

KARTIK RAINA'S VIEWS ON IMAGE MAKEOVERS

In 2001, Morepen Laboratories, a Rs. 516 crore pharmaceutical company, exporting mostly to the US was determined that it was time to shake off the image of a **manufacturing company**, making bulk drugs, to that of a **marketing company**.

Need for a change ...

The realisation dawned that to compete in the WTO framework post 2005, the company needed to be more in focus, make a conscious shift from manufacturing to marketing and meet the constant need of moving up the value chain. In order to alter the image of a traditional pharma company, it became essential to lay emphasis on intellectual capital and not just innovate linearly.

With prices and margins on drugs likely to shrink worldwide, it was important to move into **branding**. The first attempt towards this was made in the US, with the formation of a company called Morepen Max in collaboration with Drug Max, covering over 3000 outlets with formulations. The entire effort was undertaken through word-of-mouth and certainly not through traditional marketing. This too is a form of PR, practised through agencies, which train ladies to very subtly talk about and promote the product at the social events and parties they attend.

Breaking the mindset ...

For India, Morepen developed a three-pronged approach. The first being, developing local formulations. A 500-member strong medical representatives team was put in place to visit over 30,000 doctors to detail out these formulations along with a combination of other drugs. This helped in increasing the average margins 3-4 times, making it a viable business model for Morepen. In the second stage they moved into collaboration with various members of the diagnostic community, focusing on preventive health, blood pressure monitors, glucometers, thermometers, body fat monitoring machines, etc.

The final step in this process was the creation of the brand '**Dr. Morepen**'. This brand was really a simple little product of Rs. 3-4 which when branded, could easily fetch Rs. 7-8 and at the same time deliver to the consumers a great value in terms of the efficacy, the promise it has to offer. Traditionally, pharma companies were known for their research and new processes. But at Morepen, it was realised that there was only a limited area in which they could carry out research, especially with the sector being dominated by players like Ranbaxy and Dr. Reddy's. It also takes anywhere

between 3 - 10 years to develop a research process. So Morepen comprehended that it should be an organisation whose intellectual capital is more identified with marketing, than just with pure research. Morepen also felt that it was important to innovate, keeping in mind the pace of change. This is in light of the fact that lifestyle in India is changing very rapidly, 10 - 12 times the pace when compared to the US.

Desired positioning...

Morepen decided to call themselves the most happening pharmaceutical company, with the intention of breaking away from the formidable looking injection image which most companies in this sector carry. It was consciously decided to move away from disease and medicine to health.

First and foremost, PR was used to redefine the category of operations itself. It was strategically decided that Morepen would not place its products in the OTC (Over the Counter) market, as every drug in India is actually available over the counter, unlike other countries. Hence a new category was born - '**Fast Moving Health Goods**', more popularly known as FMHG.

The role of PR...

At every stage of brand development and brand positioning there was complete involvement of not only the mother brand but also the PR department, advising on what marketing strategies were sellable from the PR point of view and which were not. PR tactics were woven into the entire strategy and formed a part of it and were not merely used to just give instructions. Similarly, PR support was instigated in the individual brand positioning statements as well.

Focus on media relations...

Stress was also laid on constant liaison with the media to inform and update them on product and communication development. Morepen has always endeavoured to maintain healthy relations with the media at large, following a basic policy of sharing everything, right through the process of development. Before every press conference the focus was largely on adequate debriefing, to be able to expose intellectual capital to the media and be able to say the right things in an appropriate manner. There is a need to be thick skinned and strong to be able to survive change and put forward ideas in a convincing manner. In cases where human capital forms an important part of the positioning of the company, it is essential to follow a strategy oriented towards human capital.

Convince media with

To convince people especially journalists, it is essential to be sure of facts through adequate research. Whenever Morepen spoke to the media, they never spoke without data. For example, once the media questioned us on the excessive

facts... advertisement spend on *DabFizz*. Through an ORG research paper, we were able to prove that within eight months, in 110 towns, Dab had achieved a five per cent share of the market, compared to a *Pudin Hara*, which within three years, had captured only a six per cent of the market, in 3, 500 towns.

As a part of the relationship building exercise with the media, Morepen, as a practise always provided good story breaks to the journalists, in order to retain their interest levels and to make them come back for more. This also helped in getting prior information on stories on the competition as well.

Challenges addressed...

Doctors dislike prescribing branded products as they feel that people will lose respect for them. This issue was addressed through a patient care cell, called the 3H Cell – 3H standing for Health, Healing and Happiness. With 66 mobile vans in operation all over the country, doctors to help establish their names and earn goodwill carried out patient care initiatives and other such activities. This again was purely a PR effort, implemented to offset the negative attitude of doctors.

In a competitive market, it is important to remember that in the quest to reach the top, there will be many more waiting to pull one down. So companies, if convinced about a concept and what they want to achieve, need to develop thick skins and not pay heed to what others have to say.

Mistakes and lessons learnt...

By and large, over 50 per cent of Morepen's strategies were successful. The biggest mistake being the wide chasm between the hype and image of 'Dr. Morepen', the company and the simplicity of its product, which was an antacid. With wonderful advertising consumers found it hard to believe that Dr. Morepen was just an antacid. That change in the mindset of the consumer is something Dr. Morepen is coping with, even though their business has gone up from Rs. 12 lakh in October 2002 to over Rs. 3 crore by December 2002. A conscious correction was made to do stories related to individual brands, rather than the mother brand 'Dr. Morepen'.

Relevance of PR...

The second big lesson learnt was that PR is an important part of marketing and not merely a medium to communicate. It is very much a part of the overall strategy. The most credible part of communication is the written word. Even a small one column write-up in a leading daily, will have a much larger impact than a 30-second commercial on television. Both PR and advertising need to be in sync with each other and not go in two different directions.

The third lesson learnt was to be honest and factual. Journalists are intelligent people with an investigative mind, supporting hidden dreams of unearthing scoops. One must contribute to this zeal of the journalists rather than hiding facts from them, possibly leading up to a negative or a misleading story. It is also very important to be accessible and be available as far as possible.

Internal PR too forms an important part of the PR efforts. Morepen publishes an internal magazine called 'Genesis', focusing on making the shareholders and the employees realise the value of being in a happening company.

Evaluation of PR efforts...

The impact of redefining the OTC category can be evaluated from the fact that Dr. Morepen has been certificated by the 'Limca Book of Records' as the first company to redefine the OTC category as FMHG, solely on the basis of outcome achieved through PR efforts. The only supporting evidence given to the *Limca Book of Records* was 134 pages of press interviews and about 16 television interviews, of which only 40 per cent were generated by Morepen, others being reports generated by companies and journalists who actually started using the term FMHG. Business Today also ranked Morepen third among the top five brands of India. In short, Morepen owes a lot to PR efforts.

QUESTIONS AND ANSWERS

How did Dr. Morepen control negative PR?

Dr. Morepen was accused of spending too much money. But that was not really true. Dr. Morepen spent only Rs. 7.5 crore, which was very little going by average media expenditure. By virtue of their ability to buy space in the media at very reasonable rates, Dr. Morepen was able to curb expenses. The second area of concern for Dr. Morepen was the OTC market. People criticised them for not advertising OTC's the way they were meant to be advertised. But Dr. Morepen stood firm and convinced everyone by putting forward their point of view at forums such as the national OTC seminars. Another issue, which Dr. Morepen has not been able to address properly and is still coping with, is the issue of separating the mother brand Dr. Morepen from rest of the Morepen brands. Whenever some mishap happened at the mother brand side of the business, other brands too had to bear the brunt to a certain extent.

How do you manage scoops without upsetting the

With seven brands in Dr. Morepen's kitty, it is possible to plan out and divide scoops among the various forms of media without upsetting anyone. Strategically, Dr. Morepen also gives out stories to the media, posing them as scoops, on a geographical basis. Journalists who have always been

*other
journalists?*

favourable to the company are at times given preference, maintaining a delicate balance at the same time. Also, as a policy Dr. Morepen never gives out scoops without adequate data.

*How long
term was Dr.
Morepen's
strategy when
they started
out?*

In a new business it is not always possible for a company to look too far ahead. Though there is always a three-year or a five-year marketing plan in place, a PR plan needs to be very evolutionary in nature. So in most cases it is difficult to look beyond a one-year strategy. However, there are certain short-term objectives that PR has to set for itself. It is the image-related issues, which are a part of the long-term plan. In short, it is not possible to have a strategy without an objective.

*B2B segment
– what has
Dr. Morepen
done for the
chemists...*

Dr. Morepen spends over 30 per cent of their marketing budgets in trade related activities. The involvement of PR in this is purely in the form of newspaper cuttings being sent to the sales force and the distributors, to boost their morals.

*Leveraging
the CEO, to
what extent?*

CEO's should be leveraged largely to project only the overall image of the company and should not be used to promote small events and individual brands.

*Paid vs.
unpaid...*

A mass consumer brand such as Dr. Morepen, with a distribution network spread across 807 cities, covering about 2 lakh shops, can never be successful solely on the basis of a concerted PR strategy. PR can never substitute traditional advertising. To make communication effective it is essential to reach out to the consumer through all his senses. Hence, the audio-visual medium has a clear edge. Also, at times to reach out to the consumers with non-reading habits, advertising on television is determined to be the most effective way to reach out to them.

*Comments
from
participants
regarding the
transition of
image in their
own
organisations
...*

Hutch: In May 2002, Sterling Cellular, with products like Essar Cell phone and Speed, launched the Hutch brand in the three Southern circles as a singular brand for both pre and post paid. People thought that Hutchison was completely a new company. Earlier Essar Cell phone faced the problem of shouldering the image of a downmarket product. But when Hutch was launched it was perceived as an international brand. This image has further been perpetuated through the kind of services and products Hutch offered and the kind of events it was associated with.

Zerox: Is still seen as a photocopier company. But now the focus is to move towards the image of a solutions & services providing company. There is a concerted effort to reposition the company and to move up the value chain.

American Express: AmEx has two legal entities and four other companies and each company has a different CEO. So to avoid confusion, all media queries are directed to the public affairs and communication department (PA & C). They are the single points of contact for the media and they forward the same to the concerned CEO's. No one is allowed to share his or her mobile numbers with the media. The PA & C team is very aggressive in getting the queries answered for the media in record time. In this way they have been able to win the confidence of the journalists.

(Excerpted from the presentation made by Kartik Raina, Managing Director, Dr. Morepen Ltd., at PR Pundit's Seventh PR Workshop held in New Delhi on December 10, 2002)