

"LAUNCHING A NEW PHARMACEUTICAL PRODUCT:
A CASE STUDY OF GLAXO NIGERIA LIMITED
AND PFIZER NIGERIA LIMITED."

BY

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C E R T I F I C A T I O N .

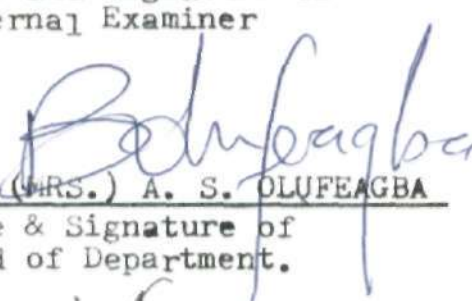
This Project report entitled "LAUNCHING A NEW PHARMACEUTICAL PRODUCT: A CASE STUDY OF GLAXO NIGERIA LIMITED AND PFIZER NIGERIA LIMITED." BY OLANIYI, MARCUS OYEYIPO meets the regulations governing the award of the degree of MASTER OF BUSINESS ADMINISTRATION of AHMADU BELLO UNIVERSITY, and is approved for its contribution to knowledge and literary presentation.

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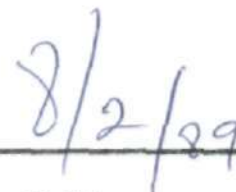
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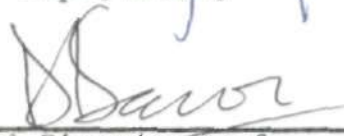
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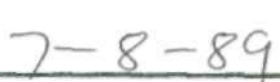
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DEDICATION.

To my children, - Olusegun and Olumayowa.

A C K N O W L E D G E M E N T.

My hearty gratitude goes to my friend MR. G. A. OWOPE for his immense contribution in making this write-up a reality.

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I must not fail to remember my 'Cousin' MR. LERE BAALE for his readiness in providing answers to most of the questions generated from discussions on this project.

A writer is not an island, and behinde every successful man there is a woman, thus to my wife Funmi a big thank you for upholding the home in my absence. The occupants of 'Ghetto E28' deserves a mention, Adigun Suleiman, Jide Ogunrinde and their affiliates Miss Eke Idachaba, Mercy Dádson, and the Olaitan Bello family.

Above all, I thank God for yet another crown.

IV

ABSTRACT.

This Project is Titled "LAUNCHING A NEW PHARMACEUTICAL PRODUCT. A CASE STUDY OF GLAXO NIG. LTD. AND PFIZER NIG. LTD."

The writer is concerned about the problems associated with the launching of new pharmaceutical products leading to failures in most cases of such products in achieving the firms objectives and goals.

Thus the project is centered on the causes and remedies of new product failures in the pharmaceutical market.

Most of the findings are based on informations obtained from many of the pharmaceutical firms operating in Nigeria.

The secret to successful launches by the two leading pharmaceutical firms in Nigeria by the name Glaxo Nig. Ltd, and Pfizer Nig. are adopted in this write up to enable other pharmaceutical firms benefit immensely in the activities that preceed the commercialization of a new pharmaceutical product.

Vital recommendations are given to enabling the pharmaceutical firms achieve their set financial objectives and goals product-wise.

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CHAPTER ONE

1.1 I n t r o d u c t i o n .

Launching activities come last in the New-product development process. It is however the most crucial decision since it mark the beginning of the life of the product. It is thus, essential to study the pre-launch activities as well as understand the problems and dilemma that accompany the launching of a new product in this case a new Pharmaceutical product.

A product in a very narrow sense, is a set of tangible and intangible attributes which the buyer may accept¹ as offering want-satisfaction.

A new-product is any product that the consumer sees and considers as being an addition to the available choices he/she has. New products will include original products, product improvements, product modifications, and new brands that the firm develops through its Research and Development efforts.

A peculiar dilemma arises in that a company that does not develop new products risks much in terms of their products following victim to changing consumer needs and tastes, new techniques and increased domestic and foreign competition while the development and subsequent launching of a new product involves alot of time, finance and much critical decisions to be taken.

More critical is the case where such a launch fails completely.

Thus, the study attempts to reconcile this dilemma by studying two typical launches by two leading Pharmaceutical Companies and rating whether or not they have succeeded and subsequently suggested methods of preparing for a successful launch.

1.2 Purpose of Study.

As literated in the introduction above, the dilemma posed by new product development and launching is enormous indeed. Therefore, the purpose of this study is to expose the various means to a successful launching of new products in the Pharmaceutical business.

Most Pharmaceutical firms in Nigeria do not engage in the production of the products they market in the country, therefore, not necessarily involved in the product development. However, the products get into the country via them and must therefore, be launched. They are only involved with the task of selling such products hence they look at the short-term effect of the return on investment at the expense of the long-term effect.

Lack of effective strategic marketing and Marketing Research lead to bad launching of these "new products."

It is the conviction of the researcher that Pharmaceutical Companies operating in Nigeria will

benefit immensely from this study.

1.3 Scope And Limit of the Study.

In order to appreciate the enormous problems associated with launching a new Pharmaceutical Product, the critical analysis of such products already in the market and their performance after launch is vital. However, due to logistic problems, only two examples of typical launches, each by Glaxo Nigeria Limited and Pfizer Nigeria Limited are illustrated in this study.

Therefore, the study is limited to:

- (i) the sales/marketing department of the two companies and their launching activities as regards the two products taken as sample launches.
- (ii) the end users of the launched products
- (iii) the distributive channels (network) adopted in the diffusion process.
- (iv) the post launch activities matched against the goals, of the respective firms.
- (v) the study also looks into the usefulness of Marketing Research in the launching of New products in the Pharmaceutical industry.

1.4 Research Methodology

The methods adopted in the gathering of relevant data for this study include the following:-

- (i) Consultation with the marketing managers and product Managers of the sample firms.
- (ii) Interview of Personnels in charge of Marketing on the various approaches and activities involved in launching their new Products.
- (iii) Distribution of questionnaires to the end users of newly launched Pharmaceutical products, that is, the Pharmacists and the Doctors in various working aspects.
- (iv) Interview of the various channels of diffusion of the products, that is, the wholesalers and retailers of drugs.

CHAPTER TWO

In order to undertake a complete and comprehensive study of the launching of New Product in the Pharmaceutical Industry in Nigeria, an overview of the historical development as well as the objective of the two leading Pharmaceutical Companies will be desirable. These companies are also the sample companies in this study. They are GLAXO Nigeria Limited and PFIZER Nigeria Limited.

2.1 Glaxo Nigeria Limited.

Glaxo Nigeria Limited is an affiliate of Glaxo Group with Headquarter in Glasgow in the United Kingdom. Glaxo markets a wide range of therapeutic products and is popularly known as the founder and father of the Penicillins.

Glaxo Nigeria Limited started its journey in Nigeria in 1954 primarily as a distributive centre for Glaxo Group's products. It gradually developed into a production firm producing about 10% of the products marketed in Nigeria.

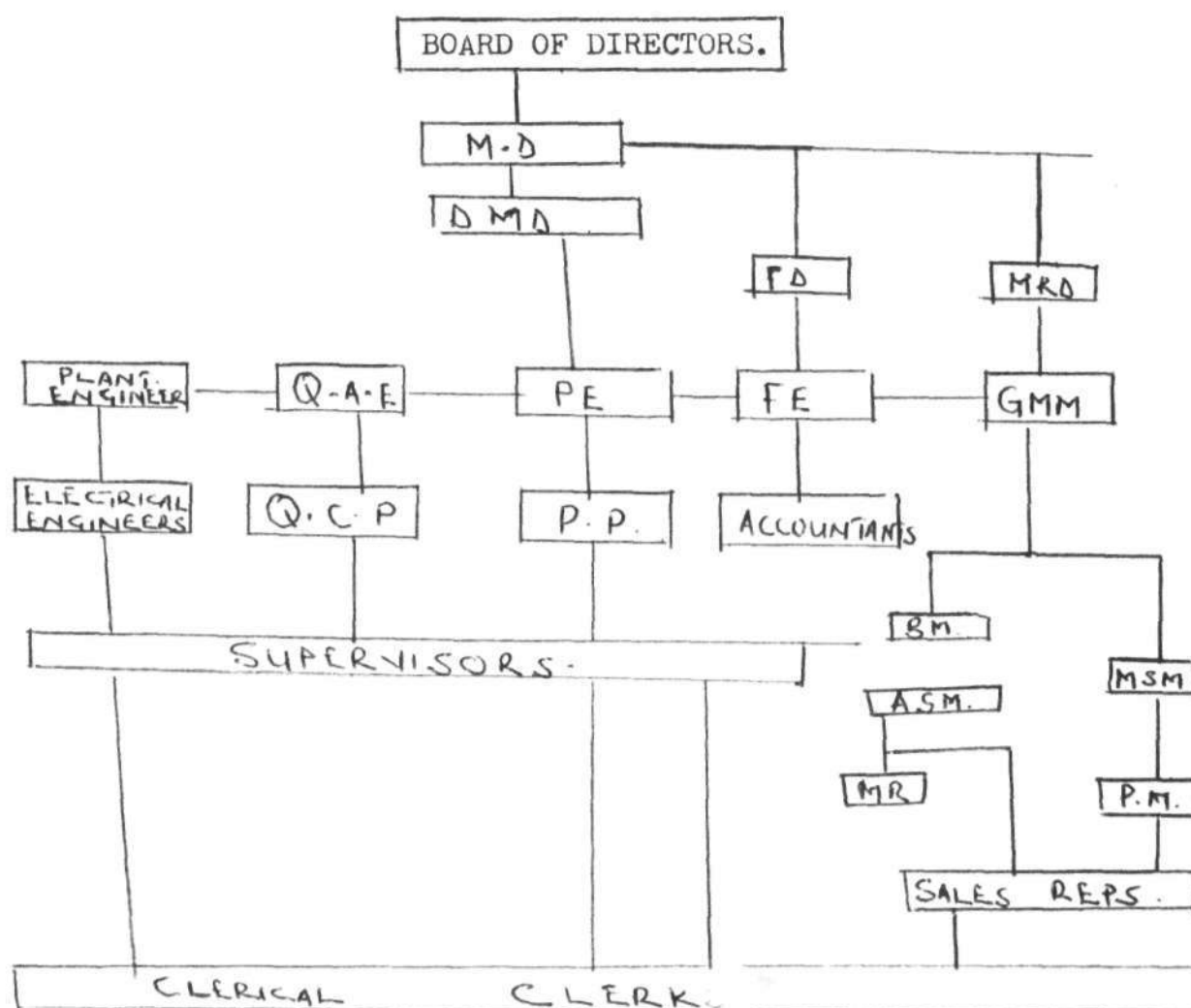
The Indegenisation Decree of 1978 however transformed the firm into an indegenous company with 60% Nigerian participation and 40% British participation in share capital.

By 1982, an Ultra Modern Factory which is reputed to be second to none in Africa and Asia was built at a cost of ₦28million at Agbara in Ogun State situated at about kilometre 37 on the Lagos-Badagry Express Way.

With the completion of this factory, Glaxo Nigeria Limited now manufactures about 90% of the total products marketed in Nigeria.

The company caters for about five hundred employees spread over its three Branches that serve the nation as a whole, that is, the distributive channels.

Glaxo's organisational chart is shown below:



KEY

M.D.	-	Managing Director
D.M.D.	-	Deputy Managing Director
F.D.	-	Financial Director
MKD	-	Marketing Director
Q.A.E.	-	Quality Assurance Executive
P.E.	-	Production Executive
F.E.	-	Financial Executive
G.M.M.	-	General Marketing Manager
B.M.	-	Branch Manager.
MSM	-	Marketing Services Manager
A.S.M.	-	Area Sales Manager
P.M.	-	Product Manager
Q.C.P.	-	Quality Control Pharmacists
P.P.	-	Production Pharmacist.
M.R.	-	Medical Representatives.

The objectives of Glaxo Nigeria Limited include:-

- (i) To produce and market high quality Pharmaceutical products at reasonable prices.
- (ii) To maintain the lead in the Pharmaceutical business in terms of turnover and return on investment.
- (iii) To project a good corporate image via its Public Relation activities.
- (iv) To perform its social responsibilities to the populace and the nation as a whole.

In achieving these objectives, the company has numerous strategies one of which is the launching of its products. To this effect, the task of launching new products is not strictly that of the product manager or Group Product Manager but that of New-Product Committee which is a high level Committee charged with the responsibility of reviewing new-product proposal. This Committee consists of representatives from Marketing, Production, Finance, Engineering, and other departments in the organisation.

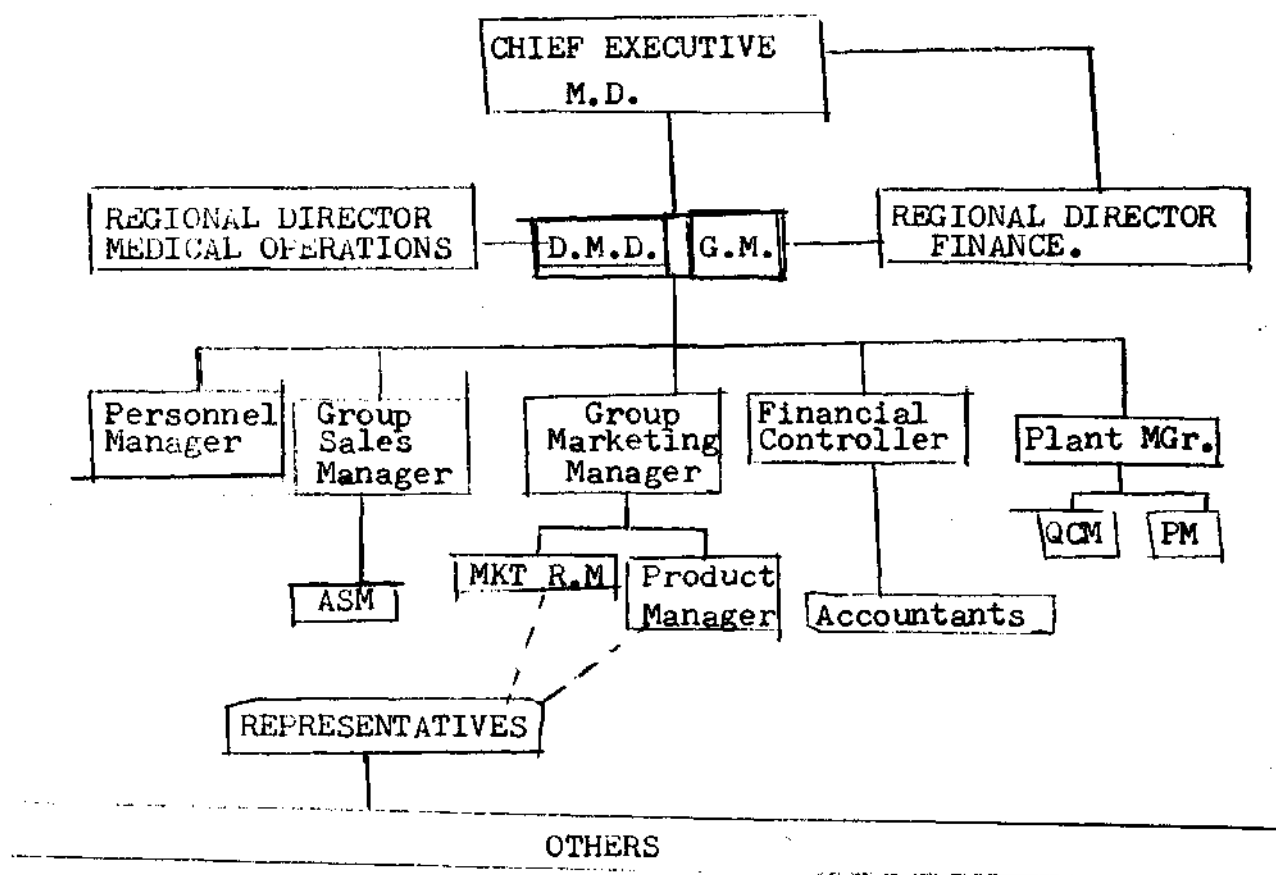
2.2 Pfizer Nigeria Limited.

Pfizer Nigeria Limited has been in business in Nigeria since 1959. It is a subsidiary of Pfizer of United States of America.

Unlike Glaxo Nigeria Limited, Pfizer Nigeria Limited manufactures its products 100% and markets them in Nigeria. The production plant is situated at Oregun in Ikeja, the capital of Lagos state.

The organisational chart though quite similar to that of Glaxo has the General Manager reporting to the Company Chairman (Chief Executive) whose decision is final in all Managerial matters.

Pfizer Organisational Chart is shown below:-



D.M.D./G.M. - Deputy Managing Director (General Manager)

PM - Production Manager

QCM- Quality Control Manager

ASM - Area Sales Manager.

Pfizer carries a wide range of Pharmaceutical products and extends this to the animal care sector, hence very strong in livestock products. The company relies on its Scientists for new product ideas mostly by finding new uses for its existing products.

The mission and goal of the company are clearly defined. Like Glaxo, they want to be identified as the leading Pharmaceutical Company in Nigeria. This position they have occupied for a long time now according to the IMS report before 1986.

Other objectives of Pfizer Nigeria Limited include:-

1. Provision of products essential to health care at prices within the reach of most Nigerians;
2. Providing job opportunities to Nigerians in a specialized field.
3. Upgrading the social standard of Nigerians.

CHAPTER THREE

LITERATURE REVIEW.

3.1^a Definition of Product.

A product is an amalgam of many things. One could simply define a company's product as what the firm has to sell to its customers in any way that might satisfy their needs or wants. The product could be an idea, a physical object, a person, a place, an institution and could be tangible or intangible.

Kotler (1984)¹ sees a product as "anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organisations and ideas." He goes further to suggest that the product should be considered from three levels viz the core product level, the tangible product level and the augmented product level. If for instance a customer buys a Peugeot 504 Saloon Car, he buys the core product. In addition to that, he buys such tangible car features as style, upholstery, electric windows, prestige, status, that expand on the tangible product and thereby augment the value of the car. Kotler maintains that all these levels are important.

1. Philip Kotler, Marketing Management: Analysis, Planning & Control.
Prentice Hall International Editions
(1984) Page 463.

However, Grafton-Small (1987)² observes that the core product is the most fundamental level which represents the buyer's actual purchase.

Stanton (1981)³ defines a product as a "set of tangible and intangible attributes, including packaging, colour, price, manufacturer's prestige, retailer's services, which the buyers accept as offering want satisfaction." It is thus established that each product carries a commonly understood description, that is name. By regarding a product as a bundle of attributes implies certain implication for a Marketing Executive. First, it implies that accurate information must be provided about the buyer's perception of the product, the perception of the different segments of the market concerning the product, the perception of the product by non-buyers of the product and the perception of the competitors' product by both the buyers and non-buyers of the product. Second, it implies that each attribute represents separate dimension along which the product is perceived by the buyer.

Another way of looking at the product is that, a product is a means by which a firm or a company reconciles its strength and weaknesses with the needs of the market

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2. Grafton-Small R. "Marketing by Designs"
Quarterly Review of Marketing
Vol. 12, No. 3&4 (1987) Page 1.
 3. Stanton, W.J. "Fundamental of Marketing."
McGraw-Hill International Book
Company, London, 6th ed. (1981).

place. It means that on the one hand, a company has its strength and weaknesses, that is, a firm is capable of producing certain product and or service. On the other hand, consumers in the market place have many needs and wants which can be satisfied by the firm via the product/services it produces.

Finally, a product could be seen as a means by which a company meets its basic responsibility to the Society.

3.2 Definition of New Product.

A product may be considered new from two perspectives; from the point of view of the consumer and from the point of view of the firm. A new product is any product that the consumer sees and considers as being an addition to the available choices he/she has. The firm on the other hand, considers a product as new when it is new to the company and may include an existing product that has undergone major modifications, or products imitated from competitors or was innovated in its entirely original forms. Thus a new product will include original products, product improvements, product modifications, and new brands that the firm develop through its own Research and Development efforts. We shall also be concerned with whether the consumer sees them as "new" in terms of offering satisfaction for wants.

Booz, Allen and Hamilton recently identified six categories of new products in terms of their newness to the company and to the market place.⁴ The categories are:-

- (i) New-to-the-world products: new products that create an entirely new market.
- (ii) New-product lines: new products that allow a company to enter an established market for the first time.
- (iii) Additions to existing product lines: new products that supplement a company's established product lines.
- (iv) Improvements in/revisions to existing products: new products that provide improved performance or greater perceived value and replace existing products.
- (v) Repositionings: existing products that are targeted to new markets or market segments.
- (vi) Cost reductions: new products that provide similar performance at lower cost.

As Kotler (1984)⁵ points out, "a company usually pursues a mix of these new products." Furthermore, than an important finding indicates that only 10 percent of all new products are trully innovative or new to the

4. New Products Management for the 1980s (New York: Booz, Allen and Hamilton 1982).

5. Kotler (1984) Ibid.

World. These products says Kotler, involve the most cost and risk because they are new to both the company and the marketplace.

Under modern conditions of competition, companies that do not develop new products risk much. Such companies will find their products falling victims to changing consumer needs and tastes, new techniques, shortened product life cycles and increased domestic and foreign competition. At the same time, new product development can be very risky especially for new products in category (i) above.

The answer to successful new-product introduction lies in two directions. First the firm must improve its organisational arrangements for handling the new-product-development process. Second, it must handle each step of the process with the best available techniques.

3.3 Significance of New Product To A Firm.

New products constitute the firm's life line blood. New products therefore play a critical role in the company's quest /desire for survival and well being. They account for high proportion of growth in many firms and in many cases new products are the major contributors to overall profits for these firms.

Any time new product development is mentioned, what readily comes into the minds of those charged with this assignment is whether the product will see the light

of and prosper or it will be a still-born. Failure rate is a relative term and may have many meanings. One can say that a new product has failed when it does not perform as expected or when it is not able to achieve sales objectives at an acceptable cost. Failure rates are very high as attested to by a number of researchers who have investigated the rate of failure associated with new products.

Wall Street Journal (1980) for example, reported that anywhere between 33 to 98 per cent of the new products introduced failed to achieve success commercially.

Reasons for product failure include poor product quality, inadequate consumer appeal, inaccurate product evaluation, development and launching, and so on. All these stem from inadequate or haphazard marketing research. One can, therefore, appreciate the importance role that Marketing Research can play in reducing the number of products that fail by aiding companies to offer buyers products that meet buyers' preferences and requirements and not to try to sell buyers, products they do not find useful or do not like. This is not to be misunderstood to mean that marketing research is a magic that will check the high failure rates of new products, but adequate Marketing Research can be an important determinant of a good and successful launch. Marketing is replete with classic cases of products that still flopped inspite of properly planned and well executed Marketing Research.

3.4 Consumer Adoption Process of New Product.

The launching of a new product entails a good knowledge of the consumer-adoption process. The consumer-adoption process begins where the firm's innovation process leaves off. It describes how potential customers learn about new products, try them, and adopt or reject them. Management must understand this process in order to build an effective strategy for early market penetration.⁶

One of the problems in launching a new product is the adoption of mass-market approach, this calls for heavy marketing expenditures and it involves many wasted exposures to people who are not potential consumers. This approach can be remedied by using the heavy-user target marketing.

Whichever approach is adopted, in launching a new product, consumers differ in their interest in new products and brands. Certain heavy users are quite loyal to their existing brands while some are early adopters than others. The early adopter theory holds that:-

- (1) persons within a target market differ in the amount of time between their exposure to a new product and their trial of the new product.

6. Philip Kotler (1984) Ibid.

- (ii) Early adopters share some traits that differentiate them from late adopters
- (iii) Efficient media exist for reducing early-adopter types.
- (iv) Early adopters tend to be opinion leaders and helpful in advertising the new product to other potential buyers.

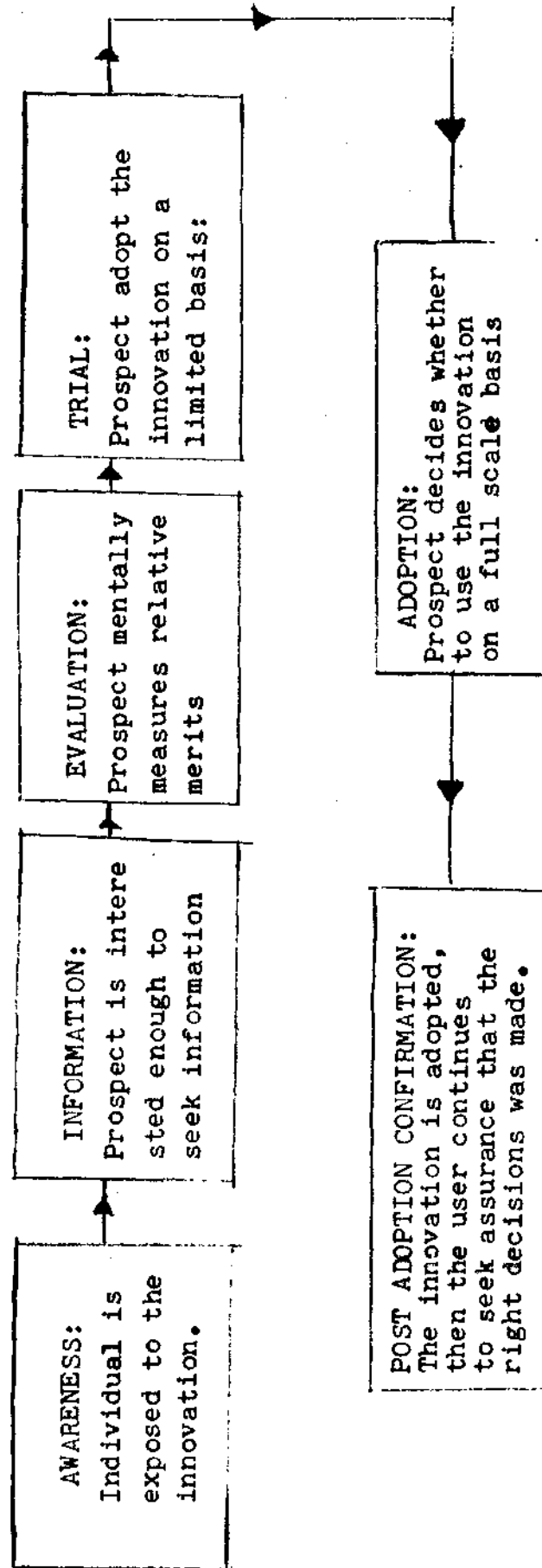
Therefore, the success of any launching activities depends on the identification of early adopters. Identifying early adopters is done through the diffusion process⁷ which is the spread of a new idea from its source of intentions creation to its ultimate users or adopters.

Adopters of new products have been observed to move through the following five stages viz:-⁸

- (i) Awareness. The consumer becomes aware of the innovation but lacks information about it.
- (ii) Interest. The consumer is stimulated to seek information about the innovation
- (iii) Evaluation. The consumer considers whether it would make sense to try the innovation.
- (iv) Trial. The consumer tries the innovation on a small scale of improve his or her estimate of its value.

8. Philip Kotler (1984) Ibid.

STAGES IN ADOPTION PROCESS



SOURCE: William J. Stanton 6th Ed. Pg. 104.

- (v) Adoption - The consumer decides to make full and regular use of the innovation.

This progression suggests that the new-product marketer should think about how to facilitate consumer movement through these stages.

The end users of any Pharmaceutical product are the prescribers. In the majority are the Doctors. James Coleman et al⁹ correctly asserts, that "some Doctors are the first to prescribe new medicines." This confirms the fact that people differ markedly in their readiness to try new products.

According to Rogers (1962)¹⁰, "a person's innovativeness is the degree to which the individual is relatively earlier in adopting new ideas than the other members of his social system." Therefore, in each product area, there are apt to be "consumption pioneers" and early adopters. In the same manner, some farmers are the first to adopt new farming methods."¹¹

Rogers contribution to a successful launching of a new product is the grouping of the adopters. These are:

- (1) Innovators: They are venturesome and willing to try new ideas at some risk.

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9. James Coleman, Elihu Kat, Etterbert Menzel "The Diffusion of an Innovation Among Physicians".
10. Evertt M. Rogers. "Diffussion of Innovations" New York: Free Press.
11. J. Bohlen and G. Beal. "How Farm People Accept New Ideas." (1962).

- (ii) Early adopters: They are usually opinion leaders in their community always guided by respect. They adopt new ideas early but carefully.
- (iii) The early majority: They are deliberately adopting new ideas before the average person, although they are rarely leaders.
- (iv) The late majority: They are always skeptical, adopting an innovation only after a majority of people have tried it.
- (v) The Laggards: They are tradition bound and always suspicious of changes. The mix with other tradition bound people and adopt the innovation only because it has now taken on a measure of tradition itself. [see page 23].

This classification suggests that any firm engaged in the launching of a new product should research the demographic, psychographic and media characteristics of innovators and early adopters and direct communications specifically to them. But the problem of identifying early adopters is not easy to solve. No one has demonstrated the existence of a general personality trait called innovativeness. Individuals tend to be innovators in certain areas and laggards in others. However, a lot can be achieved in the identification struggle by the

utilization of other marketing tools like personal influence, product characteristics influence, corporate image influence and organizational buyers' characteristics influence.

3.5 New Product Development Process.

New product development process can be divided into many steps. There is no hard and fast rule about this division. It is purely arbitrary and is purely a matter of style.

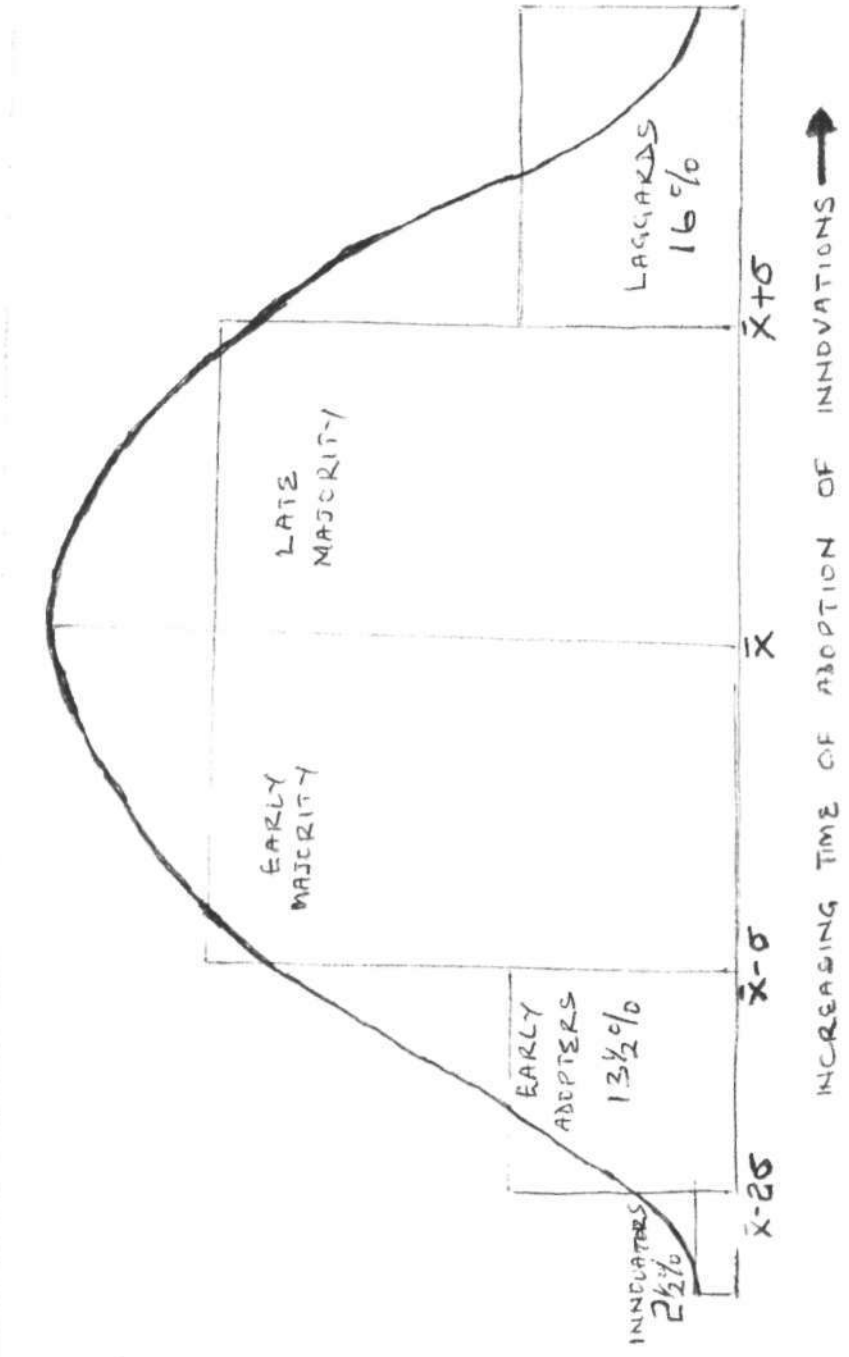
Boyd et al (1981)¹² proposed eight steps while Guiltman (1985)¹³ put forward nine and Aaker et al (1980)¹⁴ have four divisions. For the purpose of this study. The new product development process shall be broken down into six stages viz: Generation of New-product Idea, Screening, Evaluating and Developing Concepts, Evaluating and Developing the Product, Test Marketing and Commercialisation. The last stage shall be the focus in the study.

3.5.1 Generation of New-Product Idea.

Sources of new product ideas are numerous and varied. Some of these sources are external to the firm while others

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12. Boyd B.W. Jnr., Westfall R., and Stanton S.F., Marketing Research Text and Cases Richard Irwin Inc. Homewood, Illinois (1981) p.585.
 13. Guiltman, P. Gordon P.W. Marketing Management Strategies and Programmes. McGraw-Hill Book Co., 2nd Edition. (1985) P.187.
 14. Aaker, D. and Day, G.S., Marketing Research, Private and Public Sector Decisions. John Wiley and Sons (1981) Pg. 527.

DISTRIBUTION OF INNOVATION ADOPTERS.



The distribution of adopters (based on when they adopted the innovation) generally follows the normal (black) curve. Thus, the area lying more one standard deviation (σ) to the left of the mean time of adoption ($\bar{x}$) represents the first 16 percent of the adopters — the innovators and early adopters.

[source: Rogers and Shoemaker op. cit., p. 182].

are internal. The latter constitutes the most common source of ideas. They include customers, salesforce, dealers, employees and Executives, External sources include the government and its agencies, trade associations, research institutes, Universities and Polytechnics, Private inventors, 'experts' opinion and so forth.

Many kinds of Research can contribute to generating new-product concept, one of such is 'need research' which tries to find or identify needs that prevail in the market. Example of such marketing research is the benefit structure analysis. Of this benefit structure analysis Myers (1976)¹⁵ says it leads to identifying benefits that consumers seek but which are not currently being delivered. Other methods of identifying needs include focus group interviews and asking users of the product to keep a diary of their activities.

3.5.2 Screening.

The aim of the screening exercise is to select from the long list of concepts or ideas generated in the preceeding stage the few that need to be analysed in an extensive manner. There are a number of rating schemes which tend to simplify the screening process. A typical one is O'Meara's (1961)¹⁶ rating scheme for new product screening in which he uses a 5 - Point scale of very Good, Good, Average, Poor, Very Poor, to measure various

16. O'Meara, J., "Selecting Profitable Products."
Harvard Business Review, Jan-Feb(1961)
 Pages 84 and 85.

dimensions of the new product idea such as marketability, durability, Productive ability and growth potential. An important issue that the Researcher should raise in screening product ideas is whether the product is consistent with his company's current product development objectives.

3.5.3 Evaluating and Developing the Concept.

When a concept is formed, it is not yet a tangible product that can be used. Marketing Research at this stage will determine if the concept is worth proceeding any further with as well as directing how the concept might be improved and refined. As such, the concept will need to be tested.

By definition concept testing is a test conducted before the product and its marketing programme has been fully developed. Concept testing is used to determine whether consumers in the target market understand the product idea behind the concept and how they evaluate the product attributes vis-a-vis the benefits claimed. Concept tests can also be used to get consumers assess a variety of different set of attributes.

The concept is normally exposed through personal contact. Pictures, drawings and cards which describe the concept could be used to get respondents' reactions. Models, prototypes, samples may also be used for the consumer to better appreciate and comprehend what he is

confronted with. Experimental designs can also be used to test concepts.

3.5.4 Evaluating and Developing The Product.

If on the basis of the information from the preceeding steps, the firm is now in a position to carry out research to determine whether it has succeeded in creating the product desired by customers.

The objective is to predict how the market will respond and this will determine whether to proceed with the product or not. In testing the product, the product is offered, is exposed to the respondent which is better than confronting him with a concept. The idea on paper is now converted into a physical product and the respondent can actually use the product and can therefore say he would buy it the next time he has the opportunity.

3.5.5 Test Marketing.

In view of the risks that are likely to result in launching a new product, it usually pays to test it first in a limited area. This is experimental Marketing and also a kind of risk control since the test results will help assess the probability of success or failure of the proposed product.

Bonoma (1968)¹⁷ in giving credence to the importance of test marketing says "do not make a major capital

17. Bonoma, V. A., "The Do's and Dont's of Test Marketing" The Nielsen Researcher.
Vol. 26 No.3 (1968).

excursion into the unknown without thorough test marketing for it is only through market test experience that any degree of certainty can be given."

Test Marketing will help give a kind of indication of the new products potentials as well as provide management with information about the marketing plan and the product so that any problems can be rectified in good time before full-scale launch.

3.5.6 Commercialisation/Launching.

This is the final stage where full-scale production and marketing programmes are planned and then the product is launched officially.

In launching a new product, the company must make four decisions.¹⁸ The first decision is whether it is the right time to introduce the new product, the second decision is where to launch the new product, the third decision is to whom should the new product be targeted and the final decision is how the launching should be done (Introductory Market Strategy).

Regarding the timing, if the new product replaces another product, its introduction might be delayed until the old product's stock is drawn down, through normal sales. If the demand is highly seasonal, the new product should not be launched until the right

18. Kotler, Ibid.

season arrives. If the new product could be improved further, the company may prefer to miss the selling season in order to come out with a better product.

As regards where (the Geographical Strategy), the company must decide whether to launch the new product in a single locality, a region, several regions, the national market, or the international market. Few companies have the confidence, capital, and capacity to launch new products into full national distribution. They will develop a planned market rollout over time. Small companies, in particular, will select an attractive city and put on a blitz campaign to enter the market. They will enter other cities one at a time. Large companies will introduce their product into a whole region and then move to the next region. Companies with national distribution networks, will launch their new products in the national market unless these are production shortages.

In rollout marketing, the company has to rate the alternative markets for their attractiveness. The candidate markets can be listed as rows and rollout attractiveness criteria can be listed as columns. The major rating criteria are market potential, company's local reputation, cost of filling the pipeline, quality of research data in that area, influence of area on other areas and competitive penetration. In this way the company determines the prime markets and develops a

geographical rollout plan. The factor of competitive presence should also be noted.

Target-Market prospects (to whom) is yet another crucial decision to be taken in launching a product. Within the rollout markets, the company must target its distribution and promotion to the prospect groups. Presumably the company has already profiled the prime prospects on the basis of earlier market testing. Prime prospects for a new consumer product would ideally have the following characteristics. They would be early adopters; they would be heavy users, they would be opinion leaders and would talk favourably about the product; they would be reached at a low cost.¹⁹ Few groups have all these characteristics. The company can rate the various prospect groups on these characteristics and target to the best prospect group. The aim is to generate high sales as soon as possible to motivate the sales force and attract other new prospects.

Finally, the company must develop an action plan for launching the new product into the rollout markets. It must allocate the marketing budget among the marketing mix elements and sequence the various activities. Thus a new-drug launch might be preceded by a teaser publicity campaign after the drug arrives on the market and then

19. Philip Kotler and Gerald Zaltzman "Targeting Prospects For a New Product." Journal of Advertising Research. February (1976) p.7-20.

by offers of gifts, to draw more people to the stores. The company must prepare a separate marketing plan for each new market. To sequence and co-ordinate the many activities involved in launching a new product, management makes use of various network-planning techniques such as critical path scheduling.

It is now clear that in launching a new product, a lot of things have to be done and a lot of time, finance, patience involved, and critical decisions are to be taken.

CHAPTER FOUR

4.1 Introduction

In this chapter an attempt is made by the researcher to collate relevant data regarding two successfully launched new products ZANTAC and TROSYD by Glaxo Nigeria Limited and Pfizer Nigeria Limited, respectively.

The later part of the chapter is a report on the questionnaire distributed to the Group Product Managers Sales Managers and Sales Executives and Medical Representatives of Pharmaceutical Companies in which the researcher attempts to find out the existence or otherwise of Marketing Departments in such companies and whether or not they launch their products before commercialisation.

4.2. ZANTAC: A Pre-Launch Marketing Plan.

4.2.1 The Product.

ZANTAC is a highly effective and specific suppressant of both basal and stimulated gastric acid and pepsin secretion, with a long duration of action. It promotes rapid ulcer healing with sustained pain relief both day and night. The long duration of action permits simple dosage regimens. ZANTAC is available both in Tablets and Injection forms.

A comprehensive launch and development plan was designed and successfully implemented for this product beginning from January, 1982. The following are some

extracts from the Plan:

4.2.2 The Market.

A comprehensive market survey for the product was carried out. From the report, it was gathered that an IMS Audit of January to June 1981 described the gross Potential Market (GMP) to which ZANTAC belongs as totalling ~~£~~7.3 million in value. The subgroup to which Zantac belongs - anti-peptic U/cerants has a value of ~~£~~1.3 million or 18% of the GMP.

This sub-group, according to the same audit has Tagamet as its leader, and is valued at ~~£~~1.09 million. This is equivalent to 84% of this subgroup and Tagamet is Zantac's major competitor in that sub-groups see Table I below:-

Table I

ZANTAC: Review Marketing Data

Market Situation I M S Audit Jan - June 1981

M A T 1981	N Million	PERCENTAGE MARKET SEGMENT		
Gross Potential	VALUE	%GMP		
Market				
GMP				
GMP = Total A2 * A3	N3.8m	100%		
Antipeptic Ulcerant				
Market(AUM)	VALUE	%GMP	AUM%	
AUM = Total A2B	N1.3m	34%	100%	
Prime Target Segment	VALUE	%GMP	AUM%	%PTS
(PTS)	N1.09m	29%	84%	100%
Tagamet(cime- tidine) and other brands of Cimetidine	1.09	29%	84%	100%
PTS = Total H2 - antagonists				

4.2.3 Marketing Objectives

The marketing objectives of Glaxo Nigeria Ltd., Producers of Zantac were stated in the following words. That with its overwhelming benefits, representatives will have little problem in converting Tagamet prescribers to Zantac prescribers. In other words, the mission is to replace Tagamet prescriptions with the Zantac ones. The main target audience will be gastroenterologists, endoscopists/Surgeons, Physicians, general Practitioners, Pharmacists in teaching hospitals, key government hospitals and medical stores and Commercial Pharmacists (Wholesalers, Distributors and Retailers). Doctors and Pharmacists in decision making positions must be identified and 'educated' intensively on Zantac. In this regard, all marketing strategies available must be pooled and employed to "inject" Zantac into the habits of all potential prescribers. The target sales volume for five years (1982-1987) is shown in Table II below:-

4.2.4. Marketing Strategy

4a. Pre-Launch Activities: Early activities involved small scale sampling of views of opinion leaders in units of gastroenterology about Tagamet with the view of getting them to do clinical studies on a new drug which deliver better goods than Tagamet. Not surprisingly, some of them have read about Ranitidine. True to nature, they showed willingness to try such a drug on their patients. May be it is trendy to try new drugs and none wanted to be looked on as an old-fashioned doctor. It is believed that

TABLE II. PROJECTED SALES VOLUME OVER FIVE YEARS.

	YEAR I 1982/83		YEAR II 1983/84		YEAR III 1984/85		YEAR IV 1985/86		YEAR V 1986/87	
	SALES VOLUMES	PERCENTAGE GROWTH	SALES VOLUME	PERCENT-AGE GROWTH	SALES VOLUME	PERCENT-AGE GROWTH	SALES VOLUME	PERCENT-AGE GROWTH	SALES VOLUME	PERCENTAGE GROWTH
TABS 150mgx20	12,000	-	12,600	5%	14,000	10%	16,000	15%	19,000	20%
INJ. 5ml x 5's	600	-	630	5%	700	10%	800	15%	960	20%

a good marketing approach can trigger off a Zantac fever amongst gastro-enterologists.

The major Prelaunch exercise - the clinical studies - have been commenced in most of the centres viz. Lagos University Teaching Hospital, University of Nigeria Teaching Hospital, University College Hospital and Ahmadu Bello University Teaching Hospital. The trials are at various stages of progress and Glaxo is hopeful that they will be completed on schedule. The study at Ife University Teaching Hospital is yet to take off because of some bureaucratic hitch some-where, which Glaxo hopes to clear soon the hitch was later cleared.

Three of the doctors in the different study terms were guests at the Glaxo Symposium in Barbican London in October 1981 and Glaxo is planning to sponsor three more to the Swedish Symposium in June 1982. The results of the trials will be documented and published for use at subsequent symposia.

4b. Promotion / Promotional Items:

Sampling and distribution of data sheet is a procedural exercise. Gifts/give-aways of utility or decoration items will be used to back up Promotion. Data sheet for the U.K. market have been received and Glaxo will adapt them for use in the Nigerian Market. Seperate copies for both tablets and injection will be printed locally.

Gifts and give-aways, need not be lavishly dished out, but the few there are should be of such quality and prestige that befit the image Glaxo wishes to create for Zantac. Desk pads, Calculators, Pen Knives/bottle-top openers, prescription pads, good quality pens etc., will be added good image makers for Zantac.

4c. Advertisement.

Advertisement will be designed to complement the detailing of the Medical Representatives. Quarterly slots will be made in journals that enjoy wide leadership amongst medical practitioners and Pharmacists. Initially front cover slots in colour will be bought. After six promotional cycles inside slots could be used to cut down on advertisement costs. Mini-Symposia which will be planned after Zantac launch will be major advertisement efforts in other key hospitals and Institutions.

A biennial Conference of the West African Society of Gastroenterology (WASOG) will hold soon. Glaxo is providing sponsorship for all events on their programme on the first day of the conference and shall also have an exhibition on Zantac. It is Glaxo's intention to use the WASOG conference as a launching pad for Zantac since almost all prominent Gastroenterologists from all over Nigeria and abroad are expected to participate.

At the end of the WASOG conference, one of the participants. Professor Fakunle, is one of the leading members of the Zantac trial team was asked to address

the Press on the highlight of their Conference including the advent of Zantac.

When clinical trials from the different centres are completed, Glaxo proposed to organise a post-launch symposium in Lagos to which Glaxo shall invite all those who conducted the trials to discuss their findings. This symposium will be planned to draw government health Ministry functionaries in addition to gastroenterologists.

4d. Mailing.

The Mailing exercise will take the form of announcement letters that will introduce Zantac tablets and injections to Doctors, Pharmacists, Distributors and Whole-Salers. See appendix I for details.

4e. Miscellaneous Promotional Activities:

Reports on clinical findings favourable to Zantac from journals or medical periodicals will be replicated and made available to Doctors, who are known to use cimetidine routinely. This would help to create doubts about Tagamet in their minds and give them some "relief" from "Tagamania." Occasional sponsorship of doctors on international conferences involving acid peptic disease treatment may be considered in due course. This privilege would however, be restricted to those doctors who have shown interest, through incontrovertible records, in Zantac and its use.

4.2.5 P R I C I N G.

Careful consideration of this factor is important if Zantac is to make a major break-through into the Nigerian anti peptic ulcerant market and hold on tenaciously in its market segment. Considering its vast advantages over cimetidine both for the patients and the doctor, it stands to reason that a higher price for Zantac than that of cimetidine is well deserved. But for sectors of the target audience who may recent Zantac's status of "...more-than-just-an-alternative..." (and these are likely to be) overpricing may put Zantac to some disadvantage, naturally. Competitive pricing should be seriously considered as ideal for successful launch.

4.3 ZANTAC: A POST LAUNCH APPRAISAL.

At the end of 1983 Zantac had been in use in some countries for more than two years and on sale in more than seventy countries. In the majority of cases the product has gained rapid acceptance with the result that Zantac accounted for approximately 19% of the world wide anti-peptic ulcerant market valued at almost \$1.2b in 1983. In the same vein, the marketing audit of March 1984 (I.M.S. March 84) showed that Zantac has gained the favours of the prescribers in Nigeria with the result that Zantac accounted for 13.9% of the anti-ulcer preparation market which was estimated

to be ₦5.56 Million. This period was two years post-launch of Zantac by Glaxo Nigeria Ltd. in Nigeria.

Clinical evidence presented at a symposium held at Royal College of Physicians in London on March 19th 1983 showed that Zantac was significantly superior to its major competitor Tagament by Sk & F in healing and preventing duodenal ulcers.

This singular evidence was made available to the prescribers, Doctors, pharmacists and patients for further entrenching the name Zantac in the healing and prevention of ulcers through the medical representatives and by mailing. The result was that by February 1988, the product has singularly sold to the tune of ₦5b worldwide the equivalent of \$1b to have its name in the Guinness book of record. The story is almost the same in Nigeria such that Zantac is the number one prescribed drug for ulcer diseases and the number one selling anti-ulcer drug putting its major competitor Tagament at a distant second position.

The performance of Zantac worldwide and the contribution of the Nigeria market to the total company turnover has pushed Glaxo Group to a comfortable No.2 position in the world pharmaceutical ranking and in Nigeria, No.1.

4.4. TROSYD: A Pre-Launch Marketing Plan.

4.4.1. The Product.

TROSYD is a broad spectrum antifungal agent used effectively in treating fungal infections of the skin and vaginal candidiasis. It is an imidazole preparation containing tioconazole.

A well detailed launch programme for Trotyd was compiled in March 1984. It marked yet another success in the coffers of Pfizer Nigeria Limited. It is thus desirable that the researcher should take a careful look at the launching programme designed to make Trotyd so successful. The following are some of the relevant extracts from the Plan.

4.4.2 The Market.

The tropical antifungal market is comprised of dermatological and gynaecological preparations. Total World reached N14,876,000 on gain of +16% in 1982. Growth in this market has been dependent on unit expansion of the dermal preparations +19% in 1982. Volume expansion of the gynaecological formulations has been through price increases in succeeding years (see Table III).

The dermal market size is estimated at N9million and BAYER is the dominant manufacturer represented by one product-CANESTEN with 68% market share. Four other leading companies are HOESCHT, BOOTS, SCHERING and WELLCOME (see table IV).

THE TOPICAL ANTIFUNGAL MARKET - IMS 1980 - 1982

TABLE 1.1

R A N K	Volume (\$+000)		% Change In Naifa		Market Share %		Volume (Units(+000))		% Change In Units	
	1982	1981	1982	1981	1982	1981	1982	1981	1982	1981
1. DERMAL ANTIFUNGAL MARKET	4492	4316	10	65	60.4	63.6	1367	1153	19	35
2. GYNECOLOGICAL MARKET	2946	2471	26	11	39.6	36.4	367	398	(8)	3
TOTAL MARKET	7438	6787	16	40	100	100	-	-	-	-

FER 1980 \$1.00 = \$1.889
 1981 = \$1.606
 1981 = \$1.52

***DERMAL ANTIFUNGALS - LEADING COMPANIES**
IMS 1980 - 1982

TABLE IV

R A N K	Volume (\$+000)			% Change		Market Share		Volume (Units+000)			% Change	
	1982	1981	1980	1982	1981	1982	1981	1982	1981	1980	1982	1981
1. BAYER	3064	2249	1247	44	113	68.2	52.0	573	398	202	44	97
2. HOECHST ¹	248	354	790	(26)	(48)	5.5	8.2	57	91	262	(39)	(100)
3. BOOTS ¹	241	339	150	(26)	162	5.4	8.0	214	214	104	-	105
4. SCHERING AFRICA ¹	202	205	71	4	101	4.5	4.7	36	38	21	(5)	81
5. WELLCOME MEDICAL ¹	144	459	306	(66)	71	3.2	10.4	100	234	156	(53)	50
TOTAL ABOVE (5)	3899	3606	2564	14	65	86.8	83.3	980	975	745	1	31
TOTAL MARKET	4492	4316	3068	10	65	100	100	1156	1153	853	-	91

PER 1980 \$1.00 = \$1.889
 1981 = \$1.606
 1982 = \$1.52

The gynaecological market size is estimated at N5.8 million with BAYER still representing 48% of this, subsegment. The key competitors are MSD and SQUIBB with 17.1% and 6.6% market share respectively.

Schering entered this therapeutic area with the introduction of GYNO-TRAVOGEN to achieve 1.6% market share in its first year of launch. GYNO-TRAVOGEN will require a closer watch in this market sector (see Table V).

4.4.3. Marketing Objectives.

The Marketing Objectives of Trotyd are stated thus:-

1. Launch Trotyd in Second Quarter of 1985 and achieve sales of N804,000 or 5% market share, increasing to N4million or 15% of the projected antifungal market by 1987. (See table VI).
2. Establish rapid awareness and usage levels among general practitioners and specialists in the first six months of launch leading to Trotyd selection as their first choice drug in the range of fungal infections.
3. Facilitate Trotyd entry into the OTC market within 12-18 months of launch.
4. Establish Pfizer within two years as a company with major commitment in the field of fungal infections.

GYNE ANTIFUNGALS - LEADING COMPANIES
IMS 1980 - 1982

TABLE V

R A N K	Volume (\$+000)			% Change		Market Share		Volume (Units 000)			% Change	
	1982	1981	1980	1982	1981	1982	1981	1982	1981	1980	1982	1981
1. BAYER (1)	1395	1290	1323	14	16	47.5	52.6	212	192	196	10	(2)
2. MERK, SHARP DOHME (1)	502	537	589	(1)	5	17.1	21.7	57	65	70	(12)	(7)
3. SQUIBB (1)	193	306	335	(32)	4	6.6	12.2	42	60	44	(30)	36
4. EMBECEM (8)	101	73	80	41	9	3.4	3.1	12	18	20	(33)	(10)
5. SCHERING	40	-	-	-	-	1.6	-	6	-	-	-	-
6. JANSSEN (1)	37	68	122	(41)	(35)	1.3	2.7	7	12	19	(42)	(37)
TOTAL ABOVE	2276	2274	2449	6	9	77.5	92.3	336	347	349	(3)	-
TOTAL MARKET	2946	2471	2606	26	11	100	100	367	398	388	(8)	3

1 - lost market share

8 - gained market share

FER 1980 \$1.00 = \$1.889
1981 = \$1.606
1982 = \$1.52

III PROFITABILITY

TROSYD EXPECTED SALE (1984-1988)

YEAR	TOTAL MARKET \$ (+000)	TROSYD SALES \$1000	MARKET SHARE %
1984*	8182	402	5.0
1985	9409	648	6.8
1986	10820	1037	9.6
1987	11900	1451	12.2
1988	13093	1959	15.00

ASSUMPTION:

1. Flat growth in 1983 and 10% growth in succeeding years.
2. Constant exchange rate N1.00 = \$1.46

5 YEAR P & L INCREMENTAL
LAUNCH DATE: MARCH 1984

A2.

	1984	1985	1986	1987	1988
Sales \$	402	648	1037	1451	1959
Growth	-	60	60	40	35
Product Cost	57	91	145	203	274
*Product margin	345	557	892	1248	1685
% of sales	86	86	86	86	86
Advert/Promotion	210	150	100	75	75
Detail Aids	37	30	20	20	20
Samples	32	30	20	20	15
*Total direct expenses	279	210	140	115	110
% of sales	69	32	14	8	6
Marketing margin	66	347	752	1133	1575

4.4.4 Marketing Strategy.

A strategic marketing plan was initiated by Pfizer to ease Trosyd into the highly competitive antifungal market. The strategies include:-

1. Emphasise the Pharmacokinetic and clinical data base to clearly demonstrate the superiority of TROSYD over all other antifungals.
2. Create a Physician/Patient trial base and wide circulation in Pharmacies two to three months before launch.
3. Create a high noise level at introduction through symposia/conventions and media.
4. Prepare the field force to sell Trosyd effectively through a training program covering all aspects of fungal infections and therapy.
5. Develop a specialist program which will facilitate Trosyd selection as first line drug in the treatment of the range of fungal infections.
6. Develop promotional programs that maximise Trosyd positioning/support which will facilitate its entry into OTC market.
7. Market research studies to measure the awareness/usage a levels at 6 months and 12 months and to correct any promotional deficiencies where it exists.

4.4.5 Marketing Tactics.

4a. Detailing.

Trosyd will be placed in priority position in the first two cycles of launch to ensure full Physicians/ Pharmacists coverage and stimulate interest in the new product. Available to representatives are master detail aid, monograph, dermatological/gynaecological Publications. As an integral part of detailing function, representatives will pursue an educational program for physicians/ Pharmacists through distribution of Publications such as the comprehensive clinical reference book, the Pharmanual, as available. Group awareness/usage will be facilitated through filmshows using the fairchild projector.

4b. Specialist Program.

A pre-launch symposium to some fifty dermatologists/ gynaecologists is planned to obtain their early support and influence on junior physicians' prescriptions at launch. This group of specialists will be selected for a one-day meeting on Trosyd. The local investigators will form the Panel in this meeting. Media coverage at this meeting will project Trosyd as a major advance in the treatment of the range of fungal infections.

The majority of these specialists will form part of Pfizer's seeding programme to offer them earlier direct clinical experience. Distributed during this

meeting will be an assortment of Publications including the "Clinical Summary Manual" de matological/gynaecological publications, monograph and samples for additional trial.

4c. Launch Symposia/Conventions:

Four National Symposia will be held during the month of launch to hasten the awareness/usage levels of Trosyd. Primary target audience will be the GP, Pharmacists and nurses. Local investigators will present their clinical experience with Trosyd in this meeting. The Trosyd film will also be shown. Trosyd promotional materials will be distributed.

These symposia will be followed by a series of participation in Key Physicians and Pharmacists Conferences - mostly at the regional levels. Trosyd involvement will revolve around Symposium, exhibition, sampling, journal advertisement and sponsoring of luncheon for participants.

4d. Training.

A two step training programme has been developed for medical representatives to ensure they possess the required knowledge to effectively sell Trosyd.

4e. Seeding Programme.

Some 1000 Physicians, including specialists will be recruited nationally by Area Managers to participate

in a seeding programme through selection of 5 patients two months preceeding launch. The major objective is to afford Physicians/patient early trial use of the product and establish a solid user base at launch.

4f. Public Relation(PR).

A Publicity campaign for Trosyd was being developed to broaden its initial exposure base. All media sources radio, television and press-will be utilized. Coverage will include the specialists pre-launch and symposia/conventions.

Emphasis will be placed on local regional media to reach a wider audience.

These activities will also be covered by medical Publications. Trosyd leaser adds will feature in these publications two months preceeding launch.

4g. Mailing.

An introductory mailing programme, based on the Trosyd them, to Physicians/Pharmacist is planned. This will be repeated three months later. The patient leaflet will accompany these mailers.

4h. Journal Advertisement.

An extensive journal thrust was being developed all-year round. Teaser ads will feature in two Publications, two months preceeding launch. Efforts have been made to take away key insertions from the widely advertised

CANESTEN during the first year of Trosyd launch (a very aggressive Promotional Strategy indeed).

Other Marketing tactics also adopted during that period include Prestock, Consumer awareness and Launch Meeting.

4.5. Pricing.

Very competitive and yet very realistic price was set for Trosyd to allay the dilemma of characteristics with new products, that is, not too high to allow for enough early adopters and not too low to erase any notion of the product being inferior.

TROSYD 1% dermal Cream floor price to wholesalers has set at par with the leading product CANESTEN. This represents 86% profit at production margin.

Floor price of Trosyd 300mg ovule was set equally at Par with single dose CANESTEN-1.

4.6 TROSYD: A Post Launch Appraisal.

Trosyd cream which was launched on the first quarter of 1985 sales year by Pfizer Nigeria Ltd. had enjoyed considerable growth in the units of sales and Naira value.

This was made possible by the activities of its aggressive sales force, overseen by both the sales and

marketing departments of the same company.

The end of the year sales report revealed that Trosyd was selling close to 200% of its target sales for 1988 both in volume and naira value, (consideration is made to the devaluation of naira) this amounts to 50% sales growth over the previous year.

The successful story of Trosyd is not without a set back. Many other companies have taken the opportunity of the unsaturated antifungal market and filled in through the back door by parallel, importation of 'me too' products. This is not a deterrent to the marketing department of Pfizer who is determined to reap the result of launch by utilising the H-Ps.

4.7. Report on Questionnaires.

Sixty of the questionnaires (See App.II) were distributed to personnels in the marketing departments of the various pharmaceutical companies operating in Nigeria. The personnel range from the marketing managers General Sales Managers, Group Product Manager, Product Managers, Marketing Research Manager, Medical and Sales Representatives.

The facts of the statement is that most of the Pharmaceutical Companies in Nigeria have been in operation for between 10 and 15 years very few like Glaxo Nigeria Ltd., Pfizer, Abbotts Laboratories, Sterling Products have a long record of operation, developing from a mere distributive centre to a producing firm. During the second republic, Nigeria witnessed the coming of many Pharmaceutical Companies.

In general almost all the Pharmaceutical Companies are affiliated to foreign firms or even representatives of larger groups (multinationals) with the headquarters in foreign countries. For example Imarsel Chemical Company Ltd. at Ikeja is one of the oldest Pharmaceutical Companies in Nigeria formed by Nigerian, Swiss (Labatec) and Hungarian (Medinpex) partners. Imarsel is engaged, in the local production of 'simple' pharmaceutical products like paracetamol, chloroquine both the tablets and syrups, whereas, the whole lot of the product range

marketed in Nigeria are imported from the affiliates, Labatec and Medinpex in Hungary.

Pfizer Nigeria Ltd. stands out clearly as the only pharmaceutical company affiliated to Pfizer U.S.A. but produced 100% locally, the products marketed in Nigeria; hence enjoys the economy of scale; through adaptability to local resources and moderation of prices.

Some pharmaceutical companies that are wholly indigenous and operating on a large scale such as Biode Pharmaceuticals are yet to define their objectives. However most of the firms share common objectives viz:-

1. Provision of products essential to health care at prices within the reach of most Nigerians;
2. Providing job opportunities to Nigerians in a specialized field.
3. Upgrading the social standard of Nigerians.

On the average the pharmaceutical firms have about 15 products on their line; marketed in Nigeria and with the exception of Pfizer Nigeria Limited, and Glaxo Nigeria Limited only about 10% of what constituted the line are manufactured locally.

The majority of the company bring in New Products into the Nigerian market through the 'backdoor'. This

is largely responsible for the failures of the products in attaining the organizational objectives and goals. New products' a failure is due to lack of marketing plan and strategies for the products concerned. This fact is evidently glaring from the questionnaire since most of the firms don't have a proper marketing department within their organisation. Therefore they solely depend on their sales force to introduce the new products into the market with a consequential short-term effects.

Most of the successful New Pharmaceutical Products in the market were as a result of good launching programmes, conducted by well established marketing departments. For example, Zantac was successful as a result of good launching programme by the marketing department of Glaxo Nigeria Limited, on the other hand Glaxo Nigeria Ltd. can recollect some of its New Products that failed to meet the firm's objectives due to what was agreed to be a poor launching programme.

4.8 The Failure and Success of New Pharmaceutical Product.

In this survey, the responding executives gave the following reasons, listed in order of frequency of mention, for the failure of new products.

1. Inadequate market analysis. Overestimating potential sales of the new product, inability to determine buying motives and habits and

and misjudgements as to what products the market wanted.

2. Product deficiencies. Poor quality and performance, products that did not offer any significant advantage over competing items already on the market.
3. Lack of effective marketing effort, failure to provide sufficient follow-through effort after introductory program, and failure to train marketing personnel for new products and new markets.
4. Higher costs than anticipated. This led to higher prices, which in turn led to lower sales volume than anticipated.
5. Competitive strength or reaction. Speed and ease of copying an innovation soon overcrowded the market.
6. Poor timing of introduction. The usual mistake here was to introduce a product too late, although in a few cases the problem was premature market entry.
7. Technical or production problems. Most of the companies could not produce or import sufficient quantities to meet demand, hence competitors gained an unanticipated share of the market.

From the responding executives judgements, close to three-quarters of the causes of failure were marketing-related shortcomings. Therefore for a better performance of new pharmaceutical products in the market there must be:-

1. Organisational changes aimed at strengthening new-product planning.
2. Better marketing research to evaluate market needs and prospects before commercialization
3. Improved screening and evaluation of ideas and products.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.

5.1 Summary of Findings.

During the course of this Research the following findings were made, that

1. Majority of the Pharmaceutical Companies operating in Nigeria do not manufacture their products in Nigeria. Rather, they market already developed and produced products from their parent companies abroad or simply purchase in order for resale.
2. In the same vein most pharmaceutical companies in Nigeria do not have Marketing Departments. Rather, they have sales monitoring units, manned with people who have little or no experience in Marketing.
3. Such companies do not attach any importance to New product development. They are not concerned with the preparation of launching programmes for whichever products they want to introduce into the market.
4. Pharmaceutical products introduced haphazardly into the market without following carefully laid down launching plan have failed to attain enough degree of success.
5. The two sampled products - ZANTAC and TROSYD attained huge commercial successes, significantly due to the comprehensive and effective launching

plans prepared and executed to precision.

5.2 Conclusion.

Pharmaceutical companies in Nigeria do not attach much importance to their Marketing Departments. Quite a few of these companies actually have functional Marketing Departments, hence they do not launch their products before distributing them, through the various channels.

It is the opinion of the Researcher therefore, that many Pharmaceutical products introduced into the Nigerian market have failed in the past due to lack of effective launching programme.

Thus if these firms can build up and maintain functional and effective marketing departments, charged with varied marketing functions including launching a new product, cases of new product failure will be drastically reduced.

5.3 Recommendations.

After a careful study of the findings and conclusion of the project work, the Researcher will recommend the following as recipe for effective product launching and reduced cases of failure of new products resulting from lack of product launch.

1. Pharmaceutical Companies operating in Nigeria (whether or not they produce in Nigeria) should create effective Marketing Departments charged with the responsibilities attached to the Department including launching.

2. Appropriate Marketing Research should be carried out in order to know when and how a new product should be introduced to supplement, to replace or to occupy an existing vacuum.
3. Launching activities should be carried out on regional basis, that is, different launching packages should be prepared for different regions rather than having a single launching package for different regions.

Glaxo



we're proud to announce

1st April 1982

Dear Doctor:

ZANTAC – Tablets and Injection

We are pleased to announce our entry into the field of gastroenterology and the introduction of ZANTAC (ranitidine) into the Nigerian drug market.

ZANTAC is a new histamine H₂-receptor antagonist with an innovatory molecular structure. It is an aminoalkyl substituted furan, quite different from earlier drugs which are based on the histamine molecule. This structure confers on ZANTAC important advantages in the management of acid peptic disease.

ZANTAC is a highly effective suppressant of gastric acid and pepsin secretion, thereby promoting rapid healing of peptic ulcers in addition to sustained pain relief both day and night. Additionally, ZANTAC has a specific action and does not cause problems with endocrine or gonadal function, or adverse effects on the central nervous system – even in elderly patients.

Similarly, as ZANTAC does not interfere with liver enzyme function and there are no unwanted effects on the metabolism of drugs such as diazepam, anticoagulants, propranolol, etc. which may be prescribed concomitantly. ZANTAC's extended duration of action permits simple dosage regimens. The recommended treatment course for duodenal and benign gastric ulcer is 150mg tablets twice daily for just four weeks. It is not necessary to time the dose in relation to meals. In the management of reflux oesophagitis, one tablet twice daily for up to eight weeks is recommended. If maintenance therapy is called for one bedtime dose of 150mg is advised as it provides excellent overnight control.

Where oral administration is inappropriate ZANTAC is available for intravenous injection or infusion. These recommendations are straight-forward and easy. ZANTAC tablets are available in packs of 20, comprising 2 strips of ten, foil-wrapped 150mg tablets.

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Glaxo

ZANTAC

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1st April 1982

ZANTAC Injections are in packs of fives, comprising 5ml ampoules of 50mg ranitidine each.

Glaxo Medical Representatives will call on you soon to provide further information on ZANTAC.
You can also obtain other information on request from our office.

We are confident you will find ZANTAC extremely useful and reliable in your practice.

Yours faithfully
GLAXO NIGERIA LIMITED



E C OKONKWO
MARKETING SERVICES MANAGER

ECO/ROAF

Glaxo

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we're proud to announce

Dear Pharmacist

ZANTAC — Tablets and Injection.

We announce with pleasure the introduction of ZANTAC (ranitidine) into the Nigerian drug market.

ZANTAC, a new histamine H₂-receptor antagonist with an innovative molecular structure was developed by Glaxo through research. It is an aminoalkyl substituted furan — different from the earlier H₂ antagonists which derive from the histamine nucleus. With this new structure ZANTAC has proved to be an evolutionary advance in the treatment of acid peptic disease, due to the important benefits it has added to its treatment process.

ZANTAC is a highly effective and specific suppressant of both basal and stimulated gastric acid and pepsin secretion, with a long duration of action. It promotes rapid ulcer healing with sustained pain relief both day and night. The long duration of action permits simple dosage regimens. The recommended treatment course for benign gastric ulcer and duodenal ulcer is one 150mg tablet twice daily, with or without meals for four (4) weeks. For extended maintenance therapy the dosage is just one 150mg tablet taken at night. In the management of reflux oesophagitis the recommended dose is one 150mg tablet taken twice — morning and evening — for up to eight weeks. ZANTAC injection is available for use when oral therapy is inappropriate.

Following from its specific action, ZANTAC does not cause endocrine or gonadal dysfunction. It lacks adverse effect on the C.N.S and, therefore does not induce states of confusion even in elderly patients. ZANTAC does not interfere with liver enzyme function and metabolism of drugs like warfarin, diazepam, indomethacin etc., that may be co-prescribed.

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Glaxo

ZANTAC

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1st April, 1982.

Presentations:

ZANTAC is presented in--

- (a) Tablet packs of 20's x 150mg
- (b) Injection ampoule packs of 5's x 5ml (i.e. 10mg/ml)

Price:

	<u>Chemist</u>	<u>Retail</u>
Tablets 20's	₦23.21	₦34.82
Injection 5x5ml	₦7.92	₦11.88

A nation-wide promotional campaign mounted by our sales force is in progress in hospitals and clinics, and we hope numerous prescriptions will begin to be seen very soon. Stock of the tablets and injection is available with our distributors and wholesalers around you. We believe you will take full advantage of this market development and boost your business turnover.

Yours faithfully,
GLAXO NIGERIA LIMITED



E. C. OKONKWO
MARKETING SERVICES MANAGER

ECO/ROAF

Glaxo

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we're proud to announce

1st April 1982

Dear Distributor

ZANTAC — Tablets and Injection

We announce with pleasure the introduction of ZANTAC (ranitidine) into the Nigerian drug market.

ZANTAC, a new histamine H_2 -receptor antagonist with an innovative molecular structure, was developed by Glaxo through research. It is aminoalkyl substituted furan — different from the earlier H_2 antagonists which derive from the histamine nucleus. With this new structure ZANTAC has proved to be an evolutionary advance in the treatment of acid peptic disease, due to the important benefits it has added to its treatment process.

ZANTAC is a highly effective and specific suppressant of both basal and stimulated gastric acid and pepsin secretion, with a long duration of action. It promotes rapid ulcer healing with sustained pain relief both day and night. The long duration of action permits simple dosage regimens. The recommended treatment course for benign gastric ulcer and duodenal ulcer is one 150mg tablet twice daily, with or without meals for four weeks.

For extended maintenance therapy the dosage is just one 150mg tablet taken at night. In the management of reflux oesophagitis the recommended dose is one 150mg tablet taken twice — morning and evening — for up to eight weeks. ZANTAC injection is available for use when oral therapy is inappropriate.

Following from its specific action, ZANTAC does not cause endocrine or gonadal dysfunction. It lacks adverse effect on the C N S and, therefore does not induce states of confusion even in elderly patients. ZANTAC does not interfere with liver enzyme function and metabolism of drugs like warfarin, diazepam, indomethacin, etc. that may be co-prescribed.

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ZANTAC

-2-

1st April 1982

Presentations:

ZANTAC is presented in — (a) Tablet packs of 20's x 150mg
(b) Injection ampoule packs of 5's x 5ml (i.e. 10mg/ml).

Price:

	<u>Distributor</u>	<u>Chemist</u>	<u>Retail</u>
Tablets 20's	~~₦~~ 19.73	~~₦~~ 23.21	~~₦~~ 34.82
Injection 5x5ml	~~₦~~ 6.73	~~₦~~ 7.92	~~₦~~ 11.88

A nation-wide promotional campaign mounted by our Sales Force is in progress in hospitals and clinics, and we hope the orders you will service will turn out in their numbers. We therefore consign —

_____ 1.0 _____ Tablets 20's x 150mg

_____ 2 _____ Injection 5's x 5ml

to you on sale-or-return basis.

Yours faithfully,
GLAXO NIGERIA LIMITED

E C OKONKWO
MARKETING SERVICES MANAGER

ECO/ROAF

APPENDIX II.

QUESTIONNAIRE DIRECTED TO MARKETING/SALES MANAGERS,
GROUP PRODUCT MANAGER, AREA SALES MANAGERS, MEDICAL
AND SALES REPRESENTATIVES OF SOME PHARMACEUTICAL
COMPANIES OPERATING IN NIGERIA.

A research project Titled "Launching of a new
Pharmaceutical Product: A Case Study of Glaxo Nigeria
Limited and Pfizer Nigeria Limited" is being carried out
and your assistance in completing this questionnaire will
be highly appreciated.

I promise to treat your response as strictly
confidential.

Thank you in anticipation for your co-operation.

'NIYI OYEYIPO.

THE QUESTIONNAIRE.

1. Name of your organisation.....

2. How long has it being operating in Nigeria?

(i) 1 - 5 years ☐

(ii) 5 - 10 years ☐

(iii) 10 - 15 years ☐

(iv) above 15 years ☐

3. Is your organisation affiliated to any Foreign
Pharmaceutical Company?

(i) Yes ☐

(ii) No ☐

4. If Yes, Please indicate the name(s) of such
Foreign firm(s).

(i).....

(ii).....

(iii).....

(iv).....

5. List of objective of your organisation:-

(i).....

(ii).....

(iii).....

(iv).....

6. How many products do you market in Nigeria?

.....

7. How many of such products are produced, packed or imported into Nigeria?

(i) Produced.....

(ii) Packed.....

(iii) Imported.....

8. Are such products (produced, packed, imported) **launched** before being introduced into the market?

(i) Produced Yes ☐ No ☐

(ii) Packed Yes ☐ No ☐

(iii) Imported Yes ☐ No ☐

9. Has your organisation been involved in the development and commercialization of a new product?

(i) Yes ☐

(ii) No ☐

10. If Yes, has any of such new products attained the organisational objectives ?

(i) Yes ☐

(ii) No ☐

11. If Yes, what possible reason(s) could be responsible?

☐ (i) Because the products were produced in

☐ (ii) Because the products were imported

☐ (iii) Because the products were properly launched.

☐ (iv) All of the above.

12. If No to question 10 above, what possible reason(s) could be responsible?

(i).....

(ii).....

(iii).....

(iv).....

13. Does your organisation have a well established marketing department?

(i) Yes E ☐

(ii) No ☐

14. How does your firm obtain its marketing information.

(i) By conducting market research

(ii) By carrying out marketing intelligence

(iii) By employing the services of marketing consultants.

(iv) From Sales/Medical field men

(v) All of the above.

15. Can you indicate any additional functions performed by your marketing department?

(i).....

(ii).....

(iii).....

(iv).....

.....

NAME & DESIGNATION.

OPTIONAL.