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Customers' preference towards e-pharmacies in Chennai City

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Abstract---In the COVID-19 pandemic era, the e-pharmacy sector has been a boon to the community at large and evolved as a revolution in the digital marketplace in India. Through e-CRM software and AI tools, the e-pharmacy web portal evolves as a blockchain technology by binding up customers' service on one side and the admin back-office system on the other side. E-pharmacies fulfilled customers' needs such as essentials and medicines at the customers' doorstep. Its ease of access using a smartphone, contactless delivery at the pandemic made people purchase medicines and essentials via web platforms. The transformation to e-pharmacies over conventional pharmacies created competition in the pharma industry and brought up more startups into this field. Therefore, this paper aims to study the customers' preference towards e-pharmacies in the pandemic era and to identify the factors influencing customers' buying intention towards e-pharmacies for online medicine purchases in Chennai city. The primary data were collected from 100 respondents using the convenience sampling technique. The data collected through a questionnaire were analysed using Weighted average method, factor analysis and chi-square test. The findings showcase the e-pharmacy customers' viewpoints towards the existing services and preference towards e-pharmacy health line.

Keywords---digital marketing, e-pharmacy, online purchases, customers' preference, e-CRM, buying intention.

Introduction

The growing economy, technology advancement, digitalization, population growth and the disease mix brought out an enormous change in the development of the pharmaceutical industry and healthcare services. The Pharmacy industry opens up a digital space for marketing and evolves as a retail space for marketing medicines and essentials. The announcement of lockdown due to the covid-19 threat has welcomed the e-pharmacy space with huge orders on demand and pushed to develop itself as a digital healthcare platform by offering enormous products and services to customers. The competition in the e-commerce industry increases customer expectations and attracting and sustaining customers is a crucial task for existing and potential businesses. The explosion of e-pharmacy retail creates customer literacy on usage, benefits and side effects of medicines and various factors influence customers to prefer e-pharmacy to traditional pharmacy retail outlets and these factors are updated based on the need and expectations of customers. The e-pharmacy draft by the union health ministry of India brought regulations on the conduct of e-pharmacy, licensing, sale of drugs, data privacy and medicine substitution is required for the welfare of the public at large. The global e-pharmacy report states, "the online pharmacy market size is estimated to grow from USD 49.43 billion in 2021 to USD 107.5 billion by 2026, growing at a CAGR of 16.81% between 2021 to 2026.

Need and importance of the study

The study on customer preference is required to understand the factors which influence them to prefer e-pharmacy retail to traditional pharmacy retail outlets. Understanding their level of agreement towards the factors would help the start-ups and big giants to find their strengths and weakness in gaining customers as well as customer loss. This study will bring light on the customers' viewpoint towards the emerging e-pharmacy industry and thereby act as a pathway to succeed even after the covid pandemic.

Review of Literature

Digital marketing paved the way to shop online with user-friendly access. The preference towards online purchases is due to its convenience, price, product quality etc. and the online retail growth is phenomenal (Kavitha). Online pharmacies are at the initial phase of revolution in digital marketing and it has huge potential to evolve at a large phase. Indians welcomed the new segment of marketing pharmacy goods as it acted as a helper's hand in the pandemic era. The research on consumer buying behaviour found "Low Price" as the priority factor influencing the e-buying of non-generic medicines. The study resulted that a lack of faith, limited information and authenticity were the major barriers towards e-pharmacy products (Fatima et al.). Further, the enormous growth at a short span in this segment has both legitimate and illegitimate online pharmacies. Therefore, sufficient awareness is required among pharmacists, physicians and users of w-pharmacies websites from the organizations and Ministry of health and family welfare (Sarker et al.). The regulations and working procedures followed by e-pharmacies have to be monitored as it impacts the health of e-pharmacy users (Sarker et al.). The competition in the market creates

pressure among e-pharmacy giants. To attain and retain customers, the website and app design have to be strategically framed by understanding the customers' pulse (Roshini et al.). The strategy should emphasize a 2-way approach. The first approach is on the regulatory framework and policies focusing on public health at an international scale and the second approach is on imposing knowledge among the public regarding the benefits and health risks in the digital pharmacy world (Orizio et al.)

Objectives of the study

1. To identify the factors that influence customers' buying intention towards e-pharmacies for online medicine purchases in Chennai city.
2. To analyse customers' preference towards e-pharmacy.

Hypothesis

1. H₁: There is a significant association between Gender and Customer satisfaction towards e-pharmacies.

Methodology

The descriptive and analytical study is used for the present study. Primary data is collected through a structured questionnaire after understanding the past researchers' contributions and results. The secondary data is collected from international journals, web blogs and other published e-resources. The researchers' inputs were compiled and the questionnaire is created via google forms. The convenience sampling technique was adopted for the study and the e-questionnaire is shared among e-pharmacy users in Chennai city through e-mail and WhatsApp. The responses from 100 customers were collected during the month of January 2022 and coded for analysis using SPSS Package. Percentage analysis, Factor analysis, Weighted average method and chi-square test were used to analyse the data.

Limitations of the study

1. The lockdown was imposed to collect data online and the respondents were collected in a short period.
2. The customers from Chennai city were selected for the study and the responses were collected accordingly.

Results and Discussion

The primary data was coded using the SPSS (20.0) software for analysis. The results and observations are as follows:

Factor Analysis

Table-1 (KMO and Bartlett's Test)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.865
Bartlett's Test of Sphericity	Approx. Chi-Square	933.022
	df	120
	Sig.	.000

Source: Computed data

KMO & Bartlett's test measures the sampling adequacy and recommends proceeding with factor analysis. The results show the KMO value as 0.865. Therefore, it indicates the strong partial correlation to commence factor analysis.

Table-2 (Rotated Component matrix showing the customers' preference towards the variables related to e-pharmacies)

FACTORS		Component		
		1	2	3
Digital site Benefits	Drug availability	.897		
	Contactless delivery during a pandemic	.799		
	Loyalty points/rewards, membership plans etc.	.685		
	Secure payment methods	.669		
	Free delivery option	.663		
Customer-centric services	Ease of access from anywhere		.770	
	The easy checkout process in placing an order		.733	
	Safe packaging		.710	
	Friends, family, peer groups influence		.625	
	Various forms of advertisements		.615	
	Availability of a wide range of products & services		.565	
	Reviews from customers, comments on social media		.539	
Finest Approachability	Reliable products & services		.463	
	Easy return policy			.790
	Express delivery			.672
	Offers & discounts on all products & services			.492

Extraction Method: Principal Component Analysis.

Source: Computed data

Table 1 and Table 2 shows the results of the principal component method of factor analysis. The varimax rotation method is used to group 16 variables into 3 factors. The first factor is named “Digital site benefits” consists of 5 variables and it explains 24.215 % of the variance. The second factor is named “Customer-centric services” consists of 8 variables and it explains 23.678 % of the variance. The third factor is named “Finest Approachability” consists of 3 variables and it explains 15.351 % of the variance.

Weighted average method

Table-3 (Categories preferred for purchase in e-pharmacy sites)

Categories	Often Buy	Sometimes Buy	Rarely Buy	Never	Average	Rank
Purchase of prescribed medicines	144	87	50	10	29.1	I
Non-prescription drugs (health supplements, ayurvedic medicines etc.)	52	75	52	36	21.5	V
Skin care	52	84	56	31	22.3	IV
Personal care	60	114	50	22	24.6	II
Health care devices	36	66	72	33	20.7	VII
COVID essentials	48	105	56	25	23.4	III
Lab test bookings	40	60	52	44	19.6	VIII
e-consultation/e-appointments with doctors	52	69	50	39	21	VI

Source: Computed data

Table 3 shows that the most preferred category was the purchase of medicines followed by personal care and COVID essentials. It showcases the fact that the importance towards other categories were less and the online shopping sites are still in dominance.

Hypothesis testing

H₀: There is no significant association between Gender and Customer satisfaction towards e-pharmacies.

H₁: There is a significant association between Gender and Customer satisfaction towards e-pharmacies.

Table-4 (Chi-Square Tests)

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.734 ^a	3	.629
Likelihood Ratio	1.733	3	.630
Linear-by-Linear Association	1.639	1	.201
N of Valid Cases	100		

Source: Computed data

Inference: Since the p-value (0.629) is greater than 0.05, the null hypothesis is accepted. Therefore, there is no significant association between Gender and customer satisfaction towards e-pharmacies.

Findings

The other observations from the primary research were:

- 67% of the respondents were female.
- 48% belong to the age group 15-25.
- 63% users were undergraduates.
- 59% were students.
- 38% having their monthly family income is less than Rs.30,000.
- 58% buy products from e-pharmacy sites for their families.
- 47% of user's monthly spent in e-pharmacy sites fall less than Rs.1000.
- 47% of them prefer Medplus among other competitive giants.
- 54% felt satisfied with the services offered by e-pharmacies.

Suggestions and Conclusion

E-Pharmacies in India has followed steady growth in the digital marketing platform. Customers' expectations change every hour and critical thinking on the strategies is required with customers' pulse on hand. Availability and easy access of websites shifted the preference towards e-pharmacy sites. Regulations and licensing have to be monitored with stringent care for the benefit of business and society at large. The transition to e-pharmacy is seen among the urban population but it still requires awareness among the people. Customer literacy is connected with their preferences, hence, the creation of trust among people would considerably increase e-pharmacy users. Therefore, sustaining and retaining customer relationships has to be the crux of marketing for attaining healthy profits and organizational development.

Scope for future research

The primary research focused on the preference of customers towards e-pharmacies in the pandemic era and analysed the collected data of e-pharmacy customers. Future research can focus on the perception and satisfaction of e-pharmacy than traditional pharmacies and empirical analysis focusing on the customers' viewpoint towards pharmacy applications- satisfaction, expectations and the influence of CRM and AI in providing e-services to customers.

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