

Internship Report

On

**“Marketing Strategy Evaluation”**

**An Overview of Pharmaceuticals Industry in Bangladesh**

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## Letter of Transmittal

July 3, 2014

Mr. Md. Tamzidul Islam

Senior Lecturer

BRAC Business School,

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**Sub: Submission of the report on internship.**

Dear Sir,

With pleasure I would like to submit the report on internship where I have worked on a World Health Organization Bangladesh (WHO) project as the employee of EMINENCE. The title of my report is “Marketing Strategy Evaluation; An Overview of Pharmaceuticals Industry in Bangladesh”.

I am expecting your kind consideration to judge my work that I have completed during the period of my internship.

Sincerely,

Md. Tanjim Ferdous

ID: 09304125

## Acknowledgement

First, I would like to thank the Chief Executive Officer of EMINENCE, Dr Shamim Hayder Talukder for giving me the opportunity to do internship in his reputed organization. I also want to thank Mr. Niloy Rahman who was my supervisor at EMINENCE. I was lucky enough to get such a helpful person like him as my supervisor. Special thanks go to my colleagues who were very supportive and friendly.

Finally, I must say without the support of my academic supervisor, Mr. Md. Tamzidul Islam (Senior Lecturer, BRAC Business School), the whole project would be incomplete. During my internship period I always got his direct and indirect support to complete my task. I am really grateful to him.

I wish a very happy future for their lives.

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## **Executive Summary**

During the period of working in EMINENCE I got attached with different projects of it. One of the projects was preparing report for WHO Bangladesh titled ‘Healthcare condition of Bangladesh; An overview of Pharmaceutical Industry’. I got the opportunity to do the study part of Marketing and Promotional activity of the Pharmaceuticals Companies. Therefore I decided to write my internship report on **‘Marketing Strategy Evaluation;An Overview of Pharmaceuticals Industry in Bangladesh’**

Pharmaceutical is the core of Bangladesh’s Healthcare sector, and serves as one of the most important manufacturing industry. With a history since 1950s, the industry has now turned one of the most successful pharmaceuticals manufacturing industry among the developing countries. Presently, the industry meets 97% of local demand and exports to more than 80 countries.

The industry has been experiencing robust growth over the last few years. A local industry supporting drug policy and effective regulatory framework, along with TRIPS relaxations are the key reasons for success of the industry.

While the industry is achieving self sufficiency, it yet procures 70% of raw materials from abroad. But developments are already taking place, with a number of firms now manufacturing raw materials locally. In addition, an API project has already been undertaken to accelerate the vertical integration within the industry.

The industry has been expanding locally and internationally. Local market grew at 23% in 2010, while import reached USD 50 Million landmark. A number of firms got accreditations from USA, UK, Australia etc. developed markets, and are underway toward expansion into the developed markets. Locally, firms are preparing themselves for post 2016 scenario, when TRIPS will be implemented. Almost all the firms are upgrading their facilities and taking up precautions for post 2016 scenario, while aggressively expanding in both local and export markets.

While TRIPS and import dependence on raw materials put challenges to the growing sector, prospect of the sector depends largely on the interactions among the players, regulatory bodies and the govt., whether they can meet up the requisites to continue growth of the sector while facing the challenges.

# **1.0 The Organization**

## **1.2 Introduction**

Eminence Associates for Social Development (EASD) emerged as a not-for-profit organization with its brand name 'Eminence' to reach out the health, nutrition, education, climate change, governance, poverty, livelihood, food security and human rights realm of Bangladesh alongside contributing its potential to invigorate the existing development system.

Eminence is a vibrant, rapidly growing NGO, working in social and public health research and development in Bangladesh. Eminence strives to bring about a progressive Bangladesh where people live in health equity. Eminence envisions reinforcing an extensively and intensively participatory society that will be sustainable in terms of healthcare, education, and economy locally as well as globally.

The Eminence head quarter is located in the Mohammadpur area of Dhaka city. The total floor space is approximately 7,000 sq. feet of which about 2,000 sq. feet is used for training purpose. The computerized library has around 20,000 books, journals, reports, etc. In addition it also has a physical library with more than 1500 books, journals, reports, etc. The organization is well equipped with communication and transport facilities and has its own in-house computer facilities for data management, word-processing, and for programming custom-made package to suit its requirements. The organization has experienced data management, processing and word processing staff including Information Technology Manager, programmer, computer operator and data entry operators.

Eminence is governed by an executive committee (EC), that meets once a year and provides policy guidance in line with Eminence's mission and changing environment. The EC selects one Chief Executive Officer (CEO), who assumes the responsibility of heading Eminence.

## **1.2 History**

Eminence can be described as evidence based development agency especially working in health, nutrition, food security, climate change, HIV/AIDS and human rights since August 2003. The organization has primarily intervened in the areas in Bangladesh where the society is malnourished as well as there is lack of public services such as access to health.

Since its inception in 2003, Eminence started its venture as a non-profit organization with a vision of creating a society where the people live in equity and health justice by their maximum potential. Eminence has emphasized working in the areas of Research, Program, Training, Behavior Change Communication, Advocacy and Influential Marketing all over Bangladesh. In collaboration with academic and research institutions throughout the world, Eminence conducts research as well as program-based activities to create, promote, disseminate and translate evidence based knowledge into practice ensuring health justice and developmental sovereignty. Eminence's approach is rigorous and evidence-driven and has proved to be extremely proficient in conducting national and local level advocacy for policy formulating and implementation. It has created a huge and strong network with national and international actors in development to raise voice for issues related to its thematic areas.

At present, Eminence, through its programmatic approach, is geographically covering all the districts of Bangladesh, reaching out at least 20 million people. The organization has established an office at each of the 11 districts of the country to reach out the people through community clinic. In addition the organization is operating with 72 permanent full-time staff as well as recruits part time researchers/consultants to carry out the whole range of activities.

For conducting several social, public health and developmental activities Eminence acquired registration from the Dhaka City Corporation (0600319) in 2003, from the Department of Social Welfare under the Ministry of Social Welfare (dh08440) in 2008 and the NGO Affairs Bureau (2632) in 2011.

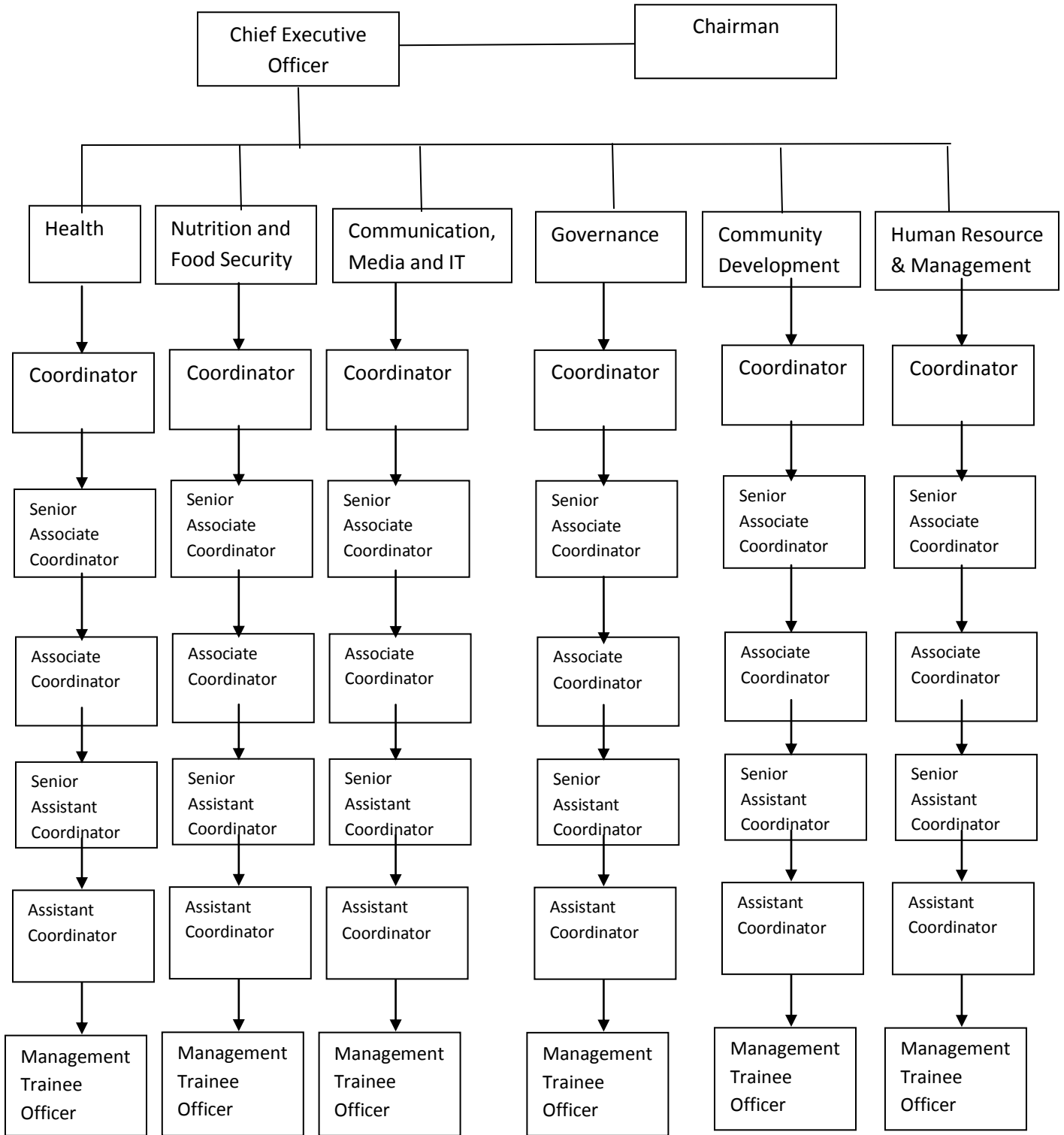
### **1.3 Service offerings**

Eminence began its journey since 2003 and walked a long way to reach today's stage. It had been a conscientious initiative by a group of eminent people who desperately recognized the overwhelming urge to work for underprivileged communities with regard to nutrition, food security, health, human rights, and social justice. The organization emphasized working in the areas of Research, Programme, Advocacy, Capacity Building, Behavior Change Communication (BCC) and Influential Marketing.

Eminence is prioritizing health and human potential that in turn make the country economically productive and equitable, socially and culturally justifiable and environmentally sustainable. The mission of the organization is to reinforce an extensively and intensively participatory society that will be sustainable in terms of healthcare, education, and economy locally as well as globally.



## 1.4 Operational Network organogram



### **1.5 Visions for the future**

Eminence is prioritizing health and human potential that in turn make the country economically productive and equitable, socially and culturally justifiable and environmentally sustainable. The mission of the organization is to reinforce an extensively and intensively participatory society that will be sustainable in terms of healthcare, education, and economy locally as well as globally.

In brief its vision is “Creation, promotion, dissemination and translation of evidence based knowledge into policy and practice, to ensure equity and health justice.”

## **2.0 Job**

### **2.1 Nature of job**

I have worked in Eminence as Management Trainee Officer under the Media, Communication and Information Technology department and got the chance to work in the field of media and communication. As a regular staff it was my duty to collect all the information of ongoing projects from each department and disseminate those through e-mail and facebook page. I needed to archive all the report and prepare news report for Eminence's website. Public relation was another part that I had to maintain. Stay in touch with the journalists, medical researchers, doctors and other stake holder of Eminence was my regular duty.

The employees of Eminence need to write two articles related with health sector in every month and I was assigned to publish those in different news paper by maintaining relationship with the media persons.

I got the chances to work with couple of teams of Eminence while they were making proposal and research paper for different projects.

## **2.2 Specific responsibilities of the job**

During my internship period as MTO, I was assigned with several tasks which I had to continue simultaneously.

I have designed a plan consists of different events to raise fund for Dr. Syed Ahmed Shabuj, who is a rare type cancer patient. I have studied all the research on ‘aliviar ribo sarcoma’, the report of the patient and wrote proposals asking fund for the treatment which was highly expensive. Those proposals were sent to different national and international donor organization. I have run a social media campaign for fund raising by creating a facebook page where the cancer patient could upload his feeling and condition with photographs on daily basis. I have arranged several human chains where a team of Eminence visits different Medical Colleges and Hospitals to create awareness about cancer. Many formal and informal meetings to raise fun were conducted by me where high level officials were involved.

I need to attend different meeting of Donors, International development agencies, Government and Mother NGOs for maintain alliances, submitting different project proposals and get the update information of ongoing projects.

It was my duty to collect all the information of ongoing projects of Eminence from each department and disseminate those through e-mail and facebook page. I needed to archive all the report and prepare news report for Eminence’s website. Public relation was another part that I had to maintain. Stay in touch with the journalists, medical researchers, doctors and other stake holder of Eminence was my regular duty.

The employees of Eminence need to write two articles related with health sector in every month and I was assigned to publish those in different news paper by maintaining relationship with the media persons.

I had made a list of people and their contact information that are important to Eminence. Ministers, Member of the Parliament, Government officials, Law enforcing agency member, Media personnel, Businessmen, Corporate person, National and international development activists, Foreign diplomats and Doctors were there. It helps to keep track in case of inviting them or sending our publication and some complimentary gift items during special occasions.

### **2.3 Critical observations and recommendations**

In Dhaka office around 100 people are working in Eminence. Most of the employees are very friendly and have the team playing attitude, on the other hand there are some serious bureaucracies in case of decision making. It is a centralized organization where all the decision must be approved by the Chief Executive Officer.

Eminence has a diversified brilliant work force but its monthly employee turnover rate is around 10%. Due to lack of motivation, good management practice, extending office hour informally up to 12 hours daily that is unproductive most of the time, cancelling government holiday and holding up the salaries for couple of months at a time. Few incidents of gender harassment took place by top officials but Chief Executive Officer had not taken any step against those.

## **Recommendations:**

- Since the CEO of Eminence is from medical background and lack of human resource management and other good practice management knowledge, he should appoint another CEO for couple of years who has a great experience and reputation about managing a NGO.
- There should be an organizational orientation program for the employees.
- One of the great recourse of Eminence is its young and brilliant employee but most of the time they were not assigned with the right task. So the department heads and the team leaders should be trained to manage the team efficiently.
- Most of the time due poor work distribution, employees need to do multi tasking which is not good all the time. So proper integrated work plan should be there.
- All the informal meetings and job should be done by 5:00 pm daily. Unnecessary compulsory staying after office hours reduces the individual work efficiency.
- Salaries should be paid immediately.
- Authority should take action against any kind of sexual harassment.
- There must be regular training program for the employees.

## **3.0 Project**

### **3.1 Executive Summary**

Pharmaceutical industry is one of the leading export earning sectors in Bangladesh. The economy is mostly depended on export earning since it facilitates the increase in export earning of the country. Every people in the society suffer from several diseases and need medicine for come round from diseases. So it has a potential market for growing out.

This report “**Marketing Strategy Evaluation; An Overview of Pharmaceuticals Industry in Bangladesh**”, a case study on the industry is prepared based on the Marketing promotion strategy of pharmaceuticals company. The report is about how Biopharma Laboratories Ltd and Beximco Pharmaceuticals Ltd differentiate their company from other competitors in terms of product performances, unique and effective promotion tools, image building activities, offering services etc. to gain customer satisfaction.

This report has parts like- Introduction, Overview of Pharmaceutical sector of Bangladesh, Main report – code and ethics on pharmaceutical promotion, types of Marketing promotion, Marketing promotional mix, Marketing Promotional activities for pharmaceutical companies and lastly conclusion and recommendation.

Since my topic of internship is Marketing and promotional tools for pharmaceutical companies, in the main report I discussed about various procedures of pharmaceutical promotion of pharmaceutical companies in Bangladesh and also the Marketing promotional activities of Biopharma Laboratories Ltd. and Beximco Pharmaceuticals Ltd.

Marketing Promotion is the key function of the company for selling more products and also gaining a competitive market share in pharmaceutical market and also increases the sales in international market. Marketing Promotional mix includes advertisement, sales promotion, personal selling, direct marketing, public relations, sponsorship, trade show etc. Advertising include Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails. Personal selling includes

Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Sales promotion includes contests, product samples, rebates, trade shows, and exhibitions. Public relations include Newspaper and magazine articles/reports, charitable contributions, issue advertising, and seminars and symposium. All the activities are briefly described in the report. In the main body of the report I also comprise the sales of Biopharma Laboratories Ltd. before marketing promotion and after marketing promotion.



## **3.2 Description of the project**

### **3.2.1 BACKGROUND OF THE REPORT:**

Knowledge and learning become perfect when it is associated with theory and practice. For any business student only curriculum activity is not enough for handling the real business situation, therefore, it is a requirement after the completion of Bachelor of Business Administration to involve with an organization to prepare a thesis report. So it is an opportunity for the students to know about the field of business through the internship program.

My assigned topic is “**Marketing Strategy Evaluation; An Overview of Pharmaceuticals Industry in Bangladesh**” which is assigned by my supervisor in the department. On the basis of working experience in the internship period I have prepared this report and I have tried my level best to relate the theoretical knowledge with the practical work situation.

### **3.2.2 OBJECTIVES:**

#### **Broad Objective:**

- To have a knowledge about the pharmaceutical sector in Bangladesh.
- To understand their local and global business of medicine.
- To find out what necessary manufacturing plant facilities are required to attract the buyer or foreigner and measures against those requirements.
- To understand what necessary certification required to export medicine in global market.
- To know the condition of process and quality control equipments exists can support to maintain quality.

**Specific Objectives:** The specific objectives of this report are as follows:

- To describe codes and ethics of pharmaceutical industry.
  - To describe all types of promotional tools used by pharmaceutical company.
  - To describe all types of promotional tools used by Biopharma Laboratories Ltd.
  - To describe the procedure of using promotion tools.
  - To describe the strategy for making a good promotion.
  - To describe the procedure of managing promotional tools.
  - To describe the procedure of benefits from promotion.
  - To identify the marketing mix framework of Beximco Pharmaceuticals Ltd.
- 
- To analyze how this framework runs.
  - To analyze their product strategy and measure its operation.
  - To analyze their pricing strategy and measure its application.
  - To analyze their distribution activities and product availability.
  - To measure their promotional/ marketing strategy.
  - To analyze how this 4p's are operated for customer satisfaction.
  - To identify Beximco Pharmaceuticals Ltd '4p' limitation.
- 

### **3.2.3 METHODOLOGY:**

#### **Types of Study**

It is a descriptive type of study. The methodology of this report is totally different from conventional reports. I have emphasized on the practical observation. Almost the entire report consists of my practical observation.

#### **Selection of Respondents**

Selections of respondents are two categories: marketing department personnel of the different pharmaceutical companies and personnel from the sales. The summary table below shows the key respondents of the proposed research.

Selected companies:

1. Square Pharmaceuticals Ltd. Bangladesh
2. Beximco Pharmaceuticals Ltd
3. Incepta Pharmaceuticals Limited
4. Eskayef bangladesh Ltd
5. Healthcare Pharmaceuticals ltd.
6. IBN Sina pharmaceuticals Ltd.
7. Incepta Pharmaceuticals Limited
8. Popular Pharmaceuticals Limited
9. Biopharma Laboratories Ltd
10. The ACME Laboratories Ltd.

From these I have chosen only Biopharma Laboratories Ltd and Beximco Pharmaceuticals Ltd for evaluating their marketing strategy.

### **Sources of Data**

The report is fully exploratory in nature. Data have been collected from both primary and secondary sources.

#### **Primary sources of data**

- Face to face conversation with the company officers and staffs.
- Informal conversation with the doctors, MPO, RMP.
- Exposure on different desk of the organization

#### **Secondary sources of data**

- Annual report of Biopharma Laboratories Ltd.
- Different manuals of Biopharma Laboratories Ltd.
- Different circulars of Biopharma Laboratories Ltd.
- Annual report of Beximco Pharmaceuticals Ltd.
- Different manuals of Beximco Pharmaceuticals Ltd.
- Different circulars of Beximco Pharmaceuticals Ltd.
- Unpublished data.
- Different textbooks.

- News papers.
- Different websites.
- Bangladesh Economic Review-2011.
- 

### **Methods of Data Collection**

The data have been used in this study are basically collected informally. This is totally an explorative study. As a result, data are collected by studying and reviewing the statement, circular and manuals of the organization. The relevant data was collected by informal discussion with the company officials regarding the business and promotion of the products that they produce to describe the present situation of pharmaceutical promotion in Bangladesh.

### **3.2.4 Limitations of the Study**

Like any other study the limitations of this study is not out of questions. Initially it is hard to do the research directly i.e. discussing with the representatives, field work to manage required important data, and others. Moreover majority good aims are present in this study but it has also some information gaps. These are given below:

- One of the notable limitations of this report is sales report is not disclosing some data and information for obvious reasons, which could be very much useful.
- It was not possible all the time for observing all the Marketing promotional tools used in pharmaceutical sector both in national and international.
- It was impossible to find out the exact effect of marketing promotional tools used in pharmaceutical industry.
- Entrance to every nock and corner of the organization was not possible for me.
- Due to limitation of time and researches constraint, it may be impossible to manage and investigate all the companies of the proposed country in terms of information collection.
- Most of the target pharmaceuticals are in competition and correspondent are buy with regulatory affairs. So due to that proper answer might not come out of the questionnaire.
- As a non- govt. Organization and competition, they won't be interested to share all the information.
- Published information might not be available as it is necessary.

## **3.3 Main Body of the Project**

### **3.3.1 An Overview of Pharmaceutical Industry in Bangladesh**

Pharmaceutical sector is one of the most developed hi tech sector which is contributing in the country's economy. Beginning in the 1950s, when a few multinationals and local entrepreneurs set up manufacturing facilities in the then East Pakistan, now over 200 companies produce now medicines in Bangladesh. After the promulgation of Drug Control Ordinance – 1982, the development of this sector was accelerated. The professional knowledge, thoughts and innovative ideas of the pharmacists working in this sector are the key factors for this development. Due to recent development of this sector we are exporting medicines to global market including European market. This sector is also providing 95% of the total medicine requirement of the local market. Leading Pharmaceutical Companies are expanding their business with the aim to expand export market. Recently few new industries have been established with hi tech equipments and professionals which will enhance the strength of this sector.

The pharmaceutical industry, however, like all other sectors in Bangladesh, was much neglected during Pakistan regime. Most multinational companies had their production facilities in West Pakistan. With the emergence of Bangladesh in 1971, the country inherited a poor base of pharmaceutical industry. For several years after liberation, the government could not increase budgetary allocations for the health sector. Millions of people had little access to essential life saving medicines. With the promulgation of the Drug (Control) Ordinance of 1982 many medicinal products considered harmful, useless or unnecessary got removed from the market allowing availability of essential drugs to increase at all levels of the healthcare system. Increased competition helped maintain prices of selected essential drugs at the minimum and affordable level.

Following the Drug (Control) Ordinance of 1982, some of the local pharmaceutical companies improved range and quality of their products considerably. The national companies account for more than 65% of the pharmaceutical business in Bangladesh. However, among the top 20 companies of Bangladesh 6 are multinationals. Almost all the life saving imported products and new innovative molecules are channeled into and marketed in

Bangladesh through these companies. Multinational and large national companies generally follow current good manufacturing practices (cGMP) including rigorous quality control of their products. The Drug Act of 1940 and its rules formed the basis of the country's drug legislation. Unani, ayurvedic, homeopathic and biochemical medicines were exempted from control under the legislation. The pharmaceutical industry was dominated by the foreign companies at that time. Even in the allopathic market there were extemporaneous preparations dispensed from retail pharmacies.

In 1981, there were 166 licensed pharmaceutical manufacturers in the country, but local production was dominated by eight multinational companies (MNCs) which manufactured about 75% of the products. There were 25 medium sized local companies which manufactured 15% of the products and the remaining 10% were produced by other 133 small local companies. All these companies were mainly engaged in formulation out of imported raw materials involving an expenditure of Tk 600 million in foreign exchange. In spite of having 166 local pharmaceutical production units, the country had to spend nearly Tk 300 million on importing finished medicinal products. A positive impact of the Drug (Control) Ordinance of 1982 was that the limited available foreign currency was exclusively utilized for import of pharmaceutical raw materials and finished drugs, which are not produced in the country. The value of locally produced medicines rose from Tk 1.1 billion in 1981 to Tk 16.9 billion in 1999. At present, 95% of the total demand of medicinal products is met by local production. Local companies (LCs) increased their share from 25% to 70% on total annual production between 1981 and 2000.

In 2000, there were 210 licensed allopathic drug-manufacturing units in the country, out of which only 173 were on active production; others were either closed down on their own or suspended by the licensing authority for drugs due to non compliance to GMP or drug laws. They manufactured about 5,600 brands of medicines in different dosage forms. There were, however, 1,495 wholesale drug license holders and about 37,700 retail drug license holders in Bangladesh. Anti-infective is the largest therapeutic class of locally produced medicinal products, distantly followed by antacids and anti-ulcerate.

There are three public sector drug manufacturing units. Two of them are the Dhaka and Bogra units of Essential Drug Company Ltd. (EDCL), which is functioning as a public limited company under the Ministry of Health and Family Welfare. EDCL produced medicines worth

Tk 964 million in 2000. There are separate vaccines and large volume IV fluids production units under the Institute of Public Health (IPH). The productions of both EDCL and IPH are mostly used in government hospitals and institutions. In 2000, there were 261 unani, 161 ayurvedic, 76 homeopathic and biochemical licensed manufacturing units. They produced medicines worth Tk 1.2 billion in 2000.

The annual per capita drug consumption in Bangladesh is one of the lowest in the world. However, the industry has been a key contributor to the Bangladesh economy since independence. With the development of healthcare infrastructure and increase of health awareness and the purchasing capacity of people, this industry is expected to grow at a higher rate in future. Healthy growth is likely to encourage the pharmaceutical companies to introduce newer drugs and newer research products, while at the same time maintaining a healthy competitiveness in respect of the most essential drugs.

Bangladesh, currently having more than a couple of hundred manufacturing facilities with huge potential in pharmaceutical formulations, is heading on a new path of industry economic for self-reliance. Aiming at minimizing the import dependency on basic drugs, the country's prime concern is about building up of own capability in the manufacturing of active pharmaceutical ingredients(APIs), base materials and other allied industry inputs. The sector is active in API (active pharmaceutical ingredients). Many companies now locally manufacture a good number of APIs. However, compared to large local demand, more API industries are needed to be set up. Pharmaceutical industries' potential has multiplied with the recently approved API industrial park in Munshigonj. The API can save at least 70 per cent of the cost of import of pharmaceutical raw materials from abroad. Skilled professionals at home and abroad are joining the industry's human resources pool every year. It is estimated that over \$250 million have been invested in this sector over the recent years for facility modernization and setting up of new facilities.

Pharmaceutical sector is capturing near about 12% of market capitalization which is the second largest. This position also indicates the positive sign for investment in pharmaceutical sector. The combined capacity of the industry for the pharmaceutical formulation is huge and a number of companies have recently got approval from UNICEF as its global as well as local supplier of pharmaceutical products.

Besides, out of the total domestic requirement of medicines almost 95 per cent is met by the local manufacturing and Bangladesh also exports formulations to 27 countries around the world. The current turnover of the industry in Bangladesh is Tk. 3,000 crore. Turnover from pharmaceutical sector is encouraging which is about 14% of total industry turnover is. This position also indicates the positive sign for investment in pharmaceutical sector. The pharmaceutical sector's overall sales crossed Tk 4,000 crore in 2008 for the first time, registering a record double-digit growth by many of the country's 258 companies. The growth rate and sales are given as Table,

Year	Sales (in crore)	Growth rate
2008	3380	18%
2009	3519	4.10%
2010	4075	15.80%
2011	4673	14.70%
2012	5126	9.7%

*Table 2.1: Year to Year sales of pharmaceutical product in Bangladesh*

According to industry sources, the formulation industry in Bangladesh currently grows at the rate of 22 per cent. According to Intercontinental Marketing Services (IMS), a global pharmaceutical market intelligence agency, Bangladesh medicine sales reached Tk 4,673 crore in 2011 and Tk 4,075 crores in 2010. With this estimate, the expected business in year 2012 is 5,126 crore Tk.

Though the country has all the potential to become a major global source of APIs and will also be able to produce drugs, which are still under patent protection, as the TRIPS Council meet at Doha has declared the least developed country (LDC) status to remain without patent regime till 2016, it needs active participation and contribution from local as well as foreign companies to build upon the capability.



### **3.3.2 KEY PLAYERS:**

Presently top pharmaceutical companies in Bangladesh are also in the process of getting into bulk drug production with collaborative technology, technology transfers and joint venture basis. The large-scale players in the Bangladesh pharmaceutical industry currently include Square Pharma, Incepta, Beximco, Opsonin, Alma, Apson Chemicals, FEI, Araneta, General Pharma, Hudson Pharma, Biopharma and SKF among others. The MNCs that have a major presence in the country's pharma sector are Aventis, Pfizer, Novartis, Glasko-Smith and Astra Zeneca.

Due to the branded generic nature of products, companies are usually able to charge a premium price, while enjoy stable position. As a result, the top performing companies in the industry are relatively consistent over the years, often along with their respective market position. The market leader is Square pharmaceuticals, which have enjoyed the top position since 1985. At present, it has a 19.19% market share. The next player is Incepta, followed by Beximco, Acme, Opsonin, and others. The top 10 firms are almost the same over the years, often with little change in order.

### **3.3.3 HEADING TOWARDS SELF SUFFICIENCY:**

There are about 450 generics/substances registered in Bangladesh. The total number of brands/ items that are registered in Bangladesh is currently estimated to be 5,300, while the total number of dosage forms and strengths are 8,300. The finished formulation-manufacturing base of Bangladesh is very strong and all of the pharmaceutical companies have their own manufacturing facilities. 96% of the total demand of Bangladesh is being met by local manufacturing. The remaining 4% basically constitutes import of very specialized products like Vaccines, Anticancer products etc. We have already become self-sufficient in some areas of Active Pharmaceutical Ingredients (APIs) namely, Penicillin, Cephalexin, NSAID and Anti-Pyretic. We have also developed some new and exciting APIs like Celecoxib, Refecoxib, Ciprofloxacin, Ranitidine, Amlodipine, and Fluconazole, Cetirizin etc., which have huge local and international demand.

### **3.3.4 HIGH TECH & HIGH QUALITY:**

The pharmaceutical industry of Bangladesh is now capable of producing drug products meeting the highest quality standard. It maintains high standard of Quality Assurance in the manufacture and control of drug and drug products. A competent regulatory known as the Directorate of Drugs Administration, Bangladesh ensures compliance of the manufacturing facility and practices with the requirements of CGMP (Current Good Manufacturing Practice) and regulations.

Bangladesh has manufacturing facilities meeting the highest CGMP requirements. Quality Control Laboratories are equipped with sophisticated equipment and meet the requirements of CGMP. Specifications and test methods for raw materials and drug products are based on British Pharmacopoeia (BP) , United states Pharmacopoeia (USP ) and European Pharmacopoeia (EP). Good Manufacturing Practice (GMP) is the basic concept for maintaining quality control of finished drugs and medicines. A few pharmaceutical companies in Bangladesh received internationally acclaimed “ISO 9001 & 9001:2000 Certificate” in recognition of their quality. For achieving such recognition the door has been opened and has got access to the Asian, European & African market for Bangladesh products. Quality Assurance System in place ensures that the facility, equipment, process and test methods are validated and instruments are calibrated. Qualified and trained personnel are employed in the manufacture and testing of drug products. Products are released only after review by Authorized person.

### **3.3.5 SOURCING RAW-MATERIALS:**

With regards to raw materials sourcing, the pharmaceutical manufacturers in Bangladesh procure raw materials from various countries namely UK, France, Germany, Japan, Holland, Italy, Denmark, China, Switzerland, Austria, Hungary, India, Ireland etc, In case of raw materials that are locally manufactured, we do not go for import.

### **3.3.6 INTERNATIONAL MARKETING:**

Bangladesh could fulfill the national aspiration of turning its pharmaceutical industry into an exporter of quality medicines. We have already started our overseas business and as our first move towards internationalization, we entered few overseas markets with the export of our

basic chemical. So far, we have exported our basic chemicals to few countries namely, Iran, Hong Kong, South Korea, Malaysia, Taiwan, Vietnam, Thailand and Nepal.

### **3.3.7 EXPORT: FROM API TO FINISHED FORMULATIONS:**

After being very successful in exporting basic chemicals, few leading companies also started registering and exporting their finished formulations in various countries namely, Russia, Pakistan, Myanmar, Vietnam, Sri Lanka, Nepal, Kenya and Yemen. Today, most of the leading pharmaceutical manufacturers of Bangladesh are involved in export operations. It is estimated that over \$250 million have been invested in this sector over the recent years for facility modernization and setting up of new facilities.

### **3.3.8 EXPORTING RANGE OF PRODUCTS:**

Bangladesh has been trying to fulfill the national aspiration of turning its pharmaceutical industry into an exporter of quality medicines. In mid 90's a few companies took initiatives to export pharmaceuticals from Bangladesh. Today, Bangladesh is exporting its pharmaceuticals to various countries like Bhutan, China, Columbia, European Union, Ecuador, Georgia, Germany, Hong Kong, India, Iran, Kenya, Kuraso, Kampuchea, Malaysia, Myanmar, Maldives, Mauritius, Mexico, Nepal, Pakistan, Philippines, Russia, Singapore, Sri Lanka, Sudan, South Korea, Laos, Tazakistan, Taiwan, Thailand, Tunisia, Uzbekistan, Ukraine, USA, Vietnam, and Yemen. It is worth mentioning that the world renowned hospitals & institutions like, KK Women & Children Hospital and Raffles Hospital of Singapore, MEDS of Kenya and Zinnah Hospital of Pakistan have been using the pharmaceutical products of Bangladesh. Bangladesh has been exporting wide range of products covering almost all therapeutic classes and dosage forms. Apart from exporting tablet, capsule, syrup, suspension, ointment etc., it also exports 'High Tech and Specialized products' like Metered Dose Inhalers (MDIs), Nasal Sprays, Suppositories, Large Volume Potentials (LVP) and small Volume Potentials (SVP). The year 2005 is going to open the door to "Enormous Export Opportunities" for Bangladesh Pharmaceutical Sector. Bangladesh will be allowed to manufacture and export patented drugs to 48 Least Developed Countries (LDC) of the world. Among all 49 LDC's Bangladesh is the only country which has a strong base in

Pharmaceuticals. The Country can fetch as much as 500 billion US Dollar by exporting pharmaceutical products.

### **3.3.9 QUALITY, PACKAGING & PRESENTATION IN EXPORT:**

The quality and efficacy of the products being exported from Bangladesh have been highly appreciated in all the countries we are exporting. All these products are gaining remarkable brand equity in most of the overseas markets. The packaging and presentation of the pharmaceutical products manufactured in Bangladesh are comparable to any international standard and have been highly appreciated by the doctors, chemists and patients of all the countries, we are exporting.

### **3.3.10 USFDA & MCA CERTIFICATE:**

Bangladesh is now on the verge of entering highly regulated overseas markets like USA and Europe. In this connection, three major pharmaceutical manufacturers have already made huge investments in their new plants/factories. One of the companies has already received MCA Certificate and has started exporting to Europe. The other two companies are also going to apply for USFDA and MCA Certifications.

## **3.4 Code and Ethics in Pharmaceutical Product Promotion/Marketing**

### **3.4.1 CODE OF PHARMACEUTICAL PRODUCT PROMOTION**

Code of Pharmaceutical Marketing Practices (CPMP) is an essential instrument to ensure the rational use of medicines. Formulation of this Code for Bangladesh will accord a new dimension to our continued efforts to develop the pharmaceutical services of our country.

Formulation of any policy or code of practices is not so difficult a task as it is to ensure its proper implementation. The responsibility for the appropriate practice of this Code is mainly attributable to the pharmaceutical manufacturers of our country and I am positive that they will shoulder this noble responsibility as one of their major objectives. I am also confident that the doctors and the pharmacists of Bangladesh will assure necessary professional compliance to the spirit of this Code. The Code of Pharmaceutical Marketing Practices, like any other such document, will require regular update in keeping with the developments in the health care sector. I hope that this important task would be taken care of in the future by the concerned organizations. The main code of pharmaceutical product marketing that are related to promotion are given in below

#### **Printed Promotional Materials**

A pharmaceutical company should provide the member of the health profession with a data sheet while promoting the product to him. The content of such data sheet should be approved by the licensing authority.

All other printed materials which is issued by the product license holder or with his authority should comply to the content of the data sheet and must include certain information specified hereunder in this code.

(i) Except for “abbreviated advertisements”, as defined in clause of this code, the following information must be given clearly and concisely on printed promotional material:

The name and address of the holder of the license, or the name and address of the part of his business, responsible for the promotion of the product.

A quantitative list of the active ingredients, using approved names where such exist, or other non-proprietary names; alternatively, the non-proprietary name of the product if it is the subject of an accepted monograph.

At least one authorized indication for use consistent with the data sheet.

A succinct statement of the information in the data sheet relating to the dosage and method of use relevant to the indications quoted in the advertisement and, where not otherwise obvious, the route of administration.

A succinct statement of the side -effects, precautions and contra indications relevant to the indications in the advertisement; the substance of the relevant information in the data sheet being given in a concise form.

Any warning issued by the Licensing Authority which is required to be included in advertisements.

(ii) The information required by Clause 3.1.3 (i) (d), (e) and (f) must be printed in such type and in such a position that its relationship to the claims and indications is readily appreciated by the reader.

(i) the requirements of Clause 3.1.3 do not apply in the case of an “abbreviated advertisement”. An “abbreviated advertisement” is one, the text of which contains in relation to the product no more than:

**The brand name of the product.**

The approved names of the active ingredients, where such names exist, or other non-proprietary names; alternatively, the non – proprietary name of the product if it is the subject of an accepted monograph.

The name and address of the product license holder, or the name and address of the part of his business responsible for the promotion of the product.

One indication for use or more than one indication provided that these are in accordance with the data sheet.

A concise statement, consistent with the data sheet, giving the reason why the product is recommended for such indication or indications.

A form of words which indicates clearly that further information is available on request from the license holder or is to be found in the data sheet relating to the product.

*(ii)* An abbreviated advertisement must always contain the information required by Clause 3.1.4 (i) (a), (b) , (c) and (f). The information required by Clause 3.1.4 (i) (d) and (e) is optional. An abbreviated advertisement must not include any illustration which is likely to convey any information about the product or imply claims which are additional to those provided in accordance with Clause 3.1.4 (i) (a) to (e) inclusive.

*(iii)* An abbreviated advertisement directed towards a doctor is permissible only when it constitutes an advertisement appearing in a publication sent or delivered wholly or mainly to doctors. A loose insert included in such a publication cannot be an abbreviated advertisement.

*(iv)* An abbreviated advertisement cannot appear as part of another promotional item, such as in a brochure consisting of a full advertisement for another of a company's products.

*(v)* An abbreviated advertisement is not permissible where the licensing authority has required a warning to be included in any advertisement relating to the medical product, and/or the licensing authority has issued a direction that abbreviated advertisements should not be issued.

Promotional materials, such as mailings and journal advertisements, must not be designed in a manner which may obviously defeat its purpose.

Promotional material should conform, both in text and illustration, to the standards of good taste and should recognize the professional standing of the recipients. Relevant human figures and photographs may be used in promotional materials subject to approval of licensing authority. Such illustration should respect the tradition, culture and social values of the people of Bangladesh.

Doctors' names, photographs or a prominent portrait must not be used in a promotional material or in any other way by which any individual doctor may be identified or the ethical code of the medical profession is contradicted.

Promotional materials should not imitate the devices, copy slogans or general layout adopted by other companies in a way that is likely to mislead or confuse.

Where appropriate, for example, in technical and other informative material, the date of printing or the last review should be stated.

No advertisement included in a journal may consist of more than two consecutive pages.

Postcards, other exposed mailings, envelopes or wrappers should not carry matter which might be regarded as advertising to the lay public or which could be considered unsuitable for public view.

Telephone and Telex messages must not be used for promotional purposes.

In a two page journal advertisement only one page need include the information required by Clause 3.1.3 of the Code provided that the other page (except where it faces the page on which the information is printed) includes a reference, on an outer edge, in at least 8 point type, indicating where that information appears. Where the two pages of the advertisement are not facing, neither must be false or misleading when read in isolation. Where an advertisement consists of a double -sided insert in a journal, neither side must be false or misleading when read in isolation.

In a multi-page advertisement, the information required by Clause 3.1.3 of the Code must appear on one or more continuous pages and where such an advertisement consists of more than four pages, the advertisement must include a clear indication as to the location of this information.

Promotional materials should be used within two years of its approval by the licensing authority. However, fresh approval may be obtained for further use.

### **References to Official Bodies**

Promotional material should not include any reference to the Committees formed by the government or to the licensing authority, unless this is specifically required by the licensing authority.

### **Art Work, Graphs, Illustrations Etc.**

Illustrations must not mislead as to the nature of the claims or comparisons being made, nor as to the purposes for which the product is used; nor should illustrations distract from warnings or contra-indications.



Art work illustrations must conform to the letter and the spirit of the Code. Graphs and tables should be presented in such a way as to give a clear, fair, balanced view of the matters with which they deal, and should only be included if they are relevant to the claims or comparisons being made.

Graphs and tables must not be used in any way which might mislead; for example, by their incompleteness or by the use of suppressed zeros or unusual scales.

### **Reprint, Abstracts and Quotations**

It is only permissible to include in promotional material reasonably brief abstracts of, or quotations from, articles by members of the medical profession and to include in such materials reference to doctors names in a bibliography of published works. In no case, however, should doctor's names be used in a prominent manner in promotional material.

Quotations from medical literature, or from personal communications received from doctors, must accurately reflect the meaning of the author and the significance of the study.

Quotations relating to medical products taken from public broadcasts (e.g. audio and television) and from private occasions, such as medical conferences or symposia, should not be used without the written permission of the speaker.

The utmost care must be taken to avoid ascribing claims or views relating to medical products to authors when such claims or views no longer represent or may not represent the current views of the authors concerned.

### **Distribution of Printed Promotional Material**

Promotional material should only be sent or distributed to those categories of health-care professionals whose need for; or interest in, the particular information can reasonably be assumed.

Any information designed to encourage the use of medical products in clinics, industrial concerns, clubs or schools must be addressed to the medical staff only.

Mailing lists only include those healths -care professionals as defined in this code. Requests from doctors to be removed from promotional mailing lists must be complied with promptly and no name may be restored except at the doctor's request or with his permission.

### **Audio -Visual Material**

Audio-visual material qualifying as promotional material must comply with all relevant requirements of the Code, with the exception of Clause 3.1.3.

When audio-visual material is used to promote a product, the information required by Clause 3.1.3 (i) of the Code must be provided either by way of a document made available to all persons to whom the material is played or shown, or to whom it is sent or except in the case of material which consists of sound only, by way of inclusion as part of the audiovisual material.

Wherein the information required by Clause 3.1.3 (i) is provided as part of the audio-visual material, it must appear visually in or with the advertisement and be of sufficient clarity and duration that it can be read easily.

Audio-visual promotional material is subject to the certification requirements of Clause

### **Material Reproduced On Television, Apparatus, Visual Display Units and the Like**

Promotional material which is made available to hospitals, doctors, pharmacists etc., by systems which enable the material to be accessed and reproduced on to television apparatus, visual display units and the like, must comply with all relevant requirements of the Code, with the exception of Clauses 3.1.3 and 3.1.14. Such material includes view data systems, memory discs and the like, but not video-tapes, which come within the scope of Clause 3.8.

The obligatory information required by Clause 3.1.3 (i) (a) – (f) must be available through the system conveying the promotional material and instructions for accessing that information must be displayed with the promotional material.

Promotional material made available in this way is subject to the certification requirements of Clause 3.9.

### **Certification of Printed Promotional Material**

No promotional material shall be issued unless the final text and layout have been certified on behalf of the company by an authorized person in the manner provided by this clause. The authorized person shall be a pharmacy graduate or a medical graduate. The authorized person may be a full time employee of the company or retained by the company. The retainer ship of an individual by more than one company is not allowed.

The names of authorized persons, together with their qualifications, shall be notified in advance to the licensing authority. Changes in the names of the authorized persons must be promptly notified to the Licensing Authority.

The certificate shall certify that the signatories have examined the material in its final form that in their belief it is in accordance with the requirements of the relevant advertising regulations and this Code of Practice, is consistent with the product license and the data sheet, and is a fair and truthful presentation of the facts about the product.

Companies shall preserve all certificates, together with the material in the form certified, for not less than three years and produce them upon request from the Licensing Authority or the appropriate committee formed by the government.

The foregoing procedure shall apply, with the necessary variation, to audio-visual material prepared by or on behalf of companies in accordance with Clause 3.6, to promotional material provided by or with the authority of companies for reproduction on television apparatus, visual display units and the like in accordance with Clause 3.8.

### **Suspension of Advertisements or Practices**

In the event of the Code of Pharmaceutical Marketing Practices Committee (CPMPC) requiring a company to suspend a practice or the use of an advertisement pending its decision on a complaint relevant to the safe or proper use of the product; the company shall comply forthwith.

#### Medical Representatives

Medical Representatives must be adequately trained and possess sufficient medical and technical knowledge to present information on the company's products in an accurate and responsible manner.

Medical Representatives should at all time maintain a high standard of ethical conduct in the discharge of their duties.

The requirements of the Code which aim at accuracy, fairness, balance, and good taste apply to oral representations as well as printed material.

Unfair or misleading comparisons must be avoided by Medical Representatives.

Claims made for products by medical representatives must be limited to the indications permitted by the product license.

Medical representatives must not employ any inducement or subterfuge to gain an interview. No payment of a fee should be made for the grant of an interview.

Medical representatives must ensure that the frequency, timing and duration of calls on doctors, or on hospitals, together with the manner in which they are made, do not cause inconvenience. The wishes of an individual doctor, or the arrangements in force at any particular establishment, must be observed by medical representatives.

Medical Representatives must take adequate precautions to ensure the security of medical products in their possession.

Medical Representatives must not use the telephone to promote products to the medical profession unless prior arrangement has been made with individual doctors.

Medical representative's compensation should be such so as not to encourage unethical practices.

When discussion about a product is initiated by a medical representative, he should be able to place before the doctor for reference, on request by the doctor, the approved data sheet of the product.

Companies should prepare detailed briefing material for medical representatives on the technical aspects of any product which the medical representative is to promote. Briefing material must comply with the relevant requirements of the Code and, in particular, is subject to the certification requirements.

Medical representatives should not make a claim for a product based on the regulatory management of that product, or of competing products, or based on any warnings issued in relation to other products, unless in accordance with a specific requirement. However, a medical representative may refer to such matters in answer to a specific question.

A company may only employ as medical representatives persons who are graduates in science and have undergone at least 4 weeks training on the relevant fields.

## **Sample**

Where the company so desires samples of pharmaceutical products may be supplied to the medical and allied professions to familiarize them with the products, to enable them to gain experience with the product in their practice, or upon request.

Free samples for legally available medicines may be provided in modest quantities to the prescriber.

Free samples for legally available non -prescription medicines should not be provided to the general public for promotional purpose. However, subject to the approval of the Licensing Authority, exceptions may be made with certain categories of medicines, which may be distributed to the general public or to certain groups of people for promotional purpose. Such categories of medicines may include nutritional supplements, oral rehydration substances, birth spacing medicines & devices etc.

No samples should be mailed to doctors except in response to a request. Samples which are sent by post must be packed so as to be reasonably secured.

Where samples of “Prescription only” products are distributed by a representative, the sample must be handed direct to the doctor or given to a person authorized to receive the sample on his behalf. A similar practice must be adopted for products which would be unsafe to use except under medical supervision.

Distribution of samples in hospitals should comply with individual hospital regulations, if any.

## **Gifts and Inducements**

Subject to Clause 19-2, no gift or financial inducement shall be offered or given to members of the medical profession for purposes of sales promotion.

Gifts in the form of articles designed as promotional aids, whether related to a particular product or of general utility, may be distributed to members of the medical and allied professions provided the gift is not unreasonably expensive and relevant to the practice of medicine or pharmacy.

The requirements of Clause 3 or Clause 4 do not apply if a promotional aid of the type mentioned in Clause 19 -2 bears no more than one or more of the following particulars:

**The name of the product.**

The name of the product license holder or the name of that part of his business responsible for the promotion and/or sale of the product.

The address of the product license holder or the address of the part of his business responsible for the sale of product.

An indication that the product name is a trade mark.

For the promotional and of the type mentioned in clause 19.2 if brand name is mentioned it must also carry the generic name of the product and the company identity.

**Hospitality**

Entertainment or other hospitality offered to members of the medical and allied professions for purpose of sales promotion should always be secondary to the main purpose of the meeting. It should not extend beyond members of the professions. The level of hospitality should be appropriate and not out of proportion to the occasion.

Relations with the General Public and Lay Communication Media:

Requests from individual members of the public for information or advice on personal medical matters must always be refused and the enquirer recommended consulting his or her own doctor.

Medicines which cannot legally be sold or supplied to the public otherwise than in accordance with a prescription, or which are legally limited to promotion for sale or supply only on prescription, must not be advertised to the general public.

(a) Pharmaceutical products may be classified as :

- (i) Prescription only medicines, and
- (ii) Over the counter drugs.

The licensing authority will determine the classification of a product. Advertisement to the general public in lay press may be permitted for over the counter medicines subject to prior approval of the licensing authority.

Statements must never be designed or made for the purpose of encouraging members of the public to ask their doctor to prescribe a particular product.

Information about medical products or matters related thereto, including scientific discoveries or advances in treatment, should not in general be made available to the general public either directly or through any lay medium.

The importance of such information and the existence of legitimate public interest in acquiring it may exceptionally justify holding a press conference or the issue of a press release. Invitations to attend such a conference, or the distribution of such a press release, should be confined to persons who are qualified either in medical, pharmacy or nursing profession, or established as the representatives of the medical, pharmaceutical or scientific press, or as the medical correspondents of a responsible medium. In the circumstances set out above as to the significance of the information, and in response to an unsolicited enquiry from a person of the standing described, information may also be released in an informal manner.

A further exception may be acceptable when there exists a genuine mutual interest of a financial or commercial nature justifying the disclosure of information about medical product or related matters privately or to a restricted public. Examples are the interests of shareholders, financial advisers, employees and creditors.

On all occasions the information whether written, or communicated by other means, must be presented in balanced way so as to avoid the risk of raising unfounded hopes of successful treatment or stimulating the demand for prescription of the particular product.

An announcement of the introduction of a new medical product must not be made by press conference or formal press release until the appropriate steps have been taken to inform the medical profession of its availability.

### **3.4.2 ETHICS IN PHARMACEUTICAL PRODUCT PROMOTION**

Pharmaceutical companies have come under increasing scrutiny for their promotional practices (manner in which they market and sell their products to healthcare professionals and the general public), especially in light of allegations of misleading advertisements on prescription drugs and improper gifts to physicians.

Unethical drug promotion and marketing of substandard and unnecessary drugs in Bangladesh were very common before 1982. Instead of producing essential drugs, most drug manufacturers manufactured nonessentials such as vitamins, tonics, enzymes, gripe waters and cough mixtures. Of the 300 pharmaceutical companies in Bangladesh, only the 20 to 25 top ones produce drugs of standard quality. Numerous small companies market substandard drugs in the country. Fake or substandard medicines, including lifesaving ones, with an estimated worth of US\$ 150 million per year, are flooding the domestic market. Good Manufacturing Practice (GMP) is a major criterion to maintain standard quality in drugs, and it was one of the principal objectives of the National Drug Policy to ensure standard manufacturing practices for drug manufacturers.

But there are some 265 pharmaceutical companies in Bangladesh that do not follow or comply with GMP. It is widely alleged that adulteration flourishes in the country because of poor government vigilance and supervision over drug manufacturers and sellers. Unfortunately, a section of corrupt physicians and government officials is involved in these underhand dealings. The government states that it has limited workforce and facilities to handle difficult situations with the country's fast expanding pharmaceuticals sector. In fact, the regulatory authorities have given scant attention to quality matters in Bangladesh. Inadequate supply of essential drugs, substandard quality, uncontrolled drug prices and inappropriate uses of drugs are major problems in Bangladesh. The drugs control authorities should be better equipped and more vigilant to handle difficult situations. Health professionals and drug manufacturers should be more committed to achieve the goals of the National Drug Policy.

All the pharmaceutical group affiliates engaged in the promotion of prescription pharmaceutical products must adhere to promotional practice policies and guidelines based on the following principles:



- Promoting misleading or false claims about a drug should be change.
- Deliberately suppressing risks and side effects of a drug.
- Providing financial incentives to doctors for prescribing a drug to consumers should be stopped.
- Using disease awareness campaigns for drug promotion rather than health promotion.
- Promotional practices must be consistent with patients' benefit, must be ethical and must be in good taste;
- Information provided must take account of customer needs and must be based on product information as it has been approved by the local authority, derived from the approved Basic Product Information;
- Event sponsorship must be clearly disclosed and the primary objective of a meeting must be scientific in nature;
- Hospitality must be appropriate, in good taste consistent with local practices and secondary to the main purpose of the meeting;
- Gifts must be modest and relevant to the practice of medicine;
- Personal incentives to prescribe are prohibited;
- Samples must be handled with the prime objective of familiarizing the customer;
- Sales representatives must have appropriate training and product knowledge;
- Post-approval studies must be conducted in accordance with the referenced guidelines and local laws; and
- Compensation for healthcare professionals must be provided only for actual, reasonable and necessary services.

## **3.5 Pharmaceutical Marketing Promotion**

Promotion involves disseminating information about a product, product line, brand, or company. It is one of the four key aspects of the marketing mix. (The other three elements are product marketing, pricing, and place).

**“Promotion is all about companies communicating with customers”.**

The Marketing promotion of pharmaceutical products is the linchpin of the marketing mix. Promotion is the vehicle by which the product, its price and methods of distribution should be described to the firm’s audience in a way that is both coherent and persuasive. Definition: “what and how markets are informed of the firm’s product, place and price.”

Marketing Promotion, especially advertising, tends to have more glamour than do the other mix components. It is certainly more visible and often appears to be more creative. The other elements are of little value unless their advantages are communicated to those who need to know. On the other hand, promotion cannot long succeed if the other elements of the marketing mix are unsatisfactory.

Marketing Promotion can sell a good promotion or service, but it cannot take the place of it or sustain poor products or services for long.

### **TYPES OF MARKETING PROMOTION:**

Promotion is generally subdivided into two parts that are given as figure,

#### **Above the line promotion:**

Promotion in the media (e.g. TV, radio, newspapers, Internet and Mobile Phones) in which the advertiser pays an advertising agency to place the ad.

#### **Below the line promotion:**

All other promotion. Much of this is intended to be subtle enough for the consumer to be unaware that promotion is taking place. E.g. sponsorship, product placement, endorsements, sales promotion, merchandising, direct mail, personal selling, public relations, trade shows.

#### **Drug promotion method:**

The aim of drug promotion is to persuade people to buy more drugs and/or to pay higher prices. This is done by increasing the perceived value of the drug via one or more of several approaches including;

- Increasing the perceived frequency and/or severity of the indications.
- Widening the indications to include more people.
- Increasing the perceived likelihood and magnitude of benefits.
- Decreasing the perceived likelihood and magnitude of harms.
- Increasing the use of the drug of longer durations.

The main aim of promotion is not to inform but to persuade. Consumer goods advertisements rarely convey much information about the feature of the product. Instead the emphasis of much advertising is on associating consumption of the product with positive feeling.

Doctors are the main targets for the promotion activities of drug companies in developing countries. With the power to prescribe and a high status in society and their opinion of a drug very often determines its sales success. It is therefore not surprising that the majority of marketing expenditure by industry leaders go towards direct-to-direct (DTD) promotion.

Health professionals are targeted by companies mainly via medical representatives and advertisements placed in medical journals or brochures that are sent directly to the doctors.

Most of the drug manufacturers try to identify the customers' behavioral pattern as sophisticated marketing techniques to motivate them to move one or more stages towards repeat use of their drugs. Each move requires motivation and decision making, so drug companies study how to understand human motivation and decision-making.

### **COMMUNICATION STRATEGY IN PROMOTION:**

From the above table we find that the main channel alternatives, ranging from non personal to personal, and unpaid to paid. The main activities of pharmaceutical marketing communications namely advertising, personal selling, public relations, and sales promotion, as well as web communications. These activities are collectively called the promotional mix.

They have a triple purpose:

- 1 To provide information,
- 2 To persuade and
- 3 To remind.

Furthermore, a communication strategy is the design, planning, implementation, and controlling of integrated communication activities. As the below figure shoes, the strategy is

involved with four different aspects of communication, namely, the selection of the message, target, medium, and frequency most suitable to the particular pharmaceutical product.

**MARKETING PROMOTIONAL MIX:**

The main elements of the promotional mix have been mentioned as collection of all the promotion activities. Advertising is defined as a non personal, paid communication about an organization, product, or idea by an identified sponsor. Personal selling is direct communication with customers to generate a response and/or a transaction. Public relation is the evaluation of public attitudes and the execution of plans to gain public understanding and acceptance. Furthermore, sales promotion is providing extra value or incentive to customers to purchase a product. The characteristics of each of these promotional channels as they relate to the pharmaceutical marketing are summarized in below table.

<b>P A I D</b>	<b>Advertising Direct marketing Sales promotion In-pharmacy display</b>	<b>Personal selling</b>
<b>U N P A I D</b>	<b>Publicity</b>	<b>Word-of-mouth</b>
	<b>Non-personal</b>	<b>Personal</b>

Table: communication tactics in promotion mix of pharmaceutical.

### **Types of Pharmaceutical promotion mix:**

There are mainly four types of pharmaceutical promotion mix that are given as figure, Above the four promotional tools are the main promotional tools in pharmaceutical promotion mix but there are another two promotional tools in promotion mix that are direct marketing and sponsorship.

### **Advertising**

Any paid presentation and promotion of ideas, goods, or services by an identified sponsor. There are several types of advertisement for example, Print ads, radio, television, billboard, direct mail, brochures and catalogs, signs, in-store displays, posters, motion pictures, Web pages, banner ads, and emails.

### **Personal Selling**

A process of helping and persuading one or more prospects to purchase a good or service or to act on any idea through the use of an oral presentation. Personal selling involves selling a product or service on a one to one basis. This can either be done face to face or over the phone. If the organization is using a pull strategy to sell the product a sales force will be required to make sure that retail outlets are looked after well, that they have enough stock, are trained well so they can push the product onto the consumer. With a push strategy the sales force will need to try and persuade retail outlets to carry stock of ones product. *Examples:* Sales presentations, sales meetings, sales training and incentive programs for intermediary salespeople, samples, and telemarketing. Can be face-to-face or via telephone.

### **Sales promotion**

Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. The aim of sales promotion is to increase short term sales and increase in-store or web traffic. *Examples:* Coupons, sweepstakes, contests, product samples, rebates, tie-ins, self-liquidating premiums, trade shows, trade-ins, and exhibitions.

### **Public relations**

Paid intimate stimulation of supply for a product, service, or business unit by planting significant news about it or a favorable presentation of it in the media. Managing public relations is very important for the organization. Image in marketing is everything. Having a good image helps the organization develop a trust and a bond between themselves and their customers. This good will is invaluable. Examples: Newspaper and magazine articles/reports, TVs and radio presentations, charitable contributions, speeches, issue advertising, and seminars.

### **Sponsorship**

Sponsorship is about providing money to an event, in turn the product or company is acknowledged for doing so. For example in different trade show sponsors all the arranging cost or part of the cost to that show.

### **Direct Marketing**

The aim of direct marketing is to create one to one relationships with the organizations target market. Direct marketing can come in the form of post, email, telephone calls and mail order. The company usually contacts a named person at the address.

### **Viral Marketing**

Viral marketing occurs when consumers pass on or recommend your product/company/website to others. This could be via email, or bulletin boards or word of mouth. There have been many well known online viral marketing campaigns. These include The Blair Witch Project and the establishment of Hotmail as a leading free email provider.

### **Product factors:**

The product factor that influence the promotional mix of pharmaceutical products are given below,

#### **1 Nature of product**

In deciding the proper promotional mix it should consider the nature of the product because the promotional tools and strategy differ from product to product.

## **2 Risk/benefit relationship**

In risk and benefit relationship here the firm should consider and measure the risk and benefit relationship of the product.

## **3 Degree of exploration required for successful use**

If there is excessive promotion or less promotion for promoting a product then there should be degree of exploration required for successful use.

## **4 Potential for demonstration.**

If there is no potential for demonstration of the promotional tools then the promotional budget will face in loss. So there should be considering the potential for demonstration.

### **Market factors:**

The major market factor that should consider in setting promotional tools for pharmaceutical product are given as below,

#### **a. Position in the life cycle**

Before deciding the promotional mix of pharmaceutical companies there should be consider the position of the product in its lifecycle. If the product is at its introduction and growth stage then the promotional budget should increase. On the other hand if the product is at maturity and decline stage then the promotion should be decrease or in constant rate.

#### **b. Market share**

In deciding the promotional mix the firm should decide the market share of the product. If it wants more market share then the promotional mix should increase.

#### **c. Industry concentration**

The promotional mix varies from industry to industry. For example the promotional tools for pharmaceutical industry and the promotional tools for mobile industry are not same.

#### **d. Intensity of competition**

If there is more competition among the companies then the promotional tools should be meaningful on the other hand the company will lose its market share.

#### **e. Demand perspectives**

If the market has a low demand then the promotional tools do not play vital role for increasing the sales of the company. On the other hand if there is high demand in the market then there should be more promotional tools for acquiring more market share.

## **f. Generic competition**

The manager of any company should consider the generic competition of the industry. In generic competition the firm also needs to consider the position of the firm in the market,

### **Customer factors:**

Customer is the king of any types of company. In terms of promotional mix of pharmaceutical company the firm should consider some customer factor that are given as below,

#### **1 Hospital or drug store**

In terms of pharmaceutical promotional tools the company should consider from where the customer will collect their product.

#### **2 Customer power**

Here the firm should consider the bargaining power of the product. In terms of pharmaceutical product here the bargaining power of customer is lower than other types of product.

#### **3 Physical distribution considerations**

In pharmaceutical promotion the firm should consider the physical distribution system of the firm.

### **Environmental factors:**

#### **1 Regulatory controls**

In any types of promotion in pharmaceutical products there are some rules and regulations that should be consider.

#### **2 Social climate**

Social climate is one of the most effective factors that influence the promotional tools in pharmaceutical companies.

### **Budget Factors:**

#### **1 Financial resources of the organization**

All the activities of any organization depend on financial position of that organization. In terms of pharmaceutical promotion the firm should consider the financial resources of the organization.



## **2 Traditional promotional perspectives**

Promotional tools are those gift items and other incentives provided to those who are involved with that product purchase and sell. So the pharmaceutical company should consider the traditional promotional perspective of the company's product.

## **3.6 Frame Work of Marketing and Promotional Strategy Evaluation**

### **Marketing mix in details**

Marketing decisions generally fall into the following four controllable categories:

- Product
- Price
- Place (distribution)
- Promotion

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response.

### **Product Decisions**

The term "product" refers to tangible, physical products as well as services. Here are some examples of the product decisions to be made:

- Brand name
  - Functionality
  - Styling
  - Quality
  - Safety
  - Packaging
  - Repairs and Support
  - Warranty
  - Accessories and services
- 
- 
-

## **Price Decisions**

Some examples of pricing decisions to be made include:

- Pricing strategy (skim, penetration, etc.)
  - Suggested retail price
  - Volume discounts and wholesale pricing
  - Cash and early payment discounts
  - Seasonal pricing
  - Bundling
  - Price flexibility
  - Price discrimination
- 

## **Distribution (Place) Decisions**

Distribution is about getting the products to the customer. Some examples of distribution decisions include:

- Distribution channels
  - Market coverage (inclusive, selective, or exclusive distribution)
  - Specific channel members
  - Inventory management
  - Warehousing
  - Distribution centers
  - Order processing
  - Transportation
  - Reverse logistics
  -
- 

## **Promotion Decisions**

In the context of the marketing mix, promotion represents the various aspects of marketing communication, that is, the communication of information about the product with the goal of generating a positive customer response. Marketing communication decisions include:

- Promotional strategy (push, pull, etc.)
-

- Advertising
  - Personal selling & sales force
  - Sales promotions
  - Public relations & publicity
  - Marketing communications budget
-

## **3.7 Marketing Strategy Evaluation**

### **3.7.1 Marketing mix factors of Biopharma Laboratories Ltd.**

#### **Promotional Planning:**

The promotional planning process involves the following activities,

1. Identify target audience,
2. Determine desired response
3. Decide on the message
4. Select media, and
5. Evaluate responses.

A promotional campaign's target audiences may include academic professors, prescribers, hospital administrators, pharmacists, nurses, patients, the media, and the general public. Identifying the exact audience requires a thorough knowledge of customer needs, market characteristics, competitive activities, and the product's own characteristics. Thus, the collection of secondary and primary data is paramount to this decision. Furthermore, the selection of a push versus a pull approach, the customers' adoption stage, and the product life cycle are some of the important aspects of target audience selection.

Determining each audience's desired response also comes from the knowledge of their needs, wants, and purchasing behaviors. Multifunctional teams of a pharmaceutical organization, including marketing, sales, market research, and medical marketing professionals should evaluate these responses with each member. Deciding on promotional messages is also related to the customers, market, product characteristics, and promotional objectives. The latter may be image building, the product's differentiation or positioning, or a direct customer response.

## Marketing promotion tools used by Biopharma Laboratories Ltd.

### **Advertising:**

Advertisements used by **Biopharma Laboratories Ltd.** are given as below.

### Print ads

In pharmaceutical industry it is strictly maintain some rules and regulations for printed advertisement. **Biopharma Laboratories Ltd.** use some printed materials for their advertisement for example printed advertisement for medicine store and RMP chamber and also some place where all the activities are surround to pharmacy.

In terms of printed advertisement BLL use several media for their printed advertisement that are given as below,

#### **a. Newspaper**

**Biopharma Laboratories Ltd.** provides its advertisement in newspaper in terms of recruiting new employee most of the time for recruiting MPO. As of government rules and regulation, no pharmaceutical company cannot display their product advertisement through newspaper. So the company provides newspaper advertisement when it published any vacancy announcement.

#### **b. Magazine**

In terms of pharmacy related magazine **Biopharma Laboratories Ltd.** provides advertisement in that magazine. Here the company can provide an overview of the company and also the product catalogue.

#### **c. Journal**

With the help of medical journal most of the pharmaceutical company provides their advertisement and also try to involve with that magazine. **Biopharma Laboratories Ltd.** involved them in publishing such types of journal and provides information for their customers.

#### **d. Show card**

Show card are one type of brochures that are given by the company to its drug promoter to get knowledge about the new and upcoming product. Show card also help the firm to increase the sales of the company.

#### **Direct Mail**

**Biopharma Laboratories Ltd.** sometimes uses direct mail as tools for promoting their product both in country and in foreign market. They mail to the doctor, and other party in foreign market who are involved in trading pharmaceutical product.

#### **Brochures and Catalogs:**

**Biopharma Laboratories Ltd.** use brochures and catalogs for introducing their product in new market. They provide catalog which contain the product name and price and also contains overall information about the product. These types of promotional material are widely used in international marketing. As brochures and catalogue BLL use leaflet and show card.

#### **In-Store Displays:**

At present **Biopharma Laboratories Ltd.** use in-store promotion for promoting their product. In in-store promotion here Biopharma convince the pharmacy owner and take space in shelf for placing the **Biopharma Laboratories Ltd.**'s product.

#### **Posters:**

In several trade show and product inauguration ceremony and launching new or existing product in international market **Biopharma Laboratories Ltd.** use posters as tools for promoting the products.

#### **Web pages:**

Now a day's online advertisement is widely used for promoting pharmaceutical products. **Biopharma Laboratories Ltd.** has its own website for promoting their products and also places their product in some sites for exploring new international market.

### **Banner Ads:**

**Biopharma Laboratories Ltd.** uses banner in several pharmacy and sometimes they use banner ad for increasing public awareness in several issue and also they use banner ads in several trade shows and also promote their products in international market.

### **E-mail:**

**Biopharma Laboratories Ltd.** uses e-mail as a tool for promoting their products. Through e-mail **Biopharma Laboratories Ltd.** mail doctors and pharmacists and also foreign delegates in several occasions.

### **Personal selling:**

#### **a. Sales presentations**

**Biopharma Laboratories Ltd.** arranges sales presenting in several times with their Medical Promotion Offices and it also helps the MPO to explore new tactics for promoting the company products.

#### **b. Sales Meetings:**

Sales meeting is one of the effective means of promotion. Company arrange sales meeting with the MPO, regional sales manager, and employee of the sales department and the employee of PMD. Through sales meeting the company gives incentive to the successful sales personal and the successful MPO of the year and these types of program motivate other employee of the company and they always try to improve or increase the company sales.

### **Sales Training and Incentive Programs for Intermediary Salespeople:**

Many company use training as a promotion tool. **Biopharma Laboratories Ltd.** use training as an effective tools of promotion. As a means of promotion **Biopharma Laboratories Ltd.** train up to its MPO, RMP, doctors and pharmacy owner. Training arranged by **Biopharma Laboratories Ltd.** are given as below,



**a. Training to MPO**

**Biopharma Laboratories Ltd.** provide training to its Medical Promotion Officer (MPO) to provide better knowledge about the new and existing medicine of the company product and the product from the competitors. Through the training the company also teaches their MPO's new technique about promoting the company product at the same time increase the sales of the company.

**b. Training to RMP**

To promote the company product the company arranges training to the Rural Medicine Practitioner (RMP) to get introduce them to the invention of the company product and also how they prescribe their patient in different types of diseases. Those types of activities attract more to the RMP and they prescribe or provide the company product to their customer.

**c. Training to doctors'**

**Biopharma Laboratories Ltd.** arranges frequent training for the doctors to introduce their product to the doctor. Through those types of promotion the company able to get attention from doctors and those types of promotion activity increases the prescription of the company's product.

**d. Training to pharmacy shop keeper**

Sometimes **Biopharma Laboratories Ltd.** arrange training for the pharmacy shop keeper to get attention of them and the company train to those people about how they protect medicine from hamper, how they assort the medicine in their store, and how they find out the medicine in a very short time.

**Biopharma Laboratories Ltd.** provides some incentives and gift items for promoting their products to doctor, clinic, hospital, pharmacy, MPO and RMP. The incentive given to the intermediary sales people are given as below,

**a. Pen**

The widely used gift item in pharmaceutical promotion is pen. **Biopharma Laboratories Ltd.** use over 100 types of pen to promote its product in market to the chemist, doctors, consultant, RMP, and other people who are involved with pharmaceutical distribution.

**b. Pad**

Pad is a widely used promotional material for promoting every new and existing product with the basic information of the product. Sometimes the pad is printed for the RMP to prescribe their patient and it helps doctors to get knowledge overview about the product. Pad also work as a gift item for the pharmacy store and also the MPO of the company.

**c. Diary**

Diary is other type of promotion used to promote the company as well as the company product. In diary the company name and addressed is provided at the top of it. Diary is provided to the high satisfied or high involved people of the organization.

**d. Calendar**

In pharmaceutical promotion their used several types of calendar to promote the company product as well as the company itself. The main types of calendar that are provided as a tool for pharmaceutical promotion are pocket calendar, wall calendar, and table calendar. The entire calendars are printed with the company name, logo and the head office address. Calendar is provided to clinic, hospital, medical center, doctors' room, pharmacy store, and RMP chamber.

**e. Key ring**

Key ring is other types of promotion tools widely used in pharmaceutical industry. **Biopharma Laboratories Ltd.** widely uses this gift items to introduce its new product in the market and also the existing product.

**f. T-shirt**

T-shirt is rarely used in pharmaceutical promotion. But some companies now use t-shirt to promote their product. With the help of t-shirt the company uses its product name and logo of that company they promote their product.

**g. Mug**

Mug is mainly provides to the doctors, RMP, pharmacy, and the MPO of the company. The mug is designed with the product name and also the company logo.

**h. Wall clock**

Wall clock is provided to different pharmacy store, medical center, hospital, clinic, and RMP with a purpose of promoting the company product as well as promoting the company itself.

**i. Bag**

Bag is other types of promotion tools used by pharmaceutical company in our country and also used by **Biopharma Laboratories Ltd.** Bag is mainly provide to MPO, Internee doctor, RMP, and prescribe of the company product.

**j. Paper weight**

Paper weight is provided to the doctors and RMP with the name of the product and the logo of the company to promote the product at the same time to improve the image of the company.

**k. Others:**

There are also other gift items provided by **Biopharma Laboratories Ltd.** but they do not mentioned because those gift items are confidential.

**Samples:**

In pharmaceutical promotion sample is widely used and most of the time sample cost the highest for promoting a new or existing product. In terms of sample the company provides free medicine to the doctors and the RMP and also to hospital and clinic to prescribe their product and at the same time it also use this tools to capture more market share in the pharmaceutical industry. Sample is the most effective way for promoting a new product.

**Telemarketing:**

**Biopharma Laboratories Ltd.** sometimes uses telemarketing in terms of promoting their products in international market. This method is not widely use in the pharmaceutical product promotion.

**Sales promotion:**

The sales promotion tools used by **Biopharma Laboratories Ltd.** are given as below,

**a. Contests:**

BLL sometimes arranges contests among the MPO for selling more product in a specific region or in international market and provide incentives for those who win in the contest.

**b. Product Samples**

Product sample is one of the widely used promotional tools used in pharmaceutical product promotion. **Biopharma Laboratories Ltd.** provides samples to doctors, hospitals, clinics and RMP to prescribe their products. There are some requirements in samples that are given as below:

- Samples requires state licensing of wholesale distributors include minimum standards of storage, handling, and record keeping.
- It bans the re-importation of drugs product in other countries when re-imported by the manufacturer or for emergency use.
- It bans the sale, trade, of purchase of drug samples.
- It bans trafficking in or counterfeiting of drug coupons.
- It requires practitioners to ask for drug samples in writing.
- It prohibits, with certain exceptions, the resale of drugs purchased by hospitals or health-care facilities.

**Rebates**

**Biopharma Laboratories Ltd.** sometimes provide rebate to some clinic, pharmacy, hospital or RMP to increase the sales or prescription of their products.

**Trade Shows**

Trade show is the most effective promotion tools for promoting the company product in international market. **Biopharma Laboratories Ltd.** attends different trade show arranged by Bangladesh govt. or Export Promotion Bureau or Bangladesh Ousad Shilpa Shamiti and other country. **Biopharma Laboratories Ltd.** attend most of the trade show in country of abroad relating to pharmaceutical and this help them to promote their product.

## **Exhibitions**

**Biopharma Laboratories Ltd.** attend most of the exhibitions held both in home or abroad and also they get more export orders from that exhibitions and it is considered as a tools for promoting the products in international market.

## **Public Relations:**

In pharmaceutical product promotion the public relation tools used by **Biopharma Laboratories Ltd.** are given as below,

### **a. Newspaper and Magazine Articles/Reports**

Sometimes **Biopharma Laboratories Ltd.** use magazines for publishing articles and report related to their growth or their product in several pharmaceutical related magazines and it helps them to create a strong relationship with those who use these types of product.

### **b. Charitable Contributions:**

**Biopharma Laboratories Ltd.** sometimes donate or provide money or other items to help the society in any types of natural calamity or other disasters and it is referred as charitable contribution that creates a strong public relation.

### **c. Issue Advertising:**

Sometimes there prevails some social issue which is harmful for the society and in that time there need some consciousness in that situation **Biopharma Laboratories Ltd.** use issue advertisement for promoting their own company and creates strong public relation. For example, achieving consciousness for Soain Flue.

### **d. Seminars**

**Biopharma Laboratories Ltd.** arrange several seminars targeted to the doctors, pharmacy owner, clinic worker, hospital worker and RMP for developing their skill to inform them in several issue for using several medicine or some special moment situation and all these help **Biopharma Laboratories Ltd.** to create a strong public relation in society.

**e. Conference**

In times **Biopharma Laboratories Ltd.** arrange conference with foreigner to increase the export of the company product. On the other hand the company arranges conference with the renounce doctors to promote the company product and at the same time they arrange conference with the MPO and RMP to promote the company product.

**f. Reception program**

**Biopharma Laboratories Ltd.** arrange reception programs for internee doctors and sometimes foreigner who are visited to Bangladesh to know about the pharmaceutical sector of Bangladesh and also want to import medicine from Bangladesh and this types of program helps the company to expand the export market. These types of program help **Biopharma Laboratories Ltd.** to increase the public relations in market.

From the above promotion tools **Biopharma Laboratories Ltd.** uses seasonal promotional tools for increasing the sales of the company.

**Seasonal Promotion:**

Several month the demand for medicine increase and some month demand for medicine decreases. As the increase and decrease of demand **Biopharma Laboratories Ltd.** use two types of promotion namely off season promotion and peak season promotion.

**a. Off season promotion**

In off season promotion here the demand for medicine is lower than other period of the year. **Biopharma Laboratories Ltd.** increases the promotion in this season so that they can hold the demand of the peak season. If the company hold the demand of peak season in off season then the demand of peak season also increase.

**b. Peak season promotion.**

In peak season the demand for medicine is high and most of the pharmaceutical company are very much conscious about new market and gain the maximum market share in the market. So as the demand of medicine is higher than that of other month here **Biopharma**

**Laboratories Ltd.** uses different special promotion program to keep pace with the market. Here the company increases its promotion budget to get more market share.

### **Promotion and its effect on sales**

Sales of BLL varies from month to month and due to promotion has a great contribution on sales of BLL product. The sales and advertising expense of BLL in 2012 are given as below,

Sales in Lac			
Month	Sales	Promotion Expense	Change in sales
January	510.88	127.72	
February	531.91	85.11	1.04
March	545.09	81.76	1.02
April	578.01	86.70	1.06
May	610.90	73.31	1.06
June	670.81	147.58	1.10
July	723.09	173.54	1.08
August	816.37	212.26	1.13
September	834.62	208.66	1.02
October	648.75	77.85	0.78
November	427.59	89.79	0.66
December	396.45	99.11	0.93
Total	7294.47	1463.39	

Table 5.2: Monthly sales and advertisement expense.

From the above table we find that the sales of Biopharma Laboratories Ltd in 2012, that at August and September sales has the height position. We can show it figure, On the other hand the advertisement expense of BLL also depends on month to month sales increase and decrease. On the other hand in one month promotional expenses are not fully expensed some are remained and those are expensed in next month. So the actual expend of the year that is month to month are shown in below figure,

With the help of figure we can compare the relationship of sales and promotion expense of **Biopharma Laboratories Ltd.**

The effect of promotion on sales are shown below,

Year	Sales	Promotional Expense	Change in sales	% change to Promotion	due
2011	6800.00				
2012	7294.47	1463.39	1.07	33.79	



### **3.7.2 Marketing mix factors of Beximco Pharmaceuticals Ltd**

#### **Product Strategies**

Beximco Pharmaceuticals Limited does not simply believe in introducing new molecules, it also believes in creating the difference in the market place by offering impeccable quality. BPL stands on the heritage of bringing innovative medicine to people. BPL's products are all intended to help people to live healthy lives. BPL's portfolio features a range of high quality, effective products, some are the first of their kind and many are ranked number one in their therapeutic area.

A team of highly qualified people sets BPL's product feature and attribute. Arts and science are blended together inside BPL's products. BPL's products are designed and engineered in such manner that their overall presentation, size, shape, color, flavor, viscosity, coating, etc are completely different from those of the competitors. Whatever may be the dosage form or packaging-blister, strip, bottle, cartons, labels, etc, BPL's presentations are widely recognized for their best aesthetic look among all competitive brands.

Beximco offers a comprehensive range of about 80 formulations in various dosage forms such as tablets, inhalers, capsules, creams, suspensions, syrups, suppositories, etc. From anti-ulcerates to vitamins, antibiotics to bronchodilators. Beximco has a widely diversified product portfolio. Every year the company introduces new products. In 2003 BPL launched 12 new products.

In Bangladesh, Beximco enjoys very high brand loyalty. Many BPL products are brand leaders in their respective categories. Neceptin-R Beximco's ranitidine formulation has 15.5% market share and has been the brand leader for a number of years. It is Beximco's highest selling product. Napa, Beximco's paracetamol reign the analgesic markets with a 27.5% market share and has been the brand leader for the 10 th consecutive year.

BPL's asthma inhalers have enjoyed excellent sales growth over the years and have received huge response from the patient and doctors. Other therapeutic classes of drugs where BPL brand still lead include ACE inhibitor, systemic anti fungal, respiratory anti inflammatory, prostatic drug, topical anti hemorrhoid, digestive enzyme, etc.

## Product Strategies

### Blockbuster Products in 2004

Success of a pharmaceutical company depends on how effectively it establishes its brands in the market. The excellent blending of world class manufacturing technology and innovative marketing strategies made BPL successful in achieving brand equity for its products. As a result the number one product by value and the number one by unit in Bangladesh pharmaceutical Industry and also the highest selling drug in the cardiovascular class belongs to BPL.

#### **Napa – number one product by value**

Napa is the highest selling product by unit. Napa has become a household brand in the mind of physicians as well as consumers of Bangladesh.

#### **Neoceptin R – Number one product by value**

One of the major revenue earning products of BPL is Neoceptin R. It is also the highest selling product by value and is the undisputed leader in Bangladesh Pharmaceutical Market.

#### **Amdocal – Highest selling drug in the cardiovascular market**

## Pricing

Beximco pharmaceuticals Limited maintains competition based pricing strategies. In the pharmaceuticals market there, is not much price differentiation, in general, among the different companies due to the highly competitive nature of the industry.

price is not a very important factor due to the nature of the product. Quality is more important. However, the purchasing capacity of the patients is also an important consideration. Therefore, it is important for the companies to charge a reasonable price for their product .

According to the survey, most of the doctors perceive Beximco as offering reasonable pricing for their product. It may be due to the fact that Beximco has recently come up with a very competitive price for some of its key products.

## **People**

People make a company. BPL's success is based on attracting, developing and retaining talented and motivated employees. They share both a company's desire to excel and its commitment to improving the lives of the people. The employees of BPL believe in collaborative spirit. They appreciate that working as a team multiplies the strength of the individuals involved as well as the impact of the results.

Skill acquisition and development for all staff is key to a company's growth through innovation. In this regard, BPL is always on the look out to identify training needs of their employees in order to enable them to carry out the entrusted responsibilities. Training programs undertaken, not only address skills relating to the specialty of the individuals concerned, but also improving leadership, management and project coordination abilities.

Their purpose is not simply to explore the potential of today's new technologies but to unleash the creativity in every person engaged with the company. Because BPL believes the real measure of their success is not the power of technology but the power it unleashes in people.

BPL has highly educated white-collar employees comprising of approximately 76% of total BPL's workforce. Among them are:

<b>Ph.D.</b>	<b>06</b>
<b>Engineers</b>	<b>23</b>
<b>Pharmacists</b>	<b>73</b>
<b>CMA</b>	<b>05</b>
<b>CA</b>	<b>01</b>
<b>MBA</b>	<b>12</b>

<b>Chemists</b>	<b>80</b>
<b>Biochemists</b>	<b>10</b>
<b>Microbiologists</b>	<b>02</b>
<b>Physicians</b>	<b>11</b>
<b>Others (Graduate)</b>	<b>651</b>

It is BPL's people who make them different from their competitors. the secret of BPL's success story lies in their people.

**Distribution Strategies**

**Medical Representatives**

Personal Selling is the interpersonal arm of the promotion mix. Personal selling involves two way, personal communication between Medical Representatives and doctors. Since Medical Representatives represent the company to doctors they are vital in creating the image of the company in the customer's mind. Therefore, BPL gives extra concern in managing and sprucing up its Medical Sales team.

**Basic Requirements for recruiting a Medical Representative:**

- Masters degree with science background
- Minimum second classes all through academic life
- Good interpersonal skills
- Well Groomed
- Medical Representative's Major Responsibilities:
- Conducting recall researches to chose the right and potential doctors
- Visiting the doctors
- Detailing product features to Doctors
- Generating Demand from Doctor's end

- Visiting the Chemists to collect indent from them
- Placing the indents to the distribution department through sales department
- Routine Work of Medical Representatives:
- In a working day, a MR has to visit 16 doctors and 10 chemists
- In a single visit, on an average, he has to detail 8 to 10 products, out of which 2 are usually new products and the rest are follow up products
- On an average, a MR has to spent 15 minutes for a doctor
- He has to submit a monthly tour program report

**In-house Training programs provided to the Medical Representatives:**

42 day long Induction Training Program to develop:

q Grooming

q Attitude

q Morality

q Motivation

q Communication Skill

q Selling Skill

**Fundamental Training Program on:**

q Basic Medical science

q Biology

q Chemistry

q Biochemistry

q Molecular Science

Regular Training Programs on topics related to specific products (Product interaction, constituents, product kinetics, dosage, competitive advantages, side effects, etc).

**Basis for designing a territory for the Medical Representative:**

- q Number of doctors and chemists in the territory
- q Geographical Location
- q Communication/ traveling time between two visiting points
- q Number of possible calls per day

**Marketing/Promotional Strategies**

Before patients can benefit from the steady stream of modern medicines flowing from the pharmaceutical industry, an important part of the fast-moving process of innovation is to keep doctors, pharmacists and other health professionals up to date with the work going on in clinical research and to inform them about the availability of new medicines. Studying different market characteristics is the main function of marketing department. There are different types of market for pharmaceutical products. According to the market characteristics a product can be classified in three major parts:

- Prescription-only medicines – available only through a doctor’s prescription
- Pharmacy sale medicines -Only registered pharmacy can sell these medicines with or without the prescription of a doctor.
- OTC (Over the Counter) medicines – Any one can buy and sell these medicines.

Marketing of Pharmaceutical product is different in Bangladesh. In Bangladesh the drug buying and selling is completely regulated by rules. Pharmaceutical Products cannot enjoy advertising like any other consumer products. So personal selling is the way the products can be advertised and sold. As, Over the Counter products do not require any rule to buy or sell it has a chance to go through print advertising and television advertising. But marketing of prescription only medicines and pharmacy sale medicines can be done only through personal selling.

Different buying behavior has a great impact on marketing a product. Understanding the consumer's buying attitude is the first job of any marketer. To analyze behavior, the marketer has to visit the place, gain knowledge about their financial condition, culture, tradition and the competitor position.

After analyzing the buyer's attitude, the second important factor is to make the sales force effective and efficient. This is done through extensive training and in-house medical education programs. Once the sales team (medical promotion executives) has acquired adequate knowledge and interpersonal skills, they are set off into the market. A typical medical representative is a science graduate and will have access to considerable detail about the company's products. Medical representatives are a convenient and helpful way for doctors to get rapid and accurate information about medicines. They must maintain a high standard of ethical conduct and must not employ any inducement or subterfuge to gain an interview. Relevant inexpensive promotional items are provided. Hospitality can be provided only in association with scientific and promotional meetings, scientific congresses and other such meetings. It can only be provided to appropriate delegates or participants. The level of hospitality must be secondary to the main purpose of the meeting.

### **Advertising Appeals**

“Perception defined: “Perception is defined as the process by which an individual selects, organizes and interprets stimuli into a meaningful and coherent picture of the world.” It can be described as “how we see the world around us.”

For pharmaceutical products, patients are the ultimate consumers of the products. However in most cases they purchase those drugs that are prescribed by the doctors. So doctors are considered to be the target customers for pharmaceuticals products. Considering this, we would consider doctors as the customers and proceed accordingly.

“Physicians tend to be more rational in their decision making than ultimate consumers. They prescribe to fit the needs normally are of a practical nature. But it should not be forgotten that

these physicians are individuals having personal needs which become enmeshed with their roles as decision makers of their patients. Thus, even choice of a prescription drug may be made on bases which are non-rational or emotional.

The advertisers (marketers) have recognized the various factors which influence prescribing decisions and have structured their advertising appeals toward these factors. The following is a list of types of appeals used to influence prescription drug decision:

**Rational Appeals:**

1. Product Related Appeals

q Economy

q Degree of Innovation

q Differentiation/ Position

q Packaging

q Dosage Form/ Taste

2. Physician Related Appeals

q Peer/ Specialist Approval

q Pharmaceutical/ Therapeutic Committee Approval

q Therapeutic Aid in Practice

3. Clinical Use Appeals

q Dependability

q Safety

q Clinical Illustration

q Effectiveness

q Reminder



#### 4. Patient Related Appeals

- q Compliance
- q Quality of life
- q Patient Acceptance/ Preference

#### 5. Manufacturer Related Appeals

- q Experience
- q Service
- q Special Expertise

#### **Non-Rational Appeals:**

- q Empathy
- q Humor
- q Sex
- q Curiosity
- q Fear
- q Unusual non-clinical illustration
- q Ego gratifying
- q Anger/ Defensiveness
- q Patriotism

Any advertiser attempts to relate the specific benefits of his product to the specific needs of the consumer of the advertising message. Varying advertising appeals are merely reflections of varying needs of the advertising target as determined by the advertiser. This is true for any advertising. Prescription drug advertising is a special case, however. Some of the distinctive characteristics of this market are listed below:

1. The consumer of the advertising is often not the consumer of the product
2. Institutional advertising {designed to enhance the firm's image rather than promote a specific product) is of greater importance here than in many other markets.
3. Because of the nature of the products, advertising and scientific communications tend to be confused. On one hand, advertisements may disseminate research results. On the other, favorable scientific reports in reputable journals may stimulate the sale of products. Some claim that pharmaceutical advertising at times becomes educational in character since the information it contains may constitute a valuable aid to therapy.
4. In theory, the physician is a rational decision-maker, somewhat similar to the industrial goods purchaser so that the emotional appeals of consumer advertising might (again in theory) be inappropriate to the audience. In actual practice, however, it is not at all unusual to see an emotional appeal in prescription drug advertising. Our working hypothesis is that the rational appeal is more useful for primary-demand stimulation; and the emotional appeal for selective demand stimulation.
5. Product and institutional advertising (or combinations) are important to the pharmaceutical manufacturer trying to establish its brand names. Although straight – forward advertisements by unknown manufacturer may be effective under special conditions, they may be viewed with some suspicion by some readers.
6. Ethical pharmaceutical products seem to be adopted in response to the combined stimulus of an unusual number of different forms of promotion (detailing, journal advertising, direct mail, and communication with other physicians and/or pharmacists). The relative influence of each advertising medium in stimulating the continued use of a drug product may be entirely different from its relative influence in introducing the same product.
7. Drug advertising is unique in presenting both the good and the bad about the product. Although federal regulation plays a large role in this, few, if any, other industries routinely point out the shortcomings of their products in their advertising. .” (Micky C. Smith, 1991)

“The totality of the communication process influences the way in which different audiences perceive an organization. In the pharmaceutical industry there are two types of communication:

i) interpersonal and ii) impersonal. Selective attention of doctors, noise created by competitors and the environment, selective perception of brands, and so on are few barriers to any pharmaceutical communication process. The source and credibility of communication is very important for every pharmaceutical brand.

Interpersonal communication sources are either formal or informal. Among formal sources, other fellow physician’s influences, guides, coworkers, pharmacists and professors provide additional credibility. In the case of informal sources, the family, neighbors, and non-professional friends influence the choice.

In impersonal communications; reference of college and university for physicians, corporate image of brand, brand image of a product, and the government influence the communication impact.

The risk dimensions represent the level of prescribing risk, degree of uncertainty about innovation, and the prescribed clinical interest in the product. The rationality dimensions represent the level of rational arguments available to convince the physicians of the product’s effectiveness.

One of the most crucial aspects of the marketing strategies of a pharmaceutical company is effective communication with the target market. Usually a variety of communication means comes into play — the sales force, journal advertising direct mail, conferences, samples, gifts, newspaper advertising, freestanding supplements, cable TV, teleconference, video cassettes, video magazines, and telemarketing. Given the nature of the pharmaceutical products, personal communication with prescribers is a key factor for success. The sales force muscle of drug companies is, and will be, together with the quality of their products the most important factor in obtaining successful product penetration.

## **Promotional Tools**

### Scientific Seminar:

The Medical Department arranges seminars and workshops covering a wide range of medical topics. These events are led by Beximco's team of Medical service experts and are attended by members of the medical profession. It also organizes a good number of National Symposia on specialized medical topics, which are attended by country's renowned physicians and scientists.

### Newsletter:

The Medical Newsletter is a compilation of latest information gathered from articles published in different national and international journals covering all disciplines of medical science. The Newsletter is circulated among 17500 doctors in the country and is also distributed in Myanmar, Pakistan and Kenya. Doctors who do not have access to international journals can obtain information relevant to their practice from the newsletter.

### Special Publications:

The pharmaceutical industry is also deeply involved in doctors' continuing education, and helps in training prescribes in the uses and techniques of new medicines. GPs and other health professionals would find it difficult to keep up to date with scientific and medical advances in health care without these initiatives. Scientific and technical meetings make available specialist expertise and speakers in therapeutic areas, which the doctors themselves have often selected as being relevant and useful. Around half of all educational meetings are sponsored by the pharmaceutical industry and may be in therapeutic and clinical areas in which the company may have no direct product involvement.

### Responding to Doctor's Queries:

Beximco takes great care in answering queries from doctors. The Medical Department's team of highly dedicated professionals is well trained to attend these queries. The company encourages doctors to send their queries in postage paid envelopes attached to every copy of the newsletter

or on a specific query form distributed in each clinical meeting. Currently most of the doctor's queries are met through its own Internet facilities.

Medical Illustration and Audiovisual Aids:

To assist physicians in sharing the results of their academic research and experiences with the larger medical community, Beximco extends its services to a great extent, in preparation of presentation packages including slides, transparencies and texts. The medical department has built up an extensive video library of internationally reputed video journals on different medical topics. These videocassettes are about actual surgical procedures, the latest information about treatment modalities and various ailments.

## **3.8 Observation and Findings**

### **3.8.1 Observation and Findings from *Biopharma Laboratories Ltd.***

- Field force produces differentiation in the market through strong product knowledge and skill.
- Continuously conducting seminar, symposia which is widely accepted by the prescribers.
- Innovative image building activities through different activities targeting patients.
- Developing service concept in a highly product oriented marketing approach in the industry.
- Conducting clinical trial in the country which is rarely practiced by other companies.
- Investing significant amount of money to train and develop physicians.
- It has a technological edge over its competitors.
- Highly skilled and motivated employee in head office and also in the field fulfilling the objectives.
- Introduce different types of medicine.
- Maintaining strict quality whatever may the cost.
- Maintaining strict guidelines for ethical promotional activities.

### **SWOT Analysis of Biopharma Laboratories Ltd.**

This analysis will give a picture of the competitiveness of this company in comparison to that of its competition

#### **Strength**

- 3000 doctors owned company.
- Use modern technology.
- A widely recognized company with an attractive customer base.
- A proven track record in defect-free manufacturer.
- Expertise in providing consistently good customer service.

- Skills in producing innovative products.
- Highly efficient employee.
- Job flexibility so that the company has a group of loyal employees.
- Proprietary technology and registered trade mark.
- Attractive remuneration package and benefits for employee retention.
- Effective state-of-the-art plant and equipments.
- Available cash on hand.
- Highly experiences and efficient employees in key areas.
- Long term collective learning and managerial know-how.
- A strong balance sheet.
- Company reputation.
- A positive work climate and organization culture.

### **Weakness**

***Biopharma Laboratories Ltd.*** has weakness in the following competitive field. These weaknesses are reducing the competitiveness in the battle with the competitors:

- Cost of raw materials is increasing day by day.
- Higher production cost.
- Countrywide distribution network is not as strong as competitors.
- Sarong adherence to ethics resulting in inflexibilities.
- Sometimes slow decision making to satisfy the process requirements.

### **Opportunities:**

- Serving additional customer group in the existing geographical market.
- Expanding into new geographic markets.
- Strength in export oriented products.
- Expanding the company's product line to meet a broader range of customer needs.
- Transferring sector's skill or technological know-how to a new business or a new product.
- To enter into new therapeutic area.

**Threats:**

- Likely entry of the potential new competitors.
- Government regulation on price of drug.
- Loss of patent right.
- Adverse shift in foreign exchange rate.
- Costly new regulatory requirements.
- Growing bargaining power of suppliers.

**Key challenges for Biopharma Laboratories Ltd.:**

- To discover, develop and successfully market innovative products to cure diseases, to ease suffering and to enhance the quality of life.
- To ensure that humanity continues to benefit from pharmaceutical innovation.
- To define an equitable way for sharing the economic burden of pharmaceutical development among the various segments of society.
- To ensure that research, development and application of pharmaceuticals are conducted in harmony with society's ethical and cultural standards.
- Other key challenges include the issues of marketing practices, animals used in research and development, and accountability for our suppliers and contractors.



### **3.8.2 Observation and Findings from Beximco Pharmaceuticals Ltd.**

- Beximco Pharmaceuticals Ltd (BPL) has an adequate product range. It also has a good position in terms of quality perception.

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- Most of the doctors believe that Beximco's products ensure rapid recovery. However, BPL's product presentation is below par. The doctors are also of the opinion that Beximco come up with new products in reasonably short periods of time. BPL has formed a positive image among the doctors that it offers its products in reasonable price.

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- Doctors are of the opinion that Beximco has a moderate distribution network.

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- Although BPL's medical representatives provide prompt service, they are not quite knowledgeable. The Printed promotional materials provided by Beximco Pharmaceuticals Limited is not quite attractive as other pharmaceuticals companies.

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- Frequency of distribution of medical newsletters is moderate. The physicians are not satisfied with the gifts provided by BPL. They also feel that, not adequate sample is provided to them by the Medical representatives of Beximco Pharmaceuticals Limited. Moreover, the expensive medicines are not provided as samples at all.

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## **3.9 Recommendation**

### **3.9.1 Recommendations for *Biopharma Laboratories Ltd.***

- Biopharma Laboratories Ltd. should presence more in the district town and in some important rural areas as these markets is still untapped.
- Though the products of Biopharma Laboratories Ltd. are cost effective than that of rivals, still opportunity for institution based sales should be looked into.
- More strategies collaboration with other foreign manufacturers is needed to gain access to technology and resources for example go production for APIs.
- More flexible functional policies are needed to match the changing environment of the industry.
- Patent right protection is mandatory to do business in LDCs market.
- Looking for cost effective sources of raw materials to bring down the product cost.
- Acquisition of local or global firms to add strong growth.
- Diversification in product wise indication through clinical research to earn more business.
- More emphasis on service oriented approach to overcome price objection by doctors through relationship building.
- Field activities among younger generation of prescribers which will help to build potential future prescribers.
- To further develop and strengthen institution business through innovative product.

### **Steps should be taken by Biopharma Laboratories Ltd.**

- Medicine and disease related information: the doctors often ask for this scientific information to better understand the disease and to facilitate better patients' management. Biopharma Laboratories Ltd. is trying to provide such information because of its distinct capability in research and development field. Doctors perceive this service to be value adding and thus the image of Biopharma Laboratories Ltd. in this field is very high.
- Information on new medicine: this is an exceptionally value adding area where very few global pharmaceuticals are able to develop new medicine. Biopharma Laboratories Ltd. is one of the leading pharmaceuticals which have a very strong communication and are often regarded to be one of the best in this field. Upon request of the doctors, Biopharma Laboratories Ltd. furnishes this information which is regarded as value adding scientific activities.
- Establish research center: Biopharma Laboratories Ltd. should establish a research center which will be dedicated to conduct research on different incurable diseases. While conducting such research, many information are generated which definitely enrich the knowledge of the doctors.
- Future direction for better treatment: Biopharma Laboratories Ltd. also provide information to doctors through seminar and symposium regarding future prospect of the treatment and how the treatment paradigm is being changed so that the doctors can keep themselves abreast of this rapidly changing treatment environment. Biopharma Laboratories Ltd. is undoubtedly a pioneer in this field.
- Standard protocols for systematic disease management: Biopharma Biopharma Laboratories Ltd. works with different key opinion leader of the world and also with

different global regulatory bodies and formulates protocols and system to treat a disease. The most recent work has been done to treat the hypertension where the total disease has been redefined in the context of recent findings across the world. The protocols really help the doctors of the third world countries to cope with the changed treatment pattern.

- Comparative study among different drugs: Biopharma Laboratories Ltd. conducts different comparative study between the existing molecule and its newly developed drug to document the superiority interns of better efficacy and lesser side effect profile. This information are presented to the doctors from time to time to help them for decision making regarding selection of appropriate drug for the patients.
- Making product more accessible by the patients: Biopharma Laboratories Ltd. always try to making their product more accessible to their patients. They frequently invent different types of medicine and bring those medicines in the market within short times. They always look how customers will benefit.
- Raising awareness of patients regarding disease: Patients are the ultimate consumers and thus they have the right to understand regarding the disease. It has been found that proper information and education of the patients realty help to reduce the disease burden and make the patients more aware about the treatment continuation and disease prevention. Biopharma Laboratories Ltd. is one of the few companies in the country which systematically interacts with the patients through different interactive sessions and makes them aware of the patients. The interactive sessions are in the form of discussion, seminar, round table discussion, holding rallies, printed materials like booklets and journals. Thus it is not only the doctors with whom Biopharma Laboratories Ltd. has been partnering; patients have also become a part and parcel of health promoting activities on BLL.
- Prepare and update technical guidelines: Biopharma Laboratories Ltd. prepare and update technical guidelines for management of a leprosy control program, monitoring,

validation, etc. several of these guidelines have been translated into the local language and extensively distributed to the most peripheral levels.

- **Develop and implementing protocols:** Biopharma Laboratories Ltd. develop and implement protocols to undertake studies for analyzing and validating case detection, as reported by routine information system.
- **Promote and support campaign:** Biopharma Laboratories Ltd. promote and support special campaign to accelerate elimination activities in selected high endemic pockets, underserved communities and previously uncovered areas.

### **3.9.2 Recommendations for Beximco Pharmaceuticals Ltd.**

- Beximco Pharmaceuticals Limited should increase its product variety. Product variety represents different types of items of medicines. At present, Beximco offers around 180 different types of medicine. Some other companies are offering more than this. BPL can diversify itself from others by operating in highly specialized segments such as anti cancer segments.
- Introduction of new products to doctors is vital because it can enhance the image of the company. It is always a good idea to find a gap to introduce a new item. Beximco can locate the products areas where there are less number of alternatives and also higher amounts of requirements.
- BPL's promotion is quite weak. They should provide more product samples gifts to the doctors to increase their image among them.
- Doctors should be informed previously that new medicines are coming up and will be offered within two or three months. Thus the doctors can perceive an insight about the new Beximco's medicines as an alternative of competitor's existing items and Beximco pharma can gain good rapport with the doctors.
- BPL's distribution is quite weak. Steps must be taken to strengthen the distribution network. This will require more effort on the part of the medical representatives.
- Pharmaceutical direct-to-physician marketing efforts have typically been isolated from other customer-centric activities, including those conducted by field sales forces. A disjointed relationship exists between pharmaceutical sales teams and direct-to-physician marketing. While the pharmaceutical industry has made significant investments in direct-to-physician promotions, the sales force is generally uninformed about their timing or end results. BPL should enhance their ability to link home office conducted marketing campaigns with field force activities through information, software, and service solutions to make these efforts more coordinated and therefore more effective.

- Direct to consumer (DTC) essentially means any campaign or communication program intended for and targeted to consumers – the primary end users of a product. In relation to pharmaceutical products, the consumers may be patients, friends or family members, caregivers or the general public.
- The strict regulations that have governed the communication of information about prescription medicines in Bangladesh meant that the primary marketing focus has been on the people who actually make prescribing decisions; the doctors.
- These include the impact of communication to consumers via the internet, patient education, word of mouth or use of editorial space or air time in print and broadcast media.
- More than ever before patients are getting involved in making their own healthcare decisions. The growth in over-the-counter drugs and the dissemination of information on the world wide web and in consumer magazines have all contributed to a thirst for information. Beximco Pharmaceutical Limited can make an advantage of this and bring about some changes to fulfill these needs and as result it will enhance the image of the company.
- Direct to consumer (DTC) advertising is thought to enhance competition between brands, which can lead to improved quality and lower prices for consumers but, most importantly, it can improve public health.

### **3.10 Conclusion**

Pharmaceutical sector in Bangladesh is one of the rising sectors which start its journey in 1950 in this sub-continent. The pharmaceutical industry, however, like all other sectors in Bangladesh, was much neglected during Pakistan regime. Most multinational companies had their production facilities in West Pakistan. With the emergence of Bangladesh in 1971, the country inherited a poor base of pharmaceutical industry. For several years after liberation, the government could not increase budgetary allocations for the health sector. Millions of people had little access to essential life saving medicines. With the promulgation of the Drug (Control) Ordinance of 1982 many medicinal products considered harmful, useless or unnecessary got removed from the market allowing availability of essential drugs to increase at all levels of the healthcare system. At present there are more than 200 pharmaceutical companies in Bangladesh and from those companies there are thirty to forty company are in good position in production of pharmaceutical products. All the companies are always trying to increase their market share and as a result they use several new techniques for promoting their own products though there is a strict limitation on promotion. In last year the sales of Oponin increase by 57.03%, sales of ACI increases by 34.12%, the sales of Aristopharma increases by 32.7%, the sales of Drug International increases by 31.21%, sales of Incepta increases 27.35% all these indicate all the companies are trying to increase their sales using attractive promotional tools.



## **3.11 Attachments**

### **3.11.1 List of Abbreviations**

API - Active Pharmaceutical Ingredient

TRIPS - Trade Related Intellectual Property Rights

IMS - Intercontinental Marketing Services, a market research company providing data on markets, especially on healthcare industry

WTO - World Trade Organization

MNC - Multi National Corporation

R&D - Research and Development

cGMP - Current Good Manufacturing Practice

BP - British Pharmacology

USP - United States Pharmacology

BAPI - Bangladesh Association of Pharmaceutical Industries

LDC - Least Developed Country

VAT - Value Added Tax

OTC - Over The Counter

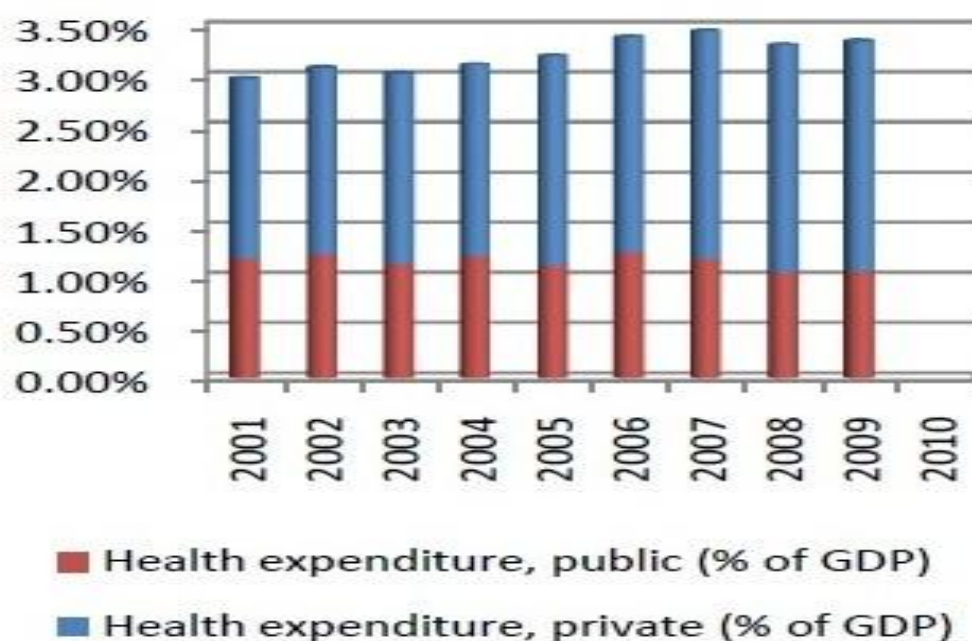
ETP - Effluent Treatment Plant

IV - Intra Vascular

### **3.11.2 Research Questions**

- What types of regulatory affairs usually needed to do the marketing medicine ?
- What are the documents necessary to send primarily to attract the client?
- What are the standards of the products?
- What are the condition of manufacturing plants and the availability of sufficient equipments for manufacturing and quality control?
- What are the benefits, perceived risks, disapproval, availability and existing laws and regulations and regulatory affairs?
- What are the conditions of those pharmaceuticals supplying medicines in the local market and exporting medicines in the global market?
- What types of support services are available for the entire process?

### 3.11.3 Exhibits:

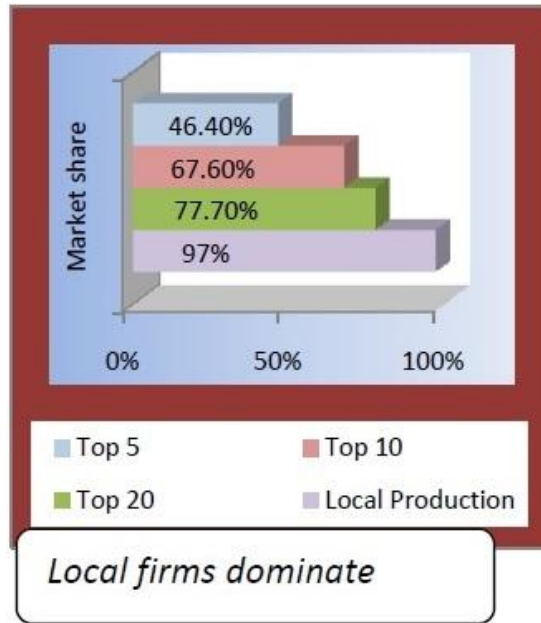
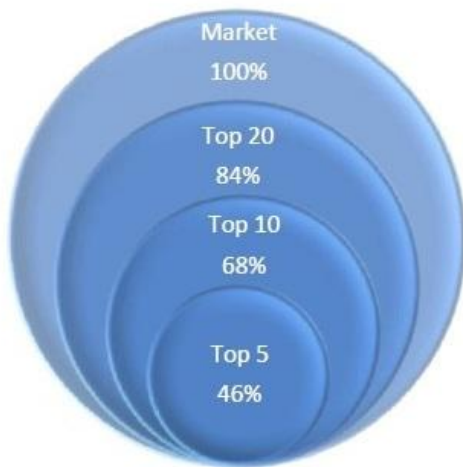
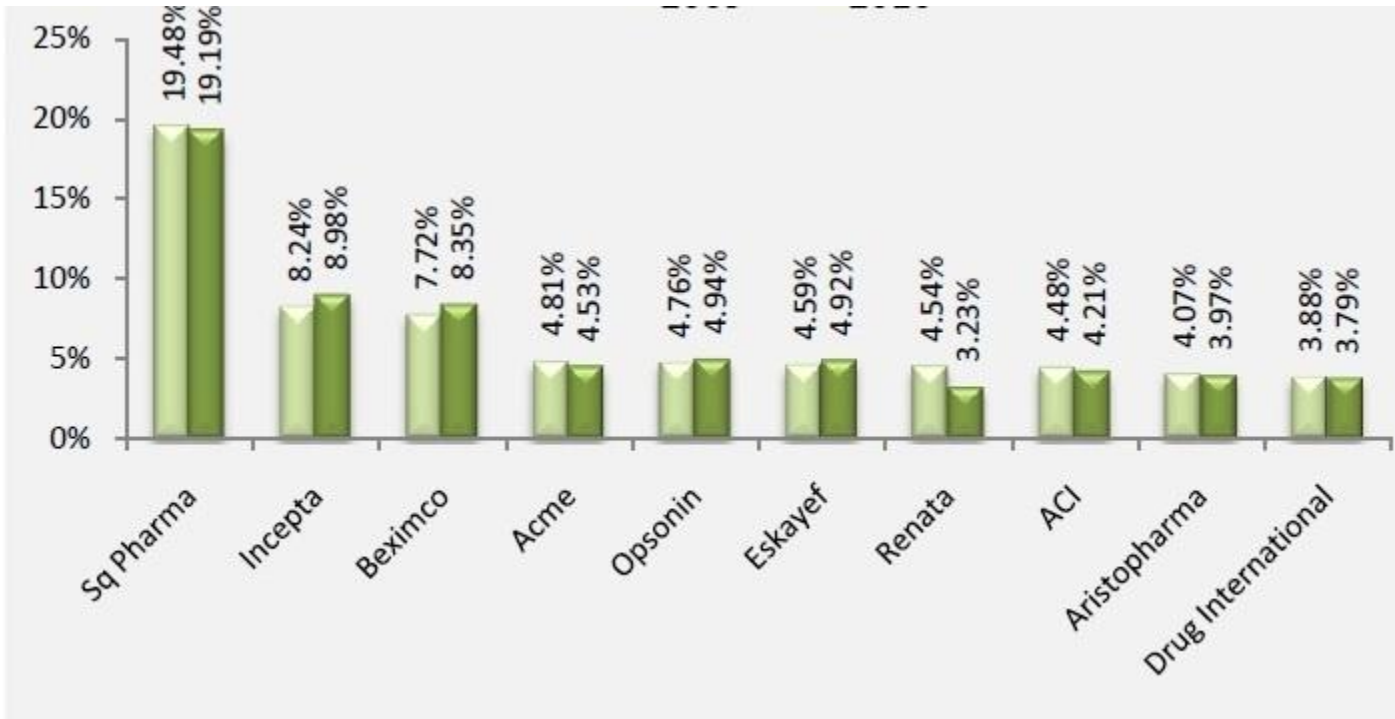


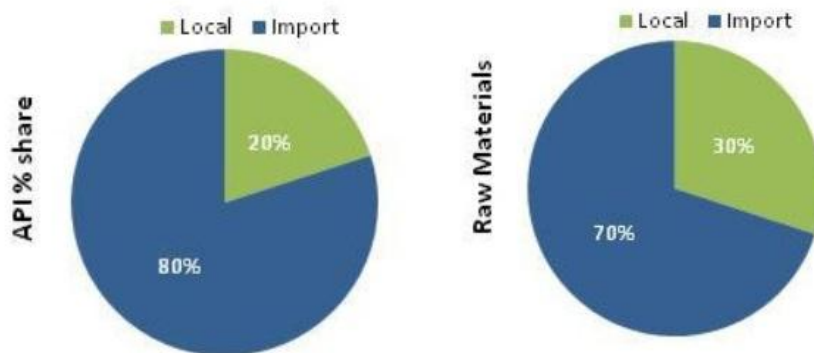
The following table represents changes in our demographic variables, economic growth and performance of Pharmaceuticals industry -

Indicator Name	Unit	2005	2006	2007	2008	2009	2010
GDP growth (annual %) <sup>1</sup>	%	5.96%	6.63%	6.43%	6.19%	5.74%	6.7% <sup>4</sup>
Health expenditure, total (% of GDP) <sup>1</sup>	%	3.21%	3.40%	3.46%	3.32%	3.35%	3.21%
Pharmaceuticals market size <sup>2</sup>	BDT Bn		35.42	37	40	54.93	68
Pharmaceuticals Industry Growth	%						
Pharmaceuticals Export <sup>3</sup>	\$ Mn	18.18	26.96	37.74	46.54	45.71	50 <sup>2</sup>

Source - <sup>1</sup> WorldBank, <sup>2</sup> IMS, <sup>3</sup> WTO, <sup>4</sup> National Budget 2011-12

### 3.11.4 Market Share Information





### Major APIs presently produced in Bangladesh

1. Amoxicillin Trihydrate	2. Ampicillin Trihydrate	3. Aspirin
4. Flucloxacillin Sodium	5. Ferrous Sulphate	6. Fluconazole
7. Cefalexin	8. Ciprofloxacin Hcl	9. Loratadine
10. Metronidazole	11. Oxytetracycline	12. Paracetamol
13. Cephadrine	14. Celecoxib	15. Ceterizine
16. Trimethoprim	17. Ranitidine	18. Diclofenac Sodium
19. Diclofenac Free Acid	20. Diclofenac Potassium	21. Diclofenac Diethylamine
22. Salbutamol	23. Zinc Sulphate Monohydrate	

Source: Presentation by Square Pharmaceuticals in International Conference on Local Pharmaceutical Production in Africa, Cape Town, 2011.

### 3.11.5 Industry Tax Policy

#### Period Of Tax Holiday And Tax Holiday Rate

For Dhaka and Chittagong divisions (excluding districts of Dhaka, Narayangonj, Gazipur, Chittagong and three hill districts)		Other divisions and three hill districts	
Tax holiday period	Tax holiday rate	Tax holiday period	Tax holiday rate
First two years	100%	First three years	100%
Next two years	50%	Next three years	50%
Next one year	25%	Next one year	25%

Source: National Budget 2011-12



**Growth Scenario 2011-2016**  
*Local Market = 15%*  
*Export Market = 10%*  
*Overall Growth = 14.8%*

### Pharmaceuticals Trade information

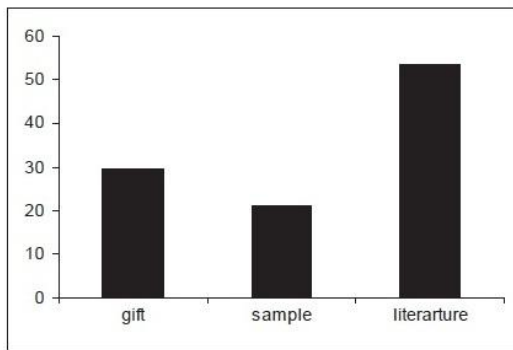
WTO Data - Bangladesh			
	Year	Value	USD Mn (current prices)
Pharmaceuticals Export	2000	2119652	2.12
	2001	3957480	3.96
	2002	6995071	7.00
	2003	6423924	6.42
	2004	19534611	19.53
	2005	18177105	18.18
	2006	26960916	26.96
	2007	37740790	37.74
	2008	46541954	46.54
	2009	45714931	45.71
Pharmaceuticals Import	2000	139700056	139.70
	2001	124578340	124.58
	2002	137591660	137.59
	2003	145064519	145.06
	2004	149661640	149.66
	2005	147419132	147.42
	2006	171527526	171.53
	2007	229142923	229.14
	2008	293733231	293.73
	2009	269029761	269.03

Source: World Trade Organization

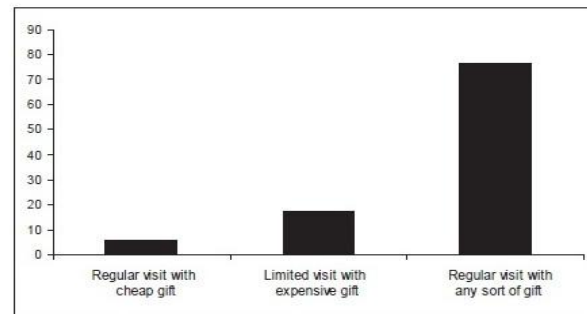
**3.11.6 Practice of using gifts as promotional materials for marketing of pharmaceutical products in Bangladesh:**

**Table 1: Comparative study of the preference of gift items by physicians and pharmaceutical companies.**

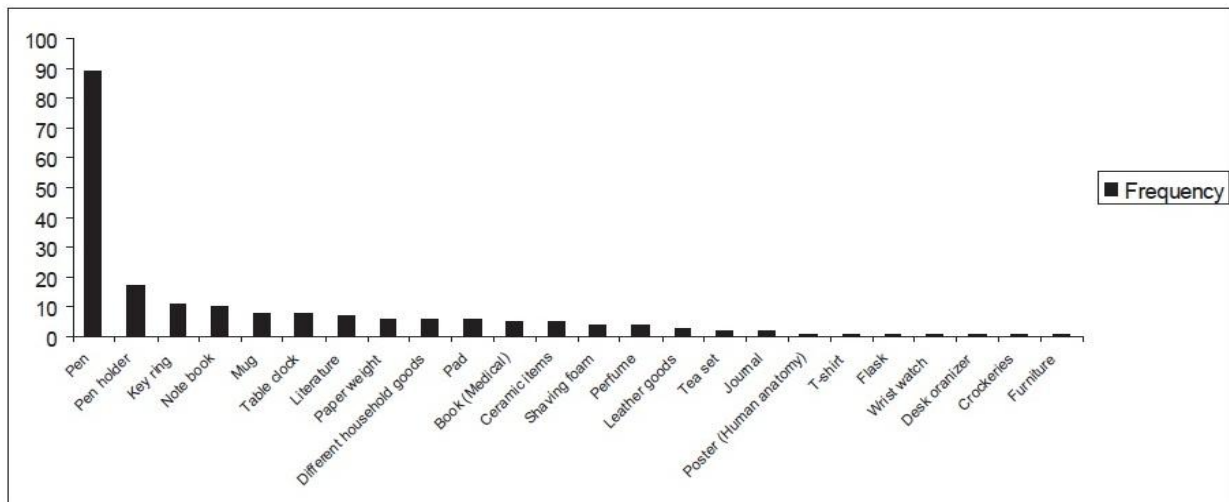
Type of gifts	Physicians	Companies	Percentage of physicians (%)	Percentage of companies (%)	Deviation (%)
Desk item	58	9	29	52.94	23.94
Household & personal	41	6	20.5	35.29	14.79
Patient care leaflet or informational	101	2	50.5	11.77	38.73
<b>Total</b>	<b>200</b>	<b>17</b>	<b>100%</b>	<b>100%</b>	



**Figure 1: Physicians' preference for promotional materials.**



**Figure 2: Physicians' preference towards frequency and type of receiving gifts.**



**Figure 3: Physicians' preference for gift items.**

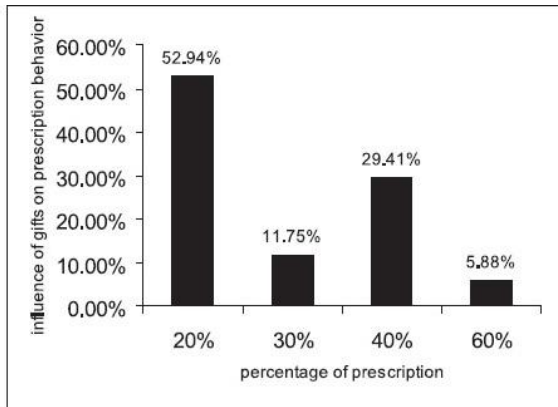


Figure 4: Percentage of the prescriptions influenced by the gift items.

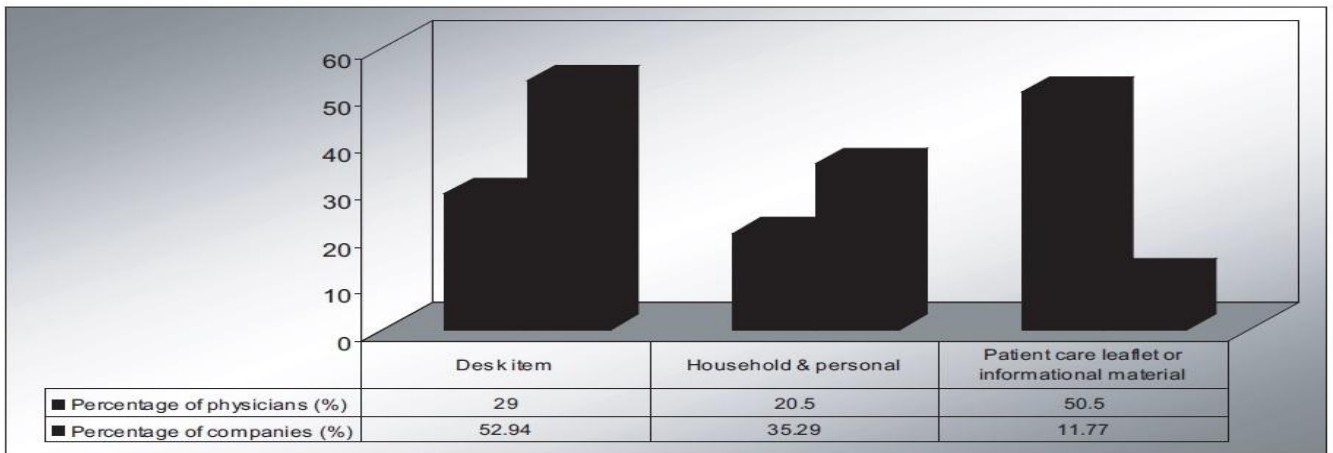


Figure 5: Attitude of physicians' & pharmaceutical companies towards gift items.

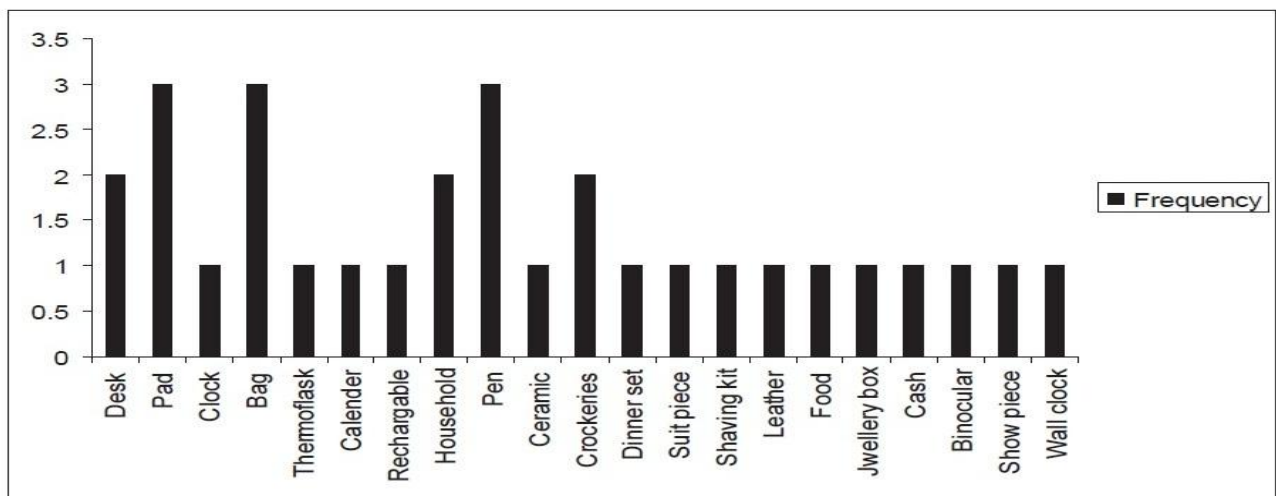


Figure 6: Preference of pharmaceutical companies for gift items.

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