| 12 | What is/are the major limitation when you purchase healthcare product/service online. | -Major issue reported is of delayed gratification in case of medication wherein they are needed urgently. Secondly, a generic issue is of trust of the portal to provide original and bonafide product. |
| 13 | Do you consider cash or digital payments better for healthcare payments and why ? | -In light of Covid19 the majority group preferred digital payments for all retail expenses, not just in healthcare. |
| 14 | Which purchase experience you find more consistent and predictable (offline or online) ? | -Online experience such as that with portals such as 1MG is definitely much more predictable with a streamlined experience of purchase, selection, availability, prescription and delivery. |
| 15 | Raise your hand if you feel have feel uneasy entering a brick and mortar pharmacy/lab/clinic considering corona pandemic, and if yes, the measures which make you feel comparatively safer with online pharmacies. | -Unanimously the group presented fear in visiting a physical store or clinic or purposes of healthcare. -Online portals allow for contactless deliveries and no hassle to be in physical contact with either consultant or pharmacist. |
| 16 | Do you prefer physical reports/prescriptions/records, if so, why or why not ? | -Most participants preferred records of a digital nature available for prints, since they are legible and are stored in electronic devices for long term |
| 17 | How important do you feel privacy is for you/your kid for your healthcare decisions? | -Participants ranked privacy as among the topmost concerns for any online shopping/consultancy experience wherein they do not expect such privileged information to be leaked or used for any commercial purposes beyond the transaction being carried on by them. |
| 18 | Do you think you would continue to use 1MG (online pharmacies) at same rate or higher rate in near future? Why or why not. | -Participants presented a unanimous view of higher rate of use of such online healthcare platforms, provided they continue to be safe and provide relevant information on products and services. |
| 19 | Do you have any other thoughts you have to share about interactions with 1MG? Anything we may missed. | -Generic discussion on acceptability of 1MG and high engagement through notifications, newsletters, emails, community forums, blogs by 1MG. |

Table 3.6 Semi-structured questionnaire used by moderator

wear a mask for personal protection through a mailer, when being searched for information on masks develops in to a need recognition for mask plus face shield since a marketer had disseminated a study on efficacy of masks and shield together viz a viz mask alone, thus

leading to a better and elaborate need recognition to protect not just nose and mouth inhalation but also exposure to touch on face and eyes. Therefore, I propose the consumer decision making process as a non-linear process going back and forth while at same time interacting with marketer. In terms, of variables affecting these processes, it was clear that the risk perception is among the major factors affecting all stages except the need recognition per say. Risks varied from generic ones such as financial risk (price), performance risk (quality) to more healthcare specific ones such as privacy (social risk), psychological risk (weight gain/flatulence) or importantly physical risk (side effects/ threat of contracting other infections in process). Other than risk, the other factors I found as a recurrent theme were the involvement of the consumer with product/service/information. This is to say that consumer decision making is influenced strongly once the content provided at the pre-purchase stage is relevant, such as the AI targeted content and notification used by IMG illicit stronger involvement of the customer for decision making. Third, variable factor that came out from the focus group is the control and consistency of the experience that the e-Pharmacy provides such as the wide choice of equivalents to choose from, the known pattern of search-> selection-> checkout pattern and a seamless payment experience. However, the most important factors undoubtedly were found to be trust and customer engagement in the decision-making process which applied across all stages. Customer engagement starts right at information sharing through AI targeted emails or video documentary series, and continues across the various experiences the customer undertakes at time of searching, learning, ordering through app/website, undertaking services/ receiving deliveries, to making post purchase evaluations, or at time of indulging in posting reviews/ complaints or referring another contact and/or in app notifications on reminder of buying monthly medicine.

Thus, based on the results it is suggested that an integrated model shaping the consumer decision making for online health care would involve the basic five stages interacting with

each other in an iterative manner with few important variables affecting the decision process such as risk perception (price/performance/physical/social/psychological), customer involvement, perceived control, trust in brand and overall customer engagement (Figure 3.34).

3.10.3 E-pharmacy marketing lessons in the new normal

In the previous section, I dissected the consumer decision making process and consumer variables affecting it which could be targeted by the marketers. In this section, using the knowledge assimilated from the focus group, I performed a classification of the business

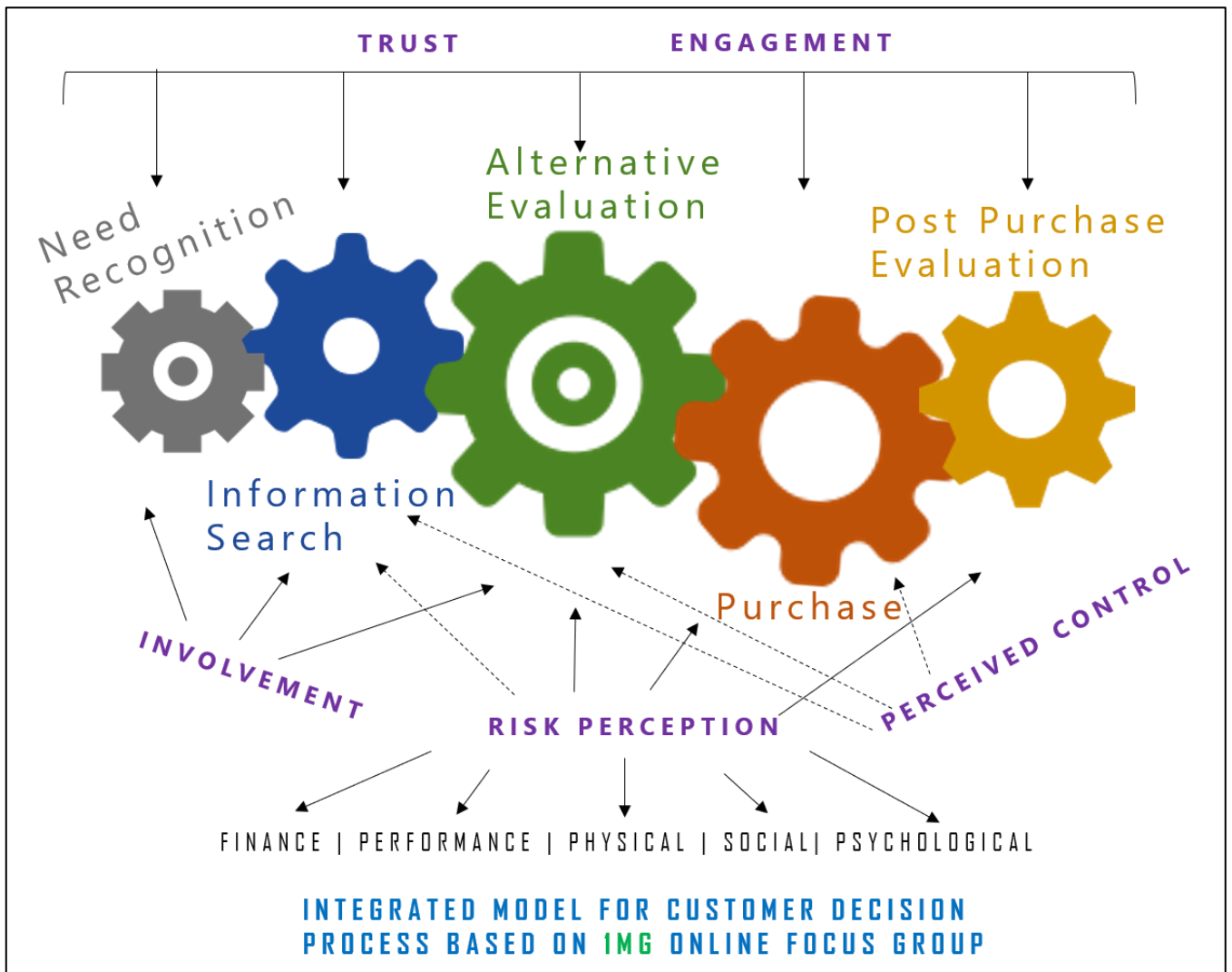


Figure 3.34 Integrated Model for Consumer Decision Making Process for e-Pharmacy based on the study highlighting each phase as a gear interlinked with the next stage capable of two-way flow and major variables affecting the decision making process.

value dimensions which are most significantly required to be innovated to influence particular consumer variables affecting decision making process, and have presented an understanding of how the new normal in the industry would be to effectively and efficiently address the critical factors affecting consumers. As on date of writing this report there is no approved therapy or vaccine available for Covid19, and with the threat of new viral infections emerging, it seems that marketers need to plan for a cautious co-existence. In terms of value creation dimension of a business, the major consumer variable affecting decisions is the risk perception to the actual performance i.e. value created for the consumer. For example, in case of E-pharmacy, it refers to the risk of original medication not being available to the consumer or the actual value/correctness of the e-advise given by a consultant or information posted by the ePharmacy. The value creation dimension is also closely linked to the involvement raised within the user, which through preceding analysis, is being driven by Artificial intelligence based targeting tools to present relevant information. Value creation as well as all other value dimensions are affected by engagement and trust variables, which also unsurprisingly were found to affect all stages of decision making. For example, when increasingly relevant information is given to the user through AI and when the information is itself bonafide such that it comes from an expert or known authority, it raises both involvement as well as trust. Engagement is the sum total of all experiences at multiple platform of interactions with the ePharmacy whether at level of information, medicine, laboratory, whether on social media, app, in-person with phlebotomist etc i.e. at any level in the value network. Thus, companies which build and keep developing their value networks would keep engaging customers thereby pacifying these consumer variables. The second value dimension of value proposition is most directly affected by involvement, trust and involvement. My analysis of the aforementioned focus group segment as well as preceding analysis points to value propositions to be required to be of the form of comprehensive health management integrated to popularly used platforms

(apps/messaging) rather than a one-off transactions of purchase of product or service in order to maximize involvement and engagement. Even within the one-off transactions the norm would of integration, tracking and embedding them in the overall health management proposition provided. With regard to the dimension of value delivery of the ePharmacies, the variable affecting it were found to be very obvious from the focus group such that it included the control over the timing/schedules, and degree of physical contact. The norm in this dimension would be to allow scheduling, real time flow of information

| INNOVATION DIMENSION | DECISION AFFECTING VARIABLE | THE NEW NORMAL |
|-----------------------|--|--|
| 1 Value Creation | -Risk Perception (Performance) - Involvement -Engagement and Trust | <ul style="list-style-type: none"> - AI targeted timely and useful Information attributed to credible sources including experts - Medicine tracker from manufacturer to pharmacy - Value network through online Information compendium, partnering labs, consultants etc |
| 2 Value Proposition | -Involvement -Engagement and Trust | <ul style="list-style-type: none"> - Health Management, freemium consultancy, Lab Tracker, medical history, integration with popular platforms (Whatsapp). - Information through Entertainment oriented documentaries/feeds through youtube / app etc |
| 3 Value Delivery | -Risk Perception (Physical) -Perceived Control -Engagement and Trust | <ul style="list-style-type: none"> - Scheduling and realtime information flow on physical deliveries (medicine) and pickups (blood) with disease free indicators (temp) of agent by app notifications. - Mobile collection centres and vans. - Online delivery for all service verticals. |
| 4 Value Capture | -Risk Perception (Financial) -Engagement and Trust | <ul style="list-style-type: none"> - Commission model on tests, sale and consultancy. - Native advertising and feature branding with cautious balance on any emerging trust issues. - Possible vertical wise subscription model. |
| 5 Value Communication | -Risk Perception (Social) -Engagement and Trust | <ul style="list-style-type: none"> - Encryption and privacy / data protection adherence. - Segment specific channels and campaigns. - Realtime mobile app and social media integration. - Stories of healthcare with highlight on experts. |

Figure 3.35 Marketers innovating at multiple dimensions to affect the consumer decision making variable to shape the new normal as we learn to co-exist in a Covid19 world

for delivery / pickup as performed by food aggregators, revelation of temperature/health status of delivery/collection agent, contact less delivery, and the involvement of special mobile vans for highly infectious sample collection. Part of these measures are already in place, while others are expected to be the norm based on focus group discussions and developments in other e-commerce sectors. Value Capture is the innovation dimension of a business which is impacted by the perception of financial risk by the consumer. Therefore, marketers would need

to pacify these concerns through either commission based model or vertical based subscription model, or may be through native or featured advertising on their platforms. However, in the latter case it would be critical to maintain a balance of trust since native advertising can erode trust if carried out rampantly and without due care. In the value communication in the ePharmacy business is expected to be impacted by not just consumer variable of social risk perception wherein the fear of sensitive medical data may be leaked but also this dimension would be affected deeply by data and epharmacy regulations pointed in preceding sections. These social risks would require end to end data encryption as well as safeguards to comply with data regulations as and when they are implemented in India. The communication innovation dimension is also critical to build segment specific campaigns and inspire trust. The more the number and strength of individual communication platform used by the consumer to interact with the ePharmacy, the greater would be the engagement. Some conglomerates entering the ePharmacy segment such as Jio would have a natural edge as far as engagement is concerned to influence each phase of consumer decision making as well as through each value dimension. For example a simple engagement of points earned in Jio Health may be cross-overed to Jio mobile plan offers or to Jio Mart etc, thereby highlighting umpteen points of engagement. Marketers of specialized ePharmacies would thus need to build on trust through measures pointed above to offset the relatively limited engagement that domain specific company can achieve. Figure 3.35 illustrates how the marketers would innovate at these multiple business dimensions to affect consumer decision making variables to shape the new normal as the world learns to co-exist with Covid19 in this digital age.

Chapter 4

Chapter 4: Discussion and Future Directions

In India, a significant portion of the population does not receive healthcare information, quality medicines, consultancy and/or diagnostic services in a timely manner, and despite the high potential of pharmaceutical industry, the penetration of e-pharmacies remains low. The offline pharmacies and laboratories continue to dominate the Indian market, with a large chunk of the market remaining unorganized.

In this project, I studied the status and the emerging trends in the e-Pharmacy sector in India with respect to the operating models, business and marketing innovations thereof which are setting a new normal for the industry in the backdrop of Covid19 pandemic. This involved analysis of environmental factors, both internal and external impacting the industry; the dissection of digital marketing journey undertaken by these firms for performing assessment, developing strategy, implementing communication, undertaking operations and conducting refinements in their marketing campaigns; and the determination of a model highlighting the stages and variables affecting decision making process of the consumers and how marketers can influence it. Lastly, based on the factors identified in my model, I have presented the new norms classified on value dimensions that the marketers in ePharmacy businesses are shaping and would require to adhere to drive consumer decision making in and post Covid10 world as we learn to co-exist with frequent pandemics in a globalized world. Briefly, this study revealed three prevalent operating models in this segment, market-place, inventory led and franchise-led depending on the manner supply chain is structured and whether the organization itself is registered as a Pharmacy or Diagnostic centre as per statutes. IMG Technologies, formerly HealthKarePlus, which has been the leading e-Pharma portal in terms of mobile downloads and number of cities served, was made the company in focus of this study to develop a deeper understanding of working in the sector. Analysis of the terms of service published by IMG

revealed at least five verticals of e-Pharmacy business including Pharmaceuticals, Diagnostics, Information search engine, Doctor Consultancy and Private Labels. Well established models of business innovation and frameworks for environmental scanning, appraisal and evaluation were used. Application of 360° business innovation model revealed innovation by IMG at at least four different dimensions including value creation, value proposition, value delivery and value capture. In other studies it has been noted that greater the number of dimensions where such innovations are made the greater are the chances of the innovations leading a sustained competitive advantage for the firm (Rayna & Striukova, 2016). Thus, this may explain the rise of IMG in the e-Pharmacy sector building on the sustained competitive advantages. To further investigate the external environment, we performed a PESTLE and 5-porter analysis of IMG Technologies, which revealed the major opportunities due to socio-cultural environment wherein there is a rampant rise in hygiene awareness in Covid19 times, generic rise in chronic diseases across India and a rise in number of aged people as well as those having a busy-hectic work life. Further economic environment of rising disposable incomes and technological environment of rise in smartphone penetration and falling data prices, described the major external environmental opportunities. With regard to the threats, a number of them were identified including the legal uncertainty and non-compliance of Pharmacy Act, 1948, and threat of new players such as Jio Health (beta mode) who have extremely deep pockets and contacts, wherein they can engage with customers in multiple sectors in and outside the healthcare domain. Appraisal of each of the environmental sector was performed using ETOP technique and the overall evaluation and performance of IMG with regard to its external environment was performed using EFE. The score for EFE was found to be 3.22, which is marginally above the average of 3, this is partly due to uncertainties and threats of legal nature which are existential in nature. To investigate the strengths and weaknesses in the internal environment, I adopted a similar scanning, appraisal and evaluation methodology. The

scanning through RBV and VRIO framework identified the information compendium developed by IMG along with the distribution capabilities serving over 1000 cities to be the major strengths that can provide sustainable advantage to the organization despite the increasing losses YoY. All the capability factors were appraised and competitive strengths and weaknesses for each factor documented, and an evaluation was performed using IFE technique. The IFE score was found to be 2.55 again just marginally above average pointing to certain critical internal weaknesses such as not being a Pharmacy or Diagnostic Laboratory in itself that can customize as per user requirement or take responsibility of customer complaints etc for which IMG is dependant on the third parties. To put the results of above analysis in perspective of internal and external environments together, SWOT framework was used. The analysis revealed maxi-max to be the strategy adopted by IMG for making most of the socio-cultural, economic and technological opportunities using its strengths in information and distribution. However, it would be interesting in the future to see whether IMG can use its strengths of high-profile investors and marketing skills to offset the grave legal threats (maxi-min strategy) looming due to the Pharmacy Act and ambiguity of court orders. While the government of India's new draft of e-Pharmacy does being a respite to the market model e-Pharmacies since it officially recognizes and legitimizes them, but, the draft rules which have been over 18 months in the public space since August 2018, have still not been implemented, and it is still uncertain what and when will be actually implemented. In such a scenario, the status quo which is ambiguous due to conflicting High Court judgements shall continue and will continue to be risky space for e-Pharmacy marketplaces such as IMG. To understand the digital marketing plan of IMG, I expanded on the SWOT analysis with the digital presence analysis and characterization on digital dimensions of product, process and agent. The results revealed the deep focus of IMG on information and content creation for engagement and trust development as a marketing objective to raise organic traffic and decrease bounce rates, in line

with the mission and vision of the organization. Next in line in the ASCOR framework I dissected the strategy defined by IMG and the online value proposition developed by it using the Chaffey's 6C framework. Further, the segments aggressively targeted across online platforms were determined and analysis conducted on how the 8P marketing mix was used to target them effectively, thereby placing IMG as a 'Digital Leader' based on market standing and digital presence. The digital marketing activities undertaken by this e-Pharmacy included AI based targeting, content optimization, funnel-stage specific response marketing, analytics-driven customized recommendations etc. In terms of communication and channel mix, it was noted that the core digital media plan included 3 components – search (for information and cross-linking), mobile (for constant companionship) and videos (for deeper sight and sound connection). Through an example of a basic paracetamol OTC search, I demonstrated in this study how the power of SEO is utilized to drive traffic, present information in a credible manner to generate trust, to provide equivalent drug options, and also allow for interaction with expert and build review communities for long-term engagement and feedback. In the dimension of mobile companionship, I explored how IMG became the largest healthcare platform in India through strategic tie-ups with popular messaging app – Whatsapp, and also the widely different campaigns used for different target segments based on the most popular platforms in different segments. Lastly, under this phase of communication framework, I have highlighted at the content creation for entertainment, current health news, segment-wise information videos for building deeper connections with the consumer by the ePharmacy. To dissect the operational aspect targeted by marketers in E-pharmacy, I analyzed the different campaigns undertaken by IMG in past three years and the execution methodologies adopted which involved the tactical use of social influencers, with call to action messages and in-app notifications in an AI dependent manner. In terms of campaign monitoring, IMG was found to use API loggers and web-analytics to develop a highly sophisticated analytic system – named

1MGtrends – part of whose data is made public by company showing the power of such analytics to predict consumer purchase patterns as well as upcoming disease/diagnostics trends to build stock capabilities, scheduling logistics, drive campaigns etc in a geographical and segment dependent manner. For the last phase of refinement, I have presented multiple measurement frameworks used by 1MG to assess the Return on marketing objectives in terms of variant metrics at different point of time in the company life cycle. This has been illustrated through changes in campaigns as well as abrupt ending of some campaigns and starting of new ones focusing more on engagement and less on pricing as the company matured. Finally, to determine the marketing trends shaping the new norms in the ePharmacy industry, I analyzed the various steps undertaken by 1Mg during the present Covid19 pandemic to influence its consumers, and conducted a focus group on one of the known segments of 1MG to determine the consumer decision making process and the variables affecting and presented the same through an an iterative model affected at different stages by different variables which could be harnessed by marketers. My analysis revealed a wide range of norms classified in different

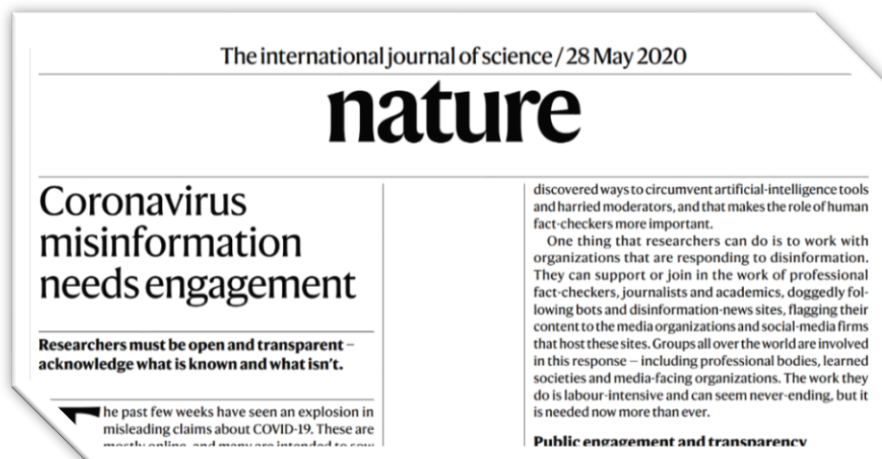


Figure 4.1 Article in premier scientific journal Nature citing importance of credible and open flow of information for engagement

value dimensions which would be useful for any marketer to adopt to exert favorable output in the decision-making process. One of the highlights of the study has been the demonstration of role of credible and open flow of information in developing trust and engagement which

positively affect all value dimensions of the business, which is also consistent with the present call by biologists across the world for researchers to be open and frank to drive engagement. Though my analysis captures a wide range of variables influencing the consumer decision making in this sector, the study does not elude to the relative importance of these factors nor are the factors identified exhaustive in nature, partly since the study is exploratory and qualitative in nature using only one major target segment of IMG, in any case, the variables identified could be classified on value dimensions of a business and thus, offers marketers multiple lessons on how to influence consumer decision as the new normal and norms are established in backdrop of Covid19 pandemic for the ePharmacy industry.

To conclude it is stated that the study presented in this project is a seminal work which highlights the business and marketing innovations in the ePharmacy sector in India, and analyses the consumer decision making process for an ePharmacy in India with focus on a leading firm IMG highlighting the multiple variables affecting this decision making process and presents it as an iterative model of gears capable of being influenced by marketers, and also helps to identify new norms for marketers across different value dimensions of the business in the backdrop of Covid19 pandemic to generate favourable consumer decisions. To my knowledge this is the first study of this kind in India and is of immense use for not just emerging players but also for existing operators to choose or develop adequate business models, formulate their, corporate and business unit strategies, identify gaps in their marketing efforts in various value dimensions and improve them accordingly considering the present status and emergent norms of the market in the backdrop of Covid19 as we all learn to co-exist with pandemics in a globalized world. Future works in this direction would be aimed to quantify the impact of individual consumer variables identified, and the degree of measure to which the emergent norms developed here satisfy the consumer decision making variables in a favourable manner for the marketers.

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