

A black computer mouse is positioned in the upper left quadrant of the image. It is surrounded by a large, scattered collection of various pills and capsules in different colors (white, yellow, red, blue, green, orange) and shapes (round, oval, capsule). The background is a plain, light-colored surface.

Online Pharmacy

**Consumer Need?
or Business Want?**

Consumers are Living Online in India

India has over 167.2 million internet users. However, ranks 10th in the global Ecommerce market in terms of number of online buyers.



- Emergence of e-commerce portals has revolutionized the way consumers shop
- Be it electronics, apparels, footwear, cosmetics, FMCG products, groceries, or accessories, consumers prefer online shopping for their convenience
- Moreover, use of smartphones and huge discounts and offers on the e-commerce portals has acquainted consumers across all age groups shop online

Easy Access – key reason for E-Commerce boom

- With the ease of shopping online through mobile phones, growth in the smartphone industry will propel the growth of E-pharmacy in India
- Ecommerce companies are exploring new strategies to serve their consumers in a much better and efficient way



Shopclues has partnered with hybrid ecommerce company StoreKing to penetrate further in tier 3 and tier 4 towns

- Shopclues products would be displayed in the digital catalogue on the StoreKing app through which consumers can make a purchase



Flipkart tied up with Apollo Pharmacy to stock the product ordered by consumers on Flipkart

- At the time of ordering, consumers can choose the pick-up point, the product will be delivered to the Apollo store after which the consumer is alerted with a four digit pin number to pick up the product





Need

Want

Huge discounts from Ecommerce companies has lured consumers to shop a lot more than required. This has been the major reason for this transition

- Convenience and easy user interface (UI) attracts consumers to make an online purchase
- Moreover, with the advent of technology, consumers expect convenience to access products
- This is evident from the current practices of ordering goods through telephone, mobile app or internet



Online Pharmacy and its Relevance to Consumers



Consumers unsatisfied with current pharmacy services

36% of people had never received a bill from the chemist

32% of consumers responded that medicines are dispensed by unqualified pharmacist

About 63% of consumers do not receive proper counselling on administration of medicines at the chemist stores

Around 48% of consumers reported to visit multiple pharmacies to buy the required medicine

Although 68% of people personally visit the physical medical stores, they seem to be unsatisfied with the services at the counter

How an online pharmacy addresses pain points...

Assistance

Free counseling through online chat, phone and email

Affordability

Providing consumers the benefit of low overhead costs

Authenticity

Products sourced through authorized channels



Access

Reaches out to tier 3 and 4 towns

Availability

Range of over 25000 products

Discreteness

Provides privacy for purchasing medicines online



Pros & Cons of Buying Drugs Online

Pros

Convenience: A person can simply place an order and have the prescriptions shipped directly to your home.

Cost effective: As online pharmacies don't have a physical pharmacy, they are able to keep their costs low and subsequently sell drugs for a very attractive price.

Accessibility: Easy access to medicines in the tier 3 and 4 towns where there is a dearth of chemists.

Generic Medicines: Consumers get generic options to save on cost

Cons

Can provide spurious drugs: Can provide counterfeit drugs that are fake or copycat products that can be difficult to identify.

Don't have the personal touch: A person can't talk to a pharmacist to get advice about side effects or drug interactions

**Buying drugs online can be a great way to save money,
as long as it is done responsibly**



Consumers Prefer Online Pharmacies

A survey conducted by the Consumer Online Foundation and the Bureau of Research on Industry and Economic Fundamentals (BRIEF) in July 2016, revealed :

61% of consumers personally order medicines online

Majority of people in the age group of 55-74 years purchase medicines online

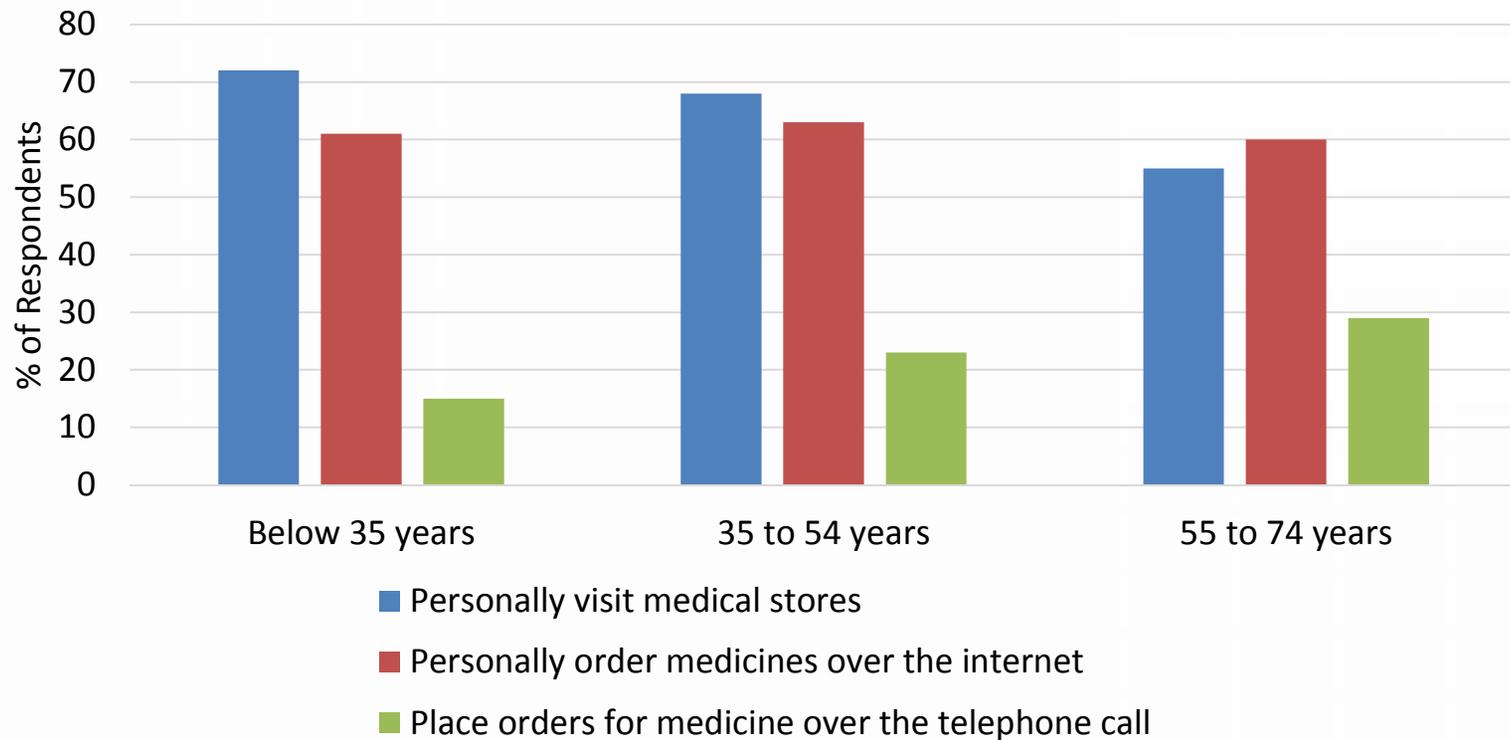
84% of respondents say that low prices, discounts and savings on purchases would be the biggest advantage



The study included 4600 respondents across different age groups wherein 88% were males and 12% were females

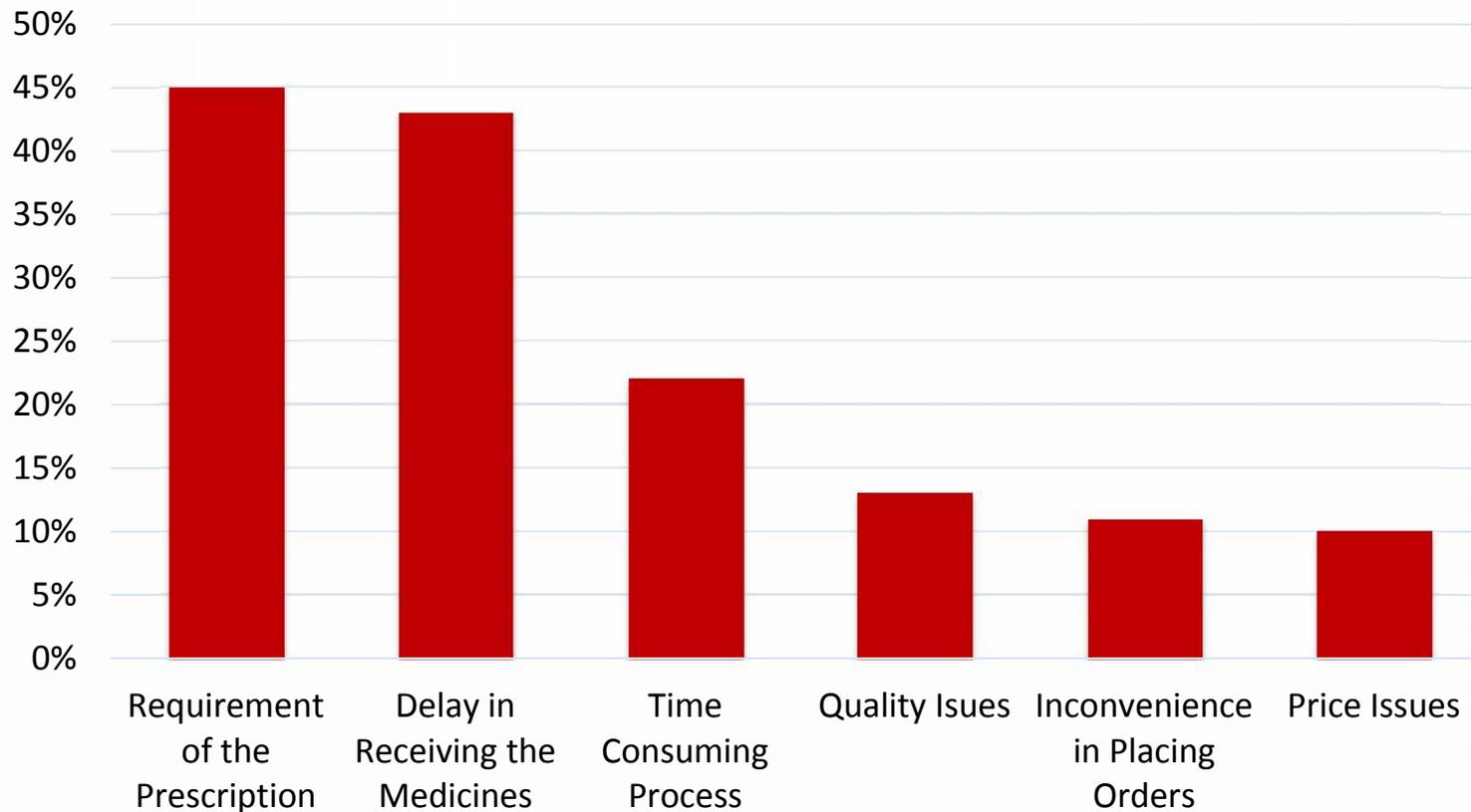
Online Purchase of Medicines is not age-specific, further enhancing the favourability of e-pharmacies

Sources to Buy Medicines – Age Wise



Consumers across all age groups prefer purchasing medicines online

Consumer Issues During Online Purchase of Medicines



Consumers are convinced with the quality of medicines purchased online. However, requirement of prescription yet remains the major constraint in the process. This implies a high practice of self-medication by Indian consumers without a prescription.

Better Monitoring can be enforced Online

Online pharmacies
ask for valid
prescription
(Concern)

I get medications
without a
prescription at
the medical store



Both the e-retailer and consumer needs to abide by laws for a successful online transaction of medications.

Mandate of a prescription curbs unethical practices in buying medications online. Similarly, regular monitoring by regulatory authorities will keep a check on the sale of spurious drugs online.

**Regulations are
playing spoilsport**



Retail pharmacy laws also apply to E-pharmacy, hence need for specific guidelines is essential for clarity

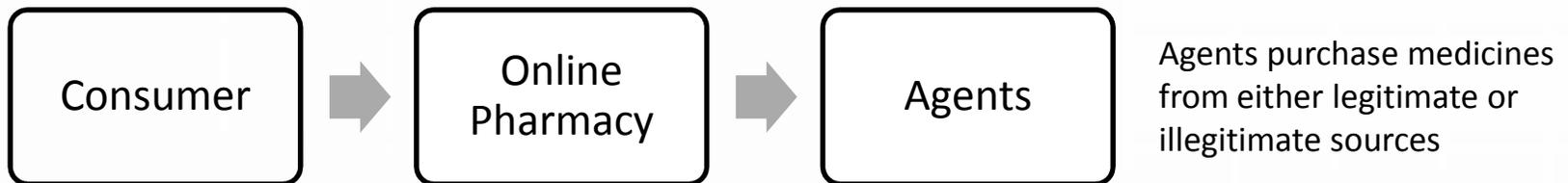
Legal Activities	Grey Zone	Illegal Activities
Medicines can be sold only by a registered pharmacy that has retail license		There is no provision in the Indian law to recognize the prescription written by the foreign doctor
Prescription is mandatory for the consumer to purchase a medicine. Over the Counter (OTC) products can be sold without prescription.	Rules related to shipping medicines from one state of India to another aren't clear. Every state has a Drug Department that grants license for certain medicines to be sold within a state.	Selling Schedule X medicines to consumer without prescription is a crime
Orders can be taken from the consumers either over the phone or internet only from the areas where the pharmacy retail license applies	Ambiguity in the Indian law whether a pharmacy is allowed to take money prior to delivery of medicines. Certain provisions of the law mandate money to be collected from the consumer only after medicines are physically handed over to the consumer.	Selling medicines to minors (under age 18), selling banned drugs/medicines i.e. any medicine that is not approved by the State's Drug Department
All the medicines that go out for delivery has to be verified and certified by the registered pharmacist		Selling medicines at cost higher than MRP unless consumer is upfront told about delivery or service charges



Challenges

The Narcotics Control Board (NCB) is of the opinion that easy availability of medications through e-commerce is facilitating more and more drug abuse

Online pharmacy stores have impacted the business of physical pharmacy retail stores which led to protests by AIOCD



The sheer volume of orders makes it impossible to monitor each parcel and hence a large number of illegal consignments remain undetected

Online Pharmacies are striving to clear the regulatory ambiguity and conduct ethical business without much restraints



Legal Action Against Unauthorized Operations

- Snapdeal and Shopclues, ecommerce companies operating in India, faced legal issues when the Maharashtra FDA filed a case against it for selling prescription drugs online without an authentic pharmacy retail license
- Snapdeal and Shopclues violated the provisions of the Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 and directly contravening Section 18 (c) of the Drugs and Cosmetics Act, 1940

snapdeal



SHOPCLUES.COM

Attracted by the opportunity, ecommerce portals launched their pharmaceutical product line. However, without a proper infrastructure and regulatory knowledge, the business cannot stand out in the competition.

Protests from AIOCD Deterring the Regulatory Approval of Online Pharmacy

DCGI appointed FICCI as the nodal agency to consolidate guidelines on online retail pharmacy

2014

DCGI issued a circular seeking strict adherence to the Drugs and Cosmetics Act

2015

All India Organization of Chemists and Druggists (AIOCD) protested in October, accusing online pharmacies of taking away their business by offering deep discounts.

DCGI seeks strict adherence to Drugs and Cosmetics Act and Rules by online pharmacies for their continuity

2016

AIOCD appealed to high courts of ten states against the central and state drug regulators for lack of action against the "illegal" operation of online pharmacies



Although reaping profits and luring consumers for increasing their online purchase, the e-pharmacy businesses are in a state of dilemma due to uncertain regulations in India



LEARNING

The image features the word "LEARNING" in a vibrant, 3D, blocky font. Each letter is a different color: 'L' is red, 'E' is green, 'A' is purple, 'R' is yellow, 'N' is teal, 'I' is light green, 'N' is blue, and 'G' is pink. The letters are set against a blue gradient background that transitions from a lighter blue at the top to a darker blue at the bottom. Below the letters, a clear reflection of the word is visible on a glossy surface, creating a symmetrical effect. The overall composition is clean and modern, emphasizing the concept of education and growth.

Key takeaways

Online purchase of medicines is high across all age groups, implying the demand for the same

Although started as a business want, online pharmacy is a very useful platform to **ensure quick and safe product service to consumers**

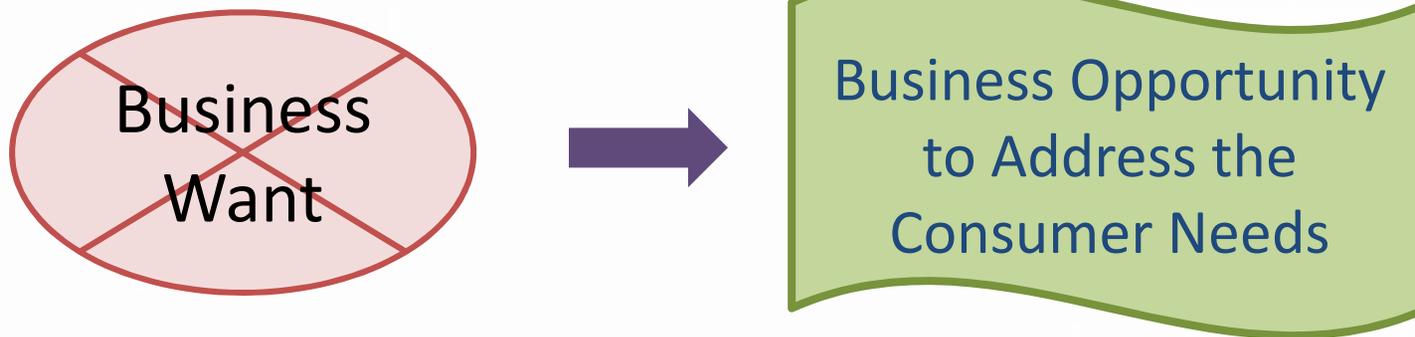
Moreover, in chronic conditions and for elderly consumers automatic **refilling service** provided by online pharmacies makes it **easy and convenient for the consumers**

Online platforms are gradually becoming an **integrated health solutions** for consumers providing all services – **medicine, diagnostic care and doctor appointment**

Ensuring safe and authentic drug delivery by online pharmacies will encourage the regulatory authorities to support this business and rapidly formulate guidelines for its governance



So, is it a Consumer Need or Business Want?



E-pharmacy in India is a Business Opportunity if done in the Right Way

Ecommerce – an emerging business opportunity



Online Pharmacy is an Emerging Business in India

Increasing trend of online purchase of medicines in the U.S. and European region, encouraged the introduction of E-pharmacy in India

Indian consumers are becoming more aware of their health through Dr. Google and hence the spending for preventive health has increased

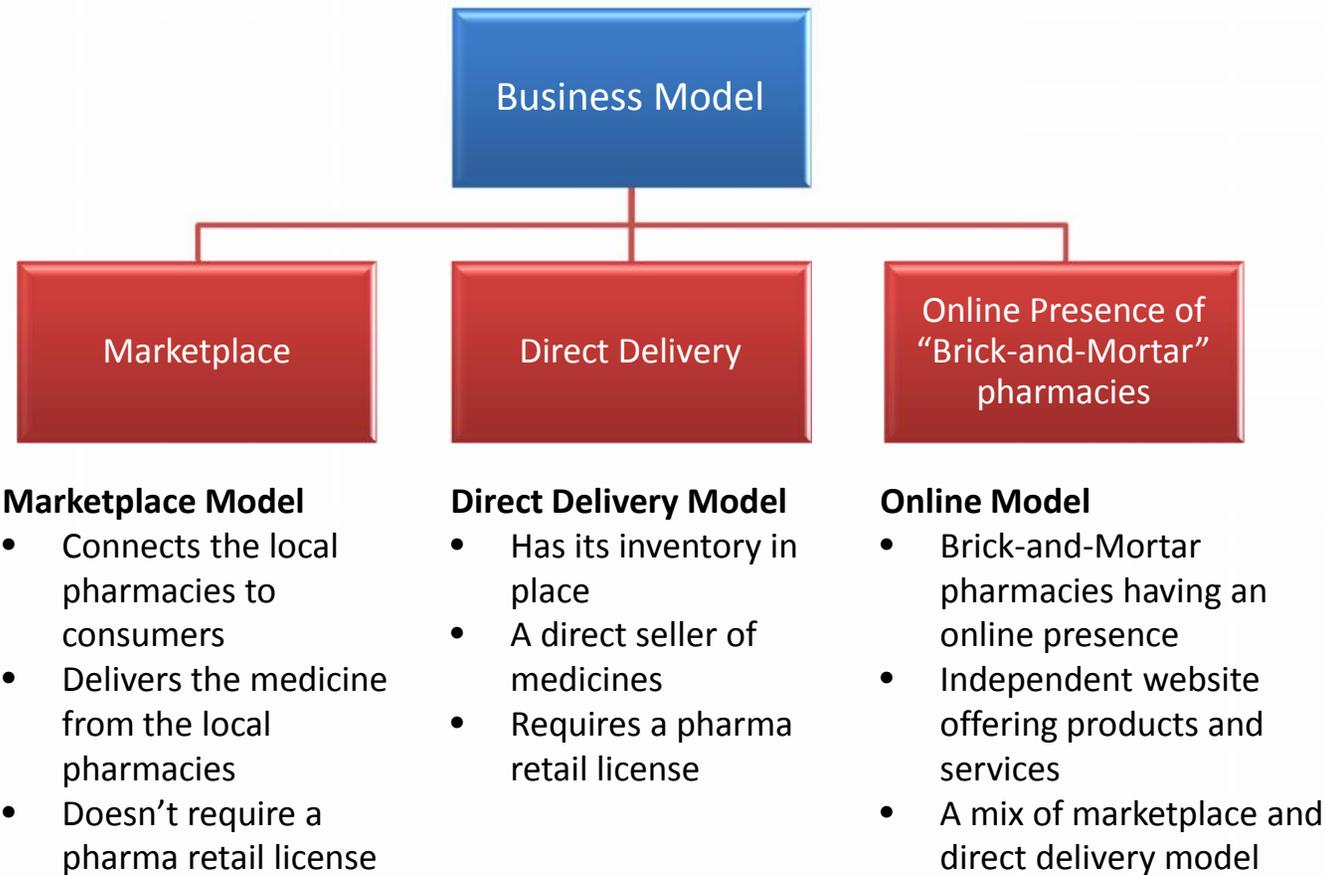
Online pharmacy market in India attracted a funding of USD 93 million by 2015

60 online pharmacy start-ups emerged in past two years

Online sales of healthcare products in India was 5,075.9 million in FY15, growing at a CAGR of 87.4% for the period 2012-2015

Online pharmacies in India are constantly under regulatory scanner to ensure ethical selling and control the sale of spurious drugs

Different Strokes for Different Folks



Market Players – 1mg, Meramedicare, Merapharmacy, PharmEasy, Pluss, Zigy, CareOnGo

Market Players – Medidart, Buydrug, BigChemist, Netmeds, Healthkart, Medstar, etc.

Market Players – Apollo Pharmacy, Wellness Forever, MedPlus, etc.



Marketplace Model is more Successful in India

Differentiating Parameters	Marketplace Model	Direct Delivery	Online Presence of “Brick-and-Mortar” pharmacies
Requirement of Pharmacy License	Not required	Required	Required
Compliance with Law	Not required to abide by the laws governing retail chemists	Need to abide by laws governing retail chemists and e-commerce industry in India	Need to abide by laws governing retail chemists and e-commerce industry in India
Verification of Rx	Rx is verified by the online pharmacy and the vendor	Rx is verified by a registered pharmacist associated with the online pharmacy	Rx is verified by a registered pharmacist associated with the pharmacy chain
Product Availability and Purchase	No inventory held at the company’s end	An inventory-led model with a range of products available based on the demand	Inventory held at the nearby pharmacy chain store
Chemist Interface	Consumers can resolve their queries via online medium or directly with the vendor	Consumers can share the purchase concerns via telephone/email/online chat	Consumers can share the purchase concerns via telephone/email/online chat and also directly with the vendor
Offers & Discounts	Limited discounts and offers	Offers huge discounts to consumers	Limited discounts and offers

Online Pharmacies Offer Products and Services Beyond Medications

PRODUCTS

SKINCARE

Wellness
Devices



Haircare

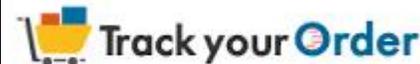


Oral Care



OTC
Products

SERVICES



Complete Product Information

From mere selling of Rx and OTC products, online pharmacy businesses has evolved to provide complete health care solutions



Many Health Care and Non-Health Care Businesses have Ventured into Online Pharmacy

The logo for Practo, featuring a blue speech bubble icon followed by the word "practo" in a lowercase, sans-serif font.

➤ Practo, an online platform helping consumers find doctors in their vicinity, is now entering the online pharmacy market with its service named - **Practo Order**

➤ **Myra**, and **CareOnGo** are new online pharmacies which are gaining investors attention

The logo for Myra Medicines, consisting of a green rectangular box with a white upward-pointing arrow and the text "Myra Medicines" in white.

➤ **Myra** - guarantees product delivery in 30 minutes or less. The start-up utilizes data science, and technology to track inventory more accurately.

The logo for CareOnGo, featuring the word "care" in blue, "on" in white inside a blue circle, and "go" in blue.

➤ **CareOnGO** - provides advantage of finding substitutes, ordering generic medicines and instilling medicine reminders with delivery of products within 3-hours

The logo for Askme.com, featuring the word "ask" in white above "me" in white, both inside a blue speech bubble shape, with ".com" in white below.

➤ **Askme.com** ventures into sale of perishable grocery and pharmaceuticals with the launch of AskmeFresh.com and **AskmeMeds.com**

➤ AskmeMeds will be an online marketplace connecting chemists and consumers

Ecommerce companies operating in other segments are also exploring the online pharmacy business to capitalize the opportunity

A white 'X' icon on a purple square background.

New Entrants Need to be Careful in Selecting their Business Model

The direct delivery or the inventory-led model requires huge capital investment to purchase products directly from the wholesalers and maintain their inventory.

Hence, we see Flipkart and Amazon shifting from an inventory-led model to marketplace model.

In the interest of “Brick-and-mortar” businesses, the market place model is more favourable in the Indian market.

The DIPP is also promoting the marketplace model by allowing 100% FDI in this business model.

With low infrastructure cost, minimal regulatory requirements and low entry barriers, the marketplace model is preferred by newer entrants





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