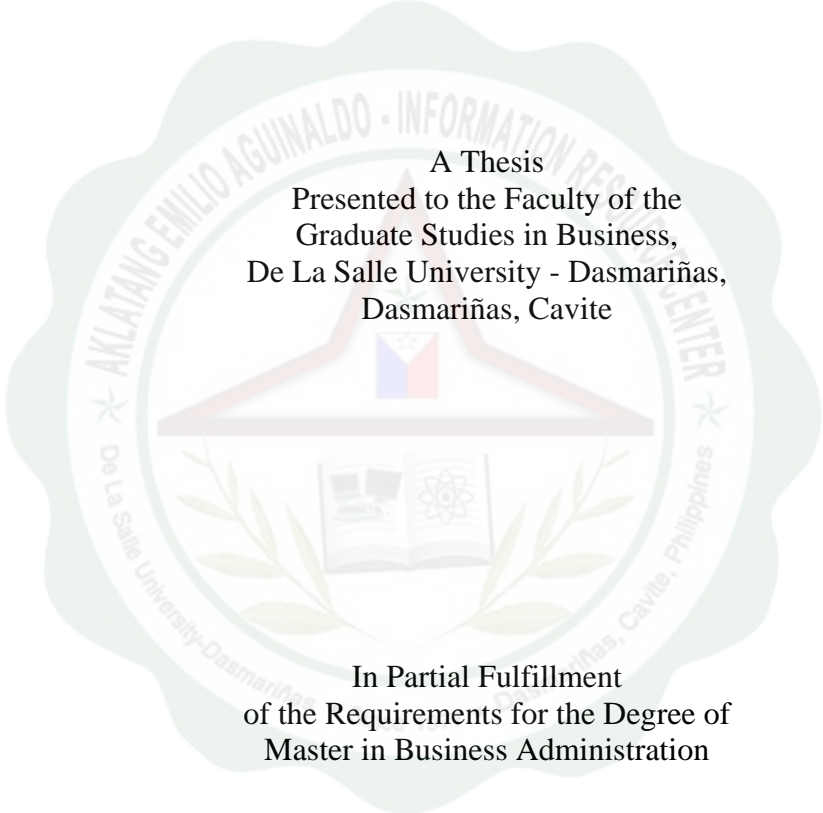


**FACTORS INFLUENCING CONSUMER DEMAND FOR  
GENERIC DRUGS IN DASMARIÑAS, CAVITE**



A Thesis  
Presented to the Faculty of the  
Graduate Studies in Business,  
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## ABSTRACT

**NARCISO, C. S., JR., Factors Influencing Consumer Demand for Generic Drugs in Dasmariñas, Cavite.** Master in Business Administration, De La Salle University-Dasmariñas, Cavite, March 2008. Adviser: Dr. Alice T. Valerio.

This study was an attempt to determine the factors influencing consumer demand for generic drugs. This study was aimed specifically to describe the socioeconomic and demographic profiles of the respondents; determine the drugs purchased by the respondents; know the perception of the respondents towards generic drugs; and identify the factors affecting the demand for generic drugs in Dasmariñas, Cavite.

The study was conducted in Dasmariñas, Cavite. A self-administered questionnaire was used to gather information from respondents who used generic and branded drugs. The socioeconomic/ demographic profiles of the respondents were described in the study as well as the branded and generic drugs purchased. The perceptions of the respondents towards generic drugs were identified using the Likert scale. Multiple regression analysis was used to determine the factors that affect the demand for generic drugs and the demand and income elasticities were estimated. The demand factors tested were the socioeconomic and demographic profiles of the consumers, the prices of generic drugs, psychological factors such as perceived efficacy and brand preference of consumers, and the influence of prescribing physician to the demand for generic drug users.

The average age of the respondents surveyed was 33 years old. The youngest group surveyed ranges from 18 to 29 years old and comprised the biggest age group of the respondents. Females dominated the total respondents in the survey and there were more than married respondents than unmarried ones. The average household size of the respondents was five and most of them were high school graduates. The average monthly family income of the respondents was Php 13,700.00. There were more respondents employed than the unemployed.

The factors affecting demand for generic drugs under study differed from one generic drug to another. The factors affecting the demand for generic drugs were: household size, gender, monthly family income, occupation, educational attainment, price, and age.

The elasticity of demand for most generic drugs under study showed that it is inelastic. Most generic drugs are considered necessity commodity and consumers buy when they need them, regardless of the price for certain cases. Some drugs are for health maintenance and it is imperative for a consumer to buy them.

Those generic drugs with negative income elasticity are considered as inferior drugs where consumers switch to more expensive branded drugs as their income increases. On the other hand, generic drugs with positive income elasticity are considered as normal goods. Consumers tend to patronize these generic drugs as their income increases because of the belief that these drugs are effective.

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