

**TARAS SHEVCHENKO NATIONAL UNIVERSITY OF KYIV**

**Faculty of Economics**

**Department of International Economics and Marketing**

**PR Promotion Strategy for Ukrainian Pharmaceutical  
Manufacturers in The EU Market**

by

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Consulting

I certify that in this thesis, there are no borrowings from the works of other authors  
without corresponding references

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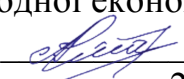
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**ЗАВДАННЯ**



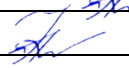



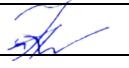



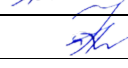

на кваліфікаційну магістерську роботу  
студентки 2 курсу денної форми навчання спеціальності 075 «Маркетинг»  
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1. Тема роботи: PR-стратегія у просуванні фармацевтичної продукції українських виробників на ринку ЄС (затверджена на засіданні кафедри міжнародної економіки та маркетингу «22» жовтня 2021 р., протокол № 3).
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5. Предмет дослідження: стратегія PR просування «Дарниці» на ринку ЄС в умовах післявоєнної відбудови та зміни іміджу України на міжнародній арені.
6. Мета та завдання дослідження  
Мета: теоретичне обґрунтування та розробка практичних рекомендацій для створення PR-стратегії для українського фармацевтичного виробника «Дарниця» в ЄС із використанням країни походження як описової властивості продукції.  
Завдання:
  - 6.1. Розкрити сутність PR та визначити особливості стратегії PR просування фармацевтичної продукції;
  - 6.2. Оцінити сприйняття українських товарів споживачами в ЄС та їхню готовність купувати українські ліки шляхом опитування;
  - 6.3. Проаналізувати PR-стратегію ключових конкурентів «Дарниці» у фармацевтичній галузі ЄС;
  - 6.4. Розробити рекомендації щодо PR-стратегії «Дарниці» на ринку ЄС;
  - 6.5. Оцінити економічну ефективність запропонованої стратегії.


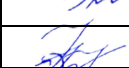
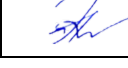
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## Календарний план виконання завдання

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1	Затвердження теми	вересень 2021 р.	
2	Затвердження плану	жовтень 2021 р.	
3	Затвердження завдання на роботу	жовтень 2021 р.	
4	Написання розділу 1	жовтень 2021 р.	
5	Врахування зауважень наукового керівника до розділу 1	грудень 2021 р.	
6	Подання розділу 2 науковому керівнику	лютий 2022 р.	
7	Врахування зауважень наукового керівника до розділу 2	березень 2022 р.	
8	Подання розділу 3 науковому керівнику	березень 2022 р.	
9	Врахування зауважень наукового керівника до розділу 3	квітень 2022 р.	
10	Написання загальних висновків, оформлення додатків та джерел	квітень 2022 р.	
11	Врахування зауважень наукового керівника до всієї роботи	квітень 2022 р.	
12	Подання готової роботи	квітень 2022 р.	

## Графік консультацій

Дата консультації	Консультант	Зміст консультації	Підпис консультанта
10.09.21	Кочкіна Н.Ю.	Узгодження редакції теми роботи	
20.09.21	Кочкіна Н.Ю.	Узгодження плану	
05.10.21	Кочкіна Н.Ю.	Визначення мети, завдань та концепції роботи	
16.11.21	Кочкіна Н.Ю.	Зміст 1 розділу	
28.11.21	Кочкіна Н.Ю.	Редагування висновків розділу 1	
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17.03.22	Кочкіна Н.Ю.	Редагування висновків розділу 2	
30.03.22	Кочкіна Н.Ю.	Зміст 3 розділу	
08.04.22	Кочкіна Н.Ю.	Редагування висновків розділу 3	
13.04.22	Кочкіна Н.Ю.	Редагування загальних висновків	
20.04.22	Кочкіна Н.Ю.	Консультування щодо оформлення списку використаних джерел та додатків	
27.04.22	Кочкіна Н.Ю.	Консультування щодо оформлення готової роботи	
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## SUMMARY

The thesis consists of 116 pages, 26 tables, 35 drawings, a list of 69 references, 2 appendices.

### **PR PROMOTION STRATEGY FOR UKRAINIAN PHARMACEUTICAL MANUFACTURERS IN THE EU MARKET**

The research subject is strategy for PR promotion of Darnitsa in the EU market under post-war conditions of reconstruction and changing image of Ukraine in the international arena.

The object of the study is international promotional activities of Ukrainian companies in the EU market under post-war conditions of national reconstruction and changing image of Ukraine in the international arena.

The thesis aims at the theoretical substantiation and development of practical recommendations for PR strategy for Ukrainian pharmaceutical manufacturer Darnitsa in the EU with the employment of country of origin as descriptive property for products.

Based on the study results, methodological recommendations have been developed for Darnitsa on formation of a PR strategy and evaluation of proposed project in the course of its implementation.

The practical significance of the research is the development of the recommendations for PR promotion of Darnitsa in the EU market drawn upon results of survey of potential consumers for increasing their economic results through marketing communications.

2020-2022: undertaking the thesis research.

2022: defense of the thesis.

## РЕФЕРАТ

Дипломна робота містить 116 сторінок, 26 таблиць, 35 рисунків, список літератури з 69 найменувань, 2 додатків.

### **PR-СТРАТЕГІЯ У ПРОСУВАННІ ФАРМАЦЕВТИЧНОЇ ПРОДУКЦІЇ УКРАЇНСЬКИХ ВИРОБНИКІВ НА РИНКУ ЄС**

Предметом дослідження є стратегія PR просування «Дарниці» на ринку ЄС в умовах післявоєнної відбудови та зміни іміджу України на міжнародній арені.

Об'єктом дослідження виступає міжнародна рекламна діяльність українських компаній на ринку ЄС в умовах післявоєнної відбудови та зміни іміджу України на міжнародній арені.

Мета дипломної роботи полягає в теоретичному обґрунтуванні та розробці практичних рекомендацій для створення PR-стратегії для українського фармацевтичного виробника «Дарниця» в ЄС із використанням країни походження як описової властивості продукції.

За результатами дослідження для «Дарниці» розроблено практичні рекомендації щодо формування PR-стратегії та проведена оцінка ефективності запропонованих заходів.

Одержані результати можуть бути використані у побудові стратегії PR просування «Дарниці» на ринку ЄС як частина опитування потенційних споживачів задля підвищення економічних результатів компанії за допомогою маркетингових комунікацій.

Рік виконання дипломної роботи: 2020-2022.

Рік захисту дипломної роботи: 2022.

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## INTRODUCTION

**Relevance of the thesis.** When it comes to complex manufacturing processes that require a high level of technology, the country of origin of such goods often acts as a characteristic that guarantees the quality or desired feature of the product. Thus, for example, the expressions "German quality", "Made in China", "Swiss reliability", "Designed in Italy" became descriptive. That is, the properties of the goods are inseparable from the image of the country.

Pharmaceutical production is not only production that requires absolute accuracy, but also one where the quality and properties of the product directly affect the most valuable for the consumer – life and its quality. According to the common stereotype imposed by the Russian propaganda machine, Ukraine is considered an "agricultural country." The products of this sector cannot carry the formation of a descriptive part of the country of origin, because they are often sold under other brands or are raw materials for the manufacture of other products.

At the same time, pharmaceutical products demonstrate not only the country's progress in the use of technology, but also its intellectual resource and potential in research and development. On the territory of Ukraine there are full-cycle pharmaceutical productions (Farmak, which has its own production of active pharmaceutical ingredients in Shostka), pharmaceutical productions with a level of automation that exceeds European standards (Darnitsa with fully automated warehouse, the most compact in Europe), as well as highly specialized manufacturers (Kyiv Vitamin Plant), etc.

After a wave of pandemics, and now a new wave of disruptions in the supply of APIs and finished pharmaceuticals due to full-scale war in Ukraine, our country has taken a clear course where the full cycle of drug production is part of national security policy. With this, Ukrainian pharmaceutical manufacturers received state support. And as a result of the unification of the EU community in an effort to support Ukraine's victory in the war for its freedom, our country has also received temporary customs easing and economically favourable conditions for doing business with Western countries.

In addition, Ukraine and all its internal events, unfortunately, due to rather difficult twists of fate, has become the focus of media attention throughout the civilized world. Some say that this is the moment when the Ukrainian nation is being formed, but this is a question for historians. What is currently being formed is a new image of Ukraine and everything "Ukrainian" in the eyes of the international community.

This is an ideal moment for the formation of the adjective "Ukrainian" as a qualitative feature of the product. This is especially true for the pharmaceutical industry, as it is one of the industries that will receive long-term support from the government and benefits during the post-war reconstruction. It is also a chance not to get lost in the plane of competitors in the European market because of highlighting its "Ukrainianness".

If the Ukrainian origin of producers creates for them economic benefits in foreign economic activity, the formation of the adjective "Ukrainian" as a commodity characteristic is a worthy retribution of these benefits.

As a result, due to the change in the configuration of global markets after the war, as well as the formation of a new perception of Ukraine and all Ukrainian in the worldview of the international community, the EU population, which currently provides the greatest support to our people, methodical and scientific-applied generalization and elaboration of their practical application in the activity of the subjects of the Ukrainian pharmaceutical market. In this regard, there is a need for further research, development, substantiation of conceptual and principles of PR strategy for the promotion of Ukrainian pharmaceutical manufacturers.

The analysis of the Ukrainian pharmaceutical market is systematically conducted by international (IMS Health Consulting, Business Monitor International) and Ukrainian companies (BakerTilly, Pharmplaneta). The research of the problem of investment attractiveness and the ways to increase it was carried out by such professors as Dorovsky O.V., Oliynyk A.D. Kostyuk G.V., Moroz S.G., Magaletsky K.V., Kubareva I.V etc. The study of PR as phenomena was conducted by Ivy Ledbetter, Lee Edward, Louis Bernays, John Marston, World Assembly of Public

Relations, Raymond Simon, Richard Weiner, Alan Harrington, Simon Moore, Georgy Pocheptsov, Yevgeniya Tykhomyrova, Danielle Hibbert.

The object of the study is international promotional activities of Ukrainian companies in the EU market under post-war conditions of national reconstruction and changing image of Ukraine in the international arena. The subject of the study is strategy for PR promotion of Darnitsa in the EU market under post-war conditions of reconstruction and changing image of Ukraine in the international arena.

The thesis aims to generalize and formulate the most successful and promising theoretical approaches and practical tools for promoting Ukrainian pharmaceuticals in the EU market, identify specific features and reservations in building a PR strategy for medicines, create a portrait of a potential consumer in a particular market based on research author and third-party research, as well as its differences from the Ukrainian audience,

The objectives are:

- to reveal the essence of PR and determine the features of PR promotion strategy for pharmaceutical products;
- to assess the perception of consumers in EU of Ukrainian goods and their readiness to buy Ukrainian medicines through a survey;
- to analyse the PR strategy of key competitors of Darnitsa in the pharmaceutical industry of EU;
- to develop recommendations the for PR strategy for Darnitsa in the EU market;
- to evaluate the economic efficiency of the proposed strategy.

The information base of the research when writing the thesis were: theoretical and methodological developments in the field of PR of domestic and foreign scientists, research results of leading scientific institutions and institutions for statistical data collection, professional publications, interviews with practicing PR experts for pharmaceuticals, international statistical resources, textbooks and scientific publications, information about companies, reports of international organizations and government agencies in the field of health care, advertising campaigns, etc.

Research methods include: portfolio analysis, Porter Five Powers analysis, historical analysis, comparative method, PESTEL and SWOT analysis, perceptual map, segmentation map, Porter Matrix, content analysis, method of scientific generalizations, method of collecting primary information, graphical and matrix methods, etc.

Based on the results of the study methodological recommendations have been made for Ukrainian pharmaceutical companies on the best practices to draw up PR promotion strategy to safeguard brand awareness and attract wider range of consumers in the EU market.

The scientific novelty of the results obtained relates to the recommendations for PR promotion of Darnitsa in the EU market drawn upon results of survey of potential consumers for increasing their economic results through marketing communications. Novelty of the results also lies in project proposal for the PR strategy of Darnitsa in the EU market drafted upon content analysis for gaining brand ambassadors in medical community.

Prospective recommendations for the implementation of PR strategy for Ukrainian pharmaceutical manufacturers is developed, bearing in mind the forecast of possible state of affairs after the victory of Ukraine in the war waged by Russia.

## CHAPTER 1

### THEORETICAL BACKGROUND FOR CREATING A COMPANY PR PROMOTION STRATEGY IN THE INTERNATIONAL MARKETS

#### 1.1. Uncovering the essence of Public Relations category

Public relations (PR) is the company's activities aimed at communicating with target audiences in order to form and maintain a friendly attitude to the company and its products, the formation of a positive image, as defined by “Marketing: Terminological Dictionary” under the general editorship of Professor Starostina A.O (Starostina et al., 2017).

Defining the place of public relations as a category often provokes discussions among researchers. Some view public relations as a separate discipline, but most see it as part of marketing communications. In the literature there are active discussions about the distribution of spheres of influence of PR, advertising and marketing, and in practice in some firms there are all three relevant units, in some - mix of them. For example, I. Yakovlev, considers that public relations, marketing and advertising shall be seen in the form of three intersecting circles which are similar but different. It is similar to the unity of music, voice and soul in the stage performance of singer. The latter can be compared to PR, music with marketing, voice - with advertising (Yakovlev, 1995).

To better understand the essence of public relations, it is necessary to consider the definition given to them by various foreign and Ukrainian researchers.

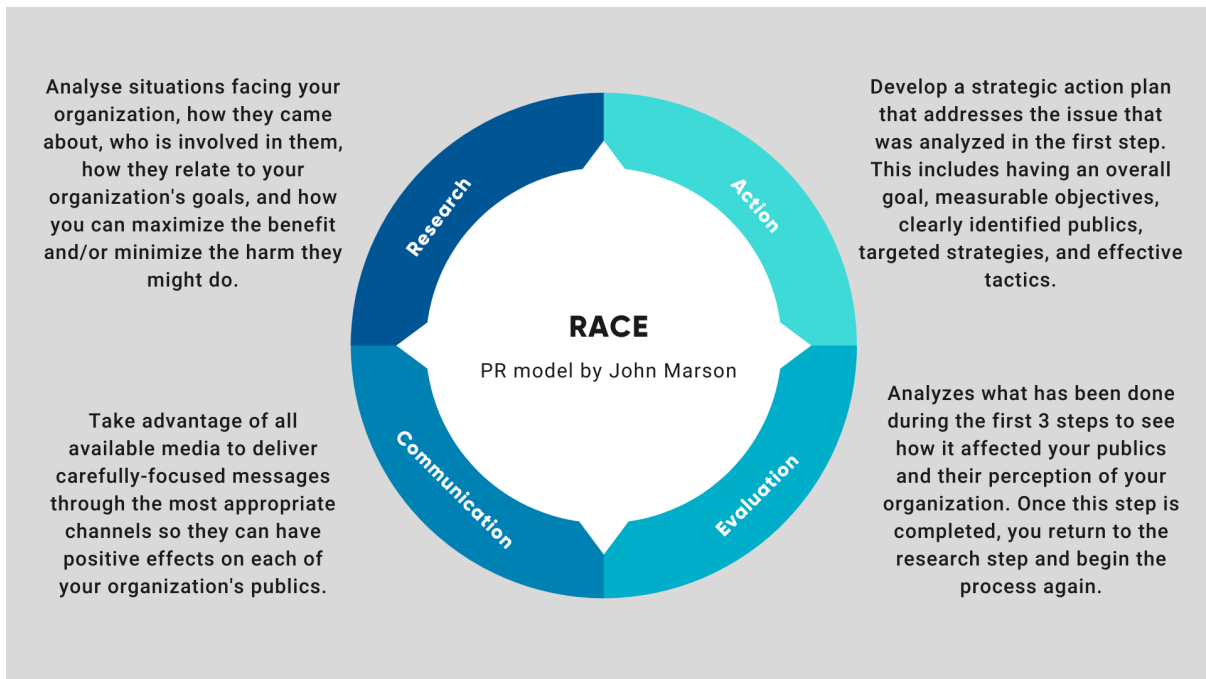
The very first mention of “public relations” as a term was in in 1897 in “Year Book of Railway Literature”. But the first definition is considered to be given in 1914 by Ivy Ledbetter Lee, who founded (Hiebert, 1966) the first PR agency. He described as follows: “Public relations is the art of getting believed”. Despite the very short definition, it contains a voluminous semantic load. First of all, the main goal of any PR is to gain trust. That is, the main measure of successful PR activities is the measurement of trust in the company. This is the criterion criticized by modern organizations. Secondly, Lee immediately calls PR "art". Because it is not governed

by written rules and the success of PR activities cannot be fully interpreted according to a fixed list of criteria.

Edward Louis Bernays is an Austro-American scholar in public relations and also propaganda, (ThoughtCoDotCom, 2019) who has been regarded by researchers as a pioneer in the study of PR field, and many of his inventions have become common in use. In an essay "The Engineering of Consent" by Bernays published in 1947 for the first time, and then in his book in 1955, the very title is the definition he gives to public relations. He also claims that experienced practitioners carry out PR strategy in accordance with the plan and principles of social science. He makes a comparison, saying that a real expert's approach shall be impartial to such degree as if he is acting in agreement with basic laws of science (Bv and Bernays, 1947).

It is important to note that in this definition Bernays equates sociology as a science with physics. That is, he believes in indisputable laws that can systematize human behaviour and perception of the world. It should be said that this is possible only in an ideal theoretical model, which does not exist in the real world. However, it is undeniable that sociology and sociological research are playing an increasingly important role in the economic success of companies in a world where more and more influence is being invested in the hands of consumers. For the middle of 20<sup>th</sup> century this was a ground-breaking thought.

John Marston, famous scholar in the field of communications (Creative Commons, 2012), famous for his four-steps model of public relations called by abbreviation RACE in his book "The Nature of Public Relations" in 1963 and later extensively cited in by other researchers, defines PR as follows: "Public relations is planned, persuasive communications designed to influence significant publics" (L. Turney, 1998). This is even more clearly explained in his abbreviation for PR concept (see Figure 1.1 compiled by author).



*Figure 1.1. RACE model of PR by John Marston.*

*Source: compiled by the author based on (L. Turney, 1998)*

This model has remained the basis for building processes in public relations even now, simply with some modifications. Of particular note is the fact that Marston links the activities of PR to the overall goals of the organization and introduces the concept of performance evaluation. This connects marketing and PR more closely, making a direct connection between business goals and PR goals.

Quite similar, albeit stylistically different, definitions of public relations can be found in the 90s of the 20th century. They emphasize that PR is about influencing the opinion of a specific audience in order to achieve the goals of the organization. Namely, we are talking about Simon Moore and Richard Weiner.

Writer, director, film critic and researcher in the field of communications, Simon Moore in his book “An Invitation to Public Relations” (1996), where he explores the historical roots of public relations, gives it the following concise definition (WorldCat Identities, 2022): “Public relations exists to help an organization achieve its goals by ensuring that the right public thinks the right thing”.

In “Dictionary of Media and Communications” (1990) by Richard Weiner, American author, lexicographer, and award-winning public relations consultant

(Wikipedia Contributors, 2021), he defines PR as: “Public relations is the activities and attitudes intended to analyze, adjust to, influence, and direct the opinion of any group or groups of persons in the interest of any individual, group, or institution” (The Pennsylvania State University, 2005).

Unlike Marston, these two authors reject generalizations that are often harmful. Instead of "significant audiences", Simon Moore and Richard Weiner are already describing the existence of certain "groups" of audiences. For example, in “An Invitation to Public Relations” Moore uses the phrase “ensuring that the right public thinks the right thing”. That is, he admits that not all audiences are a priority for the company's PR strategy. Organizational goals can only be achieved by interacting with very specific stakeholder groups.

Apart from features highlighted by above-mentioned authors, it is important that PR is a planned activity. Chaotic attempts to influence public opinion are always fruitless. This was claimed by World Assembly of Public Relations in Mexico even earlier, in 1976: “Public relations practice is the art and social science of analysing trends, predicting their consequences, counselling organization leaders, and implementing planned programs of action which serve both the organization’s and the public’s interest” (World Assembly of Public Relations Associations, 2022). This descriptive definition covers at once several features of PR. In addition to planning, he points to working with trends, and recommends being "ahead of trends", predicting their potential consequences. From this we understand that PR is also about understanding the mood in society. The organizational peculiarity of PR is demonstrated by its inseparable connection in decision-making with senior management. That is, PR as a functional department cannot exist in isolation, but must be integrated with the general decision-making apparatus in the organization. You can also see that, unlike previous definitions, here World Assembly of Public Relations "reconciles" the interests of the organization and the public. That is, the general public is not a tool to achieve the goals of the organization, but they build a relationship with said organization on a mutually beneficial basis – on mutual interests.

Alan Harrington in the interview for Forbes in 1992 describes the profession in the field: “Public relations specialists make flower arrangements of the facts, placing them so the wilted and less attractive petals are hidden by sturdy blooms” (Goodman, 2016). According to this definition, PR has another function — not only to facilitate the achievement of goals, but also to hide its shortcomings. However, in the opinion of the author of this diploma, a more important note is that PR works exclusively with facts. That is, it is not possible to form an opinion in society about the organization without relying on the actual activities of the organization, but thanks to PR tools it is possible to form different evaluative perceptions of events.

Raymond Simon, professor of public relations at Utica College, author of the first public relations-specific case studies classroom textbooks, in the second edition of his book “Public Relations: Concepts and Practices” (1980) wrote that the ultimate goal of any PR activity is goodwill as such attitude towards company from public that does not meddle with its freedom to earn money (Swann, 2011). A new term that appears here connected to understanding of PR is “goodwill”. In previous definitions we saw “trust” as an end goal of all activities, but Simon gives a more “pro-active” attitude of public as a true goal. While trust is a belief in reliability of organization, goodwill is a feeling of approval and support. Therefore, trust is broken when company does not meet public expectations once, but goodwill is when public can forgive company’s shortcomings. Also Simon links business goals and PR goals more closely when he points out that “profit-making ability” of organization is exactly what needs to be protected by PR activities.

To understand PR in 21st century, it is important to look up its definitions by modern practitioners. For instance, Danielle Hibbert, one of the top specialists of Clearbox, PR agency which is responsible for promoting Hollywood, in 2016 in the interview for Medium commented on the topic (Hibbert et al., 2016), saying that at the beginning of 21<sup>st</sup> century he viewed PR as just creating and managing company’s reputation. But as time went by, it turned out to be an art of provoking debate and controlling the flow of public conversation, making original content, giving company a humane face and joining a network of influencers.

What stands out about this definition is probably a note about “conversation”. We can connect this with the formation of two-way communication between the organization and the public. Companies that speak to the public but do not work on feedback have a better chance of gaining the support and support of their audience. The creation of "dialogue" between the organization and the public also happens due to the development of technologies and the increasing number of Internet users. Another feature noted by Hibbert is the formation of personalities. Organizations are increasingly choosing a strategy of personification and not always through the first person leadership. Due to the fact that the market is often oversaturated and people in the 21st century live in information noise, as well as in order to form a closer emotional contact, to promote the company develop its "face" and character. Thus, the people who choose this organization automatically choose their own identity.

For example, Nike promotes the slogan "Just do it", so it attracts consumers who want to surpass their achievements and go beyond. G.Bar's network of beauty salons constantly addresses them as "babies" in communication with the audience, and this character trait and communication behaviour of the company also filters their audience, attracting mostly young audiences. New trends and tools are also emerging in modern PR. For example, with the development of social networks and blogging, new leaders of public opinion appear - influencers. With the advent of "immunity" to traditional methods of advertising, influencers significantly help organizations increase the effectiveness of their promotion. According to questionnaire on Hubspot (Baker, 2021), 80% of marketing specialists say influencer marketing is effective, 89% say it is just as effective or even better than other marketing channels. 71% of experts say the quality of audience and traffic from influencer marketing is better than other sources. A kind of "new currency" also appears to interact with the audience. It's about content. Content-making has become a separate specialization, as the public has become more meticulous and careful in using information.

One of the most quoted authors when it comes to Ukrainian researchers of Public Relations as field of knowledge is Georgy Pocheptsov, Ukrainian science

fiction writer, Honoured Journalist of Ukraine, Doctor of Philology, Professor. Among his many books on technologies of communication, he defines PR as “the science of public opinion management” (Pocheptsov, 1998) and “activities for the organization of the communicative space of society” (Pocheptsov, 2001). Such definitions outline for us the subject that should be influenced by all PR activities. It is working to change public opinion, which is also called the "communication space". That is, public opinion should not be taken as a thesis that is hidden in the minds of the masses. Public opinion has a communicative expression, which is not an action, but a state – which is why Pocheptsov calls it "space". It exists constantly in various forms and channels and covers every dimension where communication can take place.

An example of manipulating communicative space that professor Pocheptsov likes to give is nuclear disarmament of Ukraine which he says is the result of both economic pressure and communicative influence, when Ukraine was presented to the world as a nuclear monster. Moreover, this was done by states that themselves possessed nuclear weapons and managed to look very peaceful at the same time. Americans consider Mikhail Gorbachev a very successful PR specialist: by manipulating the terms "glasnost" and "perestroika", he managed to present to the world a country that had previously been hidden by the "Iron Curtain" in a completely different way.

Another modern-day Ukrainian researcher of PR is Yevgeniya Tykhomyrova, professor and author of “Public Relations: A Study Guide” (2001).

In that book, she gives a following definition (Tykhomyrova, 2001): “Public relations is a system of theoretical knowledge and practice of their application, which creates communication processes in society, which are aimed at mutual understanding between other socially organized actors and the public”. This definition also insists that organizations and the public should coexist on mutually beneficial terms. That is, there must be an understanding between them: what needs the public seeks to meet through the organization, and what needs through it - the organization itself.

Table 1.1

### Main goals of PR as defined by different authors

Author	The goal of PR as defined by author
Ivy Ledbetter Lee (1914)	The goal of PR is to gain trust.
Edward Louis Bernays (1947)	PR is manipulating public based on the laws of social science.
John Marston (1963)	PR influences significant publics through communication.
World Assembly of Public Relations (1976)	PR is a planned activity which shall be implemented in close consultations with organization management.
Raymond Simon (1980)	The aim of PR is to produce goodwill.
Richard Weiner (1990)	PR is about analysing and changing opinion of any group in interest of another one.
Alan Harrington (1992)	PR helps to conceive shortcomings of organization, but it can only be done on basis of other attractive facts.
Simon Moore (1996)	PR shall facilitate achievement of organizational goals.
Georgy Pocheptsov (1998) (2001)	PR organizes communication space.
Yevgeniya Tykhomyrova (2001)	PR shall seek mutual understanding with audience.
Danielle Hibbert (2016)	PR should form a two-way conversation with public.

*Source: compiled by the author*

Based on the overlook of definitions from Ukrainian and foreign authors, we can formulate our own definition of PR. PR is a planned activity of a company guided by the laws of social science and current trends in society with a goal to change the communication space through analysis, influence and management of public opinion of stakeholder groups so as to create the most favourable conditions for achieving company's goals through.

#### 1.2. Specificity of PR promotion strategy in the pharmaceutical market

The essence of Public Relations is of great importance in any field, but especially healthcare where consumers have a strong voice. If pharmaceutical company does not use proper means of communication, consumers may not be able to understand the information they need for their health and well-being. Unfortunately, past scandals have strained communication practices in the

pharmaceutical industry, reducing their overall status and public confidence in them (Hesenmeyer and Topic, 2017a). The combination of public relations and bad reputation from the pharmaceutical industry makes communication strategies even more difficult. Therefore, in this paragraph we are investigating through experience of modern practitioners whether PR should really be used more in the pharmaceutical industry, in which way and how can PR campaigns influence patient well-being and engagement.

Health is undoubtedly one of the most important values in possession of individuals. Therefore, just like in any other business, pharmaceutical companies PR need to communicate with its target audience and find mutual understanding (Hesenmeyer and Topic, 2017b). Healthcare is considered a unique industry (Hetherington, Ekachai and Parkinson, 2001) as it draws a very thin line between life, death and recovery. In addition, healthcare organisations are engrossed in “wicked” problems (Willis, 2014), meaning problems that are unstructured and difficult to define, pertain to many stakeholders and are relentless. Healthcare as a sector has seen a wave of changes, as companies are now communicating directly with stakeholders, and as new information technologies lead to communication revolutions. One of the key audiences for the healthcare industry is the patient group. Pharmaceutical companies can rely heavily on PR if they expand their markets, sell their products, engage in government, regulatory, or health policies, and ultimately are considered sustainable and socially responsible companies.

Often for PR in health care, the biggest hardship is to build marketing communication for the same product to different audiences with varying messages. New health care products are introduced as new products in a different way to the patient. Preferably, public relations use as a strategy a campaign where all messaging streams come into one campaign, while also targeting events to gain broader media coverage. Experts agree that one of the most essential qualities of a healthcare PR professional is to listen to the patient, not just to convey a message (Tomic, Lasic, and Tomic, 2010).

The very nature of pharmaceutical business is quiet controversial and has raised ethical questions in society for many times. It is one of constant challenges for PR experts in this field – working under conditions where communication meets controversy too often. To some extent, the nature of the pharmaceutical industry’s work has always provoked strong feelings and drawn stern criticism.

Eric Dezenhall, CEO of Dezenhall Resources, a crisis management company specializing in public relations underlines that medicine is seen by consumers as an extension of health, so they feel like it is owed to their health. The question comes to their mind why they even have to pay for such a basic need that they are entitled to. Considering experience of his company, he says talking with unsatisfied or angry consumers is a major part of marketing communication in pharmaceutical market. Although people actually want medicines it is just that they simply do not want to pay for them (Lo, 2019a).

The pharmaceutical industry faces difficult challenges in the field of public relations, to say the least. They deal with complicated full of science messages and need to communicate them to an audience with sceptical attitude towards pharmaceutical manufacturers, all while battling misinformation and information noise in social media and Internet. Because of this the task of promoting new treatments while being able to ward off potentially destructive criticism is extremely important. Even more healthcare companies already have to sell more than the product. They must show that their company is developing and delivering solutions that are more than just a simple pill.” (GlobalData and Pharmaceutical Technology, 2021)

For everyday communications, for instance, as relaying trial results or the clinical benefits of a new medications, identifying different groups of audience and tailoring communications to their level of knowledge and media consumption habits is the best way to make PR effective. Consumers in the pharmaceutical market differ a lot between traditional expert audience or the general public. A key to producing good communication strategy is to know more about your listener, such as how they consume information (device and platforms), demographics, age, sex (Lo, 2019b).

This data will allow to choose the most effective channels to employ. Some pharmaceutical manufacturers make great mistake. They compile quite complex data and send it out to the public, which just falls on deaf ears. Therefore, tailoring messages and taking time to decide on channels is worth it.

For Chad Hyett, executive vice-president at medical PR agency MCS Healthcare Public Relations, tone of voice that pharmaceutical company uses to reach its client is number one priority. He makes a comparison, saying, that if company is not on the same page as its client and do not communicate closely, it becomes a vendor, not a partner in his eyes. This brings on negative effects for company perception. Therefore, you should be relentless in your effort to build constant contact with your audience. Even if some of them will not be active at feedback, with time, this will form a community around you.

The rise of social media has created one more dilemma for pharmaceutical manufacturers. Their appearance provoked an unseen liberty of speech and as consequence, of feedback. As has been mentioned previously, moods toward pharmaceutical business were always rather negative from general public. Therefore, sudden appearance in the middle of the platform where any consumer may reach you, where anyone may leave a review were quite a challenge for them.

It is a common reaction for highly regulated industries, they are usually wary of engaging with a potentially hostile audience in the uncontrolled and highly public battlegrounds of Facebook and Twitter. The dilemma for drugmakers has become how to use these platforms, and who to engage.

Chad Hyett specifies in the interview that no matter what it the attitude of company towards using social media, there is a need to hear back from them – to public this need is the same as for any other industry. So even if there might be some risks and crisis communication, using a platform will bring more opportunities than damage.

This also brings clarity about the objective of digital communications via the social media platforms. He notes that social media communication is best suited to listening to customers rather than simply promoting your product, and striking the

right chord with patients can lead to benefits in research. As one of the biggest and constant problems of pharmaceutical manufacturers is finding and retaining clinical trial participants, and it's an issue where effective communication solve it.

If company communicates effectively with patient groups or the public, it will be able to get a better feedback, deeper patient insights, and the opportunity to participate in collaborations with patient organisations which will give it an image of a transparent and ethical company. In the long-term this will lead to better trials and better patient outcomes.

When it comes to understanding your audience, patient advocacy groups have been growing their power in the field. But instead as a threat, this shall be seen as a chance for truly productive collaboration with patients and caregivers in the appropriate disease areas. Pharmaceutical companies have long been the main financial supporters of patient organisations, but opening one more way to interact will make these relations more open and less transactional.

The problem about traditional way of interacting is that often company approaches patient organizations with the question: How can you help me with my product or my messages? When what they really need to ask is: How can my products help you? "This will result into more mutual collaboration. Collaborating to help patients needs will enable them to use use patient advocacy groups as a channel. Of course, in case of a major controversy or communication crisis, these practices tend to fall through.

Recently-revealed scandal with bankruptcy of Purdue Pharma (Mulvihill, 2022), which went up in September after they were implicated in the escalating of opioid addiction epidemic in US, was one of such recent cases.

But in the interview many experts come to conclusion that while crisis communication is an important part of PR, it shall not be completely incorporated in it. There is a major problem that many people view crises as communications problems rather than conflicts. But conflicts are not misunderstandings. They need a combination of management consulting, PR, journalism and psychiatry.

Dezenhall is quite consistent with the message that, unlike companies in other fields, pharmaceutical companies cannot be loved by consumers. But only option is to be attacked less, as opposed to being loved. Being loved, according to him, is going to happen in pharmaceutical business, unless company starts giving away its product for free with a 100% chance of medical success.

Pharmaceutical companies, differing from other businesses, also do not need to seek being present on all the platforms possible. Sometimes multiple channels lead to such crisis communication situations. While other social media is a powerful tool for healthcare engagement, in a crisis such platforms may prove their volatility.

To sum it up, the best strategy experts see right now cleaves close to the traditional communications tenet of knowing your audience.

Pharmaceutical companies need to think less about their reputation, and care more about all of the audiences and sub-audiences there are for their products. Targeted communications developed to help reduce the chance of being attacked is also a priority. Companies who communicate regularly with their consumers are actually more effective because it is harder to attack someone you have been communicating with.

In the age of big data, another merit that shall be used by pharmaceutical manufacturers is presenting a human face of the company in cases of crisis.

The biggest problem with pharma companies is finding a person when crisis happens who will really go up in front of a camera and do what is necessary. People do not want to see data, they want to see people. Even big manufacturers shall remember about this rule.

## **Chapter 1 Conclusions**

Chapter 1 reveals an essence of Public Relations in pharmaceutical field and its specificities through the use of generalization and historical method. As a result, the author's definition of PR is constructed in this Chapter. Modern PR is manipulation of communication space to form a two-way conversation with groups of stakeholders to achieve their goodwill so that it does not interfere and

boosts up company's profit-making ability, maintaining rule of mutual benefit between organization and public. A distinctive feature of modern PR is the construction of a two-way communication channel between the company and external audience groups, as well as a variety of channels of this communication.

PR in pharmaceutical market is a field with many restrictions. Experts highlight that keeping in touch with patient groups is more important than high-cost campaigns. Experts divided in two thought about PR in pharma: some insist on promoting portfolio products separately, while others strongly insist on promoting corporate brand as a whole. Messages in PR for pharmaceuticals shall be tailored for different segments of the same audience even if medicine solves their common problem. Crisis communications in PR is one of the main parts company's strategy. Some experts even formulate the goal of PR in pharma as a tool to prevent attacks on the producer from patient groups.

Most pharma companies are reluctant when it comes to use of social media for PR. Pharmaceutical producers need to sell for than a pill but a solution to be healthy. Patient groups are gaining more and more power as participant of changes and decisions in healthcare sector.

## CHAPTER 2

### ANALYSIS OF ENVIRONMENT FOR PR PROMOTION OF UKRAINIAN MANUFACTURERS IN EU

#### 2.1. SWOT-analysis for promotion in the EU pharmaceutical market

Every business is subject to its macro-environmental factors. That is to say, external factors outside of a business's control. Simply because a business can't operate within a vacuum. The total addressable market will always impact it in some way or form.

Therefore, to mitigate its exposure to these external factors a business must be able to analyse its position and identify potential risks. This will help it better adapt to the uncertain changes that characterize the economy.

One of widely used analytical tools for this is PESTEL analysis, it is a business framework used to analyse the macro-environmental factors that impact a company's overall performance (CIPD, 2020).

The framework is broken down into 6 key external factors, in the following list weights and factors taken into account are included. Ways of standing against threats and using opportunities are indicated in Table 2.1 A and Table 2.2:

##### - Political

- Government support due to medicine shortage due to pandemic (lowering economic barriers to entry, faster process of introducing generic pharmaceuticals) - opportunity;
- Corruption level (rank 17 worldwide in transparency according to Transparency International, 5% of public service users paid a bribe in the previous 12 months – easier and more transparent entry into market) – low threat;
- Financing support for R&D (in support of pharma as significant component in battle against Covid-19, European major brands offer financial support for pharmaceutical research activities) – mild threat;
- EU businesses benefits (according to EU laws European businesses are granted more benefits in activities on the territory of the Union: taxes obliteration, simplified legal procedures etc) – mild threat.

#### - Economic

- Income level (high income level countries are more likely to address scientific-based medicine and have higher consumption rates) – opportunity;
- High market growth of pharma (from 2019 to 2020 European pharma market presented growth rate of 7,2%) – mild threat;
- COVID crisis: consumption growth (expenditures on medicine grew during times of pandemic due to coronavirus itself and due to rise of preventive medicine) – opportunity.

#### - Social

- Medical representative system (as mentioned in research by Eurostat, medical representative system in European Union is similar to Ukrainian, it is open, barely regulated and accessible) – opportunity;
- Average age (Europe as country with aging population presents bigger demand for cardiovascular medicine, pain relievers, muscle pain management drugs, supplements and vitamins; average age in Europe is 47,3) – opportunity;
- Self-medication trend (as reported, Europeans often omit visit to the doctor when sick and rely on medicines instructions to get well) – opportunity;
- Pharmacist recommendation role in customer choice (business relations with pharmacies play great role for success of medicines in the market as many people rely on pharmacists' recommendations) – opportunity;
- Medical insurance system (as reported of 2019 9% of Europeans use services of medical insurance companies) – low threat.

#### - Technological

- Developed EHealth system (European Union is famous for their early introduction of e-health system, where anamnesis, vaccination record and also prescriptions for medicine are kept, only authorized pharma producers may be part of the system) – low threat;
- Invention of new medication (as Ukraine mostly produces generic drugs, sometimes modifying them, new medications for chronic illnesses may become a threat when available for the masses) - low threat.

- Environmental: important macro factors are not identified at this stage.
- Legal
  - Rapid certification system updates (as medicine is always about safety, European laws and regulations are regularly updated and new ones are introduced, to be ready for such changes, one must be part of associations designing new demands for produce) – mild threat;
  - Unavailability of distribution channels or intermediaries - low threat (5 pharma companies hold 80% of the European market, thus, many pharmacies and other intermediaries may have strong preferences);
  - POM growth rate (prescription-only-medicine showed 5,3% growth rate as of 2020, to be part of POM system pharma company shall undergo long bureaucratic process) – mild threat.

Each group of factors is given a certain coefficient describing their weight which is literally their influence on company's performance. But due to uneven influence in pharmaceutical market induced by pandemic changes, in additional analysis some factors in the same group may have different weights. Since the geographical market was previously chosen by other methods of analysis, the portfolio analysis in this work was used to determine the priority category of products for the European market.

For this, in Paragraph 2.2, an analysis of the company's competitiveness and market attractiveness is carried out, respectively, according to factors that do not differ for different medicines. These tables also analyse the perspective of changes in factors over the next five years.

In order to determine the priority category, three groups (cardiovascular, gastroenterological and neurological drugs) of the most developed lines of production of Darnitsa are designated and, according to them, the table is supplemented with micro and macro factors that affect the different competitiveness of the company and the attractiveness of the market.

Table 2.1

### Market opportunities analysis for Darnitsa in the EU

#	Macro factor	Evaluation criteria			CE	WE	Way to use
		Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)			
<b>Market opportunities</b>							
1	COVID crisis: consumption growth	<5\$ per year per person	6-12\$ per year per person	>13\$ per year per person	7	(*0,25) 1,75	Promoting “chronic disease” and supplements section
2	High market growth	<5%	5-7%	>10%	7	(*0,1) 0,7	Applying for grants
3	Income level	<2% GDP growth	2-5% GDP growth	>6% GDP growth	5	(*0,1) 0,5	Adjusting to expensive product range, Products in collaboration
4	Medical representative system	Permitted, monopolized	Permitted, developed, accessible	Developed, regulated, accountability, transparency	5	(*0,2) 1	Developing offer for doctors, expanding to medical networks
5	Average age	Under 29	Between 29 and 45	Beyond 45	7	(*0,05) 0,35	Marketing products in demand due to illnesses or conditions induced by age
6	Self-medication trend	According to survey, practiced by less than 15%	According to survey, practiced by 15-40%	According to survey, practiced by more than 40%	7	(*0,1) 0,7	Marketing products for pain relief, immune boost, supplements and vitamins
7	Medicine shortage due to pandemic	Faster legal process for pharmaceuticals entry	Lower economic barriers to entry for pharmaceuticals	Government offered support for pharma production and lower taxes, state procurements	6	(*0,2) 1,2	Introduction of broader product line

*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (Grand View Research, 2021), (Mikulic, 2022), (OECD/European Union, 2018)*

Table 2.2

### Market threats analysis for Darnitsa in the EU

#	Macro factor	Evaluation criteria			CE	WE	Way to overcome
		Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)			
<b>Market threats</b>							
1	Corruption level	0-25	26-75	76-100	2	(*0,05) 0,1	Appealing to EU legal organs
2	Financing support for R&D	<10% of budget	11-20% of budget	>21% of budget	6	(*0,1) 0,6	Applying for grants
3	EU businesses benefits	<3% reduction	3-7% reduction	>8% reduction	7	(*0,2) 1,4	Partnerships for optimizing costs
4	POM growth rate	<7%	7-15%	>16%	7	(*0,2) 1,4	GR activities, medical representatives
5	Developed EHealth system	Gives additional opportunities to customer but does not restrict his medication purchases	Presents certain demands for pharma to be included in the system, but does not completely limit the customer	Demands to be a part of a system. Customer unable to reach out beyond system	4	(*0,1) 0,4	GR activities, system integration
6	Rapid certification system updates	Information available prior to public announcement	Information comes in after public decision	Information comes in late	6	(*0,1) 0,6	Participation in developing associations
7	Pharmacist recommendation role in customer choice	Plays decisive role for 20%>	Plays decisive role for 20%-50%	Plays decisive role for 50%<	4	(*0,05) 0,2	Pharma representatives, corporate collaborations
8	Invention of new medication	Combats rare illnesses or conditions, slow entry into market	Combats chronic illness or COVID-related symptoms, available to exclusive segment	Combats chronic illness or COVID-related symptoms, available to public immediately	5	(*0,05) 0,25	Joining laboratories and supporting inventors, shared rights approach
9	Unavailability of distribution channels or intermediaries	5+ available options right after entry	High competition for access	Exclusive access	3	(*0,05) 0,15	More direct marketing investments
10	Medical insurance system	Covers 7%> of population	Covers 7%-20% of population	Covers 20%< of population	4	(*0,1) 0,4	Business collaboration, system integration

*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (Grand View Research, 2021), (Mikulic, 2022), (World Health Organization, 2021), (OECD/European Union, 2018)*

Main opportunities in macro environment are increased consumption due to Covid-19 pandemic, government support for more simple introduction of pharmaceuticals to the market, similar medical representative system in the EU; main threats in macro environment are prescription-only-medicine system high growth rate, rapid updates of certifications needed to sell pharmaceuticals. main weaknesses of the company are underdeveloped reputation and absence of PR activeness in export destination countries, slow R&D activities. Main strengths of the company are affordable prices for medicines and stable suppliers' network; the company's most competitive product in the market for next 5 years is cardiovascular product line.

Table 2.3

**Supplementary factors by product category for Darnitsa in the EU market. Neurology.**

#	Factor	Evaluation criteria			Now		Future	
		Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	CE	WE	CE	WE
<b>For Neurology</b>								
<b>Macro</b>								
1	COVID-driven demand	Influence only as rise of chronic diseases	Influence as part of COVID treatment	Influence as part of post-COVID aftereffects	7	(*0,3) 2,1	8	(*0,3) 2,4
2	Share in country's mordability	<2%	2-5%	>6%	4	(*0,2) 0,8	4	(*0,2) 0,8
<b>Micro</b>								
3	The uniqueness of product line	Analogues for 80-100% of products	Analogues for 50-79% of products	Analogues for less than 50% of products	4	(*0,2) 0,8	4	(*0,2) 0,8
4	Treatment time spin	Month or less	More than a month, less than 3 months	More than 3 months	5	(*0,2) 1	6	(*0,2) 1,2

*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (Grand View Research, 2021), (Mikulic, 2022), (World Health Organization, 2021), (OECD/European Union, 2018)*

Table 2.4

**Supplementary factors by product category for Darnitsa in the EU market. Cardiology.**

#	Factor	Evaluation criteria			Now		Future	
		Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	CE	WE	CE	WE
<b>For Cardiology</b>								
<b>Macro</b>								
1	COVID-driven demand	Influence only as rise of chronic diseases	Influence as part of COVID treatment	Influence as part of post-COVID aftereffects	8	(*0,3) 2,4	9	(*0,3) 2,7
2	Share in country's mordability	<2%	2-5%	>6%	8	(*0,2) 1,6	8	(*0,2) 1,6
<b>Micro</b>								
3	The uniqueness of product line	Analogues for 80-100% of products	Analogues for 50-79% of products	Analogues for less than 50% of products	5	(*0,2) 1	5	(*0,2) 1
4	Treatment time spin	Month or less	More than a month, less than 3 months	More than 3 months	7	(*0,2) 1,4	8	(*0,2) 1,6

*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (Grand View Research, 2021), (Mikulic, 2022), (World Health Organization, 2021), (OECD/European Union, 2018)*

As for the ways to use these opportunities, avoiding threats, concealing mistakes and weaknesses and also amplifying its strengths, the most relevant market strategy and product policy for Darnitsa involves selective segmentation specialization, which needs further analysis of European market segmentation, but precisely confirms theory about integration into POM-system and insurance market. Darnitsa enters European market as a mere follower firstly. Further strategy may change to a challenger positions, covering up to 30% of market of cardiovascular medicines.

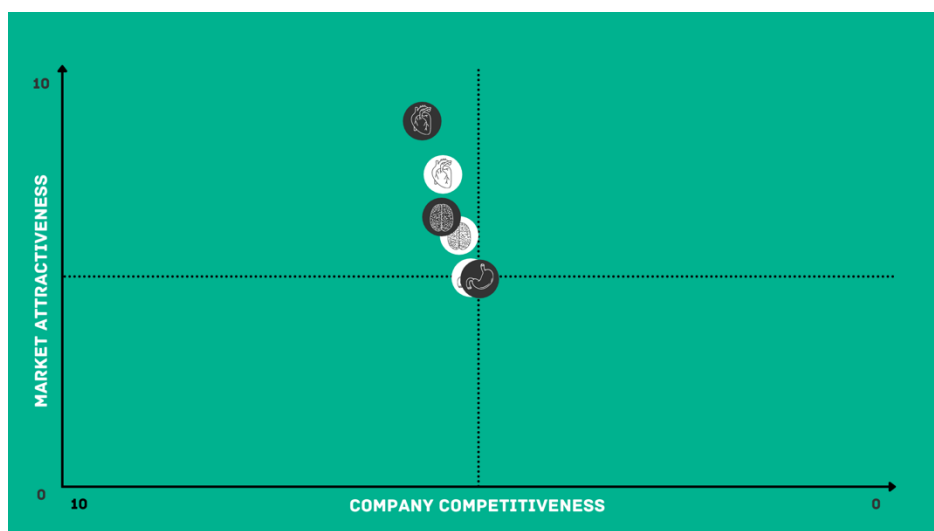
Table 2.5

**Supplementary factors by product category for Darnitsa in the EU market. Gastroenterology.**

#	Factor	Evaluation criteria			Now		Future	
		Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	CE	WE	CE	WE
<b>For Gastroenterology</b>								
<b>Macro</b>								
1	COVID-driven demand	Influence only as rise of chronic diseases	Influence as part of COVID treatment	Influence as part of post-COVID aftereffects	4	(*0,3) 1,2	4	(*0,3) 1,2
2	Share in country's mordability	<2%	2-5%	>6%	8	(*0,2) 1,6	8	(*0,2) 1,6
<b>Micro</b>								
3	The uniqueness of product line	Analogues for 80-100% of products	Analogues for 50-79% of products	Analogues for less than 50% of products	3	(*0,2) 0,6	3	(*0,2) 0,6
4	Treatment time spin	Month or less	More than a month, less than 3 months	More than 3 months	6	(*0,2) 1,2	6	(*0,2) 1,2

*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (Grand View Research, 2021), (Mikulic, 2022), (World Health Organization, 2021), (OECD/European Union, 2018)*

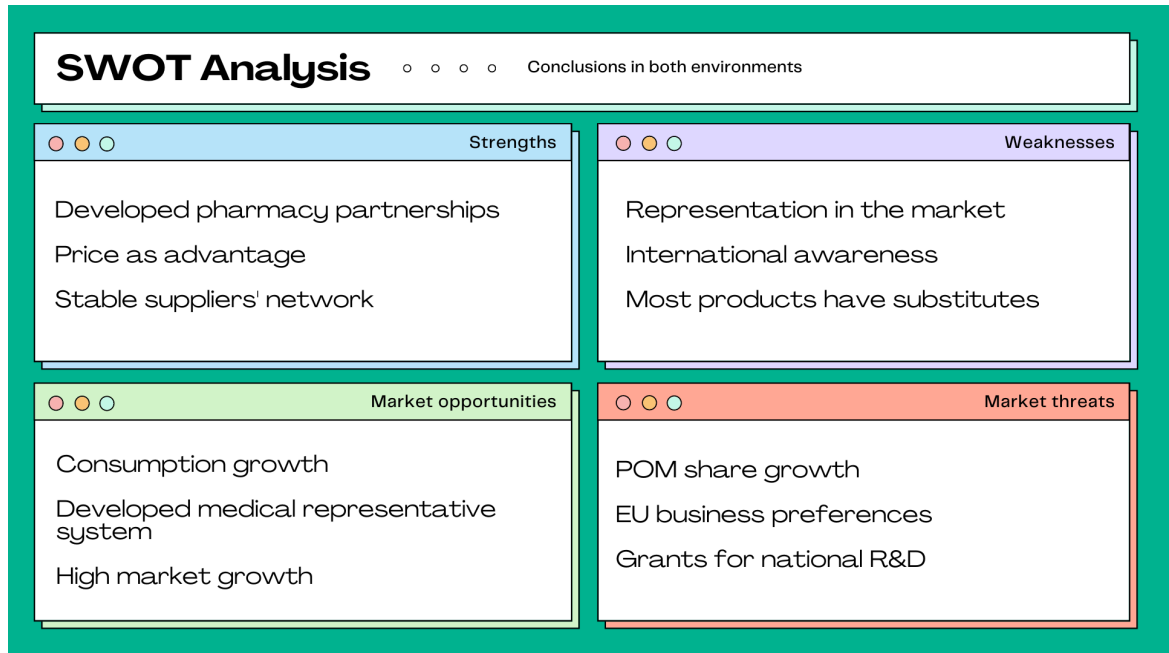
Taking into account general indicators and additional factors, a matrix has been built, according to which the most promising product for entering the market in the next 5 years is a line of cardiovascular drugs.



**Figure 2.1. Matrix of product attractiveness by category for Darnitsa in the EU market**

*Source: compiled by the author based on Table 2.3, Table 2.4, Table 2.5*

For a general understanding of the risks and opportunities, as well as the strengths and weaknesses of the company in the EU market, we highlight the largest of them in a separate table as shown on Figure 2.4.2.



**Figure 2.2. Conclusions of SWOT analysis for Darnitsa in the EU market**

*Source: compiled by the author based on Table 2.1, Table 2.2*

## 2.2. Perception and consumer behaviour research of German audience

You can often find such adjectives, derived from the names of countries, which acquire more significance than just a sign of belonging to the country of production. For example, "German quality" as a phrase has come to mean reliability and strict adherence to the highest quality standards by German manufacturers. You can also come across the expression "Swiss precision", which had its origins in watches made in Switzerland, and is now used to describe products known for their durability to serve the consumer.

On a simpler level, we can talk about such examples that have developed over the past decade as "treatment in Israel". Thanks to heavy investment in research and development of innovative treatments, the name of the country in the phrase carries a lot of meaning.

Another question is that, as of today, the buyer in most cases does not even know which country manufactures the goods that he uses. An exception may be, for example, wine or spare parts for equipment when it comes to the question of originality. In the case of pharmaceuticals, most often the consumer does not know this, unless the company directs communication efforts to this. Thus, we are talking about the fact that the brand of the country of origin has some influence on the perception of the product and its qualities.

The terrible war unleashed by the Russian Federation on the territory of Ukraine undoubtedly became a shock to the entire civilized world. But at the same time, despite all the horrors, even this historical event became an opportunity for Ukraine, for example, to loudly declare itself as a sovereign state, as a nation, as a culture and tradition. The popular misconception in the West that Ukraine is part of Russia has no chance of existing now.

In addition, Ukraine has become a symbol of the struggle for peace built on democratic principles. For the first time the West is so consolidated in its assistance to a third country. Rallies are held throughout the EU in support of Ukraine and demanding that the state strengthen assistance to the country. This is a historic moment when Ukraine and everything Ukrainian is changing once and for all in the eyes of the whole world. Ukraine creates its new brand.

Since the brand of the country extends its expected characteristics to the brands of domestic manufacturers, the positions of Ukrainian pharmaceutical companies in international markets are also changing.

In order to study what is the current perception of Ukraine through the eyes of an EU resident, as well as how this image affects his consumer motivations, what motivations control him when purchasing pharmaceuticals, and what is the main point in his customer journey, the author conducted a survey.

The questionnaire consisted of two parts and it had only 10 questions, as well as a part with data for understanding the characteristics of the audience (see Annex A). The first part of the questionnaire is devoted to the study of consumer

motivations of a pharmaceutical market client and consists of the following questions:

- Do you consume any medicine regularly due to chronic diseases?
- Do you take any vitamins and supplements on regular basis?
- What of the statements below describes your choices the best? "Whenever I feel sick or notice any changes in my body, usually I..."
- What is your attitude toward medicine generics (same active ingredient, but another manufacturer)?
- What kind of medicine is always in your bag?
- How important is the following parameters to you when choosing the medicine, vitamins and supplements?

The second part of the questionnaire examines the general image of Ukraine in the eyes of an EU resident and attitudes towards the possibility of purchasing Ukrainian pharmaceutical products. It has following questions:

- Have you ever tried any Ukrainian pharmaceuticals?
- Would you like to support Ukraine by buying their nationally made pharmaceutical products that are approved by EU?
- What are first 5-8 words that come first to your mind when you think about Ukraine?
- How did you get to know about Ukraine?

Responses to the questionnaire were received from a total of 78 individuals. According to the data collected to identify key characteristics, the random sample can be described as follows: predominantly female (65%), the majority (85%) are citizens of EU countries, and are employed or self-employed (84% are office workers, have their own business or work as freelancers), while about half of the survey participants simultaneously receive higher education at the university. From this follows the conclusion that this is a socially and economically active audience.

Table 2.6

### Survey results for question about regular medicine consumption

<b>Do you consume any medicine regularly due to chronic diseases?</b>		
ANSWER	N	%
Yes	42	53,85
No	36	46,15

*Source: compiled by the author based on survey*

As you can see, the answers to the question were distributed quite evenly, but still, most of the participants stated that they regularly use drugs due to chronic diseases. At the same time, it should be noted that the questionnaire does not define the word "regularly", so the answers are rather a value judgment of the survey participants and characterize how they assess their awareness in the relevant field.

In the answer to a similar question and vitamins and dietary supplements (see table 2.7), we see a more pronounced agreement. That is, they regularly take vitamins and supplements rather than drugs.

Table 2.7

### Survey results for question about regular supplements consumption

<b>Do you take any vitamins and supplements on regular basis?</b>		
ANSWER	N	%
Yes	49	62,82
No	29	37,18

*Source: compiled by the author based on survey*

In order to assess the readiness for the purposeful purchase of Ukrainian products in order to support Ukraine, we asked the following question: "Would you like to support Ukraine by buying their nationally made pharmaceutical products that are approved by EU?"

Supporting a business by purchasing goods has proven to be more effective than just charity or donation calls. Thus, Darnitsa not only builds ties with the public in the EU, but also fulfills its social mission to the country of origin and its people.

Table 2.8

### Survey results for question about readiness to buy Ukrainian medicine

<b>Would you like to support Ukraine by buying their nationally made pharmaceutical products that are approved by EU?</b>		
ANSWER	N	%
Yes, if prescribed by my doctor.	37	47,44
Yes, if recommended by pharmacist.	30	38,46
Yes, if it is vitamins or supplements.	8	10,26
No, I don't think so	4	5,13

*Source: compiled by the author based on survey*

As can be seen from the answers in the table (see table), the doctor remains the main person who dictates which medicines should be purchased. Such behaviour, in principle, is not an indicator of active consent. It is rather the inheritance of a more accepted and usual pattern of behaviour. Of the positive trends, we note that only 5% under no circumstances express a desire to purchase Ukrainian pharmaceutical products, even if they meet all quality standards. The recommendations of the pharmacist also play a significant role in the decision. It is worth noting that participants' responses and observations suggest that communication with the pharmacist has a significant impact on the choice of purchase and takes up a significant part of the time when making a purchase.

Table 2.9

### Survey results for question about experience with Ukrainian products

<b>Have you ever tried any Ukrainian made products?</b>		
ANSWER	N	%
Yes, I have.	7	8,97
I am not sure.	19	24,36
No, I haven't.	52	66,67

*Source: compiled by the author based on survey*

As expected, the majority of survey participants did not try Ukrainian products (see table 2.9). At the same time, this question caught a considerable part of them

by surprise. The answer "I'm not sure" once again confirms that in a large number of cases the consumer does not know which country is the manufacturer of the product. Thus, we can confidently state only about 9% who are more or less familiar with goods of at least one category that are produced in Ukraine. It is also worth noting that when specifying the category of product that survey participants tried, most of them named food products, as well as some online services. For example, Grammarly.

Table 2.10

### Survey results for question about consumer habits with medicines

What of the statements below describes your choices the best?" Whenever I feel sick or notice any changes in my body, usually I...		
ANSWER	N	%
just come into drugstore and ask the pharmacist for suitable medicine	29	37,18
google it up and find medicine I need from recommendations, then just go buy it	14	17,95
ask my mom/dad (other family member) for the way to cure it	2	2,56
I visit the doctor and follow his prescriptions further	33	42,31

*Source: compiled by the author based on survey*

Before commenting on the results in Table 2.10, it is necessary to describe how pharmaceutical products are purchased in EU countries. To do this, it is necessary to divide the consumer journey into three categories: prescription drugs, over-the-counter drugs, vitamins, and supplements.

Prescription drugs are dispensed strictly according to the prescription, which is issued by the doctor after consultation. However, the consumer has the right to purchase a drug analogue indicated by the doctor, but compliance with the analogue is confirmed and decided by the pharmacist. In addition, this is a rather rare case, since the category of prescription drugs is often covered by insurance to a greater extent and the buyer pays up to 30% of the cost. Depending on the insurer, the more urgent the case, the greater part of the price is covered. Regarding channels, it is worth noting that you can buy medicine both with a paper or electronic prescription at a pharmacy, and with a paper or electronic prescription at an online pharmacy.

When it comes to over-the-counter drugs, the situation is rather ambivalent. For this category of drugs, you can also get a prescription from a doctor, but it is not always issued. However, if you have a prescription, it will cover part of the cost of getting the medicine. According to the survey participants, this is a rather pleasant bonus, but the queue for a visit to the doctor can sometimes be several months, therefore, it is mostly possible to purchase over-the-counter drugs without a prescription. This category of drugs, like prescription drugs, can also be purchased online and ordered for delivery.

Interesting and different from the way of the consumer in Ukraine is the situation with vitamins and bio additives. Most often they are purchased in general stores, where they sell hygiene products, household chemicals, cosmetics, household items, and so on. For example, Rossmann or DM in Germany. In Ukraine, sometimes you can find Vitamin C at the checkout, wrapped in a package that resembles a candy. However, in the EU, in such stores, this is a whole department where vitamins and supplements are presented more as health items than as sweets for children. Of course, you can also buy vitamins and supplements in a regular pharmacy. This is one of the few categories of products in pharmacies that is available to the consumer for inspection behind a glass display case, along with cosmetics, home medical devices, rapid tests and a small selection of over-the-counter drugs.

And while in the EU consumers rarely choose a generic equivalent (see Table 2.11) to what the doctor says in the prescription, according to the survey, sometimes such cases occur. Most often, a consumer may think about changing the specified medicine to its analogue after consultation with a pharmacist (22%) or because of the price of the drug (17%). From such statistics one can observe that the phenomenon of "second opinion" for the highest degree of certainty is as popular in the EU as it is in Ukraine. In the case of Europe, the bearer of this second opinion is the pharmacist, who gains more weight on the decision of the consumer. Let the majority follow the doctor's prescription without deviations (44%). Such statistics show that in addition to public relations activities for the masses, a priority for

pharmaceutical companies is to build relationships and create awareness of their products among medical professionals and pharmacists.

Table 2.11

### Survey results for question about experience with Ukrainian products

<b>What is your attitude toward medicine generics (same active ingredient, but another manufacturer)?</b>		
ANSWER	N	%
I only choose drugs written in my prescription	34	43,59
I look for cheaper generics	13	16,67
I consult with the pharmacist as a second opinion and then may choose generics	17	21,79
I choose best brands in the market	9	11,54
I choose analogues with additional benefits	5	6,41

*Source: compiled by the author based on survey*

In addition to the comparison that we made in section 2.1, the priority of the direction of gastroenterological pharmaceutical products is also confirmed by the results of a survey on which drug is most often at hand among consumers. 45% of the participants stated that they usually have a drug for stomach pain with them or at home (see table 2.12). By a wide margin, medications for headaches are in second place. And after that, the "Other" category, which mainly consists of vitamins and supplements.

Table 2.12

### Survey results for question about common kinds of medicine

<b>What kind of medicine is always in your bag?</b>		
ANSWER	N	%
Against headache	14	17,95
Against stomachache	35	44,87
Against flu	4	5,13
Sedatives	4	5,13
Muscle pains	9	11,54
Other	12	15,38

*Source: compiled by the author based on survey*

Next, the survey participants were asked to rate the importance of certain parameters when choosing drugs or vitamins on a scale from 1 to 5, where 1 - does

not matter at all, 3 - has some importance, 5 - is of paramount importance). Table 2.13 shows that, as one would expect, the importance of a prescription from a doctor is the highest rated (57%). For these answers, an average score was also calculated. According to them, the doctor's prescription is also the parameter with the highest average score - 4.5.

In second place, contrary to the hypothesis of awareness of the manufacturer, is the home country of the producer, and in third place, by a small margin, is the recommendation of a pharmacist. At the same time, a large number, namely 57% of respondents, consider the recommendations of a pharmacist to be important or very important, while 55% consider the factor of the manufacturing country as such.

It is also worth noting that the importance of online product reviews is not completely eliminated. This indicates that the Internet presence in PR activities also requires special attention. As a chance, information is also presented that for the majority of participants, familiarity with the brand is not a key parameter. Only for 12% is this criterion important or of key importance. Only 12% of respondents pay attention to the additional health benefits of pharmaceutical products.

The criterion considered least important by the largest number of survey participants is the packaging of the pharmaceutical product. At the same time, about a quarter of the respondents believe that it has at least some significance.

In general, it is possible to make the general picture on average values which are specified in the right column of table 2.13. Guided by the scale from 0 to 5 and its values<sup>6</sup> as mentioned earlier in the text, consumers really consider only a prescription from a doctor to be a really important factor. Other factors, if important, do not reach 4 points, so they can also be considered non-priority. If 3 means that the attribute is a certain value, and 5 is very important, then 4- is just an "important" rating. Since we have only one indicator above 4, we can focus on the audience of doctors as a priority category for cooperation and influence on public opinion.

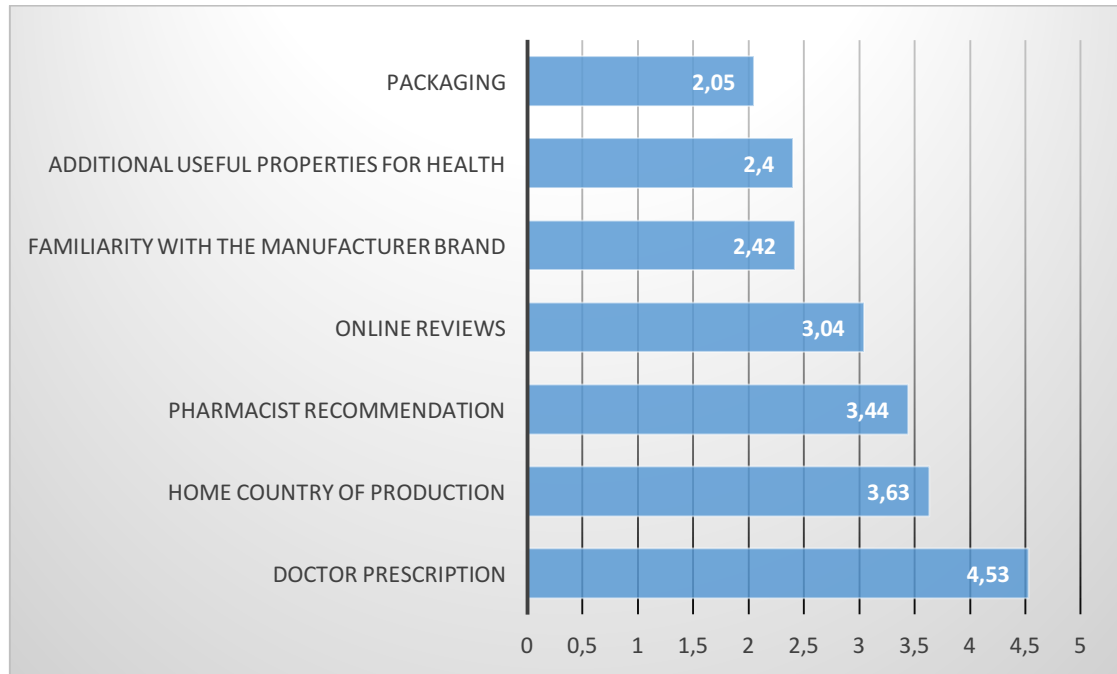
Table 2.13

**Survey results for question about key factors for choice of medicine**

How important is the following parameters to you when choosing the medicine, vitamins and supplements? (if 1 is of no importance, 3 is having some influence, 5 is of outmost importance)						Calculations
<b>Doctor prescription</b>						Average
<b>Values</b>	1	2	3	4	5	4,53
<b>Answers N</b>	0	0	4	29	45	
<b>Answers %</b>	0,00	0,00	5,13	37,18	57,69	
<b>Familiarity with the manufacturer brand</b>						Average
<b>Values</b>	1	2	3	4	5	2,42
<b>Answers N</b>	14	27	28	8	1	
<b>Answers %</b>	17,95	34,62	35,90	10,26	1,28	
<b>Pharmacist recommendation</b>						Average
<b>Values</b>	1	2	3	4	5	3,44
<b>Answers N</b>	2	9	22	43	2	
<b>Answers %</b>	2,56	11,54	28,21	55,13	2,56	
<b>Online reviews</b>						Average
<b>Values</b>	1	2	3	4	5	3,04
<b>Answers N</b>	3	18	33	21	3	
<b>Answers %</b>	3,85	23,08	42,31	26,92	3,85	
<b>Additional useful properties for health</b>						Average
<b>Values</b>	1	2	3	4	5	2,40
<b>Answers N</b>	15	27	26	10	0	
<b>Answers %</b>	19,23	34,62	33,33	12,82	0,00	
<b>Packaging</b>						Average
<b>Values</b>	1	2	3	4	5	2,05
<b>Answers N</b>	20	37	19	1	1	
<b>Answers %</b>	25,64	47,44	24,36	1,28	1,28	
<b>Home country of production</b>						Average
<b>Values</b>	1	2	3	4	5	3,63
<b>Answers N</b>	0	6	29	31	12	
<b>Answers %</b>	0,00	7,69	37,18	39,74	15,38	

*Source: compiled by the author based on survey*

In general, it is possible to describe the priority of criteria in the assessment by constructing a histogram, as shown in Figure 2.3, where the really important and second-rate factors can be identified.



**Figure 2.3. Key factors for choice of medicine to German consumers**

*Source: compiled by the author based on survey*

The next part of the study focuses on studying the image of Ukraine in the eyes of potential consumers. Let's start by examining Table 2.14, which roughly indicates the primary sources of the formation of the country's image among the respondents. As you can see, the top 3 such points of contact include the Chernobyl tragedy (53%), Eurovision (42%) and acquaintance with Ukrainians (31%). Such statistics once again confirm that the terrible and large-scale war for many EU residents was the first clash with the question: "What is Ukraine?" deeper familiarity than the name.

A fairly high percentage of Ukrainians as a factor in the formation of knowledge and image about Ukraine indicates that every citizen of their country, in some sense, is its "cultural diplomat" or representative. The results of the answers to the question also confirm that the image of Ukraine as a "singing nation" is not only designed by the government's agenda for domestic consumption, but has also been

successfully formed in the eyes of the external consumer. We can say that "cultural diplomacy", as a phenomenon, can be part of a PR strategy, since it already has an associative array. In general, these results indicate that for EU residents, Ukraine was not a country that suddenly and unexpectedly appeared on the map with the beginning of Russia's aggression, but with which they were familiar long before that.

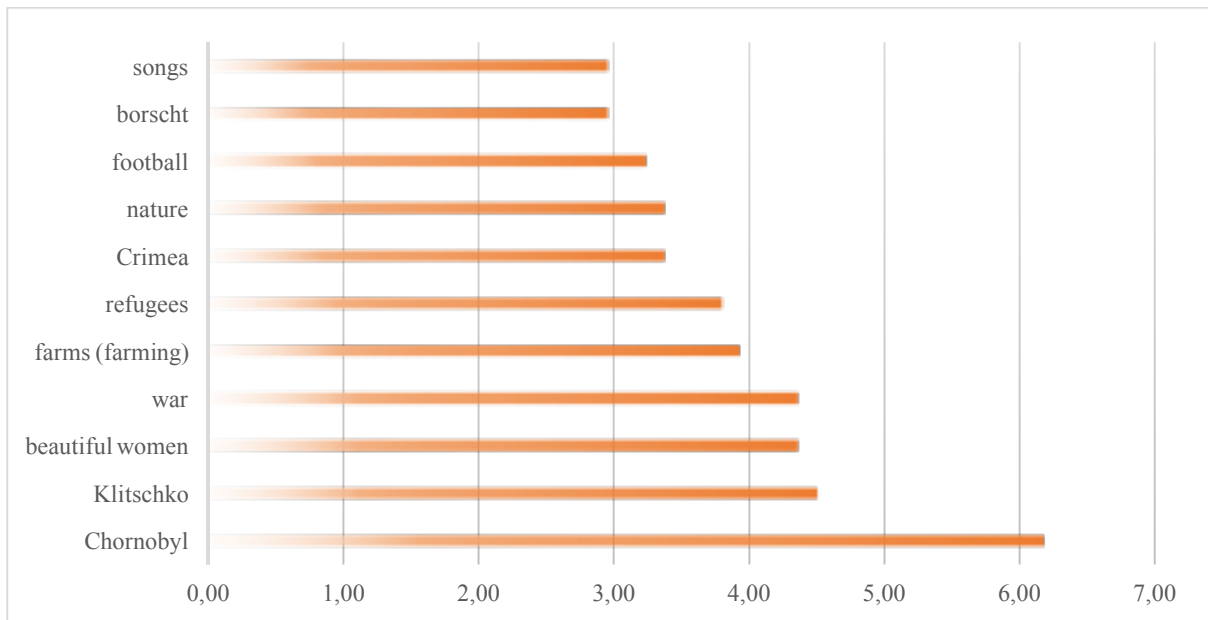
Table 2.14

### Survey results for question about first knowledge about Ukraine

How did you get to know about Ukraine?		
ANSWER	N	%
I have been to Ukraine for study/work/as a tourist	5	6,41
I have some friends from Ukraine	24	30,77
I have seen some traveling/cultural/culinary blogs about Ukraine	7	8,97
I heard about Ukraine from Eurovision	33	42,31
I know about Ukraine from Chornobyl tragedy	41	52,56
I only got to know about Ukraine when the war started	11	14,10
I know about Ukraine from 2014 when annexation of Crimea happened	8	10,26
OTHER	0	0

*Source: compiled by the author based on survey*

There was also an open question in the questionnaire, which started the part about Ukraine. This question asked for 5 or more associations that first come to mind when the word "Ukraine" is mentioned. A total of 711 associations were recorded, which in itself is a positive development, since the respondents could cite more than 5 association words. Since this was an open question with no standardized answers, some of them had to be recast in order to be able to analyse. The table, where all associations are collected, which, after categorization, turned into a list of 54 words or phrases, is given in alphabetical order in Annex B. We suggest paying attention to Figure 2.4.



**Figure 2.4. Share of mentions of associations generalised by category**  
 Source: compiled by the author based on survey

As in the previous question, we can note that the historical event of Chornobyl is very deeply tied to the image of Ukraine. Even though this historical event was quite famous earlier, since it had consequences for the entire globe, the Netflix series, which was released in 2019, brought even greater recognition to this incident. The frequency of references to associations that relate to Chornobyl is more than 5%. Since the survey was conducted in Germany, a significant percentage of the association is occupied by the Klitschko brothers (4,5%). Like tragedy upon tragedy, the inseparable image of the war is superimposed on the previously high percentage of associations with the Chernobyl nuclear power plant. At the same time, the stereotype about the beauty of Ukrainian women is equally often mentioned (4,36%), which can be interpreted in the same way as a positive and negative trend.

The negative interpretation of this result is that the assessment of the characteristics related to appearance shows a "substantive" assessment, as well as a lack of understanding of the nature of Ukrainians. For example, punctual Germans, energetic Spaniards, fashionable French, inventive Chinese, and so on. That is, the assessment is only in appearance, which may also be a consequence of the stereotype of developed sex tourism in Ukraine and a sexist society. A positive interpretation

suggests that the connotation is "beautiful" with everything - indicates a favourable attitude to the subject under discussion.

Three main categories of association, such as "war", "refugees" and "Crimea" does not indicate positive or negative attitude towards anything but at the same time the fact that these three words are in top frequent associations means that respondents are well informed about current events and a big part of them is even aware of tragic events of 2014.

Associations with farming and nature can be combined into a common perception of Ukraine as an agricultural country. The agricultural sector and the pharmaceutical sector are quite distant from each other, but the currents of homeopathy and natural resources are interrelated, which can be used to build a narrative based on associations.

The last three associations together form a picture of awareness of the cultural life of Ukraine: its achievements, cuisine and creativity. These are also entertainment categories that do not form a direct knowledge of the product, but demonstrate how they see a typical Ukrainian: he is athletic, has a taste for music and eats properly. This is the image of a fairly healthy person, albeit without specific skills.

To sum it up, survey showed that Europeans do not have one complex image of Ukrainian products and do not have associations about Ukraine as producer of anything except farming products. Nevertheless, their overall image of Ukraine is mostly neutral. If it is neutral it is easier to build new stereotypes and associations, therefore, it shall be seen as a chance.

### **2.3. Analysis of PR promotion strategies of competitors of Darnitsa in the EU market**

To take a closer look at competitive positions of Ukrainian pharma companies in the EU market, we shall take as example one of our national the leading companies and carry out the analysis.

To that end we will use Porter's Five Forces of Competitive Position Analysis, developed in 1979 by Michael E. Porter of Harvard Business School. This theory is

based on the concept that there are five forces that determine the competitive intensity and attractiveness of a market. Porter's five forces help to identify where power lies in a business case. This is useful both in understanding the strength of an organisation's current competitive position, and the strength of a position that an organisation may look to move into in the future.

Table 2.15

### Industrial rivalry evaluation for Darnitsa in the EU market

Factor	Evaluation criteria			CE
	Low impact	Medium impact	High impact	
	(0-3,3)	(3,4-6,6)	(6,7-10)	
Number of competitors	<5	05.Cep	>8	7
Market growth rate	>10%	5-7%	<5%	3
Product differentiation level	Different, unique medications	Mostly standardised but (a) some have with additional qualities (b) some are rare	Only standard widespread medications	4
Limitations on price strategy	Present, refers only to essential, basic medication	Present, legally enforced, prices differ by 15% only	Present, strict, legally enforced, prices differ by 10% only	2
<b>FINAL SCORE</b>				<b>16</b>
<b>0-13,2</b>	low level of competition within the industry			
<b>13,3-26,4</b>	<b>average level of competition within the industry</b>			
<b>26,5-40</b>	high level of competition within the industry			

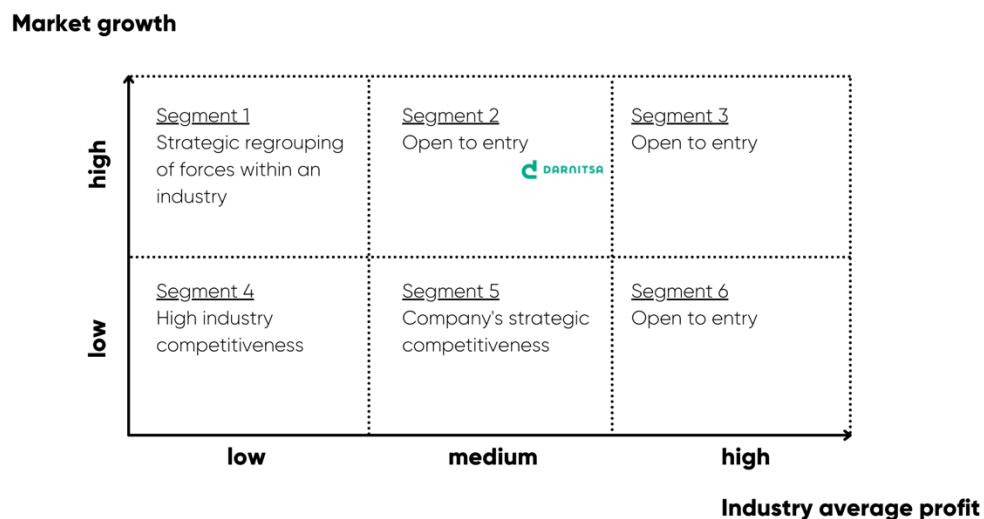
*Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (European Medicines Agency, 2020), (Eurostat, 2021)), (Flakin, 2022), (Grand View Research, 2021)), (World Health Organization, 2021)*

The Five Forces approach provides a detailed study of following topics:

1) Industry rivalry; 2) Threat of new entrants; 3) Threat of substitute products; 4) Bargaining power of customers; 5) Bargaining power of suppliers (this one is not analysed in the paper work due to lack of available information).

As for the analysis of competition in the microenvironment (see Table 2.15), it can be defined as average. There are almost no restrictions on pricing policy, except for internationally binding ones, the market is growing at a fast pace of 4.4%. Darnitsa is quite comfortable with an average level of product differentiation, which allows them to be flexible.

From this, as we can see, it follows that on the matrix Darnitsa occupies a position in segment 2. From this we conclude that the European pharmaceutical market is open for it from the point of view of the threat of competitors.



**Figure 2.5. Industrial rivalry matrix**

*Source: compiled by the author based on Table 2.15*

When analysing the strength of consumers (see Figure 2.5), high tendency to switch substitute products shall be taken into account. Due to high variety and low differentiation of the medicines and customer's inability to evaluate the quality of the medicine on their own, pharmaceutical market becomes a market with specific trait, where loyalty to the brand is rarely met. Mostly, in cases of niche product and consumer segment with chronic illnesses.

Table 2.16

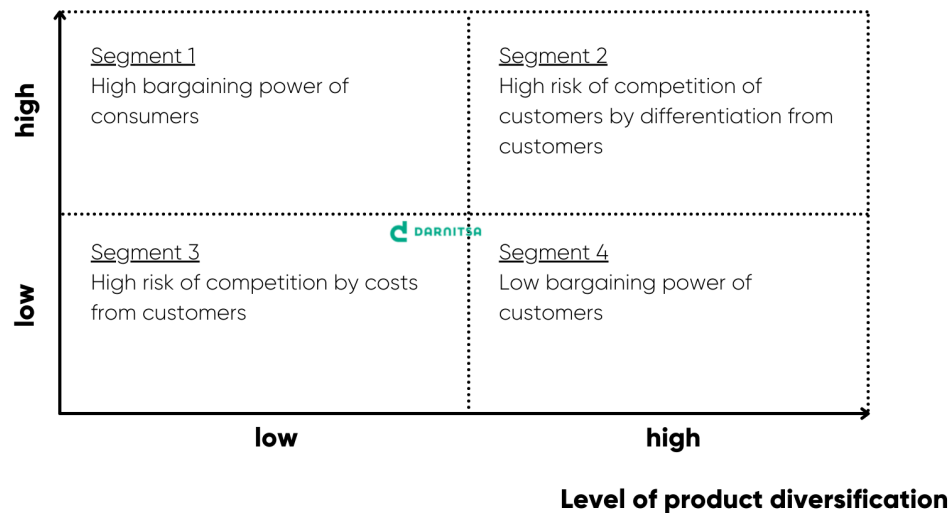
### Bargaining power of customers in the EU pharmaceutical market

Factor	Evaluation criteria			CE
	Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	
Tendency to switch to substitute products	Substitute present for less than 50% of products	Substitute present for 50-79% of products	Substitute present for 80-100% of products	7
Price sensitivity	Price as a factor almost do not matter to consumer	Price is one of the factors of choice for consumer	Price is main factor of choice for consumer	6
The share of consumers with a significant share of sales	Sales are equally distributed between all clients	Several clients provide 50% of sales	Several clients provide 80% of sales	1
Prescription-only-medicine share	<7%	7-15%	>16%	7
<b>FINAL SCORE</b>				<b>21</b>
<b>0-13,2</b>	Low risk of losing consumers			
<b>13,3-26,4</b>	<b>Average risk of losing consumers</b>			
<b>26,5-40</b>	High risk of losing consumers			

Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (World Health Organization, 2021), (OECD/European Union, 2018)

The share of POM (prescription-only-medicine) shall also be born in mind when evaluating customers' bargaining power. Although this is not their direct power, but mostly doctor's power, in EU, where they have developed EHealth system, citizens can only access medication prescribed by the doctor in the data base.

**Level of consumers' integration / concentration**



**Figure 2.6. Bargaining power of customers matrix.**

*Source: compiled by the author based on Table 2.16*

The bargaining power of consumers is in the segment 3 (see figure 2.6). When products are not highly differentiated as in case of generics, competition is all about the price. Buyers will have the upper hand in particular where there are many competing products. Also it is hard for average buyer to evaluate the quality of medicines on their own. Therefore, if need be they will use factors available for comparison: price, brand name, doctor/pharmacist recommendation, price.

In analysis of threat of new entrants special attention should be paid to the high growth rate, which, in the case of such an assessment, harms the company. This conclusion is based on the logic that the more active the market growth, the more companies there are, the more choice the buyer has, the harder it is to fight for him and keep him.

Although there are niches in the pharmaceutical market, most of the most demanded products are standardized - we are talking about the case of generics. A generic drug is a medicine that contains the same active ingredient and has an equivalent therapeutic effect as the branded drug.

Table 2.17

### Threats of new entrants in the EU pharmaceutical market

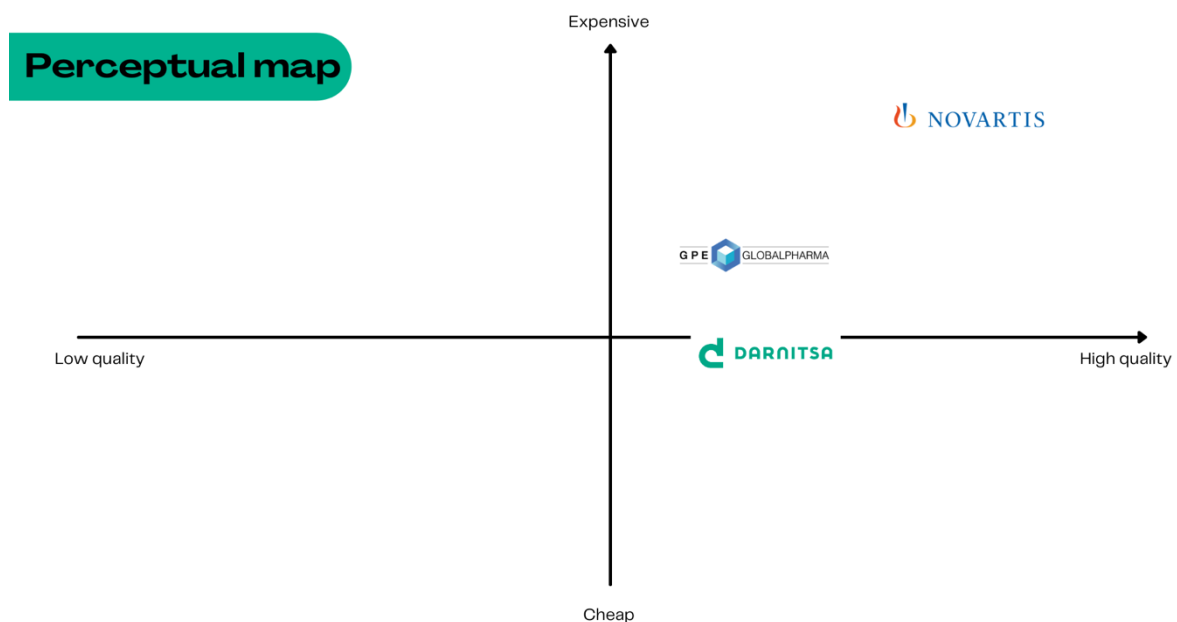
Factor	Evaluation criteria			CE
	Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	
Strong brands with high loyalty	2-3 strong brands control 80% of the market or more	2-3 strong brands control 50% of the market	No strong brand or just appearing	5
Product differentiation	All niches are occupied	Unoccupied niches exist, or demand for some products is not fully satisfied	No niches, all products are standardized	6
Cost of entry into market	Investments pay off in more than a year	Investments pay off in 6-12 months	Investments pay off in less than 6 months	3
Access to distribution channels	Access is limited, sometimes is exclusive	Some major channels need investments or legal action to be accessed (POM, insurance)	All channel are open and accessible	5
Government policy	High barriers for entry due to taxes and certificates	Procedures to be followed for selection	No limitations for entry	4
Readiness of competitors to lower prices	Free and ready to lower their prices. Strategy already in use	Ready and allowed to lower by limited %	Not allowed/not willing to lower prices	5
Market growth rate	<5%	5-7%	>10%	7
<b>FINAL SCORE</b>				<b>35</b>
<b>0-23,1</b>	Low threat of new competitors			
<b>23,2-46,2</b>	<b>Average threat of new competitors</b>			
<b>46,3-70</b>	High threat of new competitors			

Source: compiled by the author based on research (Darnitsa, 2021), (Economides, 2020), (Eurostat, 2021), (Eurostat, 2022), (Flakin, 2022), (World Health Organization, 2021), (OECD/European Union, 2018), (European Medicines Agency, 2020)

It is also identical in terms of safety, quality, dosage, strength, route of administration, intended use, effect, form, quality and side effects. These

medications can be produced only after the patent expiration of the brand-name drug. As compared to branded drugs, the production of generics costs much less as it does not require the repetition of clinical (human) and animal studies to demonstrate the effectiveness and safety of the medicine. Due to a reduction in the upfront cost of research, generics are typically sold at a substantially lower price in the market. The global generic drugs market reached a value of US\$ 386 Billion in 2020.

To decide which companies shall become part of analysis to decide competitive positions of Darnitsa, perceptual map and similarity of products on the market were taken into account. The “cheap-expensive” evaluation was made based on same generic cardiovascular medicine under brand names of three companies (Darnitsa - Tiara Trio - 8\$ (My Pharmacy, 2021a), Novartis - Yuperio - 25\$ (Apteka dobroho dnia, 2021), Berlin-Chemie - Nebilet - 15\$ (My Pharmacy, 2021b)). For defining perception of high or low quality a combination of factors was used, such as: international ratings, collaborations with renowned laboratories, number of original medicines, feedback on Google Maps, share of premium products line etc).



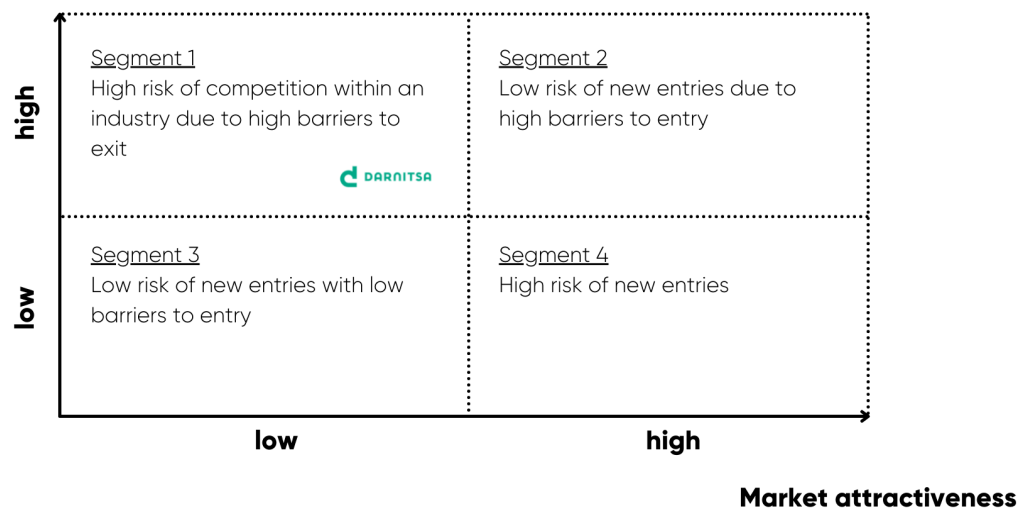
**Figure 2.7. Perceptual map of Darnitsa and her competitors in the EU market**  
 Source: compiled by the author based

Novartis International AG is a Swiss multinational pharmaceutical company based in Basel, Switzerland. It is one of the largest pharmaceutical companies in the



As can be concluded from the Figure 2.8 main weaknesses of Darnitsa are underdeveloped reputation and absence of PR activeness in export destination countries, slow R&D activities; main strengths of the company are affordable prices for medicines and stable suppliers' network;

#### Reaction of market actors



**Figure 2.9. Threat of new entrants matrix for Darnitsa in the EU**

*Source: compiled by the author based on Table 2.17*

Threat of new entrants is positioned in segment 1, where barriers to entry are bearable, but barriers to exit are high, therefore risk of competition remains but it is not as such factors. Barriers to entry are economic costs that entrants pay which incumbents do not have to pay. This is an important concept in economics, strategy and competition law. Having to work around patents or established (exclusive or restrictive) supplier or distribution agreements are just a few factors.

According to Porter, substitute product is not the same product from a different company. Substitutes satisfy the same basic/economic need or utility using a different technology, in a narrower viewpoint coming from the same industry. Clayton Christensen's concept of "getting the job done" extends this definition. For instance, in case of medicines when you get a burn, you can use Panthenol, you can

just hold your hand under cold water, you can apply a cabbage leaf, as your grandmother taught, you can use traditional medicine ointment, and so on. Despite the development of technology, traditional medicine and the habit of relying on "it will pass by itself" is still very characteristic and makes up a high percentage of attitude variables in the post-Soviet space.

Table 2.18

### Threats of substitute products in the EU market for Darnitsa

Factor	Evaluation criteria			CE
	Low (0-3,3)	Medium (3,4-6,6)	High (6,7-10)	
Substitute products	Present for less than 50% of products	Present for 50-79% of products	Present for 80-100% of products	6
<b>FINAL SCORE</b>				<b>6</b>
<b>0-3,3</b>	Low threat substitute products			
<b>3,4-6,6</b>	<b>Average threat substitute products</b>			
<b>6,7-10</b>	High threat substitute products			

Source: compiled by the author based on research (Darnitsa Group, 2021), (World Health Organization, 2021), (European Medicines Agency, 2020)

#### Price /quality ratio

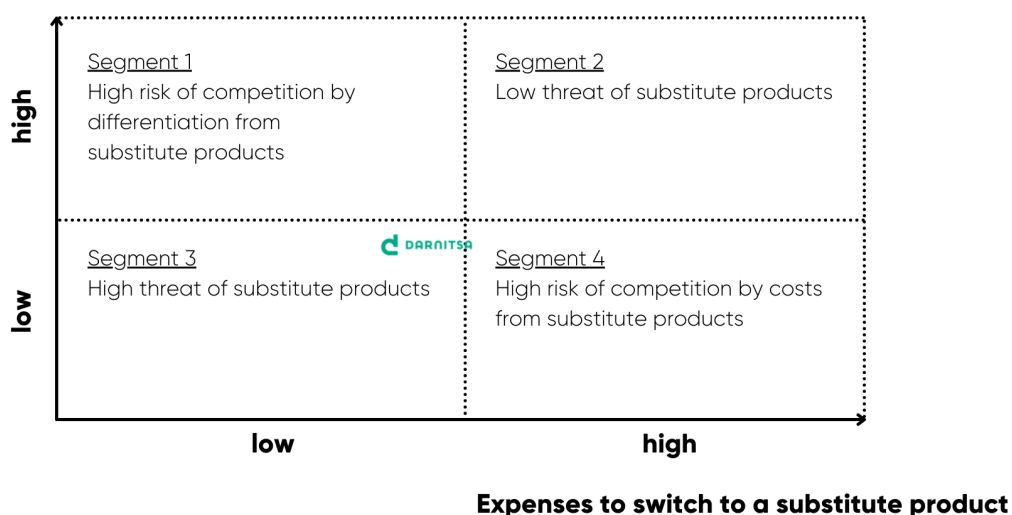


Figure 2.10. Threat of substitute products for Darnitsa in the EU

Source: compiled by the author based on Table 2.18

Depending on the alternative product we are evaluating, the position in this matrix may actually shift between segments 1, 3, 4. In any case, the threat of substitute products is quite high and includes complex selection factors such as mentality, tradition, education, values, price, moral attitudes and prejudices, material security and access to distribution points.

Now let's have a look at PR activities of both companies. In the interview (Schecker, 2019) for ProvokeMedia Novartis' global head of communications and external affairs Nadine Schecker tells that pharma is a strictly regulated sector, where there is no contact with end users, with some exceptions, such as the possibility of conducting DTC marketing campaigns in countries such as the United States. So what drives Novartis' reputation is really broader topics like science, innovation, the value of medicine, and global health and access.

As an example of the company's fixation on science in brand promotion we can look at the project "Joint Report on the Future of Malaria" (Novartis et al., 2017). This is an example of the new style of communication where building alliances and working together with partners takes place. Progress is being made in this area of combatting malaria, but resistance is emerging in South-East Asia, so there is a risk to the current generation of not only pesticides but also insecticides. At the same time, it is a topic to which the world is becoming very complacent, it is not a media-attractive topic.

So, the problem is how to get malaria back in the spotlight, as well as to raise the necessary funding. Thus, Novartis came up with the idea to join forces with several key stakeholders in the space, such as Developing Malaria, Malaria No Longer, The United States and the United Kingdom, and the Asia-Pacific Malaria Alliance, and as part of this dialogue that needs to be adopted, Novartis and their partners can now develop the new approaches and potential solutions to achieve the SDGs that they need, as well as bring the voices to the table, because this has not been done before.



*Figure 2.11. MalaFA campaign by Novartis poster*  
 Source: Novartis et al., 2017

Campaign started in 2017, first focusing on sub-Saharan Africa, and this year Novartis also launched the Asian version of this MalaFA study, and it was all about interviewing key stakeholders at government, NGO, academia, to gain insight from their point of view, where they see the greatest problems and opportunities in malaria eradication. This project a very good example of PR built on teaming with partners to move forward and advocate for fundamentally global issues that interest everyone. Pharmaceutical producers cannot stand aside as the private field, they must be actively involved.

The other example of Novartis' PR activities is a programme called Healthy Family which was born in India, where their tried completely different approach. It was a programme with two branches — one was the traditional salesforce, but what was new was that the product salespeople were detailing was really tailored to the local needs they were targeting. The second line of action was a social branch where the goal was to cooperate with the communities to raise awareness of diseases and

of healthy behaviours. Novartis basically worked through special healthcare camps and the profit on one side served to finance the work on the other side. This model in India broke even within 30 months which is quite a long-term commitment. So today company have expanded into Kenya and Vietnam and over the past ten years they have provided basic health education in such manner to more than 40 million people.



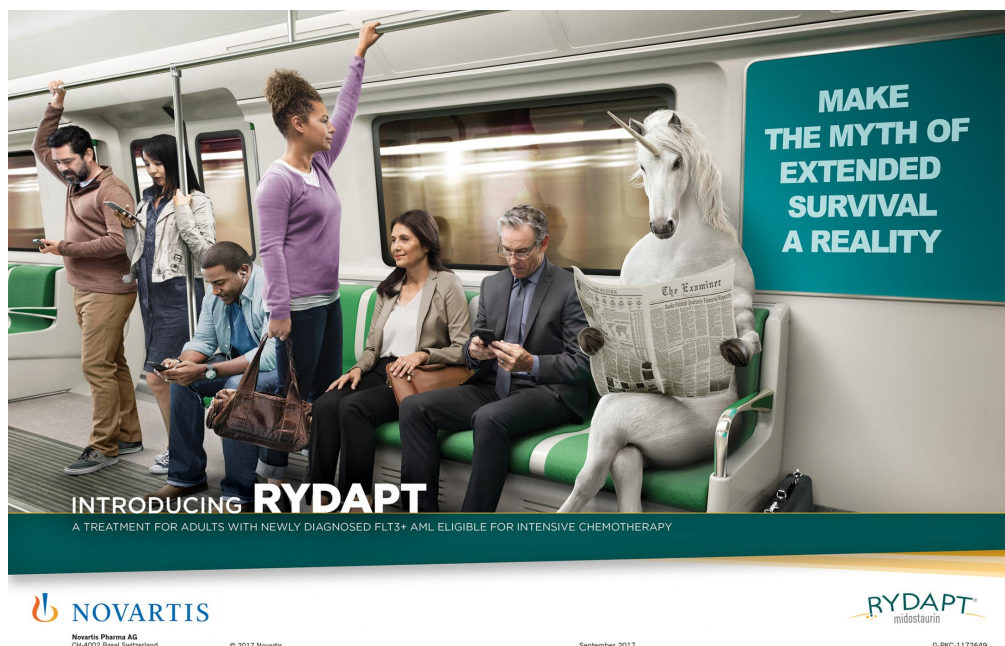
*Figure 2.12. Cover of Novartis' 10 years report on programme Healthy Family  
Source: Novartis Official Website, 2019a*

Nadine Schecker shares that external stakeholders of Novartis were dissatisfied with their over-all concentration on infectious diseases but no PR activities for chronic diseases, medicines for which bring the most profit to the company.

Therefore, another programme for promotion was developed, called Novartis Access. In 2015, they decided to turn 15 treatments company had out of our generic arm as well as original products. These treatments were picked based on the four disease areas that showed statistically the highest level of death within chronic diseases and in low income countries. These were diabetes, cardiovascular diseases, breast cancer and respiratory illnesses.

Novartis PR specialists made projections and came up with an average price for this package of \$1 per treatment per month. But programme was unsuccessful. They faced issues because governments are not set up in the way that they can procure portfolios, they procure single treatments, one at a time. But they still while launched programme in five countries and delivered over three million treatments, though the initial expectations were much higher.

As for advertising as a part of PR activities Novartis seem to stay true to their approach of addressing the problem but not focusing on the medicine names. This can also be explained by the fact that their overall strategy of promoting company's brand as a whole, not its specific portfolio medicine brands. Let us take a look at Figure 2.13 with an advertisement for Novartis' medicine for treating leukaemia, Rydapt (Ads of the World, 2017). Over the past 30 years, the diagnosis of acute myeloid leukaemia has been a fatal sentence for many patients. Unlike most other forms of cancer, there was little progress in research of treatment, and the usual chemotherapy has remained the standard of care for decades. This has led to the worst 5-year survival rate among any adult having any form of leukaemia, and the hope of long-term survival is no more than accepting what is desired.



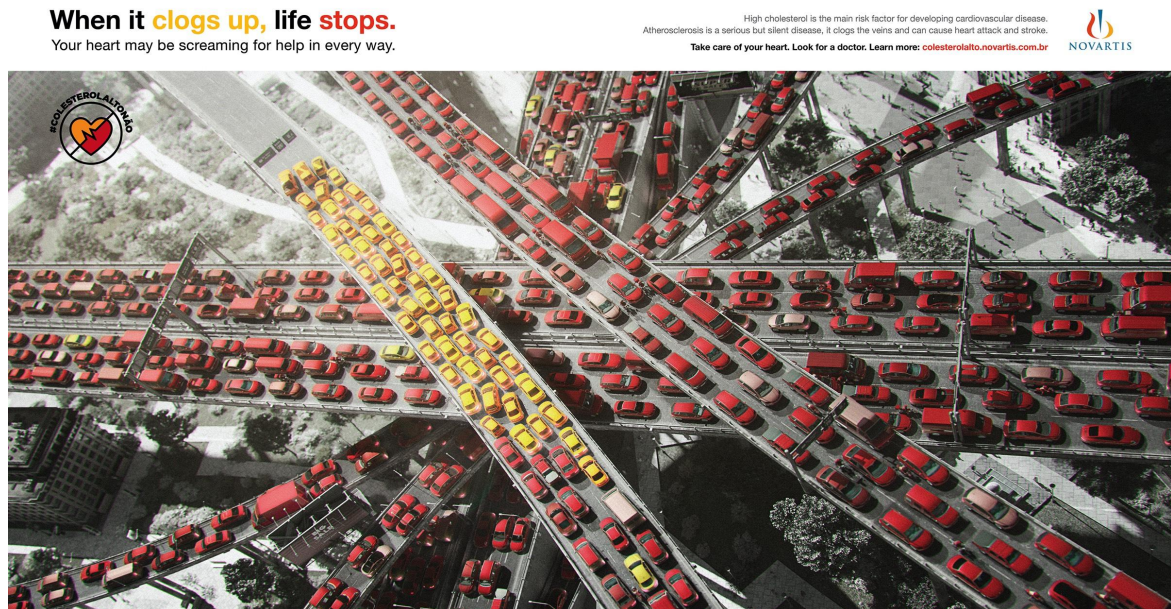
**Figure 2.13.** Print advertisement created by Harrison and Star, United States for Novartis  
Source: Ads of the World, 2017

As you can see, compared to the typical Ukrainian drug advertisements, where the product image is in the foreground, this approach is different. It is based on the image of the patient and looks at the situation from his point of view. The central character in this promotional material is the white unicorn as the archetype of a miracle, which under normal conditions cannot exist, and also as the archetype of a dream. The pose, cross-legged and immersed in reading a newspaper on the subway, portrays this miracle as something mundane. This perception is strengthened by the fact that others present in the train do not pay attention to the unicorn. The predominant colour in advertising is a mixture of green and blue. Both colours, according to creative technologies, bring a sense of calm and balance. These colours do not evoke strong emotions, but at the same time depict the silence and constancy inherent in nature – the blue sky and green vegetation.

The font in the advertising message can be described as a square one. It is evenly elongated horizontally and vertically. This choice of font was made to enhance the effect of balance, reliability, affirmative character. The font is sans-serif, which gives it an innovative and serious touch.

The ad is based on the myth of miraculous creatures. That is, it uses rather irrational technologies of influence. The slogan: "Turn the myth of prolonging survival into reality", using the antonymic series "myth" - "reality", rather refers to the strategy of emotional pressure, because it primarily appeals to fear, representing hope.

Consider another PR campaign from Novartis (Ads of the World, 2021a) which was carried out in July, 2021. Like many brands that care about their visibility, the pharmaceutical brand is actively promoting the public health agenda through disease prevention awareness. In practice, this turns into awareness campaigns using smart event technologies for advertising influence. One such example is the Novartis campaign in Brazil on the importance of cholesterol testing. In addition to a thematic site with useful information for the audience about prevention, risks and symptoms of the disease, print advertising has become an active component.



*Figure 2.14. Print advertisement created by McCann Health, Brazil for Novartis  
Source: Ads of the World, 2021a*

Even when considering the second campaign, it becomes clear that Novartis actively adheres to the recommendation that when talking about health it is necessary to simplify – to abandon complex medical terms. We see successful visual images that make it easier to understand the problem of the disease. In addition, the slogan itself: "When it clogs up, life stops" is also quite simplistic and cares about easy understanding by the audience.

Since GPE produces products under different brands and does not have a single name in the information field, we have to choose another flagship. It is advisable to look not only at competitors but also at the leaders of the pharmaceutical industry. With the invention of the vaccine, it was definitely led by Pfizer. The American pharmaceutical company, founded in 1849 and since then one of the world's market leaders, is known for the first development of a vaccine against Covid in the difficult times of the pandemic. Pfizer is manufactured in plants in 46 countries. The total staff of the pharmaceutical giant worldwide has about 86 thousand employees.

Table 2.19

### Comparative analysis of PR campaigns by Novartis

Analysis of Novartis company PR communication campaigns			
	MalaFa Project	“Introducing Rydapt”	Cholesterol awareness
<b>Solutions</b>	Educational project	Product awareness project	Disease awareness campaign
<b>Forms and platforms</b>	Seminars, research, training, report, news and scientific articles, social media.	Brochures, social media, news articles.	Brochures, social media, news articles, special dedicated site, doctor lectures.
<b>Strategy of promotion</b>	Rationalistic. Survival strategy	Rationalistic. Strategy of unique trading proposition	Rationalistic. Positioning strategy
<b>Technology</b>	Rational: Persuasion through arguments that appeal to negative consequences	Irrational: Suggestion through personification	Irrational: Suggestion by intimidation
<b>Underlying myth and archetypes</b>	Myth of fighting beasts (evil) Archetypes: mother and child.	Myth of miraculous creatures Archetypes: miracle, hero.	Myth of fighting against evil Archetypes: world tree, light and shadow.
<b>Genre</b>	Epos. Sketch	Epos. Fairy tale	Epos. Story
<b>Colours</b>	Black: death. White: hope. Red: blood, pain.	Blue: tranquillity. Green: growth.	Red: blood as life. Yellow: danger.
<b>Style of slogans. Stimuluses</b>	Stimulating feelings of fear	Creating an advanced comparison class	Stimulating feelings of fear
<b>Fonts</b>	Square: reliability	Square: reliability	Straight: thought-inducing

*Source: compiled by the author based on research*

This professional campaign titled “Kitchen, Bus, Street” (Ads of the World, 2013) published in Costa Rica in September, 2013, is a tribute by Pfizer to Alzheimer. This disease has no cures therefore the campaign is totally non-profitable. The two main characteristics of this campaign are its absolute unprofitability and

visual solution with the absence of clear lines and the effect of blurring, which embodies the worldview of a person with Alzheimer's disease. The image of an elderly person, who usually suffers from diseases, in the form of a child also enhances the appeal to the emotions of the viewer.



**Figure 2.15. Print medium campaign by Pfizer, Alzheimer**  
*Source: Ads of the World, 2013*

Another campaign by Pfizer, named “Genealogical tree” (Ads of the World, 2014), for its 160<sup>th</sup> anniversary. It is a perfect example of promoting pharmaceutical brand as a whole independent unit in the eyes of public. Through the symbolic visual communication of the brand, it was possible to briefly convey the whole story of more than a century of research and their main principle in drug development, the main value.

The consumer who chooses their brand is getting a whole legacy of research results. This is the personification of "proven quality". The use of different colours to depict the bulbs also symbolizes that the manufacturer was looking for a variety of solutions to various diseases. This tells us about the large selection of drugs available. The sign: “Rosa can’t find the house where she has to lived last 50 years”

is using myth about the saviour as the girl in picture (actually grandma) is absolutely helpless and needs a hero.



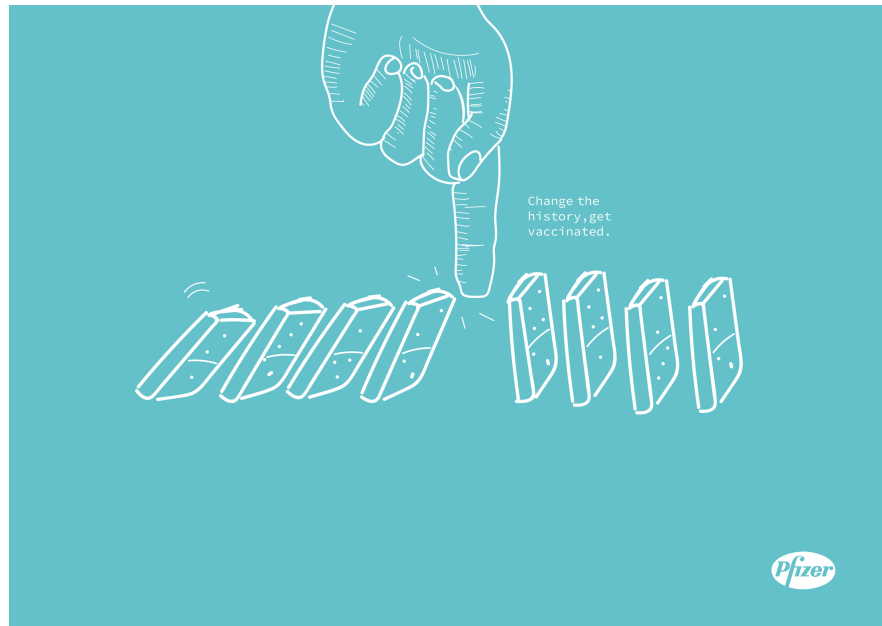
**Figure 2.16. Campaign by Pfizer “Genealogical tree”**

*Source: Ads of the World, 2014*

The third campaign by Pfizer that we are going to include to analysis is dedicated to fight against COVID-19 (Ads of the World, 2021b). Attention is drawn to the minimalist visual solution with thin lines and vibrant colours. This approach, full of simplicity, seems to reinforce the slogan, saying, "It's easy to stop a pandemic." A characteristic feature is that the central character of advertising is the man himself, the reader. Of course, due to the ban on advertising of drugs and specific vaccines, this is a rather expected decision. However, the central figure is not some unnamed vaccine or a terrible virus, but a person who treats treatment very personal.

Dominoes are used as a symbol to briefly explain the rapid chain spread of infection. Falling dominoes with a characteristic loud sound causes the same discomfort as viewing the growing incidence statistics, but this chain can be stopped very easily - in just one movement, as shown in the figure. The image of the finger in this perspective also resembles the shape of a syringe with a sharp needle, which

is used to administer the vaccine. Similarly, the domino that "resisted" and did not fall - this is the same man-hero of our ad, who stopped this terrible disease from transmission to people around her.



**Figure 2.16. Campaign by Pfizer, 2021. "Change the history, get vaccinated"**

*Source: Ads of the World, 2021b*

The conclusion that can be drawn from a comparison of the campaigns of both companies is that international pharmaceutical companies rarely focus on the drugs themselves. A significant part of PR activities is occupied by awareness projects and socially significant missions. They have not yet abandoned the technology of intimidation in promoting their agendas, but are increasingly emphasizing that everything is "in the hands of the consumer." Both pharmaceutical market leaders successfully use symbols and comparisons to communicate complex treatments or cases.

Detailed analysis of mentioned campaigns by Novartis can be seen in Table 2.20: "Kitchen, Bus, Street", "Genealogical tree", "Change the history, get vaccinated".

Table 2.20

### Comparative analysis of PR campaigns by Pfizer

Analysis of Pfizer company PR communication campaigns			
	“Kitchen, Bus, Street”	“Genealogical tree”	“Change the history, get vaccinated”
<b>Solutions</b>	Disease awareness campaign	Brand awareness campaign	Vaccination campaign
<b>Forms and platforms</b>	Brochures, social media, dedicated printed ads. special site,	Brochures, social media, corporate site blog.	Brochures, news articles, special dedicated site, printed ads.
<b>Strategy of promotion</b>	Irrational. Resonance strategy	Rationalistic. Identification strategy	Irrational. Resonance strategy
<b>Technology</b>	Irrational: Technology of mental infection	Rational: Event-technology	Irrational: Stereotype technology
<b>Underlying myth and archetypes</b>	Myth about saviour Archetypes: child, road.	Myth of world creation. Archetypes: world tree.	Myth of fighting against evil Archetypes: world tree, hero.
<b>Genre</b>	Drama. Tragedy	Epos. Story	Epos. Sketch
<b>Colours</b>	Blue: silence. Brown: old. Pink: childhood.	Blue: rationality. White: purity.	Turquoise: clarity. White: simplicity.
<b>Style of slogans. Stimuluses</b>	Introduction to the world of the chosen ones	Appeal to the value system	Appeal to the value system
<b>Fonts</b>	Square: reliability	Straight: thought-inducing	Straight, but with serifs for “i”: thought-inducing with human touch

*Source: compiled by the author based on research*

## Chapter 2 Conclusions

In Chapter 2, perceptions of Ukrainian goods by the consumers in EU and their readiness to buy Ukrainian medicines were assessed through a survey. It also

contains an analysis of the PR strategy of key competitors of Darnitsa in the pharmaceutical industry of EU.

The PESTEL approach identified opportunities and threats for Ukrainian pharmaceutical companies in the EU market on the example of Darnitsa. Due to the categorization of pharmaceutical products according to the matrix of attractiveness, we have chosen the most competitive category - cardiac drugs. At the same time, the results of the survey showed that the category of drugs that are "always at hand", i.e. over-the-counter, are gastroenterological drugs.

According to the analysis of the author's survey of the EU's target audience, the basics of consumer behaviour, readiness to consume Ukrainian pharmaceutical products and associations with Ukraine have been identified. The key parameter when choosing a drug is a prescription from a doctor. Hence, we identify physicians as the highest priority group for influence. In second place with a score of 3.6 out of 5, where 0 - does not matter, and 5 - is of paramount importance, occupies the parameter "country of origin". This provides a basis for the hypothesis that although the consumer rarely knows the manufacturer of the drug, it is also a qualitative characteristic for him. In third place was the pharmacist's recommendation, so they also fall into the category of the most important stakeholders.

Willingness to consume Ukrainian pharmaceutical products is also highest with a prescription from a doctor (47%) or a pharmacist's recommendation (39%). The share of categorical refusals is relatively small and is 10%. The EU audience has almost no knowledge about Ukrainian products or specific producers, but instead, according to a survey of associations in the open question, has a fairly comprehensive knowledge of public figures in Ukraine. The first ideas about Ukraine were formed from the Chernobyl tragedy (53%), Eurovision (42%), through acquaintance with Ukrainians (31%). This is also confirmed in the analysis of associations.

The associative series has a predominantly neutral colour, heterogeneous. Negative associations are associated with historical events and Russian aggression. From an economic point of view, there is only a description of Ukraine as a food

producer. The pharmaceutical industry is currently facing many opportunities due to the short-term and long-term effects of the pandemic. Some are caused by increased anxiety and worry about their health, while others are caused by physical exposure to coronavirus disease. All this increases the burden of social responsibility of pharmaceutical companies.

The strengths and weaknesses of Ukrainian pharmaceutical companies compared to those present on the European market should be partially offset by PR activities. For example, low brand awareness in the international market, which hinders the rapid promotion of products, can be corrected by building a company's presence in the media space. Darnitsa's competitive position in the European market was established through an analysis of Porter's five strengths and a map of perceptions. The threat of a large share of prescription drugs in sales, as well as the substitutability of drugs due to the filling of the line with generics was identified.

Not all competing manufacturers follow the strategy of promoting the company's brand as a whole, some still choose to promote individual product brands. Using PR campaigns, Novartis and Pfizer identified a trend toward research and prevention of disease awareness and prevention as part of building public opinion about the brand. Pharmaceutical manufacturers use both rational and irrational communication strategies and technologies, but the psychology of colours and fonts remains similar. genre of advertising more often - epic. In addition to traditional PR through the media, the use of thematic sites for companies, printed materials, conferences and social networks is widespread.

## **CHAPTER 3**

### **RECOMMENDATIONS FOR PR STRATEGY FOR DARNITSA IN THE EU MARKET**

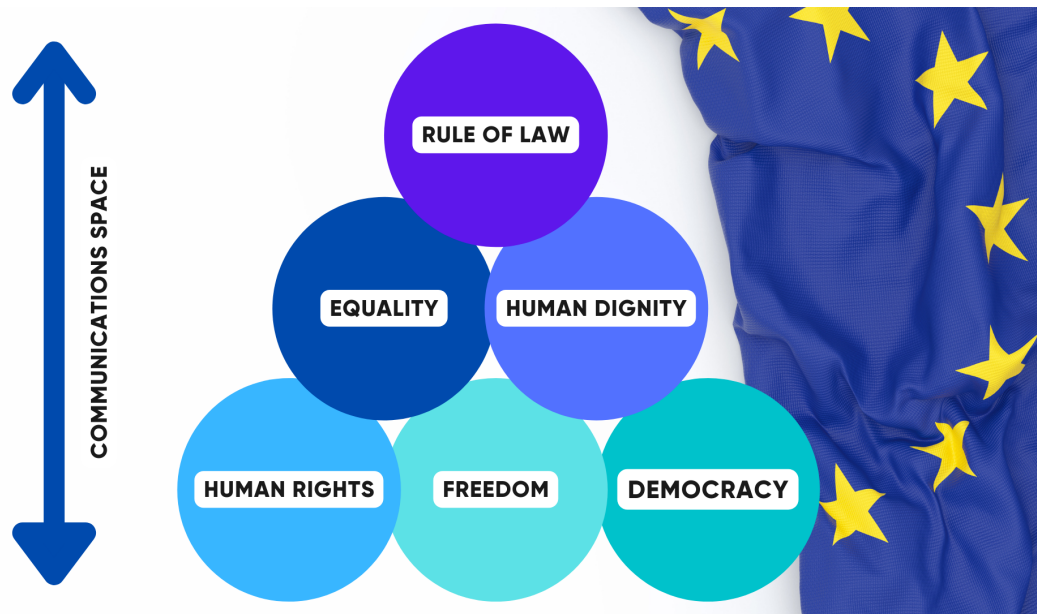
#### **3.1. PR strategy construction based on consumer preferences**

PR strategy is a plan of action aimed at forming and managing public opinion through communication means in a way that ensures that organization in question reaches its goals. The objectives of modern PR strategy are closely intertwined with construction of relevant brand image.

However, many experts note that More and more companies are blurring the line between marketing strategy and PR strategy, so the definition of the items listed above can be duplicated. In addition, many components of the strategies may overlap. The skeleton or in other words the list of mandatory components that make up a PR strategy is: goals, performance analysis (KPI), anti-crisis, communication channels and tools, positioning and key messages, tasks, PR plan.

As the European Union is an economic and political union of 27 independent member states, the market for public relations should not be fully generalized. Each country has its own specifics, there is linguistic diversity, differences in mentality, ways of doing business and lifestyle. However, due to economic interconnectedness and same set of “European values” the PR market in the EU still has many common traits, therefore strategies can rely in similar precautions and principles. As PR activities means organization and management of communicative space which is formed directly by people belonging to target audience group or having influence over them, it is crucial to understand them when building strategy.

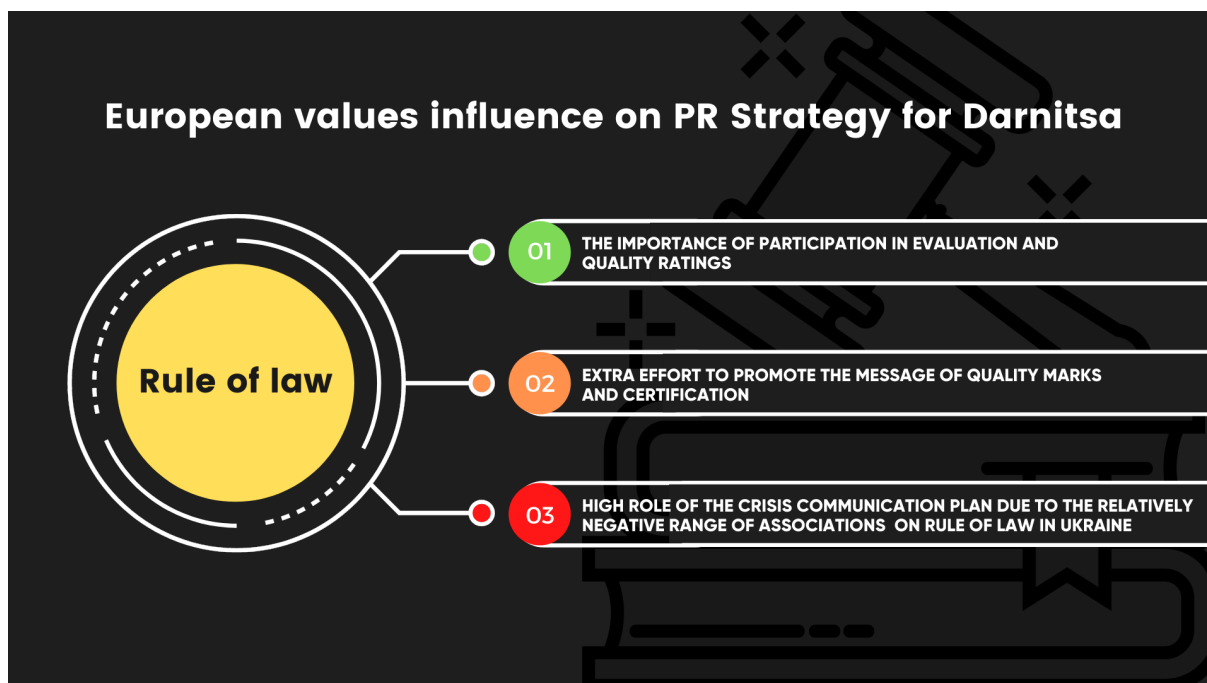
The 6 core European values include the rule of law, equality, respect for human dignity, respect for human rights, freedom and democracy. Although these concepts may seem only a social construct, they directly affect the rules of communication.



**Figure 3.1. Basic European principles shaping communication space**  
 Source: compiled by the author based on European Union Official Site, 2016

Let's start with the rule of law. The priority of this value indicates that the obedience of the company and its representatives is the basic principle for admission to the market. Recall that in our survey, which is discussed in Chapter 2, one of the words associated with Ukraine was the word "corruption". Throughout its path to European integration, Ukraine has faced this problem and its solution has been one of the main conditions for progress towards the EU. For PR strategy, this means that special attention needs to be paid to building anti-crisis communication plans, because the company has no right to make mistakes, as it would violate the main foundation of trust of consumers. As the EU market is a market with high freedom and wide choice for the consumer, it will not need to tolerate a company that does not meet its expectations.

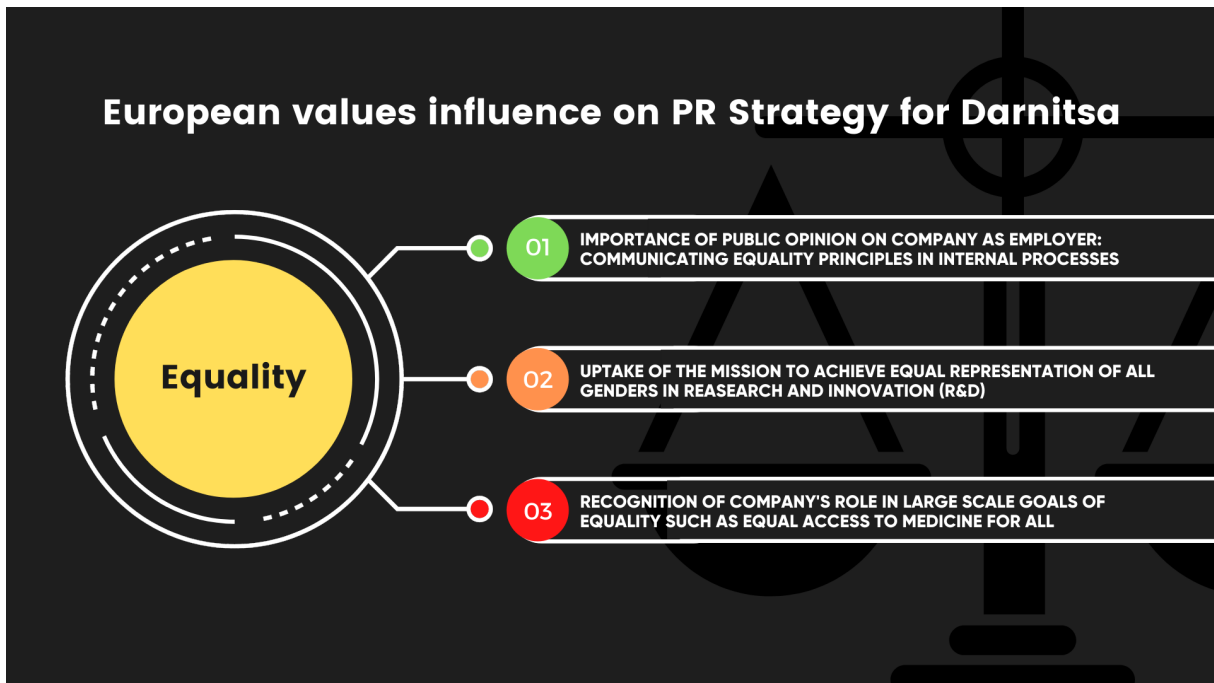
Another influence of the value of the rule of law is high trust in quality standards and other legally fixed quality marks. That is, in addition to a developed system of crisis communications, the company in its PR strategy must also strive for the association of "guaranteed quality". This can be achieved through active participation in professional rankings and profile events.



*Figure 3.2. Influence of rule of law on PR Strategy formation in the EU*  
*Source: compiled by the author*

The literal formulation of the following principle is: "All human beings are free and equal in dignity and rights." The value of equality extends in PR not only to communication about products, but also about processes within the company. For example, equal representation of women and men on the board of directors will be a plus for the results of PR activities. Similarly, the creation of job opportunities for people with disabilities contributes to its image of "equality in the company". For example, one of the main social programs in the EU for 2020-2025 is equal representation of women and men in research and innovation (European Commission, 2021). Such a program is directly close to the field of activity of pharmaceutical manufacturers. Thus, Ukrainian producers can include cooperation in this program in their PR activities, as the EU government implements this policy in response to public demand, and therefore is proof of the existence of needs.

The external part of the "equality" that the company has to communicate in its PR is the positioning that equal access to medicines is one of the key tasks of the pharmaceutical manufacturer. That is, the company is concerned about equal access to all its resources: equal access to job and professional opportunities for employees and candidates and equal access to medicines for consumers and people as a whole.



*Figure 3.3. Influence of equality value on PR Strategy formation in the EU*  
*Source: compiled by the author*

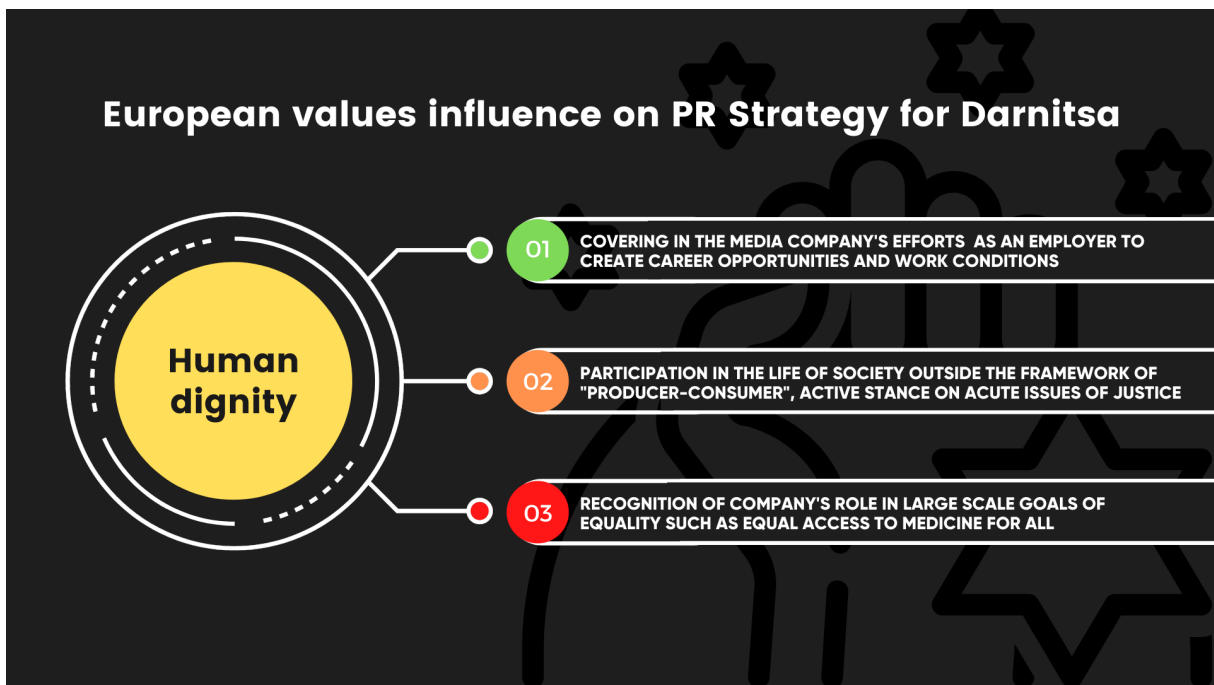
Third basic value is respect for human dignity. It is from a sense of dignity that democracy and the rule of law, equality and freedom are born. And that is why respect for human dignity is one of the basic European values. The first among equals. Dignity has many dimensions. They include a medical reform so that people receive proper medical care. These are electronic government services so that people do not have to stand in line. And proper working conditions and social protection of vulnerable groups. If we consider the value of human dignity in the practical implementation of the PR strategy, for the company it, as well as in the paragraph on equality applies to communication about internal processes and care for the consumer. Decent working conditions and an attractive corporate culture are noted in the communication on the internal processes that build the employer's brand. For example, most large and international companies in Germany have offers for this purpose for compulsory internship programs for graduate students. It's not just about finding young talent, but also about creating ambassadors for your brand to shape public opinion through them.

Adherence to the principle of respect for human dignity by the company to the public outside the category of “potential employee” is manifested in its corporate

and social activities and public stance on socially important issues. Because pharmaceutical companies are often accused of profiting from human health, communication sometimes takes place within the framework of acute moral issues. That is why pharmaceutical manufacturers must be one step ahead and in their non-productive activities join and start projects for the health of the nation and humanity in general. At the same time, projects should be designed so that they cannot be considered as part of advertising activity.

A striking example of this rule being the Nestle scandal of 1974 (Muller, 2013) which is still brought up even now. “The Baby Killer”, report which was written by Mike Muller considering this case, explained how multinational milk producers like Nestle were causing infant illness and death in poor communities by encouraging bottle feeding and discouraging breast feeding. In Africa, South America, and south Asian countries Nestle had been giving out “free samples”, later, mothers lost breast milk, and children developed a dependence on the formula. Parents in these regions could not afford to buy baby food when free samples suddenly ceased to be given out and found themselves in a hopeless situation. The company, which was once famous for its founder, pharmacist Henri Nestlé, who invented baby formula, ended up ruining its benevolent self-image and immune system of whole generation.

Pharmaceutical products are socially significant products, the properties of which determine the state of public health. Due to the fact that there are certain risks of adverse effects of drugs on the human body, especially if such drugs are used by the population on their own without the supervision of specialists, advertising of drugs as a way of "communication" of a pharmaceutical company directly with the consumer, in addition to general requirements, are established prohibitions and requirements specific only to this category of products. The pharmaceutical industry is responsible for providing consumers with objective information about its products, and the state, in turn, needs to take into account the risk that public health may be exposed to in the absence of the necessary regulation of the procedure for such “communication” of pharmaceutical companies with consumers. Therefore, every step of PR strategy shall be weighed for potential ethical issues.



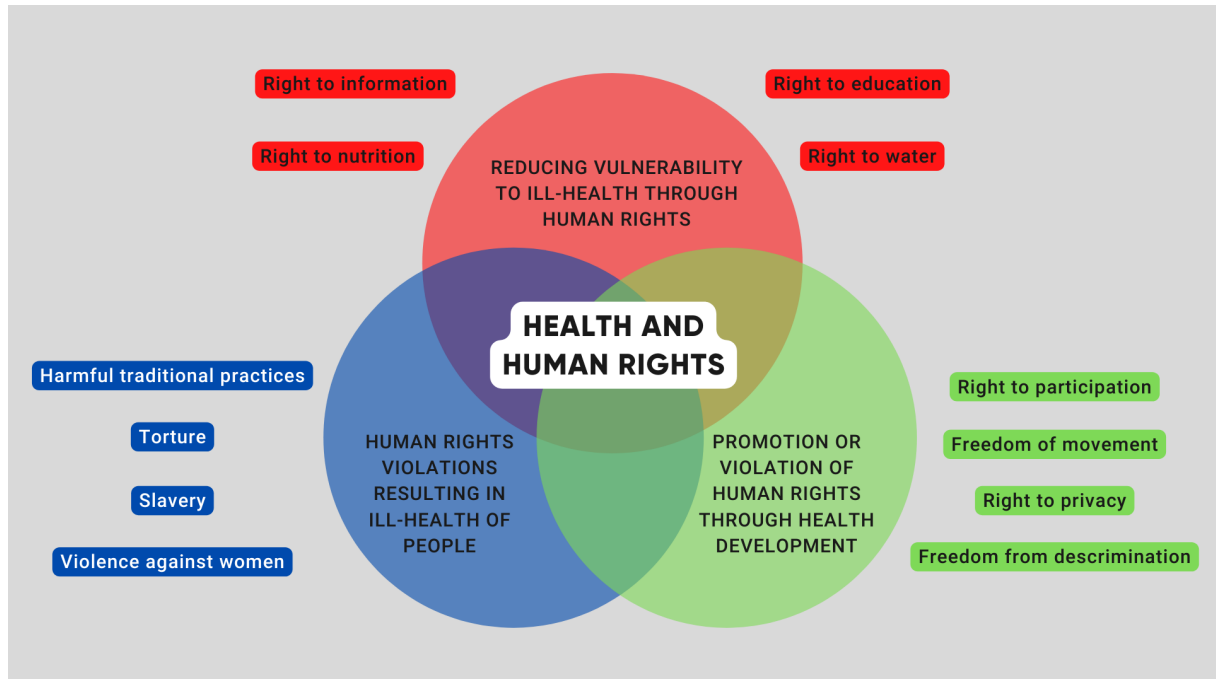
*Figure 3.4. Influence of human dignity value on PR Strategy formation in the EU*  
*Source: compiled by the author*

The next principle that should be reflected in the PR strategy built for the company's activities in the EU is respect for human rights. It is central to understanding communication space of European countries as this is where they take their roots from.

Fundamental human rights are a legally guaranteed measure of individual freedom, which, in accordance with the achieved level of human evolution, is able to ensure its existence and development and is enshrined in the form of an international standard as universal and equal for all people. Human rights are considered to be inalienable and guaranteed to person from birth. The second section of the Constitution of Ukraine, namely Articles 21-68, is entirely devoted to human rights, freedoms and responsibilities. However, their perception and expression in the communication space may differ depending on the level of development of democracy in society.

The impact of this principle on approach to PR strategy is also rooted in projects on social and corporate responsibility. Closest to the pharmaceutical industry, the basic right of a person is the right to health, or, to put it another way, the right to health care. It is true that the area of activity is more wide, than simply granting

equal access to medicine or medical care. In connection with the CIM PR strategy, we can transfer low events, so as to push the order of the day to the rights and freedoms of listing on Figure 3.5.



**Figure 3.5. Human rights pertaining to health and health care**  
*Source: compiled by the author based on Werby, 2013*

Hippocrates in his famous "Oath" substantiated one of the main professional and moral requirements of medical deontology to help people in strengthening and protecting their health, regardless of social and property status, social, national and racial affiliation. This "Oath" has been the main ethical document in medicine for more than 2 thousand years, and it has also become the basis of the oath of pharmacists. However, it was often violated. Especially in such important deontological issues of pharmacy as the preparation and testing of medicines.

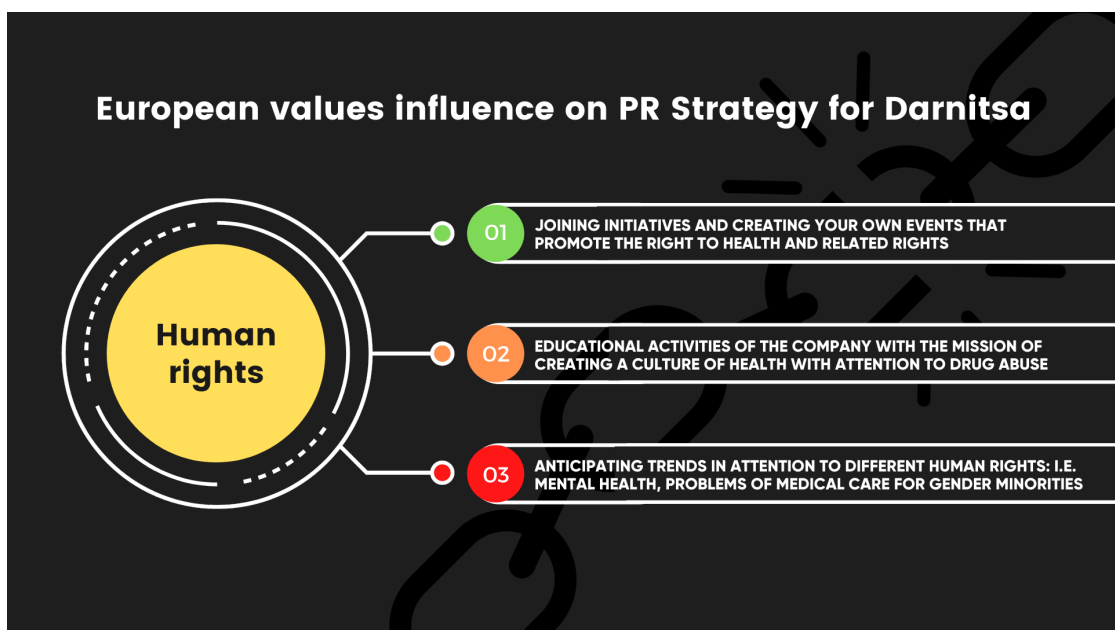
A powerful scientific breakthrough in pharmacology (the creation of new generation drugs, a variety of biologically active food supplements), accompanied by the transition to market mechanisms in the field of pharmaceutical care, has given rise to a number of problems that we have not encountered before.

The problem of "pharmacological aggressiveness" is, perhaps, in the first place. A huge number of pharmacies, countless sea of medicines, vitamin complexes,

nutritional supplements, total advertising in the media (including electronic), advertising through printed products distributed free of charge, does not pass unnoticed both for ordinary consumers and for doctors. The average consumer forms ideas about the possibility of miraculous healing, restoring health lost over the years, constructing one's own body, changing emotional reactions, behaviour and other magical prospects.

Doctors begin to sin with polypharmacy, that is, the appointment of such a large number of drugs that either inactivate the action of each other, or lead to such adverse reactions that, in terms of severity of effects on the body, exceed the underlying disease.

Hence the second problem the emergence of "pharmacological dependence". It turns out that what was devised and done with the sole and naturally good purpose of relieving human suffering and improving quality of life and longevity was the cause of the problem. Today, we are all "sitting" on pills, figuratively. And you can't do without it. We have become hostages to the advancement of pharmacology and the promotion of the results of these advances to the market. Unfortunately, recent history is full of examples of new knowledge and new ways of doing what comes from it, involving people in a maze of unprecedented difficulties and concerns.



*Figure 3.6. Influence of human rights value on PR Strategy formation in the EU*

*Source: compiled by the author*

The next value now has a very close association with Ukraine as a result of its struggle against unjustified aggression by the Russian Federation. It is about the value of freedom. Personal freedoms as concepts are inextricably linked to human rights, but if rights are legal and moral possibilities, then freedoms are the absence of need, coercion or restrictions.

Freedom is a very cautious topic in the field of production and health, because quality assurance requires principles that are antonymous to the concept of freedom. At the same time, the strongest position on the place of the value of "freedom" in the communication of a pharmaceutical company is that it gives a person freedom - deprives him of restrictions and restraints in the form of diseases and illnesses. A healthy state of the body is in itself a freedom in this way. When building a PR strategy, this gives us one of the potential messages about the company's mission.

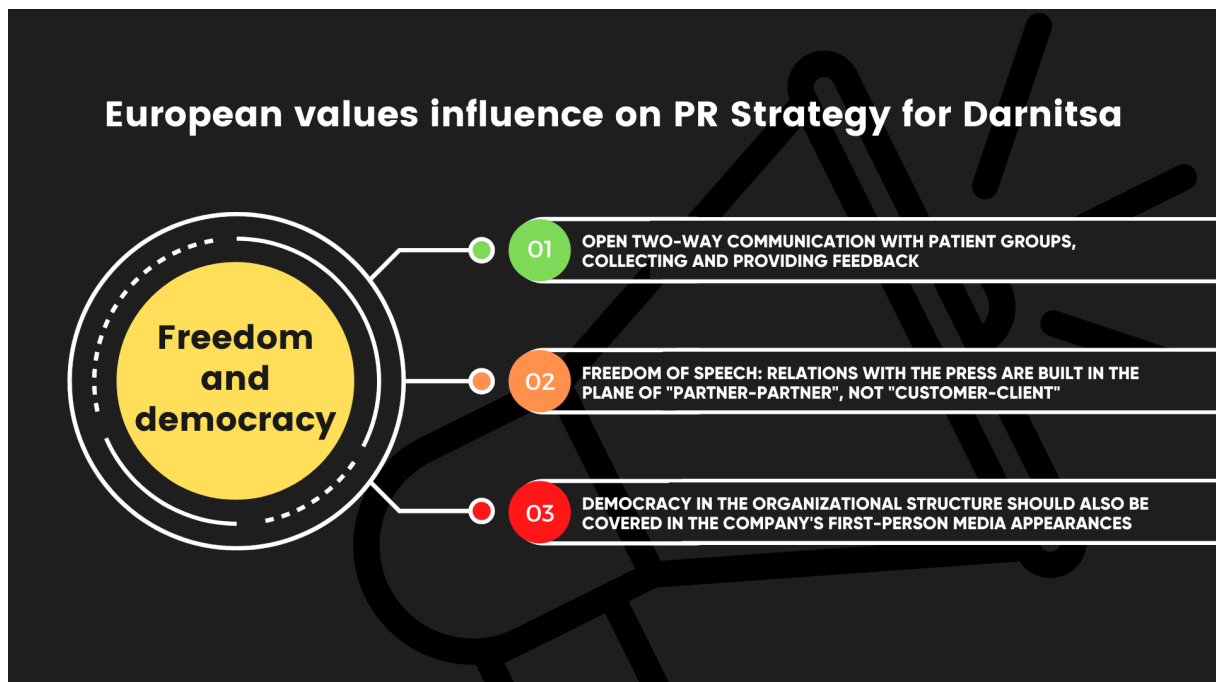
Consider the example of patients with diabetes. For many years before the discovery of insulin, diabetes mellitus was considered a deadly disease. The only known treatment for the disease was a strict diet with severe carbohydrate restriction. Naturally, it led to exhaustion. But patients who strictly followed the diet could extend their lives by several years.

Before the discovery of a way to extract and artificially administer insulin, children with type 1 diabetes lived an average of about 11 months after diagnosis. Between 1900 and 1919, half of all people with type 1 diabetes died within 2 years (DiaMeb, 2017).

In general, the values of freedom and democracy in the PR strategy of the pharmaceutical company must be adhered to when building communications with patient groups, where the most important thing is to have two-way communication and take feedback, take into account comments. Moreover, in this type of communication the highest concentration of our target audience on a particular product.

The second aspect of how democracy and freedom affect the construction of PR strategy is the relationship with the media. In many cases, articles about pharmaceutical companies in the media are paid articles about the release of a new product that are part of advertising. Obviously, this is immediately clear from the content of the article. With the development of "blindness" to advertising, such media events are becoming less effective. In addition, the PR strategy does not so much promote the products themselves as the brand of the manufacturer. As discussed in the first chapter of this thesis, PR is an activity that helps to benefit both producers and consumers. When your article has a useful component for the consumer, your media relationship is more likely to be built as a "partner-partner" - and there will be a large share of unpaid outlets. Thus, in PR strategy, the share and number of free exits become one of the KPIs.

Most of the pharmaceutical business in Ukraine is the so-called "clan business", where the management of the company is passed from generation to generation within the family. Therefore, when competitors want to discredit them in the media, the company's management often becomes the target. As a result, the values of democracy and freedom must be directly part of the company's first-person brand.



*Figure 3.7. Influence of freedom and democracy values on PR Strategy in the EU*

*Source: compiled by the author*

Bearing this in mind, we will look over main components of PR strategy through the lens of planning activities in the EU.

**Goals of PR strategy.** PR goals, as mentioned earlier, should always be in sync with the organization's business and marketing goals. Therefore, they are "mobile" – that is, they can change depending on the current tasks of the company. To do this, let's take a look at the comparison of how PR goals are formulated based on the company's business goals in Table 3.1.

Table 3.1

### Comparative analysis of PR campaigns by Pfizer

Business goal	PR goal
Launch a product	Raise awareness about product and its features among relevant audience
Attract investors	Build image of expert in defined field to strengthen professional standing
Attract new profile of consumers	Enter a new communication platform corresponding to audience traits
Build a personal brand of company's CEO	Increase media presence of the first person of the company
Increase company's attractiveness as employer	Spread knowledge of company's career opportunities and corporate responsibility

*Source: compiled by the author*

In addition to clear goals that are dictated by the business goals of the organization, it is also customary to say that any PR has permanent goals that it pursues in any of its activities. There are five of them.

First goal is positioning. Positioning in PR means the creation and maintenance of an image that is understandable to customers.

The second goal is the elevation of the image. After the positioning has been expertly done, you can move on to the next PR task: elevating the image.

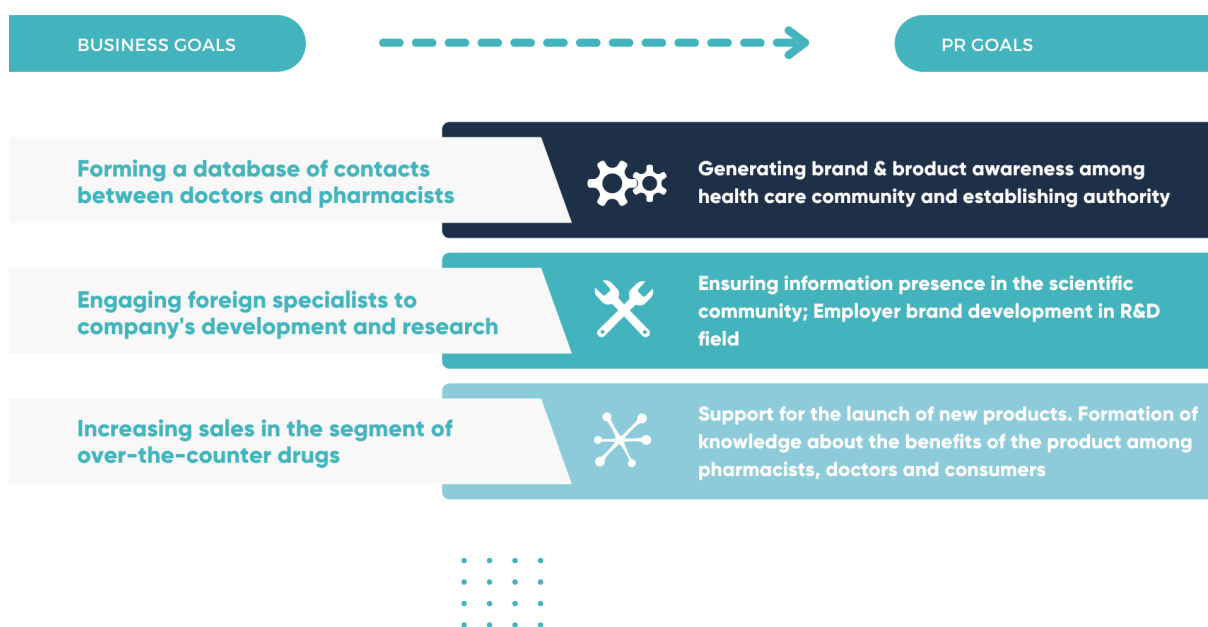
The third goal: anti-advertising. Anti-advertising always aims to reduce the image, decrease in the flow of customers, investments, votes. Anti-advertising is

also used to reduce demand when selling the last batches of goods (products), the quantity of which is limited.

The fourth goal is detuning from competitors. As a rule, this is a combination of raising one image while lowering another. Or it can be also seen as positioning your PR-object against the background of competitors.

Fifth goal is counter-advertising. The main difference between counter-advertising is that it is necessary to elevate an already “dropped” image. Or in other words: counter-advertising is the restoration of flows, “credit of trust” that feed a person, a company, etc.

Let's look at the example of potential business goals of Darnitsa or another Ukrainian pharmaceutical manufacturer what will be PR goals.



*Figure 3.8. Translation from business to PR goals for Darnitsa in the EU*

*Source: compiled by the author*

**Tasks.** Tasks shall be more specific than strategical goals and this is where SMART approach can help put them into words. In the Table 3.2. we can see an example for one of them.

Table 3.2

**PR tasks for Darnitsa in the EU market for broad brand awareness**

<b>Generating brand &amp; product awareness among health care community and establishing authority (Germany)</b>					
	S	M	A	R	T
1	Publishing articles about the company's products in specialized media	With intended reach of minimum 3,5 million	On commercial basis as paid releases	With the aim to form product and brand awareness	In a period of 3 months
2	Joining closed groups of pharmacists on social media to generate product-related publications and comments	With minimum 20 publications and 50 comments	Written by a pharmacist or specialist with education in Medicine	So that the frequency of views of branded materials formed knowledge about the brand	Per day on each platform until period of next report
3	Conducting educational projects for pharmacists and students of pharmaceutical faculty	4 per year with gathering contact details of minimum 500 persons		With a goal to collect contact information for long-term communication channels (i.e. weekly email newsletters)	With frequency one event per three months
4	Launching social project to support professional issues of doctors and pharmacists.	With attracting minimum 20 media releases on non-fee basis and reaching 6 million audience	By collaborating with other stakeholders in the field: governmental organizations, NGOs, charity funds, medical clothes manufacturers, universities etc.	Aimed to form personal experience of interacting with the company among target audience	2 projects per year
5	Organization of excursions to the manufacturing facilities for doctors and pharmacists	Evaluating result as >3% increase in sales in specific pharmacy network	As a collaboration with a local pharmaceutical network which for them can be seen as granting social benefits (corporate traveling and education)	With a goal to spread awareness about the brand among employees of specific pharmacy	2 excursions per year

*Source: compiled by the author*

The key to planning tasks should be the measurability of their results and the reality of achievement. Since the reality of achievement is usually measured on the basis of previous experience, when entering a market where you have no experience of such activities, it is customary to look for the middle ground between experience in another market on the experience of your competitors in the current. However, to obtain information about the success of PR activities of competitors is not so easy, so the first period of PR activity in the new market may be accompanied by a reduced rate of full performance or, conversely, exceeded. There is a period of adaptation for the correct setting of goals. To increase your chances of success, it is usually recommended to hire local professionals with experience in the field.

Therefore, the construction of a PR strategy for the EU market should take into account the peculiarities of worldview and evaluation matrix of participants in the communication process in a particular market. In this case, they are a set of European values, which affects both the message and the procedural features of interaction with the audience.

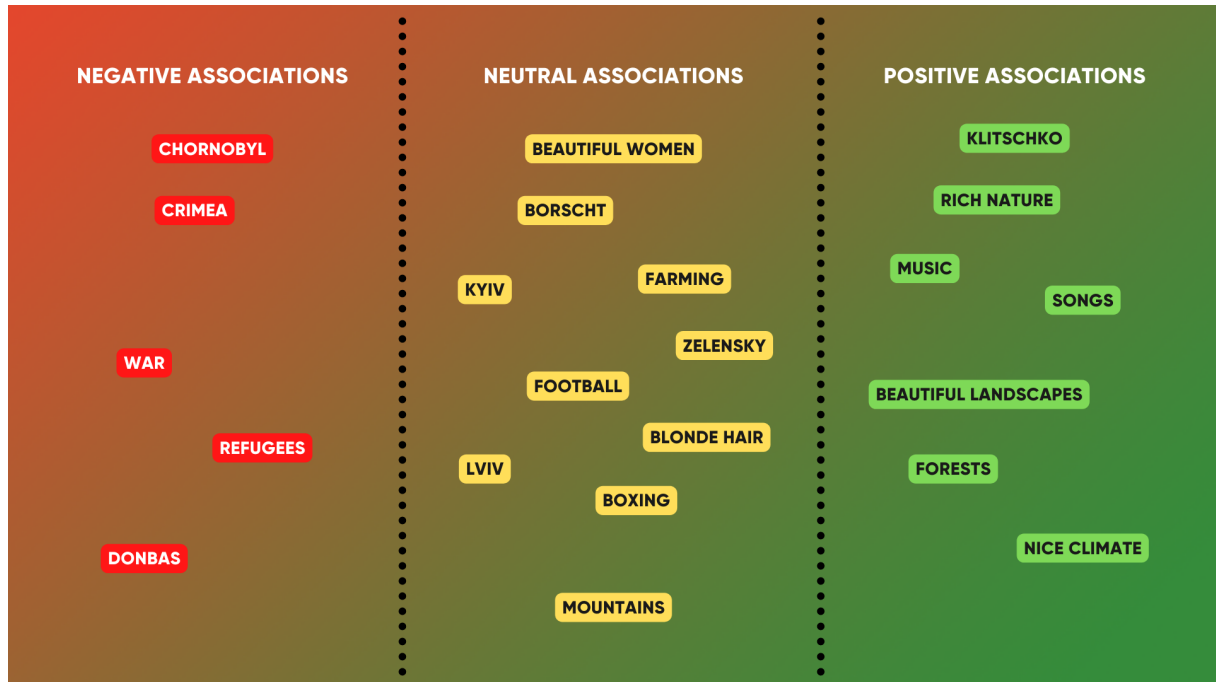
### **3.2. Preferable instruments and communication messages**

Undoubtedly, Ukraine is currently experiencing a period of increased attention to it and everything it does. Most likely, this increased level of attention will continue in the post-war period. In this regard, Ukrainian producers may also receive a moment of media attention by building relevant messages.

Considering the messages for the PR strategy of Ukrainian pharmaceutical manufacturers, we will focus on those that are associated with Ukraine, since the rest can be very individual, depending on the specialization of the company and its business goals.

Let's take a look at the table in which we have distributed the associations from the survey conducted by the author, which scored most of the answers in table 3.2.1. As you can see, the majority of associations can rather be described as neutral, the predominant number of negative associations is associated with the military

aggression of Russia, and the positive ones are more likely to be associated with the nature of Ukraine and creativity. In this context, we see that it is rather difficult to link the image of scientificity and technicality, however, based on these associations, one can also create a narrative.



*Figure 3.9. Emotional tone of associations with Ukraine on the basis of survey in German  
Source: compiled by the author based on the survey*

It is known that the war also accelerated the process and increased the chances of Ukraine's accession to the EU to almost 100%. As of April 2022, it says that already in June 2022, our government expects that we will receive the status of a candidate for membership.

Thus, an even wider range of normative laws and regulations will be brought into line with European ones. Let it be of no practical importance, since Ukrainian producers who already export products to the EU have brought all the necessary indicators in line, but in the eyes of the general public, this will be a movement towards improving the quality of Ukrainian products.

We already have a certain image of Ukraine as a country with rich nature. Nature and medicine are actually very related things. With growing scepticism about the prohibitively long list of medicines prescribed by doctors, and the belief that "strong chemistry is harmful", homeopathy has also become a trend in the EU countries. For example, in Germany, there are separate pharmacies that sell purely homeopathic

products, an approach also supported by the state, as can be seen from the survey of opinion polls and local media investigations. This also explains a specific phenomenon, which is not typical for Eastern Europe and America, when exactly vitamins, supplements, medicinal teas and so on are available in stores, and prescription OTC drugs are strictly regulated (Flakin, 2022).

Among the neutral associations, if you combine everything that belongs to the category of sports and beauty, you get a fairly large group of associations. There are quite simple logical connections between health and sports, as well as between beauty and health. The result is the following chain, as shown in Figure 3.10.



*Figure 3.10. Narratives on Ukrainian pharmaceuticals built upon survey associations*

*Source: compiled by the author*

The main message that is recommended to be used in conjunction with the Ukrainian origin of the company is **"European quality, Ukrainian naturalness"**. This characteristic can be affixed, become common at the same level as "German quality", "Swiss reliability", "fashionable as in France" and "delicious as in Italy" etc.

For the longest time, Ukrainians were ashamed to be called an agricultural country as it indicated absence of development, therefore, absence of progress. But

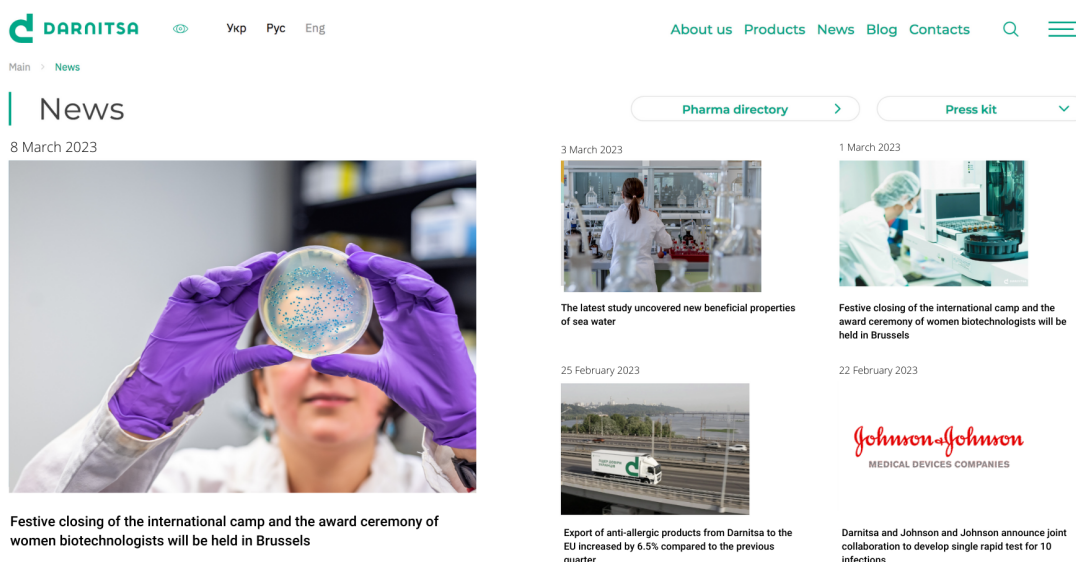
in current conditions when a food crisis looms over a large number of countries or a significant increase in food prices due to the blocking of deliveries from Ukraine, delays in its harvest campaign after the war, the "agricultural" character of the country, combined with the renewal of technologies after the war, is not an indicator of its backwardness in development, but the ability to preserve and conserve natural resources which should be highly valued.

Earlier in the survey, we asked respondents whether they would purchase Ukrainian pharmaceutical products or not, and under what conditions. This helped us to choose a priority audience group for primary PR activities, but also to assess the level of trust. Ukraine in the eyes of Europeans is still an underdeveloped country. But after the war, this is a country that will be completely "renewed", since not only cities and infrastructure, but also entire industries will be rebuilt. Already, various friendly countries are undertaking to rebuild one or another cultural object, settlement or production in Ukraine. Thus, Ukraine becomes a certain heritage center of a multicultural European society. At the same time, the people of the country that provides assistance get the opportunity to feel proud and have proof of their good will.

Therefore, the next message that should be considered for adaptation is: **"Ukrainian science and production, after renovation, inherited the best experience, practices and technologies of all of European Union."**

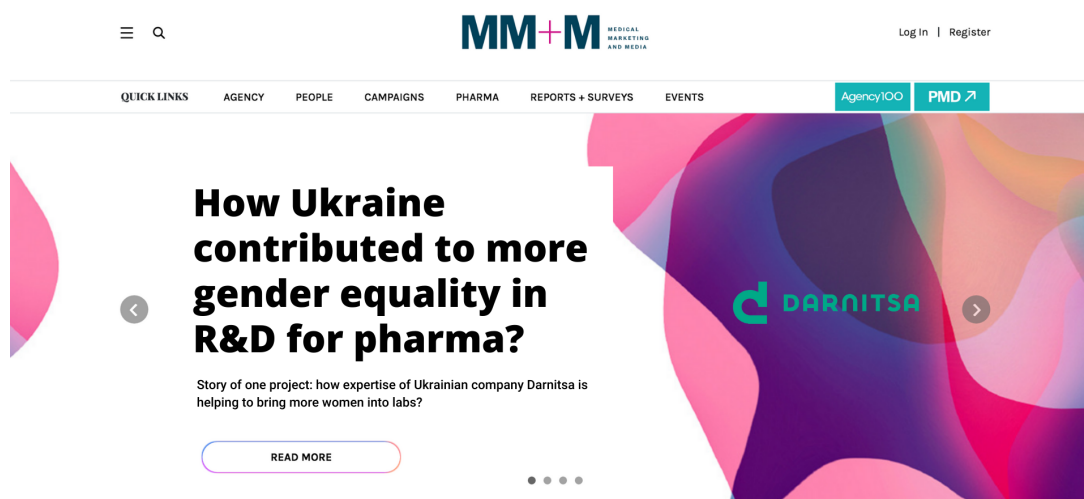
As for PR tools, to find the most attractive ones we shall look over their comprehensive list and decide on the most potentially effective.

**Internet PR** (news, press releases, articles). The Internet is one of the biggest platforms for promoting a business. Therefore, a competent PR specialist does not neglect this space, publishing news, releases and articles both on his own website and on various third-party news portals.



*Figure 3.11. Layout of Darnitsa news articles on corporate site  
Source: designed by the author*

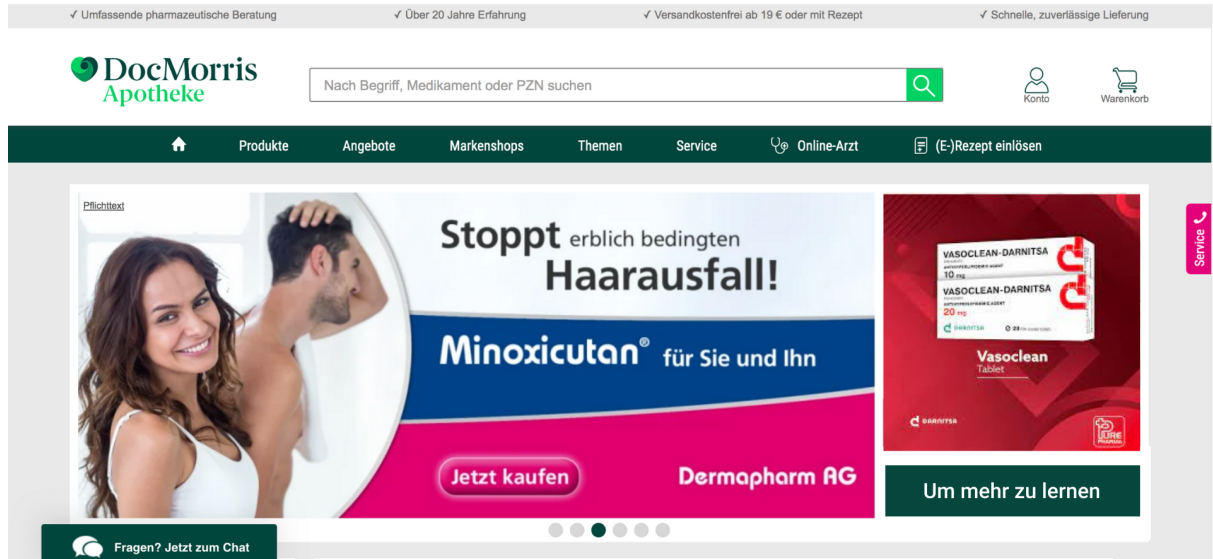
**PR articles in the specialized press.** A competent and professional article that describes the company's competitive advantages and makes a lot of arguments in favour of "its" product or service can prove to be very effective. And with the regular, but nonintrusive submission of information once a month, you can create a positive image of the company among potential consumers and shape its image in the eyes of the public. This tool is especially important in building image of pharmaceutical company, as it has a diverse group of stakeholders which is not easy to target.



*Figure 3.12. Draft of news integration by Darnitsa on Medical Media and Marketing*

*Source: designed by the author*

Ukrainian pharmaceutical companies can target not only general news sites but also professional community sites which publish news on different areas of development in pharm and medical market.



*Figure 3.13. Layout of Darnitsa news articles on online pharmacy site*

*Source: designed by the author*

**PR on the Internet communication platforms** (social networks, comments, forums, blogs) is not a less effective tool compared to publishing news, releases and articles on the Internet. The only difference is that active participation in social networks, forums, blogs, posting comments gives an effect after a longer time, and also requires patience and perseverance from a specialist.

**Publications – articles, reports, newsletters, magazines, brochures.** All of these widely replicated tools help to create an attractive image for the company and convey interesting messages to target markets.



*Figure 3.14. Draft of brochure for Darnitsa with proposed new message  
Source: designed by the author*

**Events.** The company draws consumers' attention to products and services at exhibitions, seminars, conferences, competitions, presentations that are aimed at both the general public and target audiences. Presentations or other performances, which are promotional events of a rather complex nature, sometimes including not only a demonstration of a product or service, but also a theatrical performance, a concert, a dinner or a buffet, various performances, auctions, etc.

As discussed in the previous paragraph, pharmaceutical companies must take on socially important missions through ethical perception. As the priority audience groups for them are pharmacists and doctors, potential projects may be those that fight for better jobs and rights for these professional groups. For example, burnout.

Burnout can be described as physical and emotional exhaustion due to fatigue or stress, which is often associated with patient care or professional activities.

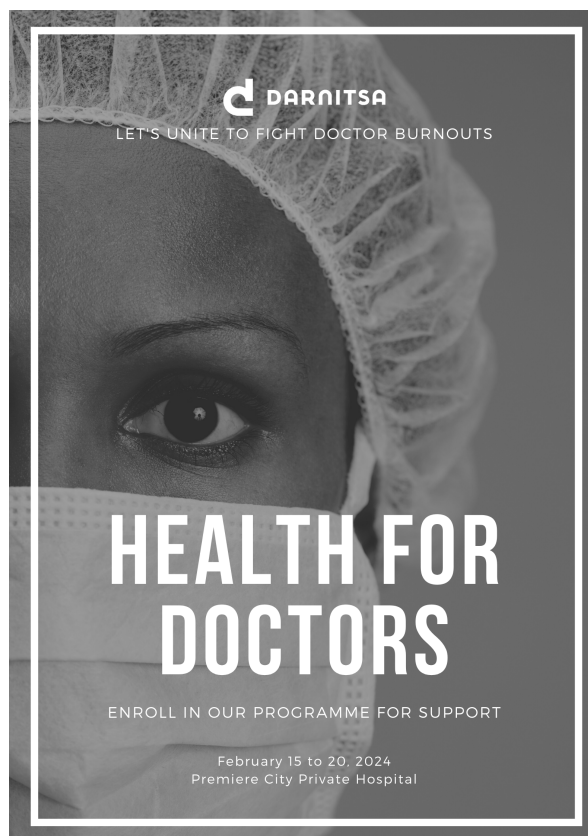
In general, burnout affects everyone. According to some studies, it has reached alarming proportions, exceeding 50% among medical students and medical

practitioners. And although this syndrome occurs among professionals without exception in the field, it is the field of medical services shows the highest figures.

There are other significant stressors in this profession that are often underestimated. For example, responsibility for other people's health, caring for patients, understanding and relieving their pain, and communicating with relatives. The importance of these factors is easy to understand from a recent study (Deloitte, 2020) that found that:

- 48% of doctors say they plan to change their profession in the near future.
- 12% plan to find a job where they do not have to interact with patients.

Indicators by specialty: A 2018 meta-analysis by Rodrigues and colleagues found that doctors in surgery, such as general or orthosurgery, and emergency physicians such as anaesthesiologists and obstetricians showed higher burnout rates.



*Figure 3.15. Draft of event poster for Darnitsa for burnt out doctors  
Source: designed by the author*

**News.** The main task of public relations specialists is to provide interesting and favourable news about the company and its services, in this vein, the public relations

specialists must have good journalistic skills in order to properly form the idea to attract the public and to submit press releases to the editorial staff of newspapers and magazines on the activities and development prospects of the company they represent. A press release is a short document prepared about a product, service or company for possible free publication in the press. It will be sent to press conferences, symposiums, presentations, publishers presented at exhibitions, and journalists attending these events.

**Photo and video materials.** Visual communication with the public also requires special attention and organization. In this case, you can convey not only the information, but also the meaning given by the public relations expert.

Public Relations photos and audio-visual media are used in advertising to explain reports, pamphlets, staff training, and archives. Therefore, video film makes it possible to display objects that are geographically distant. The videos posted on the website allow companies to take virtual tours of factories and supermarkets.

**Public Appearance.** One of the most important elements of public communication is speaking in front of an audience. The main advantages of presenting materials by speaking in public are:

- A compelling form of communication as it represents direct contact with the audience.
- Speaking in public helps to "personalize" an organization.
- This is especially important in modern times when large organizations are not considered an individual structure.

It is only possible to consider this strategy if the first person of the company is able to make a good speaker. For example, Andriy Obrizan, the General Director of the company (Darnitsa Official Website, 2021a) prior to his current position, led a project of an innovative company headquarters in Zurich, Switzerland, which develops IT products in the fields of health, communications and security. He also has a master's degree in medicine and a master's degree in economics, and took a course in entrepreneurship and innovation at the Haas School of Business, one of

the business colleges at the University of California, Berkeley. He also has 9 years of experience in practical medicine, in particular as an anaesthesiologist.



*Figure 3.15. Draft of public appearance poster for first company face of Darnitsa  
Source: designed by the author*

Moreover, he has worked in leading Ukrainian and international pharmaceutical companies, including Arterium Corporation, Biopharma, TEVA / PGT Healthcare, Richter Gedeon.

Therefore, he can make a good figure to share not only Darnitsa's experience in pharm market, but overall experience of Ukrainian companies abroad. For instance, he can be a participant of all-European conferences, representing one of the progressive industries in Ukraine. That is, these may be non-core events, but events that discuss the strategic growth of the economy of the whole of Europe.

### **3.3. Economic feasibility of proposed PR strategy**

Evaluating the effectiveness of public relations is a multifaceted object of research, as the very concept of the effectiveness of PR activities is ambiguous, and

the evaluation process covers the implementation of the program from start to finish. The process of evaluating the effectiveness of PR activities is determined by its stages and the factors that are evaluated in it, which, in turn, are described by specific criteria.

For modern theorists and practitioners, the development and adoption of professional standards of measurement and evaluation is one of the most promising approaches to the development of public relations. Despite the intensification of efforts to develop standards for measurement and evaluation, their adoption, and especially their application in practice, varies significantly. In modern practice, there is no standard approach to measuring the effectiveness of public relations activities that would be perceived by practitioners.

Thus, we propose to evaluate the effectiveness of a specific project that is proposed to be carried out within the framework of the program with a mixture of messages that relate to the Ukrainian origin of the company.

According to a preliminary survey, we found that the willingness to try Ukrainian pharmaceutical products is the highest when recommended by a doctor. Likewise, following a doctor's prescription is the most popular behaviour for a pharmaceutical consumer. In addition, the EU insurance system guarantees significant discounts for the purchase of strictly prescription drugs.

From this it follows that doctors are the key audience for PR for Ukrainian pharmaceutical companies. To do this, we propose to organize a project that will form a personal relationship between the doctor and the pharmaceutical brand. In addition, this project should be implemented in the format of a closed club and solve the life problem of the doctor. As mentioned in section 3.2, burnout is one of the most common problems of modern doctors. Because of it, they change jobs and even in extreme cases commit suicide.

This project with the camp for doctors should also take place in Ukraine: it is psychologically useful and links the formation of the company's image with the narratives developed in paragraph 3.2.



**Figure 3.16. Location for PR event of Darnitsa, hotel in village Polyanytsia**  
*Source: Booking Com Official Website, 2022*

This is a five-day camp that should be set up to share professional experiences, build knowledge on the development of a doctor's own brand, "reboot" and combat burnout.

The participants of the event will start every morning with sports trainings, during the day they will attend master classes and training blocks. Here they will receive practical tools to motivate daily work, learn advanced medical technologies - such as how to perform ultrasound of the heart and blood vessels with a smartphone, compete with each other in sports and intellectual challenges, and work on social projects for human health.

Medical master classes and trainings will be held for the participants. For example, you can select the following set:

- to detect and combat burnout from an experienced psychologist;
- from the doctor's interaction with the patient from the doctor-blogger and the TEDx speaker;
- to build a personal brand of the doctor in the info space;
- on preventive measures for premature aging and prolongation of life by a geneticist.

And most importantly, at the end of the camp, teams of doctors will present their social projects that they would like to implement. Voting in the camp will select

one of the ideas to be supported by a Ukrainian pharmaceutical company. This completion of the project will help doctors remember why they once chose to help people and motivate them to seek new solutions and approaches to treating patients. This is the best prevention of burnout.

This format is not so much about scientific knowledge in treatment and diagnosis, but about self-perception and discovery of oneself and others in a new way. Unfortunately, doctors often forget in their daily routine - about their dreams, desires and goals.



*Figure 3.17. Mock-up of promotion materials for PR event of Darnitsa  
Source: designed by the author*

It will also show that the most important value for a pharmaceutical company is people. The people who work for the company, as well as those with whom it has the opportunity to work and without whom human health cannot be achieved, are doctors. Projects that will contribute to their efficient and comfortable work are an integral part of the company's activities.



**Figure 3.18. Mock-up of promotion materials for PR event of Darnitsa**  
*Source: designed by the author*

The result of such a project will be that each doctor who visits the camp will dispense at least one prescription drug from a company with which he has gained new experience. In addition, by sharing his experience, he will also be able to develop brand awareness. This format of interaction will leave more impressions than a one-day scientific conference, and will also be the beginning to form a community between the doctors who participated in the project, around the company's brand.

Table 3.3

### Calculation of approximate project price

Calculation of project costs per 30 persons (euros)		
Promotion	1000	* social media campaign
Housing	15000	* average price according to booking.com
Food	4500	* average price according to booking.com
Master-classes	4000	* average price for coaches according to Forbes Ukraine
	<b>25500</b>	

*Source: compiled by the author based on research (Booking Com Official Website, 2022), (Broad Street, 2021), (Baker, 2021), (Goodman, 2016)*

Annually in UK 1.12 billion prescriptions are written and in 2020, roughly 300.6 thousand doctors were registered in the United Kingdom (UK). From this we can calculate that one doctor in UK writes approximately 3 726 prescriptions yearly.

Although the UK is no longer a member of the EU, this is the only data available for the year no later than 2020 for both indicators.

$$\text{Number of yearly prescriptions of one doctor} = \frac{1.2B}{300.6K}$$

With this in mind we calculate potential financial benefits that project might bring. We will calculate the potential income of the company on the assumption that after close contact with the company and acquaintance with its products, the doctor will, if appropriate, prescribe among all the drugs of this company. On the example of Darnitsa, the cheapest drugs it exports abroad cost about 5 euros, and the most expensive about 30 euros. Based on these prices, we calculate the minimum and maximum income generated by physicians participating in the project. We also calculate the average for different behaviours (depending on what percentage of the medication prescribed by the doctor will be manufactured by our company) and the average for these behaviours. Calculations are provided in Table 3.4.

Table 3.4

### Calculation of potential benefits for proposed project

Calculation of potential benefits (per 30 project participants)					
Doctor's behaviour	Overall increase yearly per doctor	Overall increase yearly per 30 doctors	Minimum sales growth*	Maximum sales growth*	Average sales growth
Increase of 1% of prescriptions	37,62	1128,6	5643	33858	19750,5
Increase of 3% of prescriptions	112,86	3385,8	16929	101574	59251,5
Increase of 5% of prescriptions	188,1	5643	28215	169290	98752,5
Increase of 10% of prescriptions	376,2	11286	56430	338580	197505
					93814,875

Source: compiled by the author based on the research

We will calculate the potential income of the company on the assumption that after close contact with the company and acquaintance with its products, the doctor will, if appropriate, prescribe among all the drugs of this company. On the example of Darnitsa, the cheapest drugs it exports abroad cost about 5 euros, and the most expensive about 30 euros (Darnitsa Group, 2021). Based on these prices, we calculate the minimum and maximum income generated by physicians participating in the project. We also calculate the average for different behaviours (depending on what percentage of the medication prescribed by the doctor will be manufactured by our company) and the average for these behaviours.

Table 3.5

### Calculation of potential benefits for the project considering possibilities

Calculation of potential benefits (per 30 project participants) with possibilities					
Doctor's behaviour	Likely % of doctors to change behaviour as defined	Overall increase of prescriptions yearly per doctor considering likelihood	Minimum sales growth*	Maximum sales growth*	Average sales growth
Increase of 1% of prescriptions	0,5	564,3	2821,5	16929	9875,25
Increase of 3% of prescriptions	0,25	846,45	4232,25	25393,5	14812,875
Increase of 5% of prescriptions	0,15	846,45	4232,25	25393,5	14812,875
Increase of 10% of prescriptions	0,1	1128,6	5643	33858	19750,5
<b>Total for project</b>			16929	101574	59251,5

*Source: compiled by the author based on the research*

Let's divide the probable share of doctors who will choose this or that behaviour with the expectation that for most doctors participation in the project will not have such a significant impact on the prescription. Although for half of the doctors the

project had a small impact and the share of our company's prescriptions increased by only 1%, and for a very small number of doctors, only for 10%, the project had a significant impact and now the share of our drugs in their prescriptions is 10%. The probability of behaviour of other participants is distributed in descending order of "small impact" to "significant impact", corresponding to a series of 50% of participants, 25% of participants, 15% of participants, 10% of participants. In this case, when calculating the sale of drugs that bring a minimum income, the project is unprofitable for the company. However, based on the average profitability of the project can bring twice the income.

However, it should be noted that the difference between the cost of the project (25.5K) and the income at the minimum price of prescription drugs (16.9K) is only 8.6K euros. The average TV advertising cost to run a 30-second commercial on a national network is 100.9K euros according to 2021 data (Aland, 2017). Price for one article in EU online media varies from 250 to 750 euros according to 2020 data (Broad Street, 2021).

An international gathering of doctors in Ukraine is definitely going to catch media attention of both national media and media of countries of doctors' origin. Therefore, we will have a share of viral or earned media publications which would have been otherwise paid ones. And if the event gets coverage on TV with duration at least 30 seconds than the difference in 8,6K euro is fully covered by such additional benefits.

### **Chapter 3 Conclusions**

In Chapter 3 recommendations the for PR strategy for Darnitsa in the EU market were developed based on previous research. In addition, the economic efficiency of the proposed strategy was evaluated.

The peculiarities of forming a PR strategy for the target market of the EU on the basis of key European values: rule of law, equality, human dignity, human rights, freedom and democracy are identified. These differences mainly affect the ways in

which they interact with the audience, the message or the characteristics that need to be assigned to the manufacturer in public opinion.

For instance, the importance of participation in evaluation and quality ratings, additional effort to promote the message of quality marks and certification, high role of the crisis communication plan due to the relatively negative range of associations on rule of law in Ukraine, joining initiatives and creating your own events that promote the right to health and related rights, open two-way communication with patient groups, collecting and providing feedback etc. The formulation of the PR tasks for one of strategic goals is illustrated using SMART approach.

Based on the emotional degree of the associations of the target audience with Ukraine, their distribution was carried out. Using these existing stereotypes, a narrative is formed that connects the country of production with the product. The narrative is to form stories around the message "European quality and Ukrainian naturalness" / "Synergy of EU innovation and nature of Ukraine". And also to build a separate chain of communication with the history of "Post-war reconstruction allowed to update the production system according to the latest technologies." Emotional manipulation with a sense of belonging can also be used to increase curiosity: "Almost all EU countries have joined Ukraine's reconstruction, so it has become a legacy of their strengths and achievements."

An overview of the main channels of communication in PR with illustrations of their use for the European Union market on the example of the Ukrainian pharmaceutical manufacturer Darnitsa. An event proposal has been developed within the framework of the PR strategy of the Ukrainian pharmaceutical manufacturer with the calculation of its potential benefits for public opinion about the company in the EU. In particular, increasing the company's visibility, attracting brand ambassadors, increasing the share of prescriptions issued. free coverage of the event in the media, the use of media attention to Ukraine, strengthening the brand of a company that takes care of socially important issues (in this case - burnout among doctors), and has an international scale.

## CONCLUSIONS

Building an effective PR strategy for a Ukrainian pharmaceutical company in the EU market depends on: adequate understanding of modern PR, understanding of PR activities of competing organizations, as well as the communication space of the EU and its participants, rules for using descriptive attributes expected from the manufacturer and ability to build personal contact of foreign groups with the brand.

Thus, in section 1, the essence of the PR principle as a company's activity and its features in the field of pharmaceutical production were revealed. Through the historical method in point 1.1, we tracked how the wording of PR's main objectives changed and how additional attributes were added to the development of information technology and the growth of companies as organizational entities.

The definition formulated in this basis is as follows: "PR is a planned activity of a company guided by the laws of social science and current trends in society with a goal to change the communication space through analysis, influence and management of public opinion of stakeholder groups so as to create the most favourable conditions for achieving company's goals through".

In paragraph 1.2. new functions and features of PR as a rapidly developing field of expertise are outlined. In particular, from the interviews of practicing PR specialists we were able to identify the following trends: increasing the strength of patient groups, the formation of two-way communication, product change from "pill" to "healthy living solution", barrier to the perception of pharmaceuticals as "forced", the problem of "draining budgets" for expensive promotion campaigns, higher efficiency of social and educational projects, the mission of companies in the pharmaceutical business to society.

In the second section, a multilateral analysis of the environment in which it is necessary to implement PR activity. In particular, paragraph 2.1 outlines the potential threats and possible opportunities for the promotion of the company through PESTEL analysis. The main chances were: the general growth of the market and the growth of consumption, as well as the compliance of the main products with demand, and among the threats - the growth of the share of prescription drugs.

preferences for European business in the EU and research grant programs that exclusively invite European producers to participate. At the same point, a portfolio analysis was conducted among the categories of products that will be the most competitive according to market factors. As a result, this category defines cardiac drugs.

In paragraph 2.2. the results of the initial research in the form of a survey of the target audience in Germany are explained. Here, an idea of the patterns of consumer behaviour in case of illness, the main factors in the independent choice of drugs, as well as an assessment of readiness to purchase Ukrainian pharmaceutical products. Comparisons of over-the-counter drugs and vitamins and supplements were also compared.

A separate layer of questions in the survey were questions about Ukraine. As a result of their analysis, the primary sources of the image of Ukraine, awareness of Ukrainian goods were identified, and an associative number of respondents to the image of "Ukraine" was formed. According to questionnaire, an important parameter when choosing a medicine is a prescription from your doctor. Therefore, we identify doctors as the group with the highest priority of influence. Second, with 3.6 out of 5 points, 0 is irrelevant and 5 is the most important parameter "country of origin". This leads to the hypothesis that consumers rarely know the manufacturer of a drug, but it is also a qualitative feature for him. Third, because of the pharmacist's nominations, they also fall into the category of the most important stakeholders. Willingness to consume Ukrainian pharmaceutical products is also highest with a prescription from a doctor (47%) or a pharmacist's recommendation (39%). The share of categorical refusals is relatively small and is 10%.

The EU audience has almost no knowledge about Ukrainian products or specific producers, but instead, according to a survey of associations in the open question, has a fairly comprehensive knowledge of public figures in Ukraine. The first ideas about Ukraine were formed from the Chernobyl tragedy (53%), Eurovision (42%), through acquaintance with Ukrainians (31%). This is also confirmed in the analysis of associations. The associative series are mostly neutral

in emotion and are non-uniform. Negative links relate to historical events and the invasion of Russia. From an economic point of view, Ukraine has only one description as a food producer.

In point 2.3, Darnitsa's competitive position in the EU market was identified and compared with competitors in terms of key characteristics. As a result, the PR activity of competitors is largely similar, where weaknesses and strengths coincide. This section also examined the PR campaigns of competing and leading pharmaceutical companies in the EU market, as well as their analysis of strategies, technologies, genres of advertising, myths, archetypes used in communication, colour solutions and visual features of communication.

Comparing the campaigns of the two companies, we can see that international pharmaceutical companies rarely focus on the drug itself. An important part of public relations activities is dominated by awareness-raising projects and socially important missions. They haven't abandoned the technique of intimidation in advancing their agenda, but they are increasingly emphasizing that everything is "in the hands of consumers." Leaders in both pharmaceutical markets have successfully used symbols and comparisons to convey complex treatments and cases.

In paragraph 3, based on previous research, recommendations were formulated for a successful PR strategy of a Ukrainian pharmaceutical company in the EU market. For example, in sub-clause 3.1. we have considered the warnings and recommendations in the context of the European worldview. By this we mean the ingrained values on which their society was built. These are the rule of law, equality, human rights, dignity, freedom and democracy.

Based on their analysis, the following recommendations are noted. For instance, the importance of participation in evaluation and quality ratings; extra effort to promote the message of quality marks and certification; high role of the crisis communication plan due to the relatively negative range of associations on rule of law in Ukraine.

The importance of public opinion on company as employer and covering in the media company's efforts as an employer to create career opportunities and working

conditions also cannot be ignored. With this in mind, Darnitsa shall take up the mission to achieve equal representation of all genders in research and innovation (R&D). Recognition of company's role in large scale goals of equality such as equal access to medicine for all is also a compulsory strategy. This means participation in the life of society outside the framework of "producer-consumer", active stance on acute issues of justice.

Darnitsa shall not only passively join initiatives, but also create their own events that promote the right to health and related rights. Educational activities of the company with the mission of creating a culture of health with attention to drug abuse is also a part of every PR strategy in health care in the EU. This includes anticipating trends in attention to different human rights: mental health, problems of medical care for gender minorities, etc.

Pharmaceutical companies in the EU market do not have a choice to stay away from media. Freedom of speech is built on different principle: relations with the press are built in the plane of "partner-partner", not "customer-client". Open two-way communication with patient groups, collecting and providing feedback is a part of strategy for leaders. Democracy in the organizational structure should also be covered in the company's first-person media appearances.

Subsection 3.2 provides illustrative examples of how these features should be manifested through different PR tools. In addition, on the basis of established stereotypes in the eyes of Europeans, a narrative has been formed here, which ties them to the high quality of Ukrainian pharmaceuticals. The main message that is recommended to be used in conjunction with the Ukrainian origin of the company is **"European quality, Ukrainian naturalness"**. Such a message tied to Ukraine is based on the connection between the categories of stereotypes about Ukraine "nature and natural resources" - "strong athletes and beautiful women". The full chain looks like this: "When you are healthy, you have strength and beauty" - "Ukrainian people are strong and beautiful" - "Ukrainian people grow up in a country with rich natural resources and consume only natural" - "Ukrainian pharmaceuticals are natural, but regulated by European legislation and produced with the help of the latest

technologies introduced after the renovation of Ukraine" - "Ukrainian medicines have both naturalness and high quality".

In paragraph 3.3. based on the priority groups of influence and messages, a proposal for PR activity was developed. The criteria that guided the creation of the proposal identified during the study:

- More and more pharmaceutical brands are choosing to promote not only product brands, but also the company itself.
- Social projects prove to be more effective than purely advertising efforts.
- The doctor is a key link in the decision to purchase a medicine in the EU.
- In order to stand out from the competition, companies in the healthcare sector must have a clear mission for society.
- "Ukrainian" producers should promote this adjective as a feature of the product, as well as use the existing image of the country to increase economic success.

To sum it up, Ukrainian pharmaceutical manufacturers, like other Ukrainian companies in the EU market, are currently the creators of the image of "Ukraine as a manufacturer" and are responsible for this image, while enjoying the economic benefits provided by their country of origin. To take advantage of this opportunity for the benefit of both parties, it is necessary in building public opinion to rely on logical connections between the existing image of Ukraine and Ukrainians and the desired characteristics of the product, while adhering to the features of PR in the European communication space.

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## Annex A

### Personal data of questionnaire respondents

	<b>Female</b>	<b>Male</b>	<b>Non-binary</b>	<b>Prefer not to answer</b>
%	65,38	32,05	2,56	0
N	51	25	2	0

	<b>EU-national</b>	<b>Other</b>
%	79,49	20,51
N	62	16

(MULTIPLE-ANSWER)

	<b>student</b>	<b>office worker</b>	<b>business(wo)man</b>	<b>freelancer</b>	<b>housewife/ housekeeper</b>	<b>retired</b>	<b>other</b>
%	53,85	35,90	16,67	30,77	6,41	2,56	0,00
N	42	28	13	24	5	2	0

## Annex B

### Summary of association test (open question results)

5 words that come first to your mind when you think about Ukraine		
ANSWER	N	%
architecture	7	0,98
beautiful landscapes	17	2,39
beautiful women	31	4,36
beetroot	5	0,70
blonde hair	13	1,83
blue and yellow flag	16	2,25
borscht	21	2,95
boxing	19	2,67
cheap cigarettes	3	0,42
cheap fuel	8	1,13
cheap labour	7	0,98
Chornobyl	44	6,19
coffee shops	5	0,70
corruption	12	1,69
Crimea	24	3,38
criminal world	2	0,28
democracy	3	0,42
Dnipro	7	0,98
Donbas	19	2,67
drinking	3	0,42
Eastern Europe	9	1,27
elections	4	0,56
EU (joining for years)	4	0,56
farms (farming)	28	3,94
football	23	3,23
friendliness	4	0,56
gas scandal	2	0,28
Go_A, Eurovision	9	1,27
great music clips	7	0,98

green forest	13	1,83
Jamala	17	2,39
Klitschko	32	4,50
Kyiv	18	2,53
Kyiv Rus	2	0,28
language question	12	1,69
Lviv	15	2,11
make up and pretty clothes	7	0,98
mountain climbing	11	1,55
mountains	13	1,83
Music	9	1,27
NATO	6	0,84
nature	24	3,38
nice climate	15	2,11
pig fat (salo)	8	1,13
populism	7	0,98
protests	12	1,69
refugees	27	3,80
Russian language	14	1,97
Shakhtar	11	1,55
songs	21	2,95
sunflowers	3	0,42
Ukrainian language	9	1,27
war	31	4,36
Zelensky	18	2,53
<b>TOTAL ANSWERS</b>	<b>711</b>	