

upGrad

Product Management Certification Program



**Assignment: Competitor
Analysis**

Industry: Online Medicine

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MAJOR PLAYERS IN ONLINE HEALTHCARE

- Medlife
- 1 MG
- Netmeds
- PharmEasy
- CareOnGo

PHARMEASY

- Online marketplace providing health diagnostic tests services, medicines and healthcare products. PharmEasy connects patients with nearby medical stores and health diagnostic centres in order to fulfil their medical needs.
- PharmEasy has medicine reminders, medicine refills (subscription), digital prescription records, free E-Doctor-Consultation, sample collection from home for laboratory tests and easy return policy.
- It has tied up with laboratories like Apple diagnostics, iGenetic Diagnostics, Oncquest Diagnostics, SRL Diagnostics, Dr. Avinash Phadke labs, SRL Diagnostics and Suburban Diagnostics.

COMPETITORS

Direct

- Medlife
- 1 MG
- Netmeds
- PharmEasy
- CareOnGo

Indirect

- Amazon
- Flipkart
- Swiggy
- Zomato
- Dunzo
- BigBasket
- Cure Fit

I would like to do a competitive analysis of PharmEasy with **Medlife**

BACKGROUND

AREAS	MEDLIFE	PHARMEASY
GOALS	The company aims to make healthcare more simple, personal, accessible and affordable (ref. craft)	The company aims to improve the supply chain in the pharmaceutical sector by digitizing the process (ref. craft)
MISSION	Use technology to make Medlife the trusted partner for 100+ million customers for all of their healthcare needs (ref. medlife)	The mission of the company is to revolutionize the healthcare scenario in the country by making the industry data driven (ref. businesswireindia)
STRATEGIES	Acquisition to stay on top of competition and provide end to end services. Use discounts in favour of customers. Offers 50% discounts on over the counter products. (reference)	PharmEasy offers up to 35% discount on medicines, hyper local delivery of medicines (like grofers). Customers are segmented based on the pin codes they are staying and are matched to the corresponding medical stores in that area (ref. quora)
CURRENT EMPLOYEES	1297 (ref. craft)	730 (ref. craft)
FUNDING AND ACQUISITIONS	\$32.7 m (ref. craft) 3 acquisitions (Myra, Medlabz. com, EClinic 247)	\$ 323.7m (ref. craft) 7 rounds, 18 investors, 5 lead investors
REVENUE	Growth rate is ~4x, FY19 ₹364.76 crore. PharmEasy's revenue more than tripled in FY18 to ₹116 crore from about ₹33 crore in FY17 (ref. livemint studiosguy)	400 crores INR (US\$56 million, 2019) (ref. Wikipedia)
FOUNDERS	Prashanth Singh, Ananth Narayanan Tushar Kumar	Dharmil Sheth Dhaval Shah Mikhil Innani

BUSINESS MODEL

AREAS	MEDLIFE (INVENTORY LED MODEL)	PHARMEASY (MARKETPLACE MODEL)
PRESENCE	<p>Medlife supplies medicines Pan India.</p> <p><u>Most popular cities</u> : Bengaluru (Headquarter), Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Pune, Ahmedabad, Indore, Allahabad, Durgapur, Faridabad, Agra, Kanpur, Ghaziabad, Gurugram, Gwalior, Howrah, Rajkot, Jabalpur, Jaipur, Bhopal, Kharagpur, Lucknow, Noida, Surat, Vadodara, Thane and Varanasi. (ref. frost)</p>	<p>1000 cities and towns covering 22000+ pin codes all over India.</p> <p><u>Popular cities</u> : Mumbai (Headquarter), Delhi, Kolkata, Pune, Bengaluru, Jaipur, Thane and Ahmedabad.</p> <p><u>Diagnostic Test services</u> : Thane, Navi Mumbai, Kalyan and Dombivali, Delhi with Noida, Gurgaon, Faridabad & Ghaziabad, Chennai, Pune, Ahmedabad and Gandhi Nagar, Surat, Vadodara, Lucknow, Kolkata, Hyderabad, Bengaluru and Jaipur (ref. frost)</p>
TARGET MARKET	<p>To offer diagnostic services in 40–50 cities, currently only in 20 cities. In total serve 62 million (currently serving only 2 million). Sustain current target customers (age range 26–86 years)</p>	<p>Males and females above 35 years &, Influencers, who can influence their parents to download the app and order medicines online.</p>
REVENUE MODEL	<p>Avenue1 : Major total revenue (80%) from sale of medicines</p> <p>Avenue2 : 9% of total revenue from diagnostic services</p> <p>Avenue3 : 0.2% of total from other income sources</p> <p>Avenue 4 : Commissions by promoting partner wallets</p>	<p>Avenue1: 1–2% commission from sellers on each delivery</p> <p>Avenue2: Sponsored Listing (Feature Brand section)</p> <p>Avenue3: Advertisements (Movie offer to give consumers a chance to win free tickets and meet the actors)</p> <p>Avenue 4 : Commissions by promoting partner wallets</p>
PAST SHIFTS IN BUSINESS MODEL	<p>Focussed on importing test kits for covid with Prime Minister's support</p> <p>Partnered with snapdeal platform for full body checkups and medicine deliver i. e. partnering with other online marketplaces</p>	<p>Developed PharmEasy's AI powered bot to determine risk of Covid which was supported by Prime Minister. No major changes in the online marketplace model</p>

STRENGTHS AND WEAKNESSES

AREAS	MEDLIFE	PHARMEASY
STRENGTH	<p>Partnered with Uber during lockdown in 5 cities in India i. e. , Kolkatta, Pune, Jaipur, Hyderabad, and Lucknow.</p> <p>Their customer support staff is available 24/7 to provide assistance to customers. Also, customers can contact them for booking of home-based sample collection appointment.</p> <p>Medlife insures that report is generated within 24-48 hrs</p> <p>Medlife Labs: fully automated diagnostic labs of the highest quality owned by medlife</p> <p>Great promotional campaigns that increase revenue significantly</p>	<p>Huge funding has helped in making a stronger brand image and acquiring large customer base</p> <p>More versatile sources of revenue as compared to Medlife</p> <p>Post consultation support which keeps customer engaged</p> <p>Unlike Medlife, Pharmeasy is an aggregator. So, expansion is faster</p>
WEAKNESS	<p>Lack of versatile revenue streams as compared to Pharmeasy</p> <p>Lesser presence in terms of number of locations as compared to competitors</p>	<p>Doesn't have corporate tie ups like Medlife</p> <p>Offers only one time purchase rewards generally</p> <p>Delayed delivery and sample collection</p> <p>Users complain about too many notifications</p>
PAIN POINTS	<p>Jio predicted to be close to acquiring epharmacy business Netmeds for \$150 Mn which will add to a major new competitor.</p> <p>Regulatory roadblocks because of weak Public Private Partnership model in healthcare</p> <p>More reliant on infrastructure setup than competitors</p>	<p>Jio predicted to be close to acquiring epharmacy business Netmeds for \$150 Mn which will add to a major new competitor.</p> <p>Regulatory roadblocks because of weak Public Private Partnership model in healthcare</p>

PRODUCT DETAILS AND PERFORMANCE

AREAS	MEDLIFE	PHARMEASY
PRODUCT DETAILS	Features- Medicine orders, Diagnostic Tests, Healthcare/OTC Products, Monthly Medicine Refills, Insurance provider (Dashboard for Corporates), affiliate partnership facility, Wellness Services, Attractive discounts on OTC products	Features- Medicine orders, Diagnostic Tests, Healthcare/OTC Products, Monthly Medicine Refills
APP RATINGS	Android- 4.3, 246k reviews IOS- 4.2, 12.6K Ratings	Android- 4.4, 198k reviews IOS- 4.5, 14.2K Ratings
NUMBER OF DOWNLOADS	Android 5M+ IOS- Data not available Downloads Last 30 Days- 252,404	Android 5M+ IOS- Data not available Downloads Last 30 Days- 13,852
USER EXPERIENCE	The overall experience is good. Discounts are good. But when compared to 1MG, takes more delivery time. Doesn't lack medicines in catalogue.	Positives (dominant)- Good number of offers but offers only one time purchase rewards generally. Pharmeasy 2.0 proved to be more user friendly and intuitive (Nov, 2019) Negatives (very few)- Lack of medicines available in the catalogue. Delayed customer service response and sample collection. Users complain about too many notifications
OVERALL FUNCTIONALITY	16,356 said "good service", 3,255 said "excellent experience", 3,234 said "helpful", 2,340 said "fast delivery", 931 said "great discounts", 246 said "best offers"	6,022 said "good service", 2,834 said "useful", 1,378 said "fast delivery", 1,030 said "easy to use", 725 said "excellent experience", 320 said "great discounts"
NPS SCORE	60	54
ALEXA RANK	22664	18355

FUTURE INITIATIVES

1. Expansion towards a Marketplace model: Before local pharmacies develop a loyalty towards competitors, Medlife can develop a popularity among local distributors like PharmEasy.
2. Diversification into other segments to compete with non-healthcare or indirect competitors like Swiggy, Zomato, etc
3. More tie ups with corporate insurance schemes