



A STUDY ON CUSTOMER AWARENESS AND BUYING BEHAVIOR TOWARDS GENERIC AND BRANDED PHARMACEUTICAL PRODUCTS

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ABSTRACT

India is widely regarded as pharma capital of the world with many reputed pharma companies operating in India and exporting pharma products throughout the world, with cost of medicine and treatment expenditure costing huge sums, India has become a very attractive option with its affordable medical care facility and state of art infrastructure to cater to global demand, the star attraction of Indian pharma industry is its viable ecosystem and ability to produce pharma products locally and with a fraction of original cost, this has led to affordability and practicality for users and producers alike, the government incentives to local production through 'Make in India' has provided necessary impetus to the this sunshine sector in India, laws in India like The Patents Act 1970 favour manufacturing of generic version of patented drugs without violating patents. The awareness level of consumers towards this low cost option however is very low primarily due to marketing practices of established pharma companies and inability of generic option to scale up production and visibility in market.

Government of India has through Pharmaceuticals & Medical Devices Bureau of India (PMBI), has launched Pradhan Mantri Bhartiya Janaushadhi Kendras (PMBJKs) to provide quality generic medicines at affordable prices. Prices of medicines sold through these outlets are 50-90% less than that of branded medicine prices in the open market.

The research papers attempt to find out consumer knowledge and preference towards generic medicines options and suggest some measures that can be undertaken to ensure this low-cost option is available to masses throughout the country.

KEY WORDS: Generic Medicines, Branded Medicines, Pradhan Mantri Bhartiya Janaushadhi Kendras

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I. Introduction

Indian Pharma industry is amongst the largest in the world in terms of volume and sales, India is called as pharma to the world, leading pharma players like Bayer's, Johnson & Johnson, Cipla etc. have manufacturing base in India. The pharma industry is today valued at 50 \$ billion dollars, India today exports pharma products to more than 200 countries worldwide and accounts for nearly 50% of generic medicine exported to Africa and US¹.

Indian pharma industry enjoys considerable advantages over its counterparts in other parts of the world like low cost of manufacturing, quality research and development leading to increased efficiency and competitive advantage. The Government of India is also keen to ensure the supremacy of our pharma industry is maintained this can be seen by the fact the fact in 2021 the government allocation for this sunshine sector in June 2021 was around 19, 7,000 crores and the FDI inflow to this sector was around 19 billion dollars between 2020 to 2022².

The Pharma sector plays a critical role in ensuring public health and access to affordable medicines. In recent years consumers are increasingly exposed to generic and branded medicines, branded products continue to dominate consumer demand due to factors like trust, prescriptions, and perceived quality.

Understanding customer awareness and buying behavior is essential for promoting informed and rational medicine purchasing decisions. This study aims to assess customer awareness of generic and branded medicines, analyze factors influencing buying

behavior and suggest measures to improve organized decision-making pharmaceutical market.

Chan (2006) found in his study on young consumers and their brand perception that young people were aware of social significance of possession of branded goods, they believed branded goods could help them to bring more fun and friends.

Lazzi & Santovito (2016) in their study on Branded Versus Non-Branded: Differences in Consumer Preferences found that consumers are uncertain when there is absence of brand, they give more importance to product attributes like comfort, design and fit etc.

Kaliyamoorthy et.al. (2017) in their study on customer behavior of branded apparel revealed that quality, Colour design, comfort etc. are some of the factors that influence the customer brand purchase decisions, brand developers should develop and place the product according to the customer.

Meena (2018) in her study on consumer brand preference and buying behavior of cosmetic products at Coimbatore city discovered that branded products have high demand as compared to other products, it has compelled the marketers to study the buying habits, preferences, taste, like and dislikes of consumers and make marketing policies.

Dangi et al. (2021) in their study on role of price discount on Customer perception, purchase intention and buying decision for branded products found that discount play important role in reducing the buying decision time considerably.

Jayarajan, et al. (2021) in their study on customer perception on branded apparel revealed that factors

¹ ET Government ,18th December 2024

² Pharmaceutical Industry Report November 2025

like attractiveness, durability, design, availability etc. were some that influence customer buying behavior and manufacturers need to concentrate on the above factors to attract the customers.

Sheeba (2021) in her research on customer preference towards branded and unbranded food products discovered that customers have their own choice in buying of products, they prefer branded products due to quality, flavor, hygiene and nutritional value etc., offered by the brands.

II. Statement of the problem

The demand for pharma products is highest and also most competitive sectors in India ,there are large pharma companies selling patented drugs and earn huge margins ,the entry of generic medicine in this segment has changed the market scenario and being affordable has been the single factors in growing demand for these medicines, very little studies have been conducted to gauge the effects of unbranded generic medicines and branded medicines on customer behavior, the research study has tried to find the factors that play deceive role in customer buying decisions.

III. Objectives of the study

1. To study the customer awareness of generic and branded pharma products.
2. To find the factors that influence customer behavior on their purchases.
3. To suggest measures to ensure structured customer buying decisions in pharma products.

IV. Research Hypotheses

H₁ (Alternative Hypothesis)

There is a positive correlation between customer demand for medicines and branding of pharmaceutical products

H₀ (Null Hypotheses)

There is no relationship between customer demand for medicines and branding of pharmaceutical products

V. Research Methodology

In order to find the consumer preference towards branded or generic medicines a sample of 162 respondents from Mumbai city were selected on random basis and were administered a structured questionnaire to know their buying habits, the study was conducted between September and October 2025. Statistical tools like Spearman Correlation and percentage analysis were used to analyze the data collected.

VI. Data Analysis and results

In this chapter, the data gathered by analyzing the information obtained about the customer are analyzed and interpreted to determine their awareness level, perception level and purchasing behavior in reference to generic and branded pharmaceutical products. The frequency and percentage analysis were descriptive statistical tools that were applied to summarize the opinions and the level of awareness of respondents on various variables. The analysis is organized in respect of the mentioned research objectives, which will make it possible to analyze the awareness patterns and factors, which impact them. In addition, inferential analysis, through Spearman correlation test, was used to test the proposed hypothesis and determine the relationship between branding and customer demand. The results obtained due to this analysis offer empiric

evidence on the decision making of customers in pharmaceutical market.

Objective 1: To study customer awareness of generic and branded pharmaceutical products.

In the first objective, the research looks at the rate of customer knowledge and perception in respect of generic and branded pharmaceutical products. The level of awareness about generic medicines is a critical element that determines its acceptance and use since it indicates the exposure of customers to other treatment alternatives that are cheaper to use. The evaluation of the fundamental knowledge regarding generic medicines will be useful in determining the existing

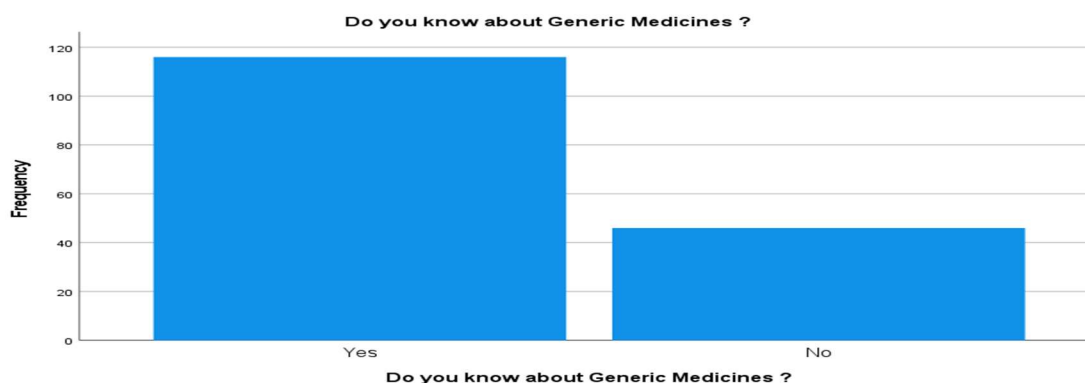
gaps in information among the consumers. Thus, the first questions on the familiarity of the respondents with generic medicines were to assess the level of understanding. The findings offer a ground on which the perceptions on price, quality, and regulatory provisions may be studied further.

Awareness & Knowledge about Generic and Branded Medicines

The awareness of customers about generic and branded medicines is significant in determining the purchase decisions. Knowing the knowledge level of the consumers will assist in detecting the gaps that can affect their perception of quality, price and use.

Table No. 1.1: Do you know about Generic Medicines?

Response	Frequency	Percent	Cumulative Percent
Yes	116	71.6	71.6
No	46	28.4	100.0
Total	162	100.0	

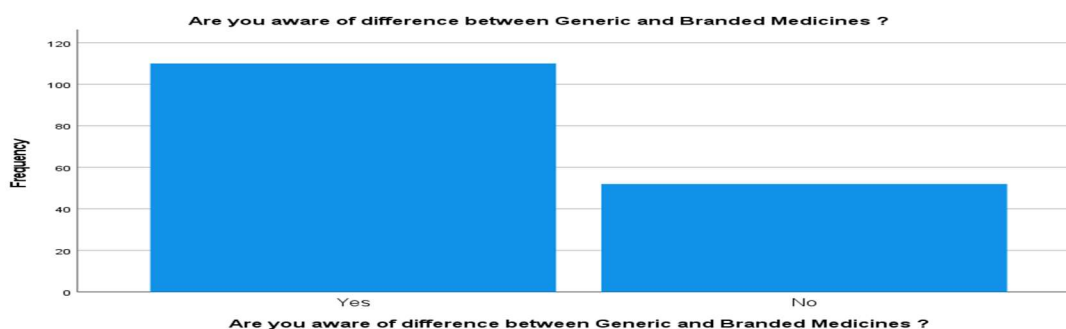


According to the table 1.1, most of the respondents (71.6%) are aware of the generic medicines and 28.4% are not aware. This means that there is quite a good level of basic awareness of customers. Nevertheless,

the awareness of almost a third of the respondents who do not feel informed implies that more disseminations of information should be conducted.

Table No. 1.2: Are you aware of difference between Generic and Branded Medicines?

Response	Frequency	Percent	Cumulative Percent
Yes	110	67.9	67.9
No	52	32.1	100.0
Total	162	100.0	

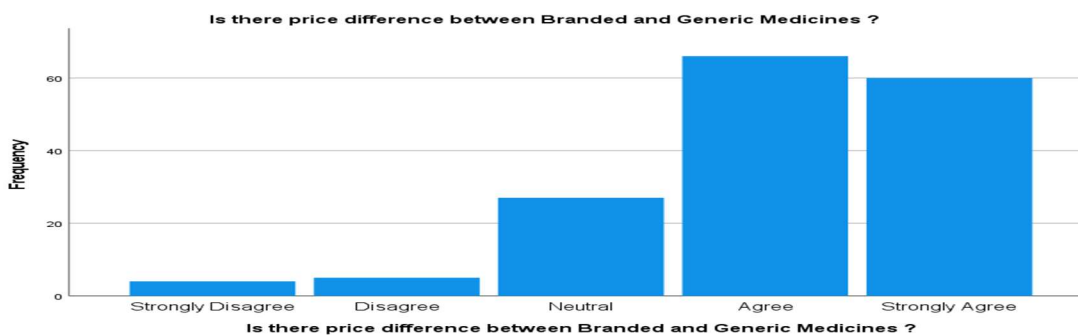


Approximately, 67.9 % of the respondents indicated that they are aware of the existence of the difference between generic and branded medicines, with 32.1 % being unaware. This indicates the moderate

knowledge levels of customers. Quite a considerable percentage remains unclear, which means that it is partially understood. This loophole can affect buying behavior.

Table No 1.3: Is there price difference between Branded and Generic Medicines?

Response	Frequency	Percent	Cumulative Percent
Strongly Disagree	4	2.5	2.5
Disagree	5	3.1	5.6
Neutral	27	16.7	22.2
Agree	66	40.7	63.0
Strongly Agree	60	37.0	100.0
Total	162	100.0	

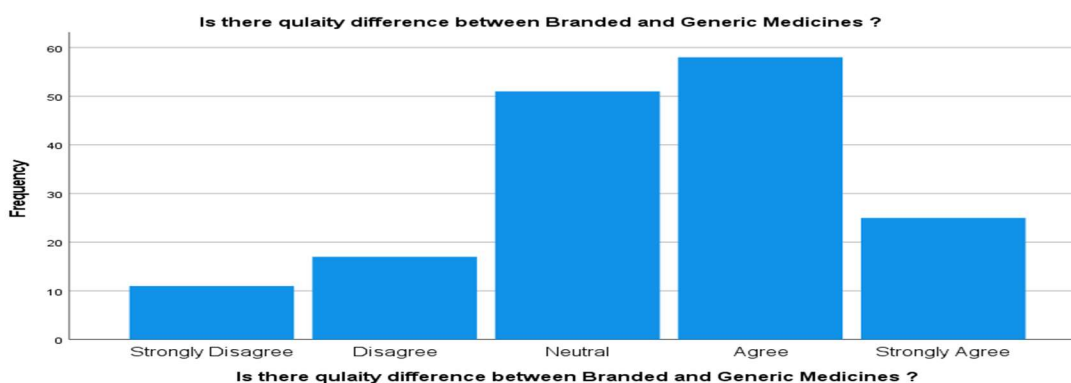


The majority of the respondents (40.7%) or highly (37.0%) agreed that branded and generic medicines have a price difference. Very few percentages were in disagreements with a majority at 16.7% neutral. This

depicts high customer sensitivity in terms of price variations. Price is evidently accepted as a differentiating factor.

Table No 1.4: Is there Quality difference between Branded and Generic Medicines?

Response	Frequency	Percent	Cumulative Percent
Strongly Disagree	11	6.8	6.8
Disagree	17	10.5	17.3
Neutral	51	31.5	48.8
Agree	58	35.8	84.6
Strongly Agree	25	15.4	100.0
Total	162	100.0	

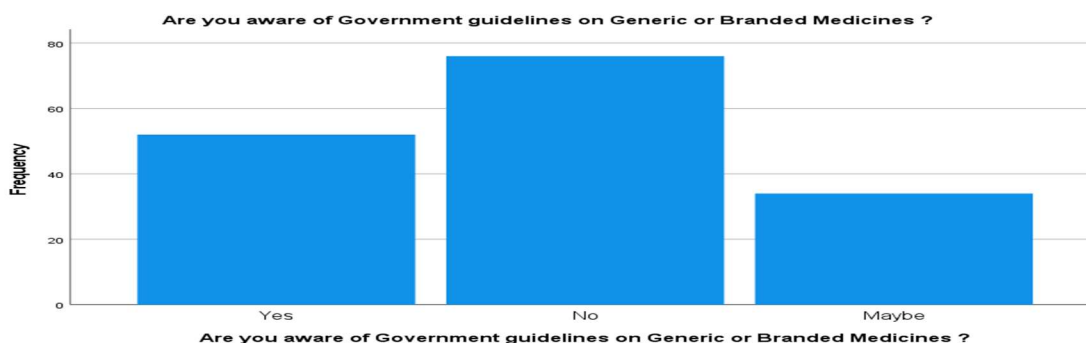


A total of 51.2% of the people concurred or unanimously concurred that branded and generic medicines are of different quality. Nevertheless, 31.5% were neutral and 17.3% disagreed. This shows

that customers are having mixed perceptions. A barrier to changing to generic medicine might be that the quality issues have been raised.

Table No. 1.5: Are you aware of Government guidelines on Generic or Branded Medicines?

Response	Frequency	Percent	Cumulative Percent
Yes	52	32.1	32.1
No	76	46.9	79.0
Maybe	34	21.0	100.0
Total	162	100.0	



Respondents were found to be aware of government guidelines only in 32.1% and unaware in 46.9% and inconclusive in 21.0%. This indicates lack of awareness on regulatory information. The illiteracy can influence sound decision-making. Customers may not be getting the reach of government initiatives.

Objective2: To identify the factors that influence customer behavior in the purchase of medicines.

Several factors that are interrelated determine customer behavior in the buying of medicines and they include price sensitivity, brand perception and

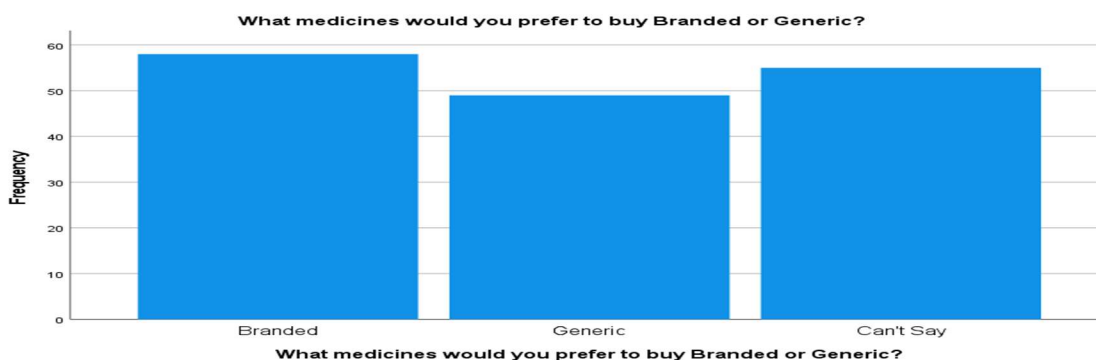
influence of medical professionals. The study of these factors will give an idea of why customers prefer and make decisions in a particular way.

Purchase Preference

The purchasing behavior of customers in the pharmaceutical market is a result of the synergy between the economical, perceptual and professional aspects. The analysis of purchase preferences would aid in the interpretation of how customers would decide on whether they should purchase branded or generic medicines.

Table No 1.6.: What medicines would you prefer to buy Branded or Generic?

Response	Frequency	Percent	Cumulative Percent
Branded	58	35.8	35.8
Generic	49	30.2	66.0
Can't Say	55	34.0	100.0
Total	162	100.0	



The findings indicate that 35.8% respondents like branded medicines, 30.2% liked generic medicines and 34.0% were not confident. This means that there is no definite preeminence of one preference. One undecided group is large indicating that there is confusion or the availability of inadequate information. Purchasing decisions seem to be affected by various factors.

Price Sensitivity

The Price Sensitivity factor is a relevant factor in medicine buying especially to the customer who has to handle a regular or long-term medication. Price sensitivity can be used to determine how cost affects choice of medicine.

Table No. 1.7: Do you buy medicines on price considerations?

Response	Frequency	Percent	Cumulative Percent
Yes	82	50.6	50.6
No	80	49.4	100.0
Total	162	100.0	



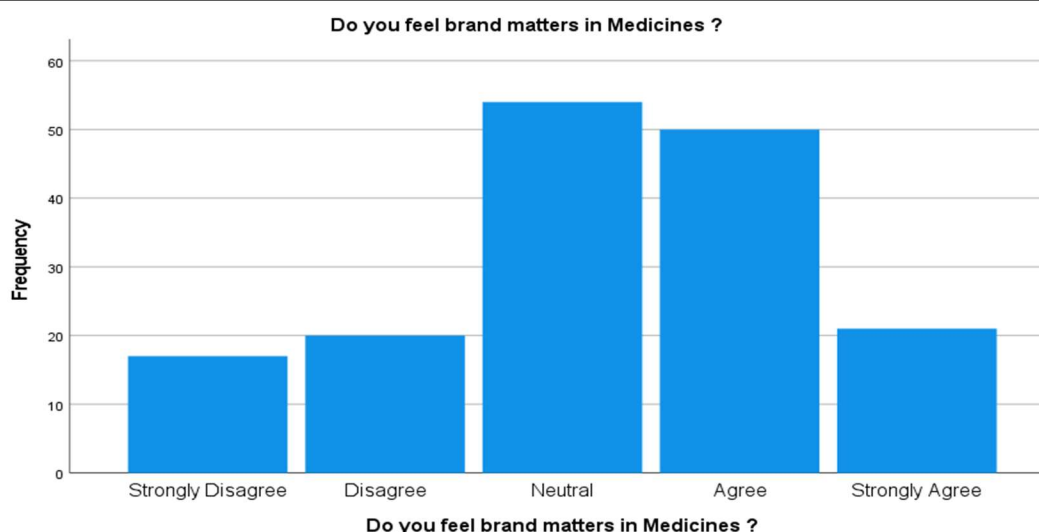
Slightly more than 50.6% of the respondents indicated that they attach importance to price when purchasing medicines, and 49.4% of respondents do not attach importance to the price. This is an indication of a moderate price elasticity of customers. Price is a crucial factor but not the only one. There are other aspects like brand and prescription which are important.

Brand Perception

The perception of the brand makes customers trust and have confidence in the pharmaceutical products. The perceptions of the customers about branding would become clear in understanding why customers prefer using branded or generic medicines.

Table No. 1.8: Do you feel brand matters in Medicines?

Response	Frequency	Percent	Cumulative Percent
Strongly Disagree	17	10.5	10.5
Disagree	20	12.3	22.8
Neutral	54	33.3	56.2
Agree	50	30.9	87.0
Strongly Agree	21	13.0	100.0
Total	162	100.0	



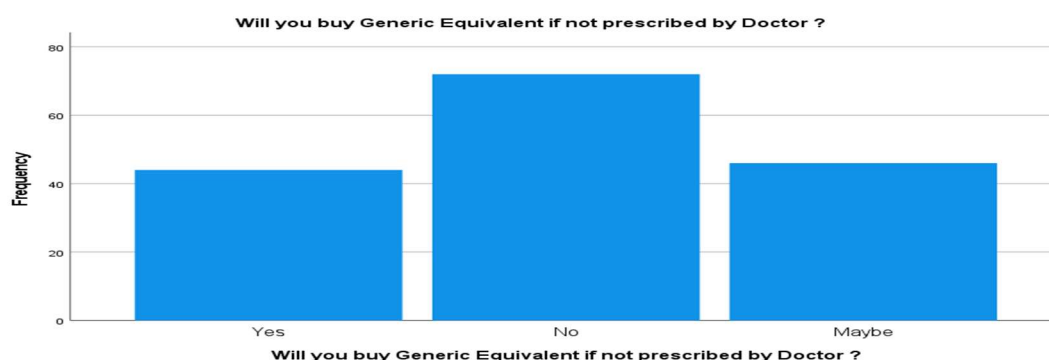
Approximately 43.9% of the respondents said that they were in agreement or strongly in agreement with the issues of brand in medicines and 22.8% were in disagreement. The large percentage (33.3%), was neutral. This implies that branding has a moderate level of effect on the perception of the customer. The brand loyalty is weak, but present in all respondents.

Medical Authority Influence

Doctors are instrumental in influencing the buying of medicine by the customers. The credibility of prescribed drugs with the doctor usually decides whether the customer takes branded medications or whether he or she will look at the generic ones.

Table No. 1.9: Will you buy Generic Equivalent if not prescribed by doctor?

Response	Frequency	Percent	Cumulative Percent
Yes	44	27.2	27.2
No	72	44.4	71.6
Maybe	46	28.4	100.0
Total	162	100.0	

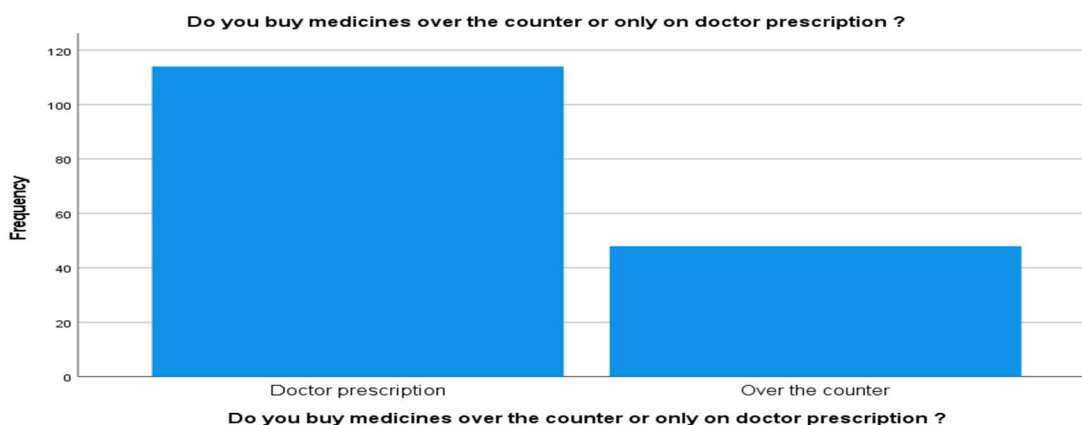


Only 27.2 % of the respondents would purchase a generic version without the prescription of a doctor. Conversely, 44.4% said no and 28.4% said they did

not know. This indicates that it is very reliant on the recommendations of doctors. Medical authority plays a major role in affecting medicine purchases.

Table No. 1.10: Do you buy medicines over the counter or only on doctor prescription?

Response	Frequency	Percent	Cumulative Percent
Doctor prescription	114	70.4	70.4
Over the counter	48	29.6	100.0
Total	162	100.0	



A large majority (70.4%) of those who purchase medicines only after the doctor prescribes them and 29.6% who purchase over the counter. This depicts a lot of confidence in the healthcare professionals. Clients do not want to self-meditate; they need a professional advice. Influence of doctors is a major buying behavior.

Pharmacist Influence

Pharmacists act as a convenient source of information during the point of purchase. It is possible that their recommendation may affect the desire of customers to use generic options in addition to prescribed drugs.

Table No.1.11: Have you asked Pharmacist for Generic Equivalent?

Response	Frequency	Percent	Cumulative Percent
Yes	60	37.0	37.0
No	102	63.0	100.0
Total	162	100.0	



A small percentage of 37.0% of the respondents have requested pharmacists to provide them with generic alternatives as compared to 63.0% who have not. This shows that there is little communication between

pharmacists and the people on substitution of medicines. Pharmacists are not fully utilized as sources of information. Customer trust only doctors' prescription irrespective of being costly or branded.

Table No. 1.12: Do you ask for Pharmacist advice in buying medicines?

Response	Frequency	Percent	Cumulative Percent
Yes	79	48.8	48.8
No	50	30.9	79.6
Can't say	33	20.4	100.0
Total	162	100.0	



Almost a half of the respondents (48.8%) consult pharmacist, 30.9% did not and 20.4% did not know. This implies that there is moderate dependence on pharmacists. Pharmacists have secondary role despite having a say in the decision-making process. Knowledge and confidence on the pharmacists can be enhanced.

Hypothesis Testing

H₀: There is no relationship between customer demand for medicines and the branding of pharmaceutical products.

H₁: There is a positive correlation between customer demand for medicines and the branding of pharmaceutical products.

		Do you feel brand matters in Medicines?	What medicines would you prefer to buy Branded or Generic?
Spearman's rho	Do you feel brand matters in Medicines?	Correlation Coefficient	1.000
		Sig. (2-tailed)	.239**
		N	0.002
	What medicines would you prefer to buy Branded or Generic?	Correlation Coefficient	162
		Sig. (2-tailed)	.239**
		N	162

The correlation demonstrates that there is a positive significant relationship between the belief that brand matters in medicines and preference of branded or generic medicines ($r = 0.239$, $p = 0.002$). This implies that the higher the customer value brand, the more they prefer branded medicine. The p-value is lower than 0.05, which is why the null hypothesis is rejected. Thus, the null hypothesis will be dismissed as the customer demand towards medicines is heavily dependent on branding.

VII. Conclusions and Suggestions

It was found that a significant percentage of the respondents had some basic knowledge of generic medicines as 71.6 indicated that they were familiar with them whereas 67.9 indicated that they were aware of the differences between generic and branded drugs. Nevertheless, almost one-third of the respondents

were not informed, which means that knowledge gaps in the pharmaceutical market are still present, as it was observed in earlier consumer-awareness, **Dunne and Dunne, (2015)**. The majority of the respondents gave a strong affirmation to presence of price disparity between branded and generic medicine with price sensitivity as a significant predictor of purchase behavior, as other previous studies on Pharmacoeconomics have indicated, **Shrank, et al. (2009)**.

Conversely, there were contradictory perceptions about variation in quality where a group of about 50 percent thought that branded medicines are different in quality and a good proportion of 40 percent was unsure about this as per the consumer perception studies about generics, **Kesselheim et al. (2008)**. The knowledge of the government regulation was

relatively low with 32.1 percent of respondents knowing official guidelines, which is an indicator of insufficient information on regulations.

The purchase-preference analysis did not reveal any prevailing preference to either the branded or generic medicines where 35.8% showed preference towards the branded drugs, 30.2 percent showed preference to the generic drugs and 34.0 percent were undecided. Such uncertainty implies that consumers use a combination of cues in their decisions, which is a postulation of health-behavior and consumer-decision models, **Keller and Kotler (2016)** Marginal more than fifty percent of the respondents used price when purchasing medicines, which confirms the meaningful but not exclusive impact of cost and a moderate impact of branding on the purchase of medicines, the trends that are consistent with previous pharmaceutical marketing research.

Healthcare providers became the most powerful decision-makers in purchases. Most of the respondents relied on the prescriptions given by doctors, and very few respondents were ready to buy generic substitutes without consulting a doctor, as the results of the international research of health policy demonstrate, **Kesselheim et al. (2008)**. Pharmacists had a minor role: pharmacists were consulted almost twice as often but the majority of the respondents had not specifically asked the pharmacist to prescribe them a generic option and as mentioned in previous pharmacy-practice literature, **Hassali et al. (2014)**.

The correlation hypothesis testing with Spearman correlation proved that there was a positive and

statistically significant relationship between medicine preference and brand importance ($r = 0.239$, $p = 0.002$). As a result, the null hypothesis was not accepted, which proved the existence of branding in customer demand in the pharmaceutical industry- in line with previous branding and consumer-choice studies in medical settings, **Kotler and Keller (2016)**.

Suggestions

Considering the results based on the awareness rates, price elasticity, branding impact and dependence on healthcare providers, the following steps are recommended to enhance more systematic and informed purchases made by the customers:

- **Enhance Mass Media Education.**

The government agencies and other healthcare organizations must organize frequent information campaigns on mass media, social networks, and community health activities on the subject to inform consumers on generic medicines, their safety level, regulatory clearance, and cost benefit and information on Pradhan Mantri Bhartiya Janaushadhi Kendras

- **Enhance Conversation of Government Guidelines.**

Regulatory controls, quality-assurance measures, and generics substitution policies are to be made clear with the help of simplified leaflets, pharmacy, and hospital posters, and digital portals due to the low awareness levels about the existing policies.³

- **Improve Doctor-Patient Interaction.**

Care providers ought to be advised to discuss therapeutic equivalence, pricing strategy, and the presence of generic alternatives with patients at the

³ Annual Report 2022-23 of the Department of Health and Family Welfare

consulting stage to improve clear and cost-efficient choices, **Kesselheim et al. (2008)**.

- **Empower Pharmacists to be Information Providers.**

Pharmacists may be educated and motivated to actively offer accepted generic replacements and clarify the difference in dosage, quality, and costs, increasing their consultative capacity, **Hassali et al. (2014)**.

- **Open Pricing at the Pharmacies.**

Pharmacies ought to show a comparison of price between branded and generic medicines to help the customers to compare them and make cost-effective decisions **Shrank et al. (2009)**.

- **Encourage Reliability in generic drugs.**

Quality-related fears can be minimized with testimonials provided by healthcare professionals, certification labels, and regulatory endorsements placed on the packaging or the pharmacy counters.

- **Consumer Education in Hospitals and Clinics.**

The healthcare facilities can inform patients about the medicine options, prescription reading, and benefits of generic drugs in short orientation sessions or through digital kiosks.

- **Cooperation between the Regulators and the Pharmaceutical Companies.**

Ethical branding and proper distribution of product information should be promoted through joint efforts in order to prevent misleading perceptions.

- **Comparison of Digital Tools in Medicine.**

The comparison of prices and active ingredients and approval status can be made easier with the help of mobile applications or government-supported websites.

- **Pharmacoeconomics Inclusion in Public-Health Messaging.**

A rationally buying behavior could be created by providing the consumers with the idea of long-term savings when they use generic substitutes, especially in case of chronic conditions, **Shrank et al (2009)**.

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