



Marketing Strategies of Pharmaceuticals Industries in Nepal

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Submitted: 25-11-2023

Accepted: 05-12-2023

EXECUTIVE: SUMMARY

The pharmaceutical industry is responsible for the research, development, production, and distribution of medications. The pharmaceutical industry is undergoing a consolidation phase in order to combat price pressure, competition, and patent cliffs. Innovation is of vital importance for steady growth of key market players. Due to difference in genetic composition of varied individuals, innovation is becoming more complex. This is influencing players offering complementary products and services to collaborate for new product development. Moreover, key market players are investing in consumer health products, with increasing consumer's health awareness and emerging trend of self-medication.

Marketing strategies to attract the customer's satisfaction ensures the good quality of service and product. The study aims to identify the customer's relationship in pharmaceutical industries of Nepal. Specifically, the study focused to identify the organizational ability to attract and retain the customers and ability to satisfy the customers. A marketing strategy is something that every single business; no matter how big or small, needs to have in place. Businesses exist to deliver products that satisfy customers. Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services. A marketing strategy is composed of several interrelated components called the marketing mix. The Marketing mix consists of answers to a series of product and customer related questions.

CHAPTER 1

1. Introduction of Pharmaceuticals Market

Pharmaceutical industries in Nepal mainly consist of small & medium sized units. The consumption of pharmaceutical product in Nepal is estimated to be growing over 15% per annum. Much of the pharmaceutical products being consumed to Nepal are imported. But during the last few years, pharmaceutical industries have shown specific growth in Nepal and locally produced drugs and Medicines are estimated to cover more than one fourth of the market. This sector is perceived as one of the potential areas of Nepal. As per the information from Department of drug Administration (DDA).

1.1 Background of the Study

Despite the competition with India's so called substandard companies as well as Multinational companies like Glaxo, Nepalese company have succeeded in making their presence felt. Nepalese Pharmaceutical Companies showed the rapid growth during this decade. Nepal Pharmaceutical industry has the history of 30 years but it attained its rapid growth only after Democratic revolution of 2046 B.S. Only 32% of total Pharma Market share of Nepal is covered by our local production, remaining 68% by Indian and other countries. As per DDA's latest information there are 217 foreign companies and 40 national companies are registered by the end of Ashadh 2063 & the number of their registered brands of foreign companies & national companies are 4370 & 2867 respectively. (Drug Bulletin, 2006: 6&7). "Association of Pharmaceutical Producer of Nepal" (APPON) has targeted to cover 50% of Market share by the end of 5 yrs and 90% of market Share

within 10 years by our local Nepalese Production. And Department of Drug Association adds that the expectation of policy is to make the country self-sufficient in 80% of essential drugs, but the achievement so far is less than 60%. APPON has also stated that by the end of 2064 all Nepalese Pharma Industries are supposed to meet the WHO-GMP standard and would also control in imports of medicine from India & other countries. Now almost 8 Nepalese Pharmaceutical Companies has already got WHO-GMP certificate and 8 more companies are in process of getting WHO-GMP certificate in this coming year.

1.2 Objective of the Study

The Scope of the study focuses on the marketing strategies followed by Nepalese Pharmaceuticals Industries for its marketing activities. The study concentrates on the methods and techniques followed by the company which include the standard operating procedure. The study appraises the company's success in meeting requirement of the company and supplying the modernized and innovated medical equipment and drugs to the world. The company growth depends upon their sales conditions only. The main objective of the study is to know how the company performs its marketing activities for the attainment of its goals.

Marketing plays a very significant role in acceleration the pace of utilization which, in turn aims at making the economy developed and strong. Marketing has entered into the new dimension in the current millennium. Most of the industries are facing many challenges in the Market place with increased consumer awareness and actions. The competitive environment has become more complex due to the globalization of market. Technology 34 had never been so dynamic as it is now. Information Technology, communication & marketing logistic have totally changed the practice of marketing, both at the domestic and international fronts. Marketing plays an important role in the process of industrialization. The proceeds of industrial activities are passed on to the society through the process of marketing. So the entrepreneurs and managers today must be able to implement the modern marketing concept, organize the marketing department, monitor and scan the environment and establish the information network. They should also be able to plan, implement, evaluate and control marketing activities balancing the interest of the organization, customers and society. Along with opportunities marketing also

provides the threats from industries. In such kind of complicated environment organization needs to produce and market its product to achieve its goal as well as to survive and thrive for their existence. Better, faster and more competitive organization can overcome the threats and exploit the opportunities through the pertinent marketing management and strategy. So marketing becomes a hot subject for every business organization in this fast changing world.

The scope of the study has covered the following area:

- I. Annual Demand of medicine (allopathic) and its import/export status Category wise- injection/Tablet/Powder/Syrup
- II. Industry Details: (Name of industries, their detail address, production capacity and actual capacity, investment Consumption etc.)
- III. Capacity Utilization (including approved capacity and actual capacity)
- IV. Energy consumption
- V. Number of employee engaged
- VI. Demand Forecast
- VII. Supply and Gap
- VIII. Capacity of Domestic Industries in terms of self Sufficiency
- IX. Percentage basis import and availability within the country (Domestic availability vs. import)
- X. Status and trend of import for medicine production industries.
- XI. Availability of Raw Materials domestically for medicine manufacturing industries for upcoming years.
- XII. Technology adopted
- XIII. Status of WHO GMP standard/ Quality aspects
- XIV. Marketing aspects
- XV. Environmental impacts
- XVI. Challenges faced by the medicine manufacturing Industries
- XVII. Financial position and area for improvement (Policy level, association level and industries level)
- XVIII. Possible Suggestions

1.3 Literature Review

The literature review for this research primarily focuses on similar studies performed on pharmaceuticals companies and tries to correlate various marketing strategies that can be used to make this study better and improve its finding.

The literature review also consists of finding methodology used by other pharmaceutical companies. The American marketing association offers the following definition (marketing is the process of planning and executing the conception, pricing, promotion and distributions of ideas good and services to create exchanges that satisfy individual and organizational goals).

Various research paper studies and books that were reviewed are listed below

- I. Pharmaceuticals marketing strategies influence on physicians prescribing pattern in Lebanon: Ethics, gifts and samples (khazzaka BMC Health Service Research 2019 AD concluded that pharmaceuticals marketing strategies are correlated to physicians prescribing behavior. The majority of the promotional tools tested were mostly or sometimes motivating physicians to prescribe promoted drugs. The major tools that physician agreed to be mostly motivated by are visits of medical representatives and drug samples while sales calls made by pharmaceuticals companies are the less influential tools. Regarding gifts acceptance, the study demonstrated that physicians considered gifts acceptance as a non-ethical practice. Results showed that most physicians view pre-samples to treat their patients. They demonstrated that there is a relationship between physicians prescribing pattern and there is, gender and the location of practice.
- II. Marketing strategies of different pharmaceutical companies: journal of drug delivery and therapeutics 2014, 4(2), concluded that the relationship between three parties (costumer competitor) determine the success and failure of business organization. From medium to long run, the domestic pharmaceutical market will be largely driven by the increasing prevalence of chronic segment

1.4 History of Nepal Pharma Market & its development

The true history of Nepali pharmaceutical market started with the establishment of Bir Hospital. At that time medicines were imported to fulfill the demand of public. Nepal Pharmaceuticals established its first allopathic plant at Godavari but it could not be successful. The penetration of

private sector took place with the establishment of Chemidrug industries in 2026 B.S. (1970 AD) and following it Royal drug limited also started its operation as a government industry in 2029 B.S. (1973 AD). There was a big gap between 2029 to 2038 B.S. (1973-1982 AD). Then came a phase between 2038-2042 B.S. (1982-1985 AD) when introduction of industries like Manoj, Everest, Lomus and NPL took place. On the other hand, during this span of time there was mushrooming of saline industries which also failed. The new era for Pharma Industry came during 2050 B.S. (1994 AD) when there was rapid flourishing of pharma industry. During this phase Drug act was formulated in 2035 B.S. (1978 AD) under which the government regulatory body DDA (Department of Drug Administration) was established 2036 B.S. (1979 AD) In 2060 B.S. (2004 AD) DDA introduced the concept of GMP (Good Manufacturing Practice) and its certification which inspired the Nepali pharmaceutical companies to produce Quality Medicine and made them able to dream to compete with the international market. Until now 20 companies have been certified and the deadline to obtain the certificate has been announced till the end of 2068 B.S. (Mid-April 2012). The recent DDA policy presented a criterion of WHO recommended certification for foreign companies to market their products in Nepal due to which several substandard Indian companies had to withdraw their market from Nepal. Apart from having an extra financial load to some companies, it has also opened door for export opportunities.

During the fiscal year 2061/62, the Pharmaceutical products being consumed was around Rs. 106559 Million per annum which is growing in the rate of 19% per annum which Nepalese industries covers only 32 %.

Pharmaceutical Industry: A number of attractive investment opportunities can be found in medicine and health care supply manufacturing. Nepal's population of approximately 28 million is a sizeable market. To date, approx. 50% or more of this market has been met by way of imports. As such, there is scope not only for the production of the branded medicines but also for bulk drugs, which provide the raw materials for medicines. While the pharmaceutical industry has experienced significant growth in recent years, there is scope for large scale pharmaceutical manufacturers which can introduce new technologies and take the pharmaceutical industry to a higher level. As of July 2016, there are 37 pharmaceutical companies operating in Nepal who mostly import APIs and

then formulate, package and retail the drugs locally.

1.5 Current Status of Pharma Market in Nepal

The role of DDA is to regulate all functions relating drugs like misuse and abuse of drugs and its raw materials, to stop false and misleading advertisement and make available safe, efficacious and quality drugs to the general public by controlling the production, marketing, distribution, sale, export, import, storage and use of drugs.

DDA with support of WHO has carried out self-benchmarking from 8 February to 10 March with GBT assessment tools to evaluate the regulatory framework and the component regulatory functions through a series of sub-indicators that are grouped to nine crosscutting categories or themes. The accessed themes and their implementation status are National Regulatory System (NS)-57%, Registration and Marketing Authorization (MA) - 49%, Vigilance (VI) – 30%, Market Surveillance and Control (MC)- 35%, Licensing Establishments (LI)- 66%, Regulatory Inspection (RI)- 78%, Laboratory Testing (LT)- 56%, Clinical Trial Oversight (CT)- 43% and NRA Lot Release (LR)- 0%.

The global pharmaceutical market is expected to reach nearly USD 1455-1485 billion by 2021, an increase of USD 350-380 billion from the USD 1,105 billion recorded in 2016. This growth is coming mainly from market expansion in Pharma emerging countries and demographic trends in 14 developed countries due to an ageing population. Global brand spending is forecast to increase to USD 815 832 billion in 2021. Global generic spending is expected to increase to USD 495- 505 billion by 2021. The United States share of global spending will increase from USD 461.7 billion in 2016 to USD 645-675 billion in 2021, while the

European share of spending will grow from USD 151.8 billion to USD 170-200 billion. Meanwhile, pharmerging countries will spend USD 315-345 billion in 2021 from USD 242.9 billion in 2016. The consumption of medicines in the Nepalese market during the fiscal year 2017/18, is worth USD 0.386 billion, of which medicines worth USD 0.160 billion is manufactured by the domestic companies. Annually USD 0.226 billion is spent for import of medicines mainly by the from India (USD 0.187 billion). This way the domestic production takes care of about 41.42% of total consumption. At present, the total pharmaceutical market of Nepal is estimated to be NPR 53 billion (approx. USD 430 million). Nepal imports NPR 28.65 billion worth of medicine from India and other countries, which is about 54.5% of the total market share, while NPR 24 billion worth of medicines are produced by domestic industries, which is 45.5% of the total market share. If government takes effective actions based on its budget announcement meaning to make self-sufficient in essential medicines by promoting domestic industries, the domestic production can take care of 75% of total market. This would result in development of domestic industries in the road map of self-sufficiency with good promotion and protection of domestic industries.

Note: 16990 drugs are registered in Nepal.

List of importers and companies from which they import medicines till 28/09/2022 on DAMS-169 <https://www.dda.gov.np/content/list-of-importers-and-companies-from-which-they-import-medicines-till-28-09-2022-on-dams>

List of Domestic industries listed in DAMS till 29/09/2022- 128 total industries

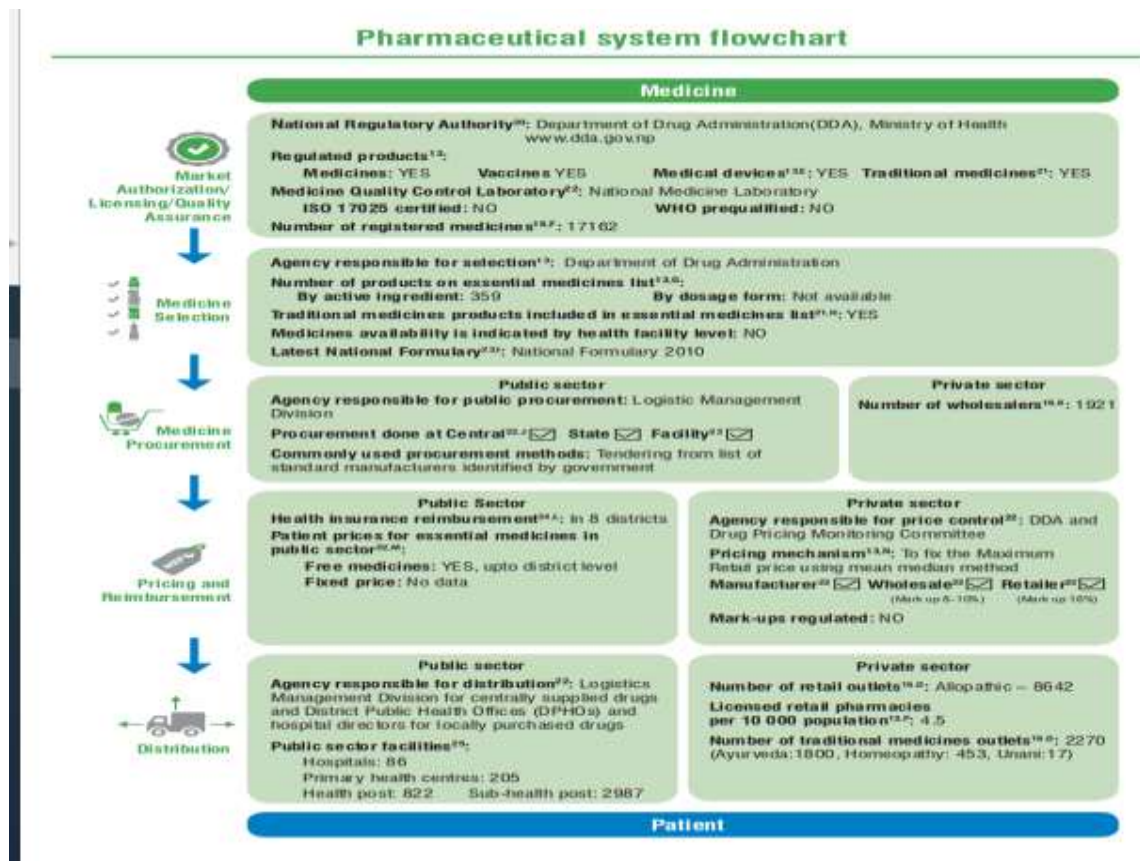
<https://www.dda.gov.np/content/list-of-domestic-industries-listed-in-dams-till-29-09-2022>

S.No.	Manufacturer Name	System
1	a s herbal industry	ayurvedic
2	aadee remedies pvt ltd	allopathy
3	abhicom pharmaceuticals pvt ltd	allopathy
4	accord pharmaceuticals pvt ltd	allopathy
5	adonis biofarma private limited	allopathy
6	alive pharmaceutical pvt ltd	allopathy
7	alliance pharmaceuticals private limited	allopathy
8	amtech med pvt ltd	allopathy
9	anu health care pvt ltd	allopathy
10	apex pharmaceuticals pvt ltd	allopathy

11	apple international pharmaceuticals pvt ltd	allopathy
12	arrow pharmaceuticals pvt ltd	allopathy
13	arya pharmlab pvt ltd	allopathy
14	asian pharmaceuticals pvt ltd	allopathy
15	big b formulation pvt ltd	veterenary
16	biogain remedies private limited	allopathy
17	biovac nepal pvt ltd	veterenary
18	chemidrug industries pvt ltd	allopathy
19	citizen pharmaceuticals pvt ltd	veterenary
20	corel pharmaceuticals	allopathy
21	ctl pharmaceuticals pvt ltd	allopathy
22	ctl pharmaceuticals pvt. ltd. ,chitwan unit	allopathy
23	curex pharmaceuticals pvt ltd	allopathy
24	denium laboratories pvt ltd	allopathy
25	derren pharmaceuticals private limited	allopathy
26	deurali janta pharmaceuticals pvt ltd	allopathy
27	deurali janta pharmaceuticals pvt ltd unit iii	allopathy
28	divine health care pvt ltd	allopathy
29	elixir life science private limited	allopathy
30	emvolio life sciences pvt ltd	veterenary
31	evans life sciences pvt ltd	allopathy
32	everest parenterals pvt ltd	allopathy
33	everest pharmaceuticals pvt ltd	allopathy
34	florid laboratories pvt ltd	allopathy
35	gd pharmaceutical pvt ltd	allopathy
36	generica pharmaceuticals pvt ltd	allopathy
37	genetica laboratory pvt ltd	allopathy
38	global pharmaceuticals pvt ltd	allopathy
39	grace pharmaceuticals pvt ltd	ayurvedic
40	gurans pharmaceutical pvt ltd	veterenary
41	haps formulations pvt ltd	allopathy
42	harvard pharmaceuticals private limited	allopathy
43	hester biosciences nepal pvt ltd	veterenary
44	himalayan essence pvt ltd	allopathy
45	hingiri health care udhyog	allopathy
46	hukam pharmaceuticals pvt ltd	allopathy
47	Ideal pharmaceuticals company pvt. Ltd.	allopathy
48	innovative pharma lab private limited	allopathy
49	jio phramaceuticals pvt ltd	allopathy
50	jj laboratories pvt ltd	allopathy
51	kalika pharmaceuticals pvt ltd	allopathy
52	kantipur laboratories pvt ltd	allopathy
53	kantipur pharmaceuticals lab pvt ltd	veterenary
54	kasturi pharmaceuticals pvt ltd	allopathy
55	keva pharmaceuticals pvt ltd	allopathy
56	life solutions pvt ltd	allopathy
57	lifestar pharmaceuticals private limited	allopathy
58	livecare pharmaceuticals pvt ltd	veterenary

59	lomus parenterals and formulation pvt ltd	allopathy
60	lomus pharmaceuticals pvt ltd	allopathy
61	lord buddha pharmachem pvt ltd	allopathy
62	lucius pharmaceuticals pvt ltd	allopathy
63	m.d.h. pharmaceuticals pvt.ltd	veterenary
64	magnus pharma pvt ltd	allopathy
65	manoj chemical works	allopathy
66	manoj pharmaceutical works	allopathy
67	mark formulations private limited	allopathy
68	maruti pharma private limited	allopathy
69	max pharma pvt ltd	allopathy
70	medrik pharmaceuticals pvt ltd	allopathy
71	meera biotech private limited	allopathy
72	mesa pharmaceutical pvt ltd	allopathy
73	mountain glacier pharmaceuticals pvt ltd	allopathy
74	national healthcare pvt. ltd.	allopathy
75	nepacare pharmaceuticals private limited	allopathy
76	nepal aushadhi limited	allopathy
77	nepal ayurved	ayurvedic
78	nepal crs company	allopathy
79	nepal pharmaceuticals laboratory pvt ltd	allopathy
80	nepal remedies pvt ltd	allopathy
81	nippon pharmaceuticals pvt ltd	allopathy
82	nova genetica private limited	allopathy
83	numarks pharmaceuticals p ltd	allopathy
84	ohm pharmaceuticals laboratories pvt ltd	allopathy
85	om megashree pharmaceuticals ltd	allopathy
86	omnica laboratories pvt ltd	allopathy
87	oshin udyog	allopathy
88	panas pharmaceuticals pvt ltd	allopathy
89	pharmaco industries pvt ltd	allopathy
90	pharmonics life sciences pvt ltd	allopathy
91	pokhara pharmaceuticals pvt ltd	allopathy
92	prakash udhyog	
93	prime pharmaceuticals pvt ltd	allopathy
94	qbd pharmaceuticals pvt ltd	allopathy
95	qmed formulation p ltd	allopathy
96	quest pharmaceuticals private limited	allopathy
97	rajdevi pharmaceuticals private limited	allopathy
98	rhododendron biotech private limited	allopathy
99	rijalco hygiene industries	allopathy
100	royal pharmaceuticals pvt ltd	allopathy
101	royal sasa nepal pharmaceuticlas	allopathy
102	s r drug laboratories pvt ltd	allopathy
103	samar pharma company pvt ltd	allopathy
104	shiv pharmaceutical laboratories	allopathy
105	shivam pharmaceutical pvt ltd	allopathy
106	siddhartha pharmaceuticals pvt ltd	allopathy

107	simca laboratories pvt ltd	veterenary
108	sopan pharmaceuticals limited	allopathy
109	sumy pharnaceuticals pvt ltd	allopathy
110	sunrise pharmaceuticals pvt ltd	allopathy
111	supreme chemicals	allopathy
112	supreme health care pvt ltd	allopathy
113	supriya chemical and packing industry	allopathy
114	swornim pharmaceuticals pvt ltd	allopathy
115	symbiotech healthcare pvt ltd	allopathy
116	taurus pharma pvt ltd	allopathy
117	time pharmaceuticals pvt ltd	allopathy
118	tizig pharma pvt ltd	allopathy
119	toreva pharmaceuticals private limited	allopathy
120	unique pharmaceuticals private limited	allopathy
121	united pharmaceuticals industry pvt ltd	veterenary
122	universal formulations pvt ltd	allopathy
123	v m c pharmaceuticals pvt ltd	veterenary
124	vega pharmaceuticals pvt ltd	allopathy
125	vijayadeep laboratories limited	allopathy
126	win tech chemical	allopathy
127	zenith pharmachem industries pvt ltd	allopathy
128	zydin biotech pvt ltd	allopathy





List of Domestic Pharmaceutical Industry awarded with WHO GMP			
S.No.	Name of Industry	Validity	Scope of Inspection
1	Asian Pharmaceuticals Pvt. Ltd.	8/31/2024	WHO GMP
2	Genetica Laboratories Pvt. Ltd., Bara	18/04/2024	WHO GMP
3	Magnus Pharmaceuticals Pvt. Ltd., Bara	18/04/2024	WHO GMP
4	National Healthcare Pvt. Ltd.	21/10/2023	WHO GMP
5	Nepal Pharmaceuticals Lab. Pvt. Ltd.	8/2/2024	WHO GMP
6	Nova Genetica Pvt. Ltd.	18/04/2024	WHO GMP
7	Ohm Pharmaceuticals Laboratories Pvt. Ltd.	18/11/2023	WHO GMP
8	Panas Pharmaceuticals Pvt. Ltd., Nepalgunj	23/05/2024	WHO GMP
9	Qmed Formulation Pvt. Ltd, Bhaktapur	8/31/2024	WHO GMP
10	Quest Pharmaceuticals Pvt. Ltd.	21/09/2023	WHO GMP
11	Samar Pharma Company Pvt. Ltd., Birgunj	8/2/2024	WHO GMP
12	Sumy Pharmaceuticals Pvt. Ltd., Nawalparasi	11/3/2023	WHO GMP
13	Time Pharmaceuticals Pvt. Ltd., Nawalparasi	11/3/2023	WHO GMP
14	Vega pharmaceuticals Pvt. Ltd, Lalitpur	21/09/2023	WHO GMP
15	Vijayadeep Laboratories Pvt. Ltd.	8/31/2024	WHO GMP
16	Curex Pharmaceuticals Pvt. Ltd.	8/31/2024	WHO GMP
17	Biogain Remedies Pvt. Ltd.	12/4/2024	WHO GMP
18	Simca Laboratories Pvt. Ltd.	12/4/2024	WHO GMP
19	Kasturi Pharmaceuticals Pvt. Ltd., Chitwan	11/3/2023	WHO GMP
20	Florid Laboratories Pvt. Ltd.	15/07/2023	WHO GMP
21	Supreme Healthcare Pvt. Ltd.	9/8/2023	WHO GMP
22	Siddhartha Pharmaceuticals Pvt. Ltd., Rupandehi	21/10/2023	WHO GMP
23	Omnica Laboratories Pvt. Ltd., Bhaktapur	21/10/2023	WHO GMP
24	Apple Pharmaceuticals Pvt. Ltd., Rupandehi	8/2/2024	WHO GMP
25	Unique Pharmaceuticals Pvt. Ltd., Bara	18/04/2024	WHO GMP
26	QbD Pharmaceuticals Pvt. Ltd., Kavre	18/04/2024	WHO GMP
27	Grace Pharmaceuticals Pvt. Ltd., Rupandehi	27/07/2024	WHO GMP
28	Grace Pharmaceuticals Pvt. Ltd.(Unit-2), Rupandehi	27/07/2024	WHO GMP
29	Apex Pharmaceuticals Pvt. Ltd.	8/2/2024	WHO GMP
30	Bhaskar Herbaceuticals Pvt.Ltd.	21/02/2023	WHO GMP
31	Universal Formulation Pvt. Ltd.	12/4/2024	WHO GMP
32	Chemidrug Industries Pvt. Ltd.	12/4/2024	WHO GMP
33	Keva Pharmaceuticals Pvt. Ltd.	12/4/2024	WHO GMP
34	Royal Pharmaceuticals Pvt. Ltd.	12/4/2024	WHO GMP

1.6 Unethical Practices in Pharmaceutical Markets

From organizational perspective the most prominent performance related issues are listed below:

- I. Increased competition and unethical practices adopted by some of the propaganda base companies.
- II. Low level of customer knowledge (Doctors, Retailers, Wholesalers).
- III. Poor customer (both external & internal) acquisition, development and Retention strategies
- IV. Varying customer perception.
- V. The number and the quality of medical representatives
- VI. Very high territory development costs.
- VII. High training and re-training costs of sales personnel.
- VIII. Very high attrition rate of the sales personnel.
- IX. Busy doctors giving less time for sales calls.
- X. Poor territory knowledge in terms of business value at medical representative level.
- XI. Unclear value of prescription from each doctor in the list of each sales person.
- XII. Unknown value of revenue from each retailer in the territory
- XIII. Absence of ideal mechanism of sales forecasting from field sales level, leading to huge deviations m). Absence of analysis on the amount of time invested on profitable and not-so profitable Customers

and lack of time-share planning towards developing customer base for future and un-tapped markets.

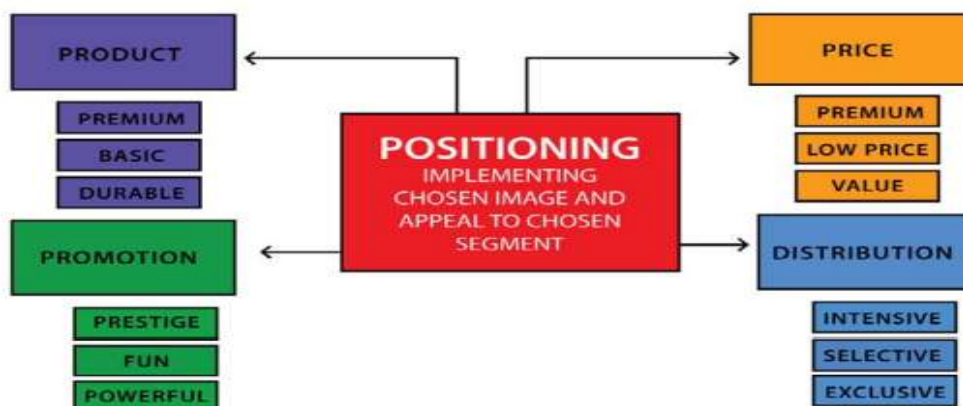
1.7 Objective of the Study

- I. To focus on the marketing strategies and activities of different pharmaceutical industries in Nepal in order to meet their sales target and achieve their organizational goal.
- II. To know the market position of Nepalese pharmaceutical industries.
- III. To find profitability of the pharmaceuticals production and determining the problems of Nepal Pharma market.
- IV. To analyze the sales promotional tools and techniques adopted by Nepalese Pharma market.
- V. To find out the growth pattern of the Nepalese pharmaceuticals industries.

- VI. To focus pharmaceuticals industry in Nepal in terms of utilization of opportunities under world trade organization to evaluate sales promotion in Nepalese Pharma market.
- VII. To suggest and recommend on the basis of major finding.

A good marketing plan includes these 10 elements:

- I. Business Description
- II. Market Research and Analysis
- III. Pricing Analysis
- IV. Customer Profiling
- V. Competitive Analysis
- VI. Marketing Goals and Objectives
- VII. Marketing Strategies
- VIII. Marketing Methods
- IX. Marketing Budget
- X. Success Measurements



Source: Adapted by author from various sources

Figure 23: Positioning & its main elements.

1.8 Methodology

A qualitative investigation was done and personnel from pharmaceutical companies and doctors were interviewed in-depth. The sampling was done by using non-probability method.

- I. Data collection: The success of any research project depends critically on data. So data collection is the most important aspect of the project. Sales data and its comparison with previous financial years. The report from the ICRA about the market potential to assess potential for the companies market. Previous financial year

sales as a comparative data to design a strategy to reach company's goal.

- II. Market Survey has been conducted after preparing the checklist and the focus was to know the market share for the company. We have conducted survey based on IMS data, BDR data and other reports and finally evaluated that there is a very good scope and business opportunity for the product range. Secondary Data Company's documents, Brochures, Various journals, pamphlets and companies portals were

studied for relevant information regarding the subject of the projects. These documents were very useful for theoretical, conceptual and organizational background. Detailed analysis of information and data collection was carried on and then it has been possible to complete the task.

Secondary data has been used from sources like DOI, DDA and APPON.

Questionnaires have been prepared as per TOR for study of self-reliant pharmaceutical products in tablet, capsules, powder, liquid and ointment. However, the individual industries and APPON provided information product/molecule wise. Hence study has been focused to find out self-reliant medicines.

Import and export pharmaceutical products status could not be provided in quantity since Department of Custom has not maintained the import and export data in details including quantity and category.

1.9 Limitation of the study

- I. Lack of proper information of marketing strategies of any organization since organization does not publish in details to keep secret from competitors.
- II. Lack of structured and relevant article in internet on the topic of market strategies followed by Pharmaceuticals Company.
- III. Lack of experience in conducting analysis of marketing strategies.

CHAPTER 2

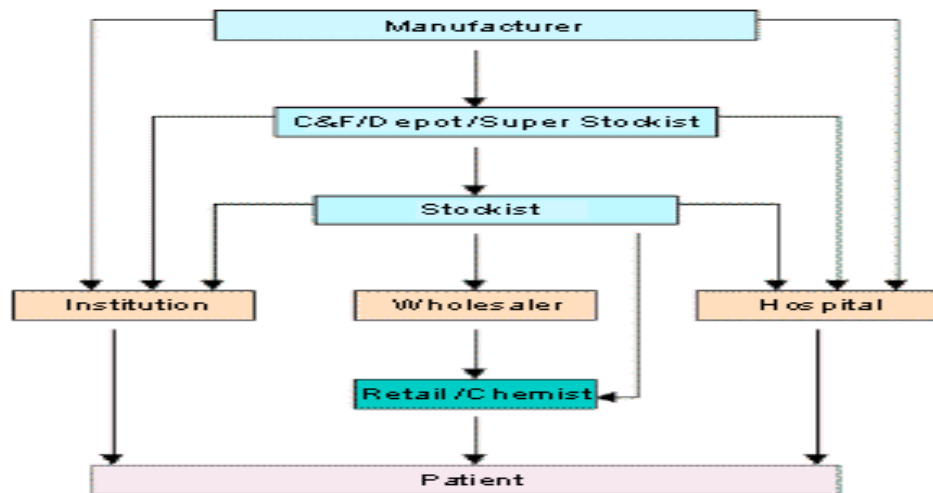
2 Marketing Strategies with Pharma Marketing Concept

2.1 Conceptual Review

Marketing is commonly misunderstood as an ostentatious term for advertising and promotion;

in reality it is far more than that. This perception isn't in many ways unreasonable, advertising and promotion are the major way in which most people are exposed to marketing. However, the term 'marketing' actually covers everything from company culture and positioning, through market research, new business/product development, advertising and promotion, PR (public/press relations), and arguably all of the sales and customer service functions as well; It is systematic attempt to fulfill human desires by producing goods and services that people will buy. It is where the cutting edge of human nature meets the versatility of technology. Marketing-oriented companies help us discover desires we never knew we had, and ways of fulfilling them we never imagined could be invented.

As we all know that this is the age of marketing, every manufacturing organization needs to produce and markets its product or services to achieve its goal and to exist in this competitive market. In context of globalization of the economy, liberalization and IT development, the marketing environment its being more competitive day by day. The entire way of communication and marketing logistics have totally changed the marketing practice both at the domestic and international fronts. Hence to survive in such dynamic environment an organization must be able to implement the modern marketing concept, organize the marketing department monitor and scan marketing environment and establish the information networks. It should be able to plan, evaluate, implement and control marketing activities balancing the interest of the organization, customer and society. Thus strategic planning and integrated implementation have not only become a demand of time but also an indispensable aspect of the modern marketing.



Defining Marketing We can distinguish between a social and managerial definition of marketing. A social definition shows the role that marketing plays in society. One marketer said that 31 marketing's role is to "deliver a higher standard of living". Here is a social definition that serves our purpose.

Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others. For a managerial definition marketing has often been described as "the art of selling products" but people are surprised when they hear that most important part of marketing is not selling. Selling is only the tip of marketing iceberg. Peter Drucker, a leading management theorist, puts it this way: There will always, one can assume, be need for same selling. But the aim of marketing is to make selling superfluous.

The aim of marketing is to know and understand the customer so well that the product or services fits him and selling itself. Ideally, Marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or services available. When Sony designed its Walkman, when Nintendo designed a superior videogame, and when Toyota introduced its Lexus automobile, these manufacturers were swamped with orders because they had designed the "right" product based on careful marketing homework. Different individuals and association have tried to define marketing in their own terms.

The American Marketing Association offers the following definition: "Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods

& services to create exchanges that satisfy individuals and organizational goals." Coping with exchange process calls for a considerable amount of work and skill. Marketing Management takes place when at least one party to a potential exchange thinks about the means of achieving desired responses from other parties. We see marketing management as the art and science of choosing target market and getting, keeping and growing customers through creating, delivering and communicating superior, customer value. This famous book, Marketing Management defines marketing as a "Social and managerial process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others"(Kotler,2003:9).

Thus marketing process is a direct result of adoption of the marketing concept by business organization. Marketing concepts gives more accurate understanding of consumers need; preference and delivery of most want satisfying product and service to the present and potential consumer. Competitive environment of the market has forced most organization to give up " hit and trial" method for business and encouraged them to adopt marketing research for better understanding of consumes, competitor and micro and macro market forces.

Thus, modern marketing concepts emphasize on achieving organizational objective by marketing activities integrated toward determining and satisfying customer need and target market. This new philosophy of marketing need top management support, market intelligence system, organizational restructuring, human sources development and appropriate marketing mix.

2.2 Promotional Strategy

2.2 Strategic issues

2.2.1 Research of environment and situation

2.2.1.1 PESLEDI

2.2.1.2 BCG Matrix, Improved BCG matrix and the GE/McKinsey Matrix

2.2.1.3 Porter's Five Forces

2.2.1.4 Ansoff's Matrix

2.2.1.5 5Ms internal audit

2.2.1.6 SWOT-Analysis

2.2.2 Forecasting market and sales

2.2.3 Implementation, Analysis, Control & Evaluation

2.2.4 Objectives setting

2.2.4.1 Research and designing of strategies

2.2.4.2 Strategic marketing programmed

2.2.4.3 Control Segmentation, Targeting & Positioning

2.2.5.1 Segmentation

2.2.5.2 Targeting

2.2.5.3 What is positioning? Positioning and Perception

2.2.6 Perceptual Mapping

2.2.6.1 Rationale behind perceptual mapping

2.2.7 Strategies for Product Positioning

2.2.7.1 Positioning in relation to attributes

2.2.7.2 Positioning in relation to the user/usage

2.2.7.3 Positioning in relation to competitors

2.2.7.3.1 Positioning directly against competitors

2.2.7.3.2 Positioning away from competitors

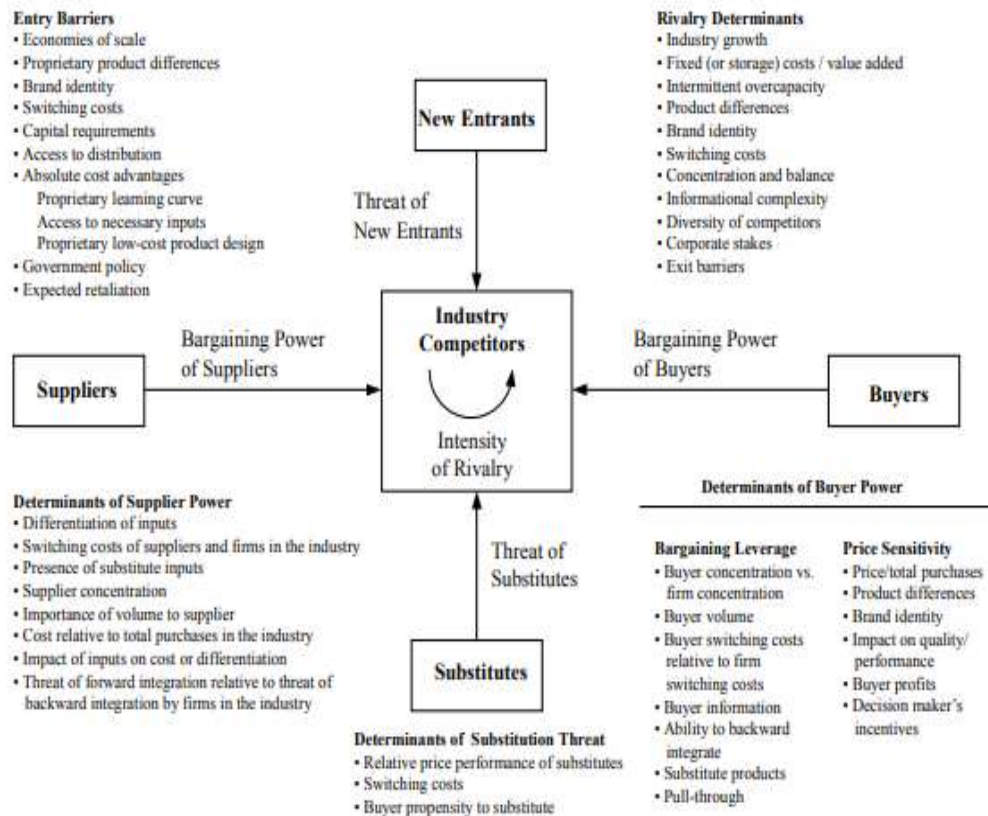
2.2.7.3.3 Positioning in relation to a different product class

2.2.8 Product Re-positioning

2.2.9 Corporate Positioning

Strategic Marketing

So what is marketing?



Source: Porter, M. 1985:6

2.3 Defining Marketing

Marketing is commonly misunderstood as an ostentatious term for advertising and promotion; in reality it is far more than that. This perception isn't in many ways unreasonable, advertising and promotion are the major way in which most people are exposed to marketing. However, the term 'marketing' actually covers everything from company culture and positioning, through market research, new business/product development, advertising and promotion, PR (public/press relations), and arguably all of the sales and customer service functions as well;

It is systematic attempt to fulfill human desires by producing goods and services that people will buy.

It is where the cutting edge of human nature meets the versatility of technology.

Marketing-oriented companies help us discover desires we never knew we had, and ways

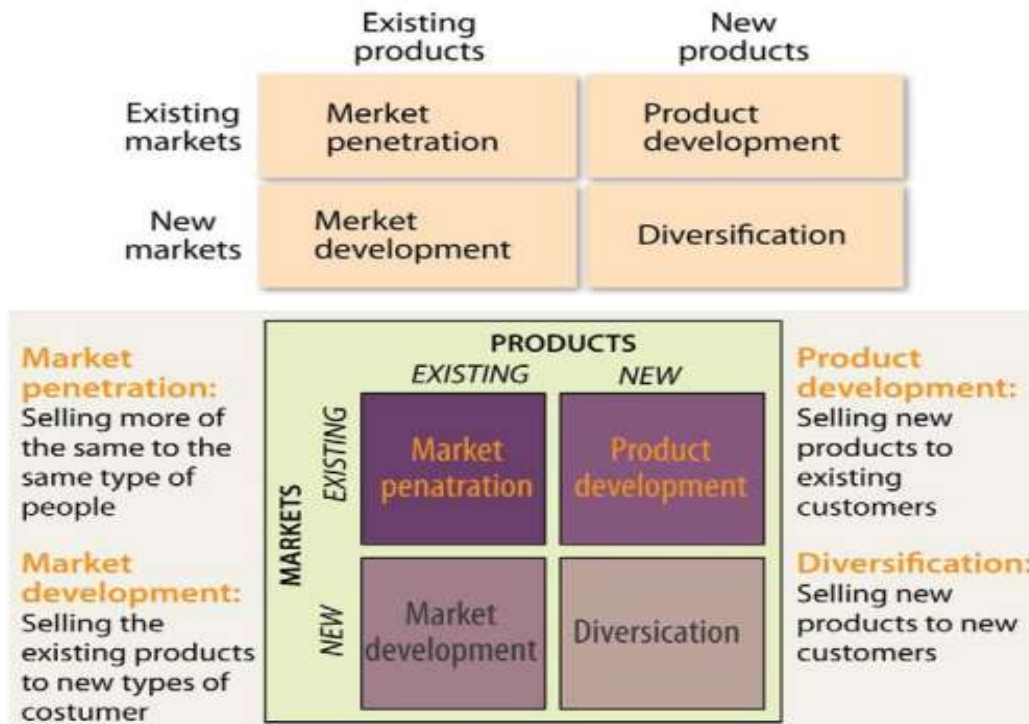
of fulfilling them we never imagined could be invented.

The Three levels of Marketing Almost every marketing textbook has a different definition of the term "marketing." The better definitions are focused upon customer orientation and satisfaction of customer needs;

The American Marketing Association (AMA) uses the following: "The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives."

Philip Kotler uses, "Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others."

The Chartered Institute of Marketing (CIM), "Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably."



Source: Adapted by author from various sources

Figure 18: Ansoff's Matrix

2.4 Marketing Mix

The marketing mix is the set of marketing variable, which the organization blends to achieve the marketing goal in a defined target market. The marketing mix consist of everything the organization can do influence the demand for its product in the target market. 33 Marketing mix is defined as a set of marketing tools that organization uses to peruse their marketing objective in the target market. Their tools or marketing mix are known 4Ps. product, price, place and promotion which are inter related i.e. decision in one element usually affect actions in the others. The total marketing effort consists of the design, implementation and evaluation of the marketing mix. Organization should strike right balance between 4Ps. The product mix includes decisions

on product line and mix, product quality, variety, design, features, branding, packing, labeling etc. It also includes important activities such as product planning and development. Price mix includes activities such as analysis of competitor’s price, formulation of pricing objective, setting price, determining terms and conditions of sales, discount and commission etc. Place or distribution mix includes design of the distribution channel, distribution network, dealer promotion and motivation system and physical distribution of the product. Promotion mix includes determining the promotion blend – the mixture of advertising, personal selling, sales promotion, and publicity and public relation to popularize the use of the product in the target market.

The Strategic Marketing Process

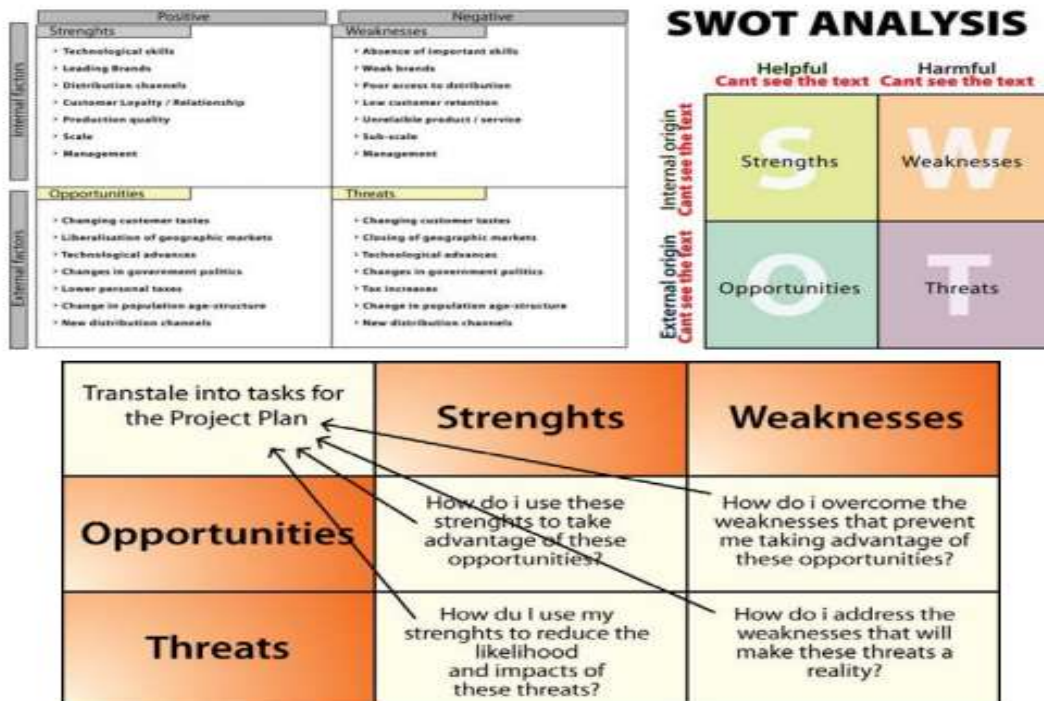


2.5 Role of Marketing Industrialization: SWOT-Analysis

After studying the environment and the situation, it is necessary to do a SWOT analysis. This analysis provides an overall overview of the strengths, weaknesses, opportunities and threats of the firm and its environment. Strengths are the internal competencies a company needs to have and weaknesses are the competencies that the company does not have; note these should be defined from the customer's perspective – if the customer doesn't see something as a strength, then no matter how proud of it the business is it is meaningless in a SWOT analysis. The same applies to a weakness. This is a marketing perspective on SW not that adopted by many strategic management texts. A marketing opportunity for a company is an attractive area for a marketing action in which the company would enjoy a competitive advantage. On the other hand, an environmental threat is a challenge posed by an unfavourable trend or

development in the environment that would lead, in the absence of purposeful marketing action, to the erosion of the company's position. After having performed the SWOT analysis, the company will use these findings to define the main issues that must be addressed in the strategic marketing plan. Decisions of these issues will lead to the subsequent setting of objectives, strategies and tactics.

The result of the analysis is usually presented as a four box table or diagram, as shown in the top left part of figure nineteen, at the side of this the next part of the diagram shows the risk profile of each box in a SWOT analysis. The lower part of figure nineteen shows a more advanced or enhanced SWOT that also illustrates the key questions a SWOT is used to answer and the fact these answers then need to be converted into an Action or Project Plan with an overall marketing/business plan context.



Source: adapted by author from various sources

Figure 19: SWOT & Enhanced SWOT analysis

2.6 Promotional Tools mostly used in Nepalese Pharma Market

- I. **Medical Sales Representative (MSR):** Medical Representatives of Pharmaceutical industry represent both their company and the pharmaceutical industry as whole in the eyes of healthcare practitioners. They are the main point of contact between the pharmaceutical industry and other partners in healthcare sector. For this reason, the industry should establish and maintain high standards in the recruitment and selection of medical representatives, to ensure that well-qualified people are hired. Medical representatives should be science graduates.
- II. **Sample:** The working pattern of MSR of any company depends on sample. MSR usually have to offer some medicines as sample to doctors during their every visit. Samples are given to MSR in monthly / quarterly basis as per their requirement. The main purpose of sample distribution to doctors is to acknowledge them the availability of the brand in Market and its effectiveness, its dosage etc. Providing samples to doctors during MSR's every visit reminds the doctor regarding medicines and this will helps in getting maximum prescription from doctors.
- III. **Incentives / Timely Payment Commission / Discount:** Incentive generally means payment made to encourage the effort of field force in work. In Pharmaceutical Industries usually MSR, chemist and Stockist (Distributors) are benefited by the sales incentive. After fulfilling the annual sales target given by the company MSR and stockist can enjoy the incentive. Thus, incentives also promote the sales of the Pharmaceutical Company. Timely payment commission (TPC) is usually given to the stockist from the company. Company provides certain percentage discount to the stockist if they paid the outstanding amount within given time limit. TPC indirectly promote the sales but directly related to payment on credit sales. From the reliable source it came to know that company like Time Pharmaceutical had offered the discount of Rs. 10000/- in the purchase of medicines worth Rs. 38000/- for certain time.
- IV. **Schemes to Retailers and Gifts to Doctors** The most popular promotional tools that every Pharmaceutical companies are adopting, is announcing schemes to Retailer in certain products. Usually schemes are kept on seasonal medicines, medicines at introductory phase and also to clear the stock. For example; in purchase of 3 boxes of Metronidazole 1 bed sheet free. Sales of every Pharmaceutical houses based on prescription of doctors. So the houses usually focus to doctors. They offer different types of gift (called as kind offer) as per demand and requirement of doctors. Most of the Indian companies and big Nepalese Pharma companies offer expensive items like cars, house, laptop, bike etc. This type of unhealthy trend of offering expensive gifts to doctors has created problems in the survival of many other small industries running in small capital. Doctor will prescribe those companies brand who will offer them expensive and attractive gifts. Beside expensive gifts some other gifts like wrist watches, leather purses, Medicine books, Air ticket, Pen, prescription pads, Diary, Mobile set, Pashmina Shawl, Wall clock and many other are also gifted to doctors for the sales promotion purpose.
- V. **Advertising through Donations, Sponsorship, Organizing Free health camp:** Only herbal based over the counter (OTC) medicines were granted permission for advertisement. Direct advertisements are not allowed in allopathic Pharmaceutical products in Nepal, pharmaceutical Houses usually ad their products through donation to Hospitals, charity program, sponsoring the whole 4 years MBBS course to the student so that he will prescribe their products after passing the MBBS, some companies also organizes free health camps in remote areas, villages distributing free medicines to poor people. Pharmaceutical houses also give the advertisement in Health related magazines, Medical directory, Health yellow pages, Medical dictionary etc.
- VI. **Bonus 'a Nasty deals':** A deal is a trade scheme provided by the company to encourage shopkeepers to sell particular drugs. A deal of some limited percent may be permissible for new drug brand for

limited period to promote the new brand. However, it is the question of ethics on the part of the drug companies and shopkeepers concerned." Company provides perpetual deals if their product is not of required quality. Prestigious companies stop deals for the new product once the product is promoted enough. "- some shopkeepers argues. The extent of deals has crossed 100% meaning if a shopkeeper buys one strip (10 Capsule per strip) of capsules, he gets another one strip or more free. Companies are providing medicines as commercial product rather than quality conscious products. Nepali companies blame the Indian competitors for such heavy trade discounts. To match them, the Nepali companies have to suffer heavy costs. The result of such heavy trade discount and bonus may be compromised quality of the drugs. The composition maybe all right but the chemicals used may be nearing expiry of their potency, thus being possible to be provided at cheaper rate and making it viable to offer heavy discounts. Nepalese houses are facing tough competition with multinational as well as national companies. Indian companies especially those who have 10 times higher turnover than domestic companies offer higher bonuses, expensive gifts, attractive scheme and to compete them domestic houses with lesser turnover follows the same. As a result they may use near expiry raw material having low potentiality and efficacy.

2.7 Future Potentiality of National Pharmaceutical Products

This includes all of the tools available to the marketer for 'marketing communications'. As with the marketing mix, marketing communications has its own 'promotions mix', where different aspects of the promotions mix can be integrated to deliver a unique campaign.

The elements of the promotions mix are:

- I. Sales Promotion
- II. Public Relations
- III. Direct Mail
- IV. Trade Fairs and Exhibitions
- V. Sponsorship
- VI. Advertising
- VII. Personal Selling

Move beyond the basics covered in SWOT and PESTEL analyses to really understand your market and your target audience. Perhaps up to this point you know the broad insights of your primary target market – their age range, their likes and dislikes, or what kind of pages and brands they follow on social media. However by moving beyond this and developing more in-depth market insights, you will be able to better select your digital marketing mix and push budget to the most relevant marketing channels. More extensive market analysis can be a time-consuming process, but it is one that can be well worth it when you can develop a more in-depth understanding and knowledge of who it is that you actually intend to target.

2.8 Ethical Promotion of Medicine

Recently government had published a new Guideline to discourage the unhealthy competition in Pharma market. Because of this unhealthy competition patient are forced to pay high priced medicine. The objective of this guideline is to promote ethical promotion of medicine to support & encourage the improvement of healthcare through the rational use of medicine and discourage unethical practices. Similarly chemist should also sell prescribed and good quality medicines and provide knowledge regarding its dosage, use, side effects and avoiding push up sales of low quality medicines in the greed of getting more bonuses and discounts. As per Chief of DDA Mr. Bhupendra Bahadur Thapa this guideline will surely help to implement these things practically. This directory has also contains the suggestion received from Doctors, Producers, Retailers, and patients too. Through the effective implementation of this guideline, it is expected to establish ethical promotional practices throughout the country in alignment with acceptable international norms and codes. With some experience on implementation of the guideline, it will be approved as "Code on Sales Promotion of Medicine" within Drug Registration Regulation as per clause 40 of the Drug Act 1978. Implementation of the Guideline This guideline is applicable to all medicines sold in Nepalese market. It applies to prescription and non-prescription medicines (Over-the-counter drugs). They apply to all systems of medicine available in the country, and to any other product promoted as a medicine. The guideline is applicable to the pharmaceutical industry (manufacturers, distributor and retailers); the promotion industry (advertising agencies, market research organizations etc);



healthcare personnel involved in the prescription, dispensing, supply and distribution of medicines; universities and other teaching institutions; professional associations; patients and consumer groups; and the professional and general media (including publishers and editors of medical journals and related publications). All these are encouraged to use this Guideline as appropriate to their spheres of competence, activity and responsibility. They are also encouraged to take the Guideline into account in developing their own sets of ethical standards in their own field relating to ethical promotion of medicine. All these bodies should monitor and enforce their standards. Some important points that are considered in this guideline are: Free samples of legally available medicine may be provided in modest quantities to prescribers, generally on request. Free samples normally should be labeled as "Physician Sample" and price should be maintained. Medical representatives must display the highest professional and ethical standard at all times. Medical representatives are expected to understand and abide by established codes of conduct. Active promotion should take place only with respect to medicine legally available in the country. Promotion should be in keeping with National Drug policy and in compliance with Drug Act and regulations. Promotion in the form of financial or material benefits (including the deal, bonus and promotional schemes) should not be offered to or sought by health care practitioners and retailer to influence in the prescription or sale of medicine. Scientific and educational activities should not be deliberately used for promotional purposes. Payment in cash or cash equivalents (Such as gift, certificate) must not be offered to healthcare professional. Gifts for the personal benefit of healthcare professional (including, but not limited to, music CDs, DVDs, electronic items etc) must not be provided or offered. But promotional aids or reminder items may be offered to the health professional, provided the gift is of minimal value and relevant to the practice of the healthcare professional. From time to time, the companies shall conduct refresher courses for medical representatives. Companies should also encourage all medical representatives to take course of study and self improvement. The advertisement of Pharmaceutical product must communicate scientific information and such advertisement should not be made focusing on children. Prescriptive drugs should never be advertised in any form of printing or electronic media targeting

the general public. Appropriate information being important to ensure the rational use of medicine, all packaging and labeling material should provide information consistent with Drug Act and regulations and standards set by Department of Drug Administration. Adequate information on the use of medicines should be provided by physicians or pharmacist, health professional.

Introduction The ethical promotion of medicine is vital to the pharmaceutical industry's mission of helping patients for better healthcare. Ethical promotion helps to ensure that healthcare professionals have access to information they need and that medicines are prescribed and used in a manner that provides the maximum healthcare benefit to patients. The pharmaceutical industry has an obligation and responsibility to provide accurate information about its products to healthcare professionals in order to establish a clear understanding of the appropriate use of medicines. Through the effective implementation of this guideline, it is expected to establish ethical promotional practices throughout the country in alignment with acceptable international norms and codes. There is evidence that drug utilisation problems are increasingly encountered in many developing countries due to unethical practices of medicine promotion. Recently Graduate Pharmacists' Association -Nepal (GPAN) has conducted a study on promotional practices in Nepalese pharmaceutical market in collaboration with DDA and World Health Organization (WHO). The findings were presented in a seminar on 20 Magh, 2063 (3 February, 2007). The study results indicated the need for implementation of guidelines on ethical promotion. GPAN developed the guideline, based on Ethical Criteria for Medicinal Drug Promotion (World Health Organization, Geneva 1988) and Code of Pharmaceutical Marketing Practices, (2006 Revision) (International Federation of Pharmaceutical Manufacturers Associations (IFPMA)). The stakeholders discussed on the guidelines and formed a committee to revise the draft on the basis of the comments provided during discussion. Draft thus modified, with some editing from DDA, was sent again to stakeholders on 23 Jestha 2064 (6 June 2007) for further comment. The guideline is finalised after incorporating relevant comments received and has been issued from the department for implementation on 32 Asadh 2064 (16 July 2007). With some experience on implementation of the guideline, it will be approved as "Code on Sales

Promotion of Medicine" - within Drug Registration Regulation, as per Clause 40 of the Drug Act 1978.

2.8.1 Guidelines on Ethical Promotion of Medicine, 2007

1 Objective

1.1 The objective of this guideline is to promote ethical promotion of medicine to support and encourage the improvement of healthcare through the rational use of medicine and discourage unethical practices.

2. Implementation of the Guideline

2.1 This guideline is applicable to all medicines sold in Nepalese market. It applies to prescription and non-prescription medicines (over-the-counter drugs). They apply to all systems of medicine available in the country, and to any other product promoted as a medicine. The guideline is applicable to the pharmaceutical industry (manufacturers, distributors and retailers); the promotion industry (advertising agencies, market research organizations etc.); healthcare personnel involved in the prescription, dispensing, supply and distribution of medicines; universities and other teaching institutions; professional associations; patients and consumer groups; and the professional and general media (including publishers and editors of medical journals and related publications). All these are encouraged to use this Guideline as appropriate to their spheres of competence, activity and responsibility. They are also encouraged to take the Guideline into account in developing their own sets of ethical standards in their own field relating to ethical promotion of medicine. All these bodies should monitor and enforce their standards.

3. Promotion

3.1 In this guideline, "promotion" refers to all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce the prescription, supply, purchase and/or use of medicine.

3.2 Active promotion should take place only with respect to medicine legally available in the country. Promotion should be in keeping with National Drug Policy and in compliance with Drug Act and regulations, as well as with voluntary standards where they exist. All promotion-making claims concerning medicine should be reliable, accurate, truthful, informative, balanced, up-to-date, and capable of substantiation and in good taste. They should not contain misleading or unverifiable

statements or omissions likely to induce medically unjustifiable medicine use or to give rise to undue risks. Claims for therapeutic indications and conditions of use must be based on valid scientific evidence and include clear statements with respect to side effects, contraindications, and precautions. The word "safe" should only be used if properly qualified. Comparison of products should be factual, fair and capable of substantiation. Promotional material should not be designed so as to disguise its real nature.

3.3 Scientific data in the public domain should be made available to prescribers and any other person entitled to receive it, on request, as appropriate to their requirements. Promotion in the form of financial or material benefits (including the deal, bonus and promotional schemes) should not be offered to or sought by health care practitioners and retailers to influence in the prescription or sale of medicine.

3.4 Scientific and educational activities should not be deliberately used for promotional purposes.

3.5 Information to physicians and health-related professionals

3.5.1. The wording and illustrations in information to physicians and related health professionals should be fully consistent with the approved scientific data sheet for the medicine concerned or other source of information with similar content. The text should be fully legible.

3.5.1. Information that make a promotional claim should at least contain summary scientific information. Information should usually contain, among others: _ The name(s) of the active ingredient(s) using either international nonproprietary names (INN) or the approved generic name of the drug; _ The brand name; _ Content of active ingredient(s) per dosage form or regimen; _ Name of all the excipients and their role in the dosage form; _ Approved therapeutic uses; _ Dosage form or regimen; _ Side-effects and major adverse drug reactions; _ Precautions, contraindications and warnings.

CHAPTER 3 3 CONCLUSION AND PRACTICAL IMPLICATIONS

3.1 Conclusion

- I. Manufacturer and distributors should have policy not to provide any kind of inducement in cash or kind, including but not limited to, free medicines to prescribers or dispensers or retail pharmacy as a promotional practice.
- II. Implementation of the Guideline This Guideline will be implemented from 1 Shrawan, 2064 (17 July, 2007). DDA will monitor the implementation of this Guideline. DDA may develop procedures, processes and Standard Operating Procedures for monitoring the implementation.
- III. Promotion at Hospital Pharmacies
 - A. Drug and Therapeutics Committee (DTC) or similar committee of the hospital should develop code for promotion of medicine by the pharmaceutical industries at the hospital. Pharmaceutical industries and medical representatives should abide by the code.
- IV. Information for Patients: Package Inserts, Leaflets and Booklets
 - A. Adequate information on the use of medicine should be made available to patients. Such information should be provided by physicians or pharmacists or health professionals whenever possible. When package inserts or leaflets are required by regulations, manufacturers or distributors should ensure that they reflect only the information that has been approved by DDA. If package inserts or leaflets are used for promotional purposes, they should comply with the ethical criteria enunciated in this guideline. The wording of the package inserts or leaflets, if prepared specifically for patients, should be in lay language on condition that the medical and scientific content is properly reflected.
 - B. In addition to approved package inserts and leaflets wherever available, the preparation and distribution of booklets and other informational material for patients and consumers should be encouraged as appropriate. Such material should also comply with the ethical criteria enunciated in this guideline.
 - V. Packaging and Labeling.
 - A. Appropriate information being important to ensure the rational use of medicine, all packaging and labelling material should provide information consistent with Drug Act and regulations and standards set by Department of Drug Administration. Any wording and illustration on the package and label should conform to the principles of ethical criteria enunciated in this guideline.
 - VI. Post-Marketing Scientific Studies, Surveillance and Dissemination of Information
 - A. Post-marketing scientific studies for approved medicine are important to ensure their rational use. Approval for such research should be obtained from Nepal Health Research Council (NHRC) and/or Department of Drug Administration (DDA) where necessary and relevant scientific and ethical committees confirm the validity of the research. Inter-country and regional cooperation in such studies may be useful. Substantiated information on such studies should be reported to the appropriate national health authorities.
 - B. Post-marketing scientific studies and surveillance should not be misused as a disguised form of promotion.
 - C. Substantiated information on hazards associated with medicine or adverse drug reactions (ADR) should be reported to the DDA as a priority.
 - VII. Sponsorship
 - A. The pharmaceutical industry may sponsor healthcare professionals to attend symposia and other scientific meetings provided such sponsorship is in accordance with the following requirements:
 - B. Sponsorship to healthcare professionals is limited to the payment of travel, meals, accommodation and registration fees;
 - C. No payments are made to compensate healthcare professionals for time spent in attending the symposium; and
 - D. Any sponsorship provided to individual healthcare professionals must not be conditional upon an obligation to prescribe, recommend or promote any pharmaceutical product.
 - E. Companies should not pay any costs associated with individuals accompanying invited healthcare professionals.

- F. Payments of reasonable fees and reimbursement of out-of-pocket expenses, including travel and accommodation, may be provided to healthcare professionals who are providing genuine services as speakers or presenters on the basis of a written contract with the company at the symposium or meeting.
- G. Payments in cash or cash equivalents (such as gift certificate) must not be offered to healthcare professionals. Gifts for the personal benefit of healthcare professionals (including, but not limited to, music CDs, DVDs, electronic items etc) must not be provided or offered.
- H. Any support provided to individual health practitioner or organization should be transparent.
- I. Promotional aids or reminder items may be provided or offered to healthcare professionals and appropriate administrative staff, provided the gift is of minimal value and relevant to the practice of the healthcare professional.
- J. Items of medical utility may be offered or provided free of charge provided that such items are beneficial to the provision of medical services and for patient care.
- VIII. Symposia and Other Scientific Meetings
- A. The purpose and focus of all symposia, congresses and other promotional, scientific or professional meetings for healthcare professionals organised or sponsored by a pharmaceutical industry should be to inform healthcare professionals about products and/or to provide scientific or educational information. Their educational value may be enhanced if they are organized by scientific or professional bodies.
- B. The fact of sponsorship by a pharmaceutical manufacturer or distributor should clearly be stated in advance, at the meeting and in any proceedings of the meeting. The proceedings should accurately reflect the presentations and discussions. Entertainment or other hospitality, and any gifts offered to members of the medical and allied professions, should be secondary to the main purpose of the meeting and should be kept to a modest level.
- C. No stand-alone entertainment or other leisure or social activities should be provided or paid for by the industry or distributor.
- IX. Free Samples of Medicine for Promotional Purposes
- A. Free samples of legally available medicine may be provided in modest quantities to prescribers, generally on request. Free samples normally should be labelled as "Physician's Sample" and price should not be printed on it. Record of distribution of such samples should be maintained.
- X. Medical Representatives
- A. Medical representatives of pharmaceutical industry represent both their company and the pharmaceutical industry as a whole in the eyes of healthcare practitioners. They are the main point of contact between the pharmaceutical industry and other partners in healthcare sector. For this reason, the industry should establish and maintain high standards in the recruitment and selection of medical representatives, to ensure that wellqualified people are hired. Medical representatives should be science or applied science graduates
- B. Supervised training must be provided as per company's training manual developed prior to the recruitment to enable the persons to become familiar with and carry out their responsibilities. This training will require new employees to acquire both technical and scientific information on company products, as well as knowledge of the ethical principles and standards of conduct set out in this guideline.
- C. From time to time, the companies shall conduct refresher courses for medical representatives. Companies should also encourage all medical representatives to take courses of study and self-improvement.
- D. Medical representatives must display the highest professional and ethical standards at all times. Medical representatives are expected to understand and abide by established codes of conduct.
- E. Medical representatives must provide full and factual information on products, without misrepresentation or exaggeration. Medical representatives' statements must be accurate and complete; they should not be misleading, either directly or by implication. Their assertions must be scientific and should not vary in any way from the official product monograph.
- F. Medical representatives must provide full and factual information on products, without misrepresentation or exaggeration. Medical representatives' statements must be accurate and complete; they should not be misleading,

either directly or by implication. Their assertions must be scientific and should not vary in any way from the official product monograph.

- G. Company management shall work with representatives on a regular basis to ensure appropriate information exchange occurs regarding code of conduct and information on products. 6.7. Employers are responsible for the basic and continuing training of their representatives. Employers should also be responsible for the statements and activities of their medical representatives
- H. Under no circumstances shall medical representatives pay a fee in order to gain access to a healthcare practitioner. They should not offer inducements to prescribers and dispensers. Prescribers and dispensers should not solicit such inducements. In order to avoid over-promotion, the main part of the remuneration of medical representatives should not be directly related to the volume of sales they generate.
- I. The foreign companies exporting their products to Nepal should either open their office in Nepal or the importer is made responsible on their behalf. Name of the chief of the marketing of domestic as well as foreign companies must be provided to the DDA and any change of person should be notified as soon as possible.

3.2 Implications

- A. Fulfills the sales target
- B. Recognition of the drug product at national and international markets
- C. Availability of the right drug to the right person at right time

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