University of Mumbai

Project Report On

"Brand Management in Pharmaceutical Industry"

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DESIGN OF STUDY

Objectives of the study

1. To understand the Pharmaceutical Sector in India
2. To study brand management in Pharmaceutical Sector
3. To analyze difference in FMCG and Pharmaceutical sector branding.
4. To study and understand brand management at Wockhardt

Research Methodology

This project is study based project. The project is based on information sourced from books, newspapers, magazines, trade journals, and white papers, industry portals, monitoring industry news and developments, research papers, and through access to paid databases like ORG-IMS. This secondary research has been conducted in order to explore and understand the Brand Management in Wockhardt.

Project is based on Observation Method and case study analysis. Data is collected through various secondary sources . While profile of Brand manager at Wockhardt is understood my interview and conversation method. Findings are based on qualitative analysis.

Executive Summary

The objective of this project is to analyze the branding strategies used currently in the pharmaceutical industry and compare it to the best practices in Fast Moving Consumer goods. First there is review of differences in the way branding is defined and organized in pharmaceuticals versus FMCG and identify why branding could be leveraged in the pharmaceutical industry to help it return to strong growth in the future.

Secondly it deals with analyzing in detail what branding strategies are currently used within pharmaceuticals and FMCG. The choice of brand names strategies, the level of brand globalization, the use of brand extension and co-branding as well the situation of brand portfolio Management are compared. Based on this benchmarking, the authors offer recommendations to guide future branding development successfully in the pharmaceutical industry.

Next part focuses on global pharmaceutical scenario and top ten pharmaceutical companies and top ten brands in the world. This comparison of brands worldwide is important because of new patent regime.

Indian pharmaceutical industry and information about global antidiabetic market throws light on conditions existing in India. Top ten india pharmaceutical firms and top ten brands in India shows more tilt of India companies now to shift from generics to branded products .

Then project contains case study on Wockhardt with brand management of antidiabetic Brand Glimaday. This helped in understanding complex job of brand manager in Pharmaceutical industry.

Introduction: Brand Management

Brand management is the application of marketing techniques to a specific product, product line, or brand. It seeks to increase the product's perceived value to the customer and thereby increase brand franchise and brand equity. Marketers see a brand as an implied promise that the level of quality people have come to expect from a brand will continue with future purchases of the same product. This may increase sales by making a comparison with competing products more favorable. It may also enable the manufacturer to charge more for the product. The value of the brand is determined by the amount of profit it generates for the manufacturer. This can result from a combination of increased sales and increased price, and/or reduced COGS (cost of goods sold), and/or reduced or more efficient marketing investment. All of these enhancements may improve the profitability of a brand, and thus, "Brand Managers" often carry line-management accountability for a brand's P&L profitability, in contrast to marketing staff manager roles, which are allocated budgets from above, to manage and execute. In this regard, Brand Management is often viewed in organizations as a broader and more strategic role than Marketing alone.

The annual list of the world's most valuable brands, published by Interbrand and Business Week, indicates that the market value of companies often consists largely of brand equity. Research by McKinsey & Company, a global consulting firm, in 2000 suggested that strong, well-leveraged brands produce higher returns to shareholders than weaker, narrower brands. Taken together, this means that brands seriously impact shareholder value, which ultimately makes branding a CEO responsibility.

Principles

A good brand name should:

- be protected (or at least protectable) under trademark law
- easy to pronounce
- be easy to remember
- be easy to recognize
- be easy to translate into all languages in the markets where the brand will be used
- attract attention
- suggest product benefits (e.g.: Easy-Off) or suggest usage (note the tradeoff with strong trademark protection)
- suggest the company or product image
- distinguish the product's positioning relative to the competition.
- be attractive
- stand out among a group of other brands

Types of brands

A number of different types of brands are recognized. A "premium brand" typically costs more than other products in the same category. An "economy brand" is a brand targeted to a high price elasticity market segment. A "fighting brand" is a brand created specifically to counter a competitive threat. When a company's name is used as a product brand name, this is referred to as corporate branding. When one brand name is used for several related products, this is referred to as family branding. When all a company's products are given different brand names, this is referred to as individual branding. When a company uses the brand equity associated with an existing brand name to introduce a new product or product line, this is referred to as "brand leveraging." When large retailers buy products in bulk from manufacturers and put their own brand name on them, this is called private branding, store brand, white labelling, private label or own brand (UK). Private brands can be differentiated from "manufacturers' brands" (also referred to as "national brands"). When two or more brands work together to market their products, this is referred to as "co-branding". When a company sells the rights to use a brand name to another company for use on a non-competing product or in another geographical area, this is referred to as "brand licensing." An "employment brand" is created when a company wants to build awareness with potential candidates. In many cases, such as Google, this brand is an integrated extension of their customer.

Brand Architecture

The different brands owned by a company are related to each other via brand architecture. In product brand architecture, the company supports many different product brands each having its own name and style of expression but the company itself remains invisible to consumers. Procter & Gamble, considered by many to have created product branding, is a choice example with its many unrelated consumer brands such as Tide, Pampers, Ivory and Pantene. With endorsed brand architecture, a mother brand is tied to product brands, such as The Courtyard Hotels (product brand name) by Marriott (mother brand name). Endorsed brands benefit from the standing of their mother brand and thus save a company some marketing expense by virtue promoting all the linked brands whenever the mother brand is advertised. In the third model only the mother brand is used and all products carry this name and all advertising speaks with the same voice. A good example of this brand architecture, most often known as corporate branding, is the UK-based conglomerate Virgin. Virgin brands all its businesses with its name (e.g., Virgin Megastore, Virgin Atlantic, Virgin Brides) and uses one style and logo to support each of them

Techniques

Companies sometimes want to reduce the number of brands that they market. This process is known as "Brand rationalization." Some companies tend to create more brands and product variations within a brand than economies of scale would indicate. Sometimes, they will create a specific service or product brand for each market that they target. In the case of product branding, this may be to gain retail shelf space (and reduce the amount of shelf space allocated to competing brands). A company may decide to rationalize their portfolio of brands from time to time to gain production and marketing efficiency, or to rationalize a brand portfolio as part of corporate restructuring.

A recurring challenge for brand managers is to build a consistent brand while keeping its message fresh and relevant. An older brand identity may be misaligned to a redefined target market, a restated corporate vision statement, revisited mission statement or values of a company. Brand identities may also lose resonance with their target market through demographic evolution. Repositioning a brand (sometimes called rebranding), may cost some brand equity, and can confuse the target market, but ideally, a brand can be repositioned while retaining existing brand equity for leverage.

Brand orientation is a deliberate approach to working with brands, both internally and externally. The most important driving force behind this increased interest in strong brands is the accelerating pace of globalization. This has resulted in an ever-tougher competitive situation on many markets. A product's superiority is in itself no longer sufficient to guarantee its success.

The fast pace of technological development and the increased speed with which imitations turn up on the market have dramatically shortened product lifecycles. The consequence is that product-related competitive advantages soon risk being transformed into competitive prerequisites. For this reason, increasing numbers of companies are looking for other, more enduring, competitive tools – such as brands. Brand Orientation refers to "the degree to which the organization values brands and its practices are oriented towards building brand capabilities"

Challenges

There are several challenges associated with setting objectives for a brand or product category.

- Brand managers sometimes limit themselves to setting financial and market performance objectives. They may not question strategic objectives if they feel this is the responsibility of senior management.
- Most product level or brand managers limit themselves to setting short-term objectives because their compensation packages are designed to reward short-term behavior. Short-term objectives should be seen as milestones towards long-term objectives.
- Often product level managers are not given enough information to construct strategic objectives.
- It is sometimes difficult to translate corporate level objectives into brand- or product-level objectives. Changes in shareholders' equity are easy for a company to calculate. It is not so easy to calculate the change in shareholders' equity that can be attributed to a product or category. More complex metrics like changes in the net present value of shareholders' equity are even more difficult for the product manager to assess.

- In a diversified company, the objectives of some brands may conflict with those of other brands. Or worse, corporate objectives may conflict with the specific needs of your brand. This is particularly true in regard to the trade-off between stability and riskiness. Corporate objectives must be broad enough that brands with high-risk products are not constrained by objectives set with cash cows in mind (see B.C.G. Analysis). The brand manager also needs to know senior management's harvesting strategy. If corporate management intends to invest in brand equity and take a long-term position in the market (i.e. penetration and growth strategy), it would be a mistake for the product manager to use short-term cash flow objectives (ie. price skimming strategy). Only when these conflicts and tradeoffs are made explicit, is it possible for all levels of objectives to fit together in a coherent and mutually supportive manner.
- Brand managers sometimes set objectives that optimize the performance of their unit rather than optimize overall corporate performance. This is particularly true where compensation is based primarily on unit performance. Managers tend to ignore potential synergies and inter-unit joint processes.
- Brands are sometimes criticized within social media web sites and this must be monitored and managed (if possible)

Brand Manager

The overall role of brand management is to create consumer demand. They are responsible for formulating the brand's long-term strategy and developing and executing marketing plans. They define the brand's pricing, packaging, trade merchandising, advertising and promotion strategies and allocate the budget accordingly. They execute marketing initiatives in support of long term strategies through leadership of the business unit team. They are accountable for delivering the brand's profit, volume and market share objectives. This position assists the business unit team on assigned brands or will manage smaller brands in all aspects of the P&L.

Responsibilities:

- Closely monitors and analyzes sales volumes, market share trends and competitive activity.
- Assists in developing and executing promotional initiatives to profitably increase consumption within budgeted parameters.
- Assists in the identification and development of business building ideas and works with other business unit team members to execute the plans that meet investment criteria.
- Coordinates product management and/or cost reduction projects with internal and external resources to achieve results (product development, production planning, trade promotion, sales, market research, consultants and advertising agencies).
- Analyzes consumption and shipment data and compares results to established objectives to assure the effectiveness of marketing programs

HOW DIFFERENT ARE BRANDING STRATEGIES IN THE PHARMACEUTICAL INDUSTRY VERSUS FAST MOVING CONSUMER GOODS?

Introduction

The pharmaceutical industry has come relatively late to branding. During the 1980's and 1990's the pharmaceutical industry has enjoyed success over an extended period of time, achieving relatively easy double digit growth on a consistent basis. By in large this was through using traditional methods and there was no apparent urgency to change the way it marketed its products. The success of the industry relied on three factors; strong research and development (R&D), aggressive defence of patents and use of the dominant promotional tool - powerful sales forces. The industry has been therefore product and R&D driven and not market driven. Despite the size of the sales generated, there are over 40 blockbusters or products that generate in excess of $1Bn, drugs were treated as products and not as brands.The picture has however changed, industry growth has been slowing down and firms have been searching for ways to maintain it. The three traditional success factors of the industry are less evident than in the past. First, it

has become much more difficult to identify the blockbuster drugs that can fuel company momentum and additionally product innovation remains costly and more illusive than ever. Second, many of the most successful drugs will soon suffer patent expiry, more than half of the global top 50 best sellers will go off patent in the next 5 years. Moreover, in view of the concentration of sales in fewer big products, the sales at stake are much larger than in the past. Third, sales efforts are reaching a certain saturation level as the industry consolidates, it will not be possible in the future to base success just on increasing the number of sales representatives promoting a product .Combined with this back drop generic competition has also been developing rapidly and constitutes an increasingly real threat for the industry. Generic companies benefit, not only from patent expiration, but also from the cost reduction pressures evident in every healthcare system around the world. The industry has reacted via consolidation. In a series of significant mergers and acquisitions it has attempted to maximize R&D and reach economies of scale in the sales and marketing area. Despite this we believe that mergers will not be sufficient in themselves to allow a return to the double digit growth seen during the 1990's. Branding, however, represents a new competitive advantage that could be leveraged by the industry, in line with the success seen in the FMCG (fast moving consumer goods) area over the last two decades. Branding strategies could then help to maximise return on investment for new products whilst helping to alleviate the inevitable growth of generics in the future.

The objective of this project is to first investigate what is the current branding situation in the pharmaceutical industry and how it compares versus the FMCG experience; second develop a rationale for branding; third to analyse how pharma's existing branding strategies differ versus current best practise in the FMCG area e.g. in the choice of brand name strategies, global branding, brand extension, co-branding and brand portfolio management and then finally to recommend actions that could make a difference resulting from the lessons learned from successful FMCG branding.

Brand definition

Traditionally when a pharmaceutical product is launched the product positioning is based on the product licence i.e. its indications and the established efficacy, safety and tolerability seen in registration clinical studies. Post launch studies then tend to lead to a broadening of the indications, the development of new dosage forms and the strengthening of claims versus the competition .

In the recent past, some pharmaceutical firms have been investigating how to develop brands but there is still much confusion in the way brands are defined, thought about and managed. At its simplest some prescription drug marketers believe that giving a name to a certain product will make it a brand. Others believe that adding a bit of symbolism to a product will be sufficient to create a brand.

One of the factors that has added to the brand debate within pharmaceuticals is the possibility of pull through advertising, direct to the patient communication about prescription only medications. These campaigns termed DTC (direct to consumer) are strictly regulated worldwide and are new in that they became possible only in the 1990's. Previously only OTC's (over the counter pharmacy items) were allowed to be advertised to the public.

The rules vary widely country by country but the biggest difference exists between the US and EU. Europe only allows disease awareness campaigns, not product related campaigns, and even then the types of diseases which can be featured are often restricted. As a result DTC expertise in Europe is less advanced when compared with the US. A few well known European campaigns exist like the Novartis UK Stepwise campaign which has utilized newspaper and television advertising to raise awareness of the fungal nail infection disease area, a therapy class area where the Novartis brand Lamisil (terbinafine) commands a dominant market share.

In the US product name adverts in various media, including television, are allowable assuming they have been approved by the FDA and the resultant raft of regulatory requirements has been complied with. The early years of DTC have proven difficult with few individual brands hugely benefiting from this type of exposure. Having said that the industry is learning gradually what works and what doesn't, but the huge increases in spend seen at the end of the 1990's have now levelled off and DTC spend accounts for approximately 15% of the budget for prescription drug marketing according to the FDA (The pink sheet 2003). Some therapy areas appear to respond better than others e.g. antihistamines (Claritin, Zyrtec), irritable bowel syndrome (Zelnorm) and erectile dysfunction brands (Viagra, Levitra).

In general however, according to a Kaiser Family Foundation study (Erickson 2001) DTC appears to increase the size of the market rather than significantly change an individual brands share of that market. The study focused on ntidepressants and suggested that physician detailing still made the difference about which antidepressant was prescribed but more patients identified themselves for consultation as a result of the advertising.

The failure to achieve more concrete results could well be directly related to the generally low level of understanding of brand management within the pharmaceutical industry, DTC being seen as just another tactical approach in marketing. In FMCG, the brand logic follows a much more thorough and systematic approach. A brand is viewed as a set of tangible and intangible benefits that are registered in the mind of consumers. The choice of these benefits is based on a thorough analysis of the market, the consumers, the competition and other environmental factors.

This analysis permits to identify the right target group and to develop a unique brand identity. This identity will differentiate the brand versus competitors in order to get a competitive advantage in the market.

Brand management organization

In the pharmaceutical industry, the organization of brand management is also quite different to that seen in the consumer world. Global marketing people will often come late into the development process, often in phase 3b, close to final registration. Key decisions are taken at a much earlier phase of the products development plan, often years earlier when the product enters phase 2. This has started to change in some of the bigger companies such as AstraZeneca, GlaxoSmithKline, Lilly or Genentech but these are often the exceptions that prove the rule, talking about brand development and actually achieving it are often years apart.

Moreover, Pharmaceutical Marketing people are often more sales driven than marketing driven and therefore pay more attention to the executional elements of marketing rather than developing the strategic thinking that is required to make in-depth analyses of data from the market, the consumers and the competitors. The traditional career route to the top in the industry is to start as a representative, followed by country specific product management and then back to sales in a management position to allow a career path in the direction of being a country general manager.

Operational top management therefore has tended to come from individuals who have experienced big line management careers rather than a specialised marketing background and career. If you then add to this top tier senior R&D management who have only ever worked in that area and necessary finance expertise, this then constitutes the make up many boards. As a result marketing experts are on the periphery at the top level, especially as central or global marketing positions do not hold the same cache of their counterparts in FMCG – a few notable exceptions exists such as Hamad (ex CEO Pharmacia and now of Schering Plough) but they are not the norm. Early feedback about how to manage both DTC and traditional prescription brand management in the same organisation shows variable results. Where FMCG experienced individuals have been recruited disillusionment sets in quickly, due to the highly restrictive regulatory environment the industry lives in. In addition due to the fragmented DTC geography there are various local structural answers (mostly in the US) and few if any globally coordinated approaches. Even in organisations where consumer healthcare divisions exist i.e. OTC divisions, the transition to DTC has not been easy and few really great campaigns or brands have so far been created, and none rolled out globally.

In FMCG, brands are created very early in the development process and marketing people will work very early with R&D, at the beginning of the product development process. At Procter and Gamble, Marketing people will work with R&D in the beginning of the development of new product ideas. They will test together prototypes and develop brand concepts. FMCG firms will also dedicate a lot of management attention, investment and effort to manage their brands. These brands are viewed as the key assets of the firms. Branding will be a strategy priority at every level of the organisation. The traditional career path to reach general management is to grow in the marketing function to first become a brand manager, then a category manager and finally a marketing director. The FMCG marketing function is considered as a line job but is sited in the centre of the organisation unlike the pharmaceutical industry where global marketing is a staff function and the sheer size of the sales forces means marketing support is required in the countries. As a result country marketing receives the majority of resourcing in pharma leaving a gap at the centre of the organisation.

Despite the lack of brand focus in the pharmaceutical industry, we consider however that the industry has not realised that it is managing brands and not just products. Indeed, the harmaceutical product has all the elements that make it a brand. It represents in consumers' mind a set of tangible and intangible benefits. It does not only deliver a certain efficacy (tangible) but it offers also additional values such as trust (intangible). The brand has an existence in both doctors and patients minds, that goes beyond the product itself. Pharmaceutical companies develop molecules but doctors prescribe brands .

Rationale for branding development

It is clear that the competitive environment is becoming harsher in the pharmaceutical industry and the necessity for health care systems to adopt generics will only accelerate the decline of branded sales post patent expiration, unless the industry manages itself differently. This is why we consider that branding can represent a new competitive advantage.

The creation of brands would enable firms to differentiate the products versus its competition using both tangible and intangible benefits. In view of the increased number of competitors and the relatively lower number of really distinctive products, it is even more important to provide "a reason for being" to each brand.

Branding can help to sustain the brand against generics after patent expiration. A strong brand will benefit from a high consumer loyalty . The brand would therefore be in a better position to sustain sales after the patent has expired. For perspective, during the 1980's, a product suffering patent loss could still expect to have 60% of its sales turnover 12 months later. In the 1990's, that figure dropped to 40% and in certain cases it has been further exceeded.

A strong base of loyal consumers would give additional time to maximise return on investment . The maths is relatively straight forward, patent expiry often coincides with peak sales for a product and therefore at its simplest for every month a pharmaceutical brand with annual sales of 1,2 Bn USD is maintained the revenue upside is 100 M USD (using the same logic a six month delay is therefore worth over 0.5 Bn USD)

Some authors have also highlighted the possibility to better protect the brand versus generics from a legal point of view when it is branded . Finally, brands will have also a stronger influence on the behaviour and attitudes of patients and doctors.It is right that a key difference versus FMCG is the relatively limited life time of pharmaceutical brands. They enjoy only 20 years of exclusivity as a maximum and in general will go off patent after an average of 7 years from when they enter the market.

Some authors consider therefore that in view of this short life cycle it is not worth investing in building brand equity . This is different to FMCG where brands can live for ever, Procter and Gamble management for instance does not believe in the product life cycle concept. Within the consumer area if they are well managed, brands should last for ever. We do not believe that this important difference should prevent pharmaceutical firms from building brands. We consider that brand names should be more strongly linked than today to the corporate name . The latter can be used as a full name or as an umbrella name linked to the product brand name. This would be in line with the current trend in FMCG where companies try to link their product name brands to their strong corporate name and image.

Another important difference seen in contrast to FMCG has been the often highlighted additional layer that exists between the pharmaceutical manufacturer and the patients (consumers). Doctors and pharmacists do inevitably make branding strategies much more complicated. We do not believe that this represents an insurmountable difference versus FMCG as, contrary to what certain authors highlight, doctors can be convinced by arguments other than the purely rational. They are also influenced by other factors such as trust or the quality image of the manufacturer. In addition they need to be reassured and in similarity to many consumer purchases they operate on a basis of limited information. They also make decisions for emotional reasons, not only rational ones.

We will now review what are the branding strategies currently used by pharmaceutical firms and compare it to the best practise in the FMCG area.

Branding strategies

Brand name strategies

We need first to highlight that the particularity of pharmaceutical brands is that they have, two names. The brand name and the molecule name. The molecule name is present throughout the development process and will be the one used in scientific publications.

We have identified a series of strategies being used to select brand names in the pharmaceutical industry:

Chemical derived names: The brand name is based on the scientific name of the molecule. This has been the traditional way of naming pharmaceutical products. For example, Cipro for Ciprofloxacin, Capoten for Captopril, Risperdal for risperidone (Erickson 2001). The issue of this strategy is that the brand name is too generic and might speed generic penetration later in the brands life. Moreover, it doesn't give many possibilities to identify a unique name that can be used on all international markets and it is more difficult to protect from a legal point of view.

Therapy names: The name will be indicative of the disease the product treats. We will find for example : Procardia for patient suffering from heart problems. This strategy represents a risk as the brand name could also be easily imitated and can be more difficult to protect from a legal point of view. Moreover, generics may find it easy to select a name that is close to the therapy and the known pharmaceutical brand.

Use or indication name:

The selected name will connote a particular use, indication or characteristic of a brand. For example, we will find : Prilosec, Glucophage, Propulsid, Norvasc, Ventolin, Cardizem. There is also a risk of imitation from the competition.

Family name or drug class name:

The family name is a brand name that is similar to other products in the same class and is registered by the same company. For example: Mevacor/Zocor, Zoladex/Nolvadex, Beconase/Vancenase. There is also the possibility of identifying a name that is semi-descriptive of a drug class: Tolinase, Micronase, Orinase

Corporate name:

The name will contain an identifiable portion of the corporate name tied to a certain product or product line. For example, Sandimmune (Sandoz), Baycol and Glucobay (Bayer) and Novarapid (Novo Nordisk). This strategy is of course only powerful when the corporate name is well known and has strong positive associations.

New invented name:

The name has been created for a specific product. For example: Zocor, Zantac, Zanax, Prozac, Xenical etc. In the past few years, there has been an overuse of Zs and Xs for first letter. The advantage of this strategy is to identify a unique and distinctive name that can also be used for global expansion. It is also easier to protect from a legal point of view.

Based on these various strategies, we can identify three basic naming strategies:

Descriptive brand names (linked to molecules, therapy, indication or use and family or drug product class),

corporate brand names

New product brand names.

In FMCG, there is no significant difference in the basic naming strategies but the focus on them is different.

We find also three basic brand name strategies:

1) Descriptive brand name (Pampers, Mr Clean, Tonigencyl, Ultra-Bright toothpaste).

This name strategy is, however, nowadays, not very frequent as these brand names are not easy to globalise and are viewed as too generic;

2) New brand names (Dash, Ariel, Perrier).

This is a strategy that is being used by many multinationals where it is important that each product brand has a distinctive positioning. A company such as Procter and Gamble exist through its brands and not as a corporate entity. Their strategy is to cover a market with a multi-brand approach (Ariel, Dash, Vizir, Bonux, Dreft in the detergent market) ;

3) Corporate brand names.

In this case, some elements of the name can be linked to the brand name (Nescafé, Nesquick, Nestea from Nestlé, Dior with Diorissimo,Miss Dior , Diorella) or can be fully in line with the corporate name and can serve many different products (BMW, Renault, Ford) or product categories (Yamaha, Mitsubishi).

The trend in FMCG is now to use more often corporate names as an “umbrella “ name strategy in the current context of globalisation. The trend is indeed to associate a new product to very well known big brands or corporate brand names to benefit from existing awareness and strong image. Nestlé is using its corporate name as an umbrella for all its food products that are linked to a pleasurable experience (Crunch , Galak, Yes, Sundy, Nescafé, Nesquick from Nestlé (Kapferer). This is also in line with the experience of Japanese multinationals that have for a long time given the corporate name to products that belong to different product categories

(Honda cars and lawnmowers, Yamaha motorcycles, musical instruments, Canon cameras, printers and copying machines etc). Based on the FMCG experience, we believe that the descriptive names are not ideal for the creation of pharmaceutical brands. They don’t offer the freedom to select the right brand name. There is also a big risk to create a generic association that will benefit to the development of generics and make them more difficult to protect legally. Finally, it will be more difficult to identify names that are suitable for global expansion.

Brand names have to be easy to pronounce and, if they are to be memorable, be short, distinctive and difficult to imitate. The brand names have to be identified very early in the process as they are part of the brand equity that will be created.

New invented names are ideal to meet the criteria of uniqueness and memorability. We recommend, however, to favour the association of the corporate names as an "umbrella "name in order not to focus only on the product name that has a limited life time, as indicated earlier.

It is of course necessary to have already created strong corporate brand names that have a very clear and positive meaning in the mind of consumers. This is far from being currently the case in the pharmaceutical area following the number of mergers that have occurred over the past 15 years. It is not unusual to see General Practitioner market research around the world showing that many doctors do not know which companies produce the drugs they prescribe. As far as corporate brand names are concerned if the 2002 Financial Times survey of the world's most respected companies (Financial times 2003) is anything to go by pharmaceuticals has a long way to go. In a ranking of the top 60 global companies, pharmaceutical companies managed only 4 entries – the highest being GlaxoSmithKline at No 41. Success in the survey probably

reflects good branding and respect with integrity and consistency being the most admired qualities. Only one of the top 50 CEO's was from the pharmaceutical industry Daniel Vassela being placed at No 44.

There is one big risk with this corporate brand naming strategy, and that is the risk of failure of a product in the total portfolio of brands. This risk is similar, but less pronounced, for any global brand in FMCG, particularly in the Food industry like Coca-Cola, Nestlé or Kraft. The advantages are however bigger than the risks. The company will also evidently have to

foresee excellent PR campaigns that would minimise negative reaction from the market if a problem would arise. The most recent example of this was the withdrawal of Baycol (a cholesterol lowerer) from Bayer which has opened the way for acquisition of the parent company brand.

Global branding strategy

Global branding consists of offering a brand that has standardised a maximum number of elements of its strategy and marketing mix to ideally offer one standardised product to every international market. Some authors considered that the marketing globalisation was irreversible due to the important economies of scale that it permitted, the emergence of global consumer segments and the rapid diffusion of technology. Other believed, on the contrary that global marketing represented a risk because difference of cultures and consumer habits would remain between markets .

Today, global marketing has been adopted by the majority of FMCG firms. The question is not anymore to globalise brands but rather to see how to do it successfully and what level of globalisation to achieve. It is important to note that the creation of global brands has been more driven by cost considerations than market ones .

In the pharmaceutical industry, the pressure from the financial community is starting to have en effect on company strategies. Top line growth is becoming more difficult to achieve and therefore there are similar pressures to cut costs to maintain growth in profit. Globalisation of brands is one way to benefit from economies of scale.

Arguments for and against global branding are very similar to the ones that have been given for the FMCG industry. The proponents of brand globalisation consider that

1) consumers (both doctors and patients) are more similar than different in terms of their desires

2) the market dynamics have changed. With regulatory convergence occurring not only in the EU, but between the US, EU and Japan, there is no need to work so often with individual regulatory authorities and the power of local partners is decreasing,

3) the reduction of costs at all levels will improve significantly return on investments, especially if an expensive clinical trial can be leveraged in all markets

4) control can be gained over the local network of partners,

5) one single positioning and image worldwide can be created,

6) more power can be achieved vis a vis doctors with the global organisation communicating one message,

7) the internet has changed forever the availability of medical information to the patient (being the second most searched web topic), allowing important dialogue about health and drug related issues. Within this context a global brand reduces possible confusion and provides consistent information on a global basis.

A number of truly global brands now exist – Viagra from Pfizer, Vioxx from MSD, Nexium from AstraZeneca, Keppra from UCB – but not everyone thinks the approach ideal.

The opponents to global branding consider that there are inherent risks to this strategy. The arguments are the following :

1) Customers needs vary significantly by markets,

2) regulatory approval systems can still be influenced nationally,

3) identical drug molecules are sold under different names in different countries,

4) pricing remains a major difference and globalisation of brands induces higher risks of parallel importation,

5) the perception of disease and medicine practised might be different country to country,

6) problems with one product might affect other products of the company very quickly.

In FMCG, the trend towards more globalisation happened earlier and faster, around 10 to 15 years ago. The key driver of the globalisation of brands in FMCG has been the reduction of costs linked to strong economies of scale. The pressure to globalise brands continues to be strong and has even accelerated over the last 5 years. This resulted from

1) the need to find new competitive advantages,

2) the level of industry globalisation

3) the pressure from the financial community and firms shareholders .

Most companies have given priority to global brands, often at the detriment of local brands. This trend had a big impact on brand portfolios. For example, Procter and Gamble has exploited global branding as a competitive weapon since the early 1990's. A few years later, its key competitor, Unilever, was forced to react and further globalised its brand portfolio despite following in the past their traditional multi-domestic model. As a result, they have announced at the end of 2001 that they would eliminate 1200 brands out of 1600, three quarters of their brand portfolio, to concentrate on 400 brands with international presence or potential. In global branding, the principle to follow is to look at what is common between markets and minimise or forget the differences between them. In view of the FMCG experience, we do not believe that the trend will be different in the pharmaceutical industry. We should expect the development of many more global brands and the elimination of many local brands, even successful ones. Indeed, the pressure to reduce costs will be as important as in the FMCG area. It will be key to further increase industry profits and financial analysts and shareholders will continue to increase the pressure.

We may also assume that diseases are much more global than many other needs in FMCG product categories, as a result globalization pressure will be even stronger. Some important regional differences do exist, such as the problem of malaria in Africa and Asia, but when considering the top seven markets there is little variation (the top seven being US, Japan, Germany, France, UK, Spain and Italy).

Firms will need to further restructure their brand portfolio, especially because of the vast number of smaller brands and products that they have acquired in their recent mergers and acquisitions. Similarly to FMCG, there will be a trend to maintain and further expand global brands while disinvesting in local brands.

Brand extension and line extension

A brand extension is defined in the branding theory as an existing brand name that is being extended to a category of products that is different to the existing one. A line extension consists, on the other hand, in the launch of new products, under the same brand name, in the same product category.

It is difficult to compare strategies in both industries as the vocabulary used and the strategies are quite different.

Brand extension

The FMCG strategy of taking an existing brand name and then extending it to other product categories has been tried on occasion within the pharmaceutical OTC sector (over the counter – free from prescription) but very limited success has been achieved. To some extent this strategy has worked counter to the training of one of the key influencers in the process, pharmacists. They fear the increasing chances of a dispensing mistake as a major argument to resist this type of brand tactic e.g. Panadol is associated as a paracetamol brand, but adding aspirin components and changing the brand name to a similar sounding brand would be potentially difficult. Many patients, who where for instance aware that they are aspirin allergic, would not spontaneously, check the constituents for such a well known paracetamol based brand.

A relatively new phenomenon could also be seen as brand extension – it is the area where one product is marketed in numerous different diseases at the same time, sometimes with the same brand name sometimes with different brand names - A limited number of examples exist, where a single prescription only molecular entity (product) is allowed to be marketed under two names in different unrelated indications e.g. bupropion hydrochloride is marketed by GSK as ellbutrin for depression and as Zyban for smoking cessation.

Although this is an extension of a molecular entity it changes the brand name deliberately. In this case, we consider that this does not correspond to a brand extension since two different brand names exist. This is comparable to the P&G experience of marketing two brands Dash and

Ariel based on the same chemicals under two different positioning (whiteness and stain removal respectively) under two different names. A new approach is being pioneered by the biggest companies in the sector, it is the researching, developing and launching of a brand in a number of different indications simultaneously. Pregabalin from Pfizer, an anti-epileptic product, is expected to be launched in the EU.with epilepsy and neuropathic pain indications at the same time. In addition it has the potential to be launched in a third simultaneous indication, with the addition of general anxiety disorder (GAD) when US launch occurs subsequently. This strategy of trying to achieve launch of multiple indications at the same time is a largely new and direct impact of the need to have bigger and bigger brands to replace sales of products reaching patent expiry over the coming decade. Obviously the resources required to be able to do this are huge and are only really available to a handful of companies in the top 20, who's R&D spends run into the multiple billions of dollars each year. In this case, this strategy is close to the definition of brand extension, as seen in branding theory.

Line extension

This term is similar in pharmaceuticals and FMCG, this connotes an original brand and the later reformulation of it into new dosage forms. This tactic sometimes allows pricing flexibility but more often improves the competitive dynamics a number of years after the original launch. These new dosage forms tend to allow administration to different patient types e.g. an oral solution can greatly ease the difficulty of administration of large oral dosage forms to the elderly or paediatric populations. Another example constitutes the intravenous forms (IV), which can provide rapid loading of the product in the patients' blood stream in the intensive care setting. Even tablet development can have an impact e.g. melt tablets can provide an acceptable taste mask and ease swallowing of large tablets as well as increasing the chances of compliance with a particular regimen.Reducing the frequency of administration can be highly successful also
e.g. allowing the patient to take the product only once a day vs perhaps twice or three times previously.

Within a different context the pharmaceutical industry talks also about "therapy franchises". These are groups of products which work together in a particular area or can be complimentary in that they are used by the same physician speciality to treat the patients of one disease area.
oncology house, the old Glaxo has been the asthma powerhouse whilst the old Smithkline Beecham was a specialist in vaccines. All of these are therapy areas which require a particular expertise, for research, development and sales and marketing. We would consider this "therapy" franchise as the development of a certain category or specialised strategic focus of the company but it has nothing to do with brand or line extension. In FMCG, the use of brand extension has

been very frequent and has been developing very fast over the last 10 years. In view of the very high cost of launching new brands and managing them, firms have decided to launch new products behind existing brand names. This builds on the trend to concentrate efforts on big brands only. For example, Procter and Gamble is concentrating on big brands that generate more than $ 1 billion sales e.g they have recently decided to launch two new innovations under existing brand names. New biodegradable wipes, named Kandoo under the Pampers “umbrella” name and a new product for washing cars under the Mr Propre/Clean “umbrella” name. This trend would be seen in both multinationals and local companies

The consequences of extending existing brand names are much more complex in the pharmaceutical industry than in FMCG. There is always the risk of confusion and therefore misuse of drugs. The extension of existing brand names is therefore limited in this industry. However, if the industry leverages more the corporate name as an umbrella strategy, pharmaceutical will be more fully in line with the brand extension concept.

Global Pharmaceutical Scenario

The global pharmaceutical market was $750 billion in 2008 and biotechnology drugs/biologics accounted for $87 billion and generics for $80 billion of the global market. Lipitor still remains the world best selling drug with sales of over $13 billion . It was followed by Plavix and Enbrel. Four biologics made the top ten best selling list and seven biologics made the top twenty lists in 2008. Patent expiry resulted in loss of sales of last year best sellers like Risperdal, Fosamax, Prevacid, Protonix and Norvasc. Regulatory action by FDA (black box warning, restricted use and labeling changes) resulted in loss of sales for Avandia as well as Aranesp and other erythropoietin brands. Tamiflu loss of sales was due to lack of demand to renew the stockpile for future avian flu pandemic. Seven brands had sales greater than $ 5 billion and fourteen drugs with sales more than $ 4 billion in the year 2008. Analysis of blockbuster sales provides the best evaluation of the industrial R&D.

The global pharmaceutical market is projected to increase between 5 and 6% in 2009 to reach $755–780 billion, according to IMS Health (Norwalk, CT). This pace is down from growth of 6–7% in 2007. In the US and the five largest European markets, sales growth in 2009 is projected at 4–5%, marking a historic low for the US market, according to IMS.

The generics market is expected to grow at 14–15% in 2009 and reach sales of more than $70 billion, according to IMS.

Top Ten Global Pharmaceutical Companies

Revenue Rank 2007	Company	Country	Total Revenues (2007) **(USD millions)**	Healthcare R& D (2007) **(USD millions)**	Net Income/Loss (2007) **(USD millions)**
1	Johnson & Johnson	U.S	53,324	7,125	11,053
2	Pfizer	U.S	48,371	7,599	19,337
3	Bayer	Germany	44,200	1,791	6,450
4	GlaxoSmithKline	United Kingdom	42,813	6,373	10,135
5	Novartis	Switzerland	37,020	5,349	7,202
6	Sanofi-Aventis	France	35,645	5,565	5,033
7	Hoffmann–La Roche	Switzerland	33,547	5,258	7,318
8	AstraZeneca	UK/Sweden	26,475	3,902	6,063
9	Merck & Co.	U.S	22,636	4,783	4,434
10	Abbott Laboratories	U.S	22,476	2,255	1,717

Top Ten Brands In The World

Generic Name	**Brands**	**Companies**	**Indications**	**Sales $ billion** **2006 2007 2008** **A (P)**
Atorvastatin	Lipitor	Pfizer, Astellas	Cholesterol	**12.9 13.5 13.35 (13)** 13.6 13.5
Clopidrogel	Plavix	Bristol Myers Squibb, Sanofi Aventis	Atherosclerosis	**5.55 8.2 5.6* (8.9)** 5.8 7.3
Etanercept	**Enbrel**	**Amgen, Wyeth Takeda**	**RA, JRA, Ps, PsA, AS**	**4.4 5.2 7.66 (7.4)** 4.5 5.3
Fluticasone Salmetrol	Advair	Glaxo Smith Kline	Asthma	**6.13 7.0 7.65 (7.5)** 6.3 7.1
Infliximab	**Remicade**	**J&J,**	**RA, UC, CD**	**4.2 5.04 6.2 (6.5)**
Valsartan	Diovan	Novartis	Hypertension	**4.22 5 5.74 (5.6)**
Esomaprazole	Nexium	Astra Zeneca	Ulcers	**5.2 5.2 5.2 (5.2)** 6.7 7.2
Bevacizumab	**Avastin**	**Roche**	**Colon cancer**	**2.4 3.93 4.82 (4.7)**
Aripiprazole	Abilify	Otsuka,	Schizophrenia	**3.24 4.0 4.75 (4.5)**
Trastuzumab	**Herceptin**	**Roche**	**Breast Cancer**	**3.14 4.4 4.72 (4.8)**
Olanzapine	Zyprexa	Lilly	Schizophrenia	**6 4.76 4.69 (4.6)** 4.7 5
Quetiapine	Seroquel	Astra Zeneca Astellas	Schizophrenia	**3.42 4.03 4.64 (4.1)** 4.6
Adalimumab	**Humira**	**Abbott**	**RA, Ps, JIA, PsA**, AS, CD	**2.04 3.06 4.5 (4.4)**
Montelukast	Singulair	Merck	Asthma	**3.56 4.3 4.33 (4.3)** 4.5
Venlafaxine	Effexor	Wyeth	Depression	**3.7 3.7 3.9 (4.0)**
Pioglitazone	Actos	Takeda	Diabetes	**2.88 3.65 3.86 (4.2)**
Candersartan	Atacand, Blopress	Takeda, Astra	Hypertension	**1.77 3.31 3.78 (4.0)**
Escitalopram	Lexapro, Cipralex	Lundbeck, Forest	Depression	**2.7 3.6 (4.0)**
Glatiramer	Copaxone	Teva, Sanofi Aventis	Multiple Sclerosis	**3.6 3.6 (4.0)**
Heparin low mol wt	**Lovenox**	**Sanofi Aventis**	**Anticoagulant DVT**	**3.06 3.65 (4.0)**

Types of Diseases

Acute disease

An acute disease lasts for just a short time, but can begin rapidly and have intense symptoms. In contrast, a chronic disease produces symptoms for quite some time, lasting for three months or more.

Often, people are confused as to what constitutes an acute disease. They believe an acute disease is always severe. In reality, an acute disease can be mild, severe, or even fatal. The term acute does not indicate the severity of the disease. Instead, it indicates how long the disease lasts and how quickly it develops. Examples of acute diseases include colds, influenza, and strep throat.

Chronic disease

A chronic disease is persistent. It lasts for a long period of time and may recur. Like an acute disease, a chronic disease can be mild, severe, or fatal. Examples of chronic diseases include kidney disease, cancer, and diabetes. Unlike an acute disease, a chronic disease is likely to develop over time instead of having a sudden onset.

Some acute diseases may resolve themselves, without requiring significant medical attention or treatment. For example, an individual may recover from influenza at home, without taking prescription medications or requiring the care of a physician. Pneumonia, on the other hand, is an acute disease that often requires medical care and prescription medication. Frequently, hospitalization is required as well.

Chronic diseases often require the care of a medical professional and the use of prescription medications. Sometimes, hospitalization is required as well. For an example, an individual with diabetes may need to see a doctor on a regular basis and take prescribed medications. An individual with kidney disease may require professional medical care, medication, and dialysis. Frequently, medical intervention may make an individual with a chronic disease more comfortable, but usually chronic diseases cannot be cured.

In the United States alone, there are more than 90 million individuals struggling with chronic diseases. Around the world, the numbers are even more staggering. The most common chronic diseases include heart disease, cancer, chronic obstructive pulmonary disease, and diabetes. All of these diseases are potentially life threatening.

Global Anti- diabetic Market

The global antidiabetic market was $ 24 billion in 2008 with insulins and analogs at $ 12.5 billion and PPAR agonists at $5.8 billion. Actos and Lantus emerged as the top selling PPAR agonist and insulin analogue in 2008 with sales of $4.2 billion and $3.3 billion followed by newer insulin analogues from Novo Nordisk. Takeda was the market leader in diabetes market followed by Sanofi Aventis, Novo Nordisk and Lilly. Novo Nordisk was still leading the insulin market followed by Sanofi Aventis and Lilly. Thus Novo Nordisk, Lilly and Bayer lost their long held market dominance in 2008 to new arrivals Takeda and Sanofi Aventis. GSK Avandia lost market shares and sales due to black box warnings and FDA/EMEA regulatory action to restrict its use leaving Actos as the PPAR market leader. Many PPAR agonists projects in development and clinical trials continue despite concerns about class carcinogenicity and cardiotoxicity of PPAR agonists and tougher regulatory criteria for approval.

Pfizer pulled out of production and marketing of Exubera (inhaled insulin licensed from Nektar) due to poor sales and low patient compliance, difficulty of inhaler use and reduced lung function in some patients. Pfizer had invested over $2 billion in licensing, production and marketing of Exubera. MannKind Afresa (Technosphere insulin) a rapid long acting inhaled insulin showed positive results in two Phase III studies and the company decided to continue development and file IND for FDA approval. Two other inhaled insulin projects in development were terminated. Novartis Starlix (Nateglinide) was another new diabetic drug with poor sales.

Commercial success of Merck Januvia (Sitagliptin) a dipeptidyl peptidase 4(DPP4) inhibitor, which enhances endogenous glucagon like peptide 1(GLP1) action, will lead to success of other follow up DPP4 inhibitors in treatment of type II diabetes by providing glycemic control without weight gain. Galvus (Vidagliptin) from Novartis was approved by EMEA in 2007 and launched in 2008 in Europe. Onglyza (Sexagliptin) from BMS licensed to Astra Zeneca for Europe and Otsuka for Japan was filed for approval in July 2008 and awaiting approval in USA and Europe. FDA approved only one new antidiabetic drug Welchol (colesevelam) from Daiichi Sankyo in 2008. Bayer has failed to come up with newer diabetic medicines after patent expiry of Glucophage (Metformin) and Glucobay (Acarbose) and loss of sales to generic competition.

Byetta (Exenatide) with sales of $900 million is a new antidiabetic class (incretin mimetics), is an analog of GLP1 and is a synthetic analog of Extendin 4 a hormone discovered in the saliva of Gila monster. GLP1 is a regulator of glucose metabolism and insulin secretion. Byetta was approved by FDA in 2005 and provided effective glycemic control without weight gain with mild gastrointestinal and CNS adverse events in clinical trials. Six cases of acute pancreatitis with 2 deaths were received by FDA (November 2008) probably linked to the use of Byetta in diabetic patients. Acute pancreatitis may be a class toxicity of all GLP 1 analogs. Additional long term studies to explore the link and incidence of acute pancreatitis may delay the regulatory approval of other GLP1 analogs like Victoza (Liraglutide, Novo Nordisk) and Taspoglutid (Roche, Ispen)

Indian Pharmaceutical Scenario

The pharmaceutical industry is one of the fastest growing sectors in Indian economy. Visiongain predicts that market for pharmaceuticals in India has strong potential for increased growth from 2008 right through to 2023. The industry's leading Indian Pharma report contains unique market-based research, including detailed interviews with key opinion leaders based in India and abroad. Importantly, the report forecasts the overall Indian pharmaceutical market from 2008 to 2023, as well as that of many important market segments.

Other key metrics are also included throughout the report. This is your opportunity to gain critical insight into the potential and inner workings of one of the world's most important healthcare markets from the present onwards. India is gaining in importance as a manufacturer of pharmaceuticals. Between 1996 and 2006, nominal sales of pharmaceuticals were up 9% per annum and thus expanded much faster than the global pharmaceutical market as a whole (+7% p.a.). Demand in India is growing markedly due to rising population figures, the increasing number of old people and the development of incomes. As a production location, the country is benefiting from its wage cost advantages over western competitors also when it comes to producing medicines.

Globally ranked fourth by volume and 13th in value, the Indian pharma industry is a leading producer of high-quality, low-cost generic drugs. Its 14% share of the USD 57 billion world generic market is expected to increase to 50% by 2010. With the advantages of cost competitiveness, ability and experience in reverse engineering, availability of skilled scientific and engineering personnel and the capability to produce raw materials for a wide range of drugs from the basic stage, the industry delivers the entire range of therapeutic products. McKinsey & Co. predict that India's pharmaceutical market could reach a size of USD 20 billion by 2015, becoming one of the top 10 drug markets in the world. Generic versions of the cardiovascular drug carvedilol, ANDA-approved allopurinol, verapamil SR and the anticancer drug paclitaxel are some of the recent products introduced by Indian companies, with Caraco, Ranbaxy, Dabur, Dr. Reddy's, Nicholas Piramal India, leading the list. Setting up of integrated drug development companies and aggressive entries into the Japanese drug market have provided further impetus to the country's pharma manufacturing arena

Top Ten Indian Pharmaceutical Companies

1. Ranbaxy

The Indian pharmaceutical industry is the second-fastest growing industry sector in the country. It has shown a revenue growth of 27.32 per cent (as per the latest data available) to touch Rs 25,196.48 crore (Rs 251.96 billion) in 2006-07. The industry also saw Indian drug companies buying out many small firms the world over as they expand their reach, markets and muscle

2. Dr Reddy's Laboratories

Dr Reddy's Labs, with a 2007 turnover of Rs 4,162.25 crore (Rs 41.622 billion), is India's second largest drug firm by sales.

3. Cipla

Pharma major Cipla is India's third largest pharmaceutical firm. Its 2007 revenues stood at Rs 3,763.72 crore (Rs 37.637 billion).

4. Sun Pharma Industries

The Dilip Sanghvi-led Sun Pharma is the nation's 4th largest pharma company at a 2007 revenue Rs 2,463.59 crore (Rs 24.635 billion).

5. Lupin Labs

Lupin Labs is India's 5th largest drugs firm. Its 2007 revenue was at Rs 2,215.52 crore (Rs 22.155 billion).

6. Aurobindo Pharma

Aurobindo is India's 6th largest pharma firm by sales. Its 2007 revenues stood at Rs 2,080.19 crore (Rs 20.801 billion).

7. GlaxoSmithKline Pharma

GSK is India's 7th largest drug company with a turnover of Rs 1,773.41 crore (Rs 17.734 billion) for 2007.

8. Cadila Healthcare

Cadila's 2007 revenue was Rs 1,613.00 crore (Rs 16.13 billion), which makes it India's 8th largest pharma firm.

9. Aventis Pharma

Aventis Pharma, with a 2007 revenue of Rs 983.80 crore (Rs 9.838 billion) is the 9th largest Indian drug company

10. Ipca Laboratories

At a revenue of Rs 980.44 crore (Rs 9.804 billion), Ipca is India's 10th largest pharma firm by sales.

CASE STUDY : BRAND MANAGEMENT IN WOCKHARDT

Wockhardt Limited

One of the leading pharmaceutical companies from India, Wockhardt has been able to carve a niche in the glabal pharmaceutical landscape, as well. With an estimated market capitalization of more than US $ 1 billion, Wockhardt's annual turnover works up to US$ 285 million.

Currently, half of Wockhardt's revenue comes from Europe and the United States. Wockhardt's market presence covers formulations, biopharmaceuticals, nutrition products, vaccines and active pharmaceutical ingredients (APIs).

Wockhardt Limited: Company Background

Promoted as Worli Chemicals by Khorakiwala family in 1959, the company was initially engaged in marketing of formulations. Wockhardt Pvt Ltd was established in 1973. In 1984, it merged with two synergistic companies, one making bulk drugs and the other making dietetic foods. Wockhardt became a deemed public company in the year 1985.

Wockhardt Limited went public with its maiden IPO in December 1992. In February 1994 it became the first Indian pharmaceutical company to issue GDRs.

Wockhardt Ltd was incorporated on July 8,1999. On January 1, 2000. pursuant to a scheme of arrangement, the pharmaceutical business of Wockhardt Life Sciences Ltd (formerly known as Wockhardt Ltd) was transferred to Wockhardt Ltd (formerly known as Wockhardt Pharmaceuticals Ltd). Further, in terms of a scheme of amalgamation, the assets and liabilities of Wockhardt Veterinery Ltd were transferred to the company with effect from January 2,2000.

The company took over RR Medipharma, a parenterals manufacturing company in 1996. In 1998 the company acquired Tata group company Merind.

With this acquisition Wockhardt expanded its therapeutic coverage to 43 per cent in domestic formulations and its presence in veterinary business. At the same time Wockhardt acquired Wallis Laboratories, UK in 1998 for US$8mn and has successfully turnaround this company in a year's time.

Effective January 1, 2000, Wockhardt has demerged its operations into two separate companies.

Now Wockhardt Limited handles knowledge-based pharmaceuticals and bulk drugs business while Wockhardt Life Sciences Limited would be looking after agri-sciences, IV fluids and hospitals. Both the companies would be listed on the Luxembourg bourse, apart from BSE & NSE. Existing shareholders and GDR holders of Wockhardt Ltd have been given one share of Wockhardt Life Sciences against one share of Wockhardt Ltd. held.

Currently, Wockhardt operates in India through a 1300-strong field force covering over 160,000 medical practitioners. The company covers 50% of the therapeutic segments through six therapy-focussed marketing divisions. Wockhardt's has a significant presence in pain management, cough therapy, psychotic drugs, diabetology, vaccines, nutrition and animal health.

Brands

Some of Wockhardt's brands include

Diabetology
Wosulin(Recombinantinsulin)
Mopaday(OralAntidiabetic)
Glimaday (Oral Antidiabetic)

Nephrology
Wepox (Recombinant Erythropoietin)

Pain management
Proxyvon
Spasmo-Proxyvon

Nutrition
Methycobal
Dexolac
Decdan

Neuro-Psychiatry

Libotryp

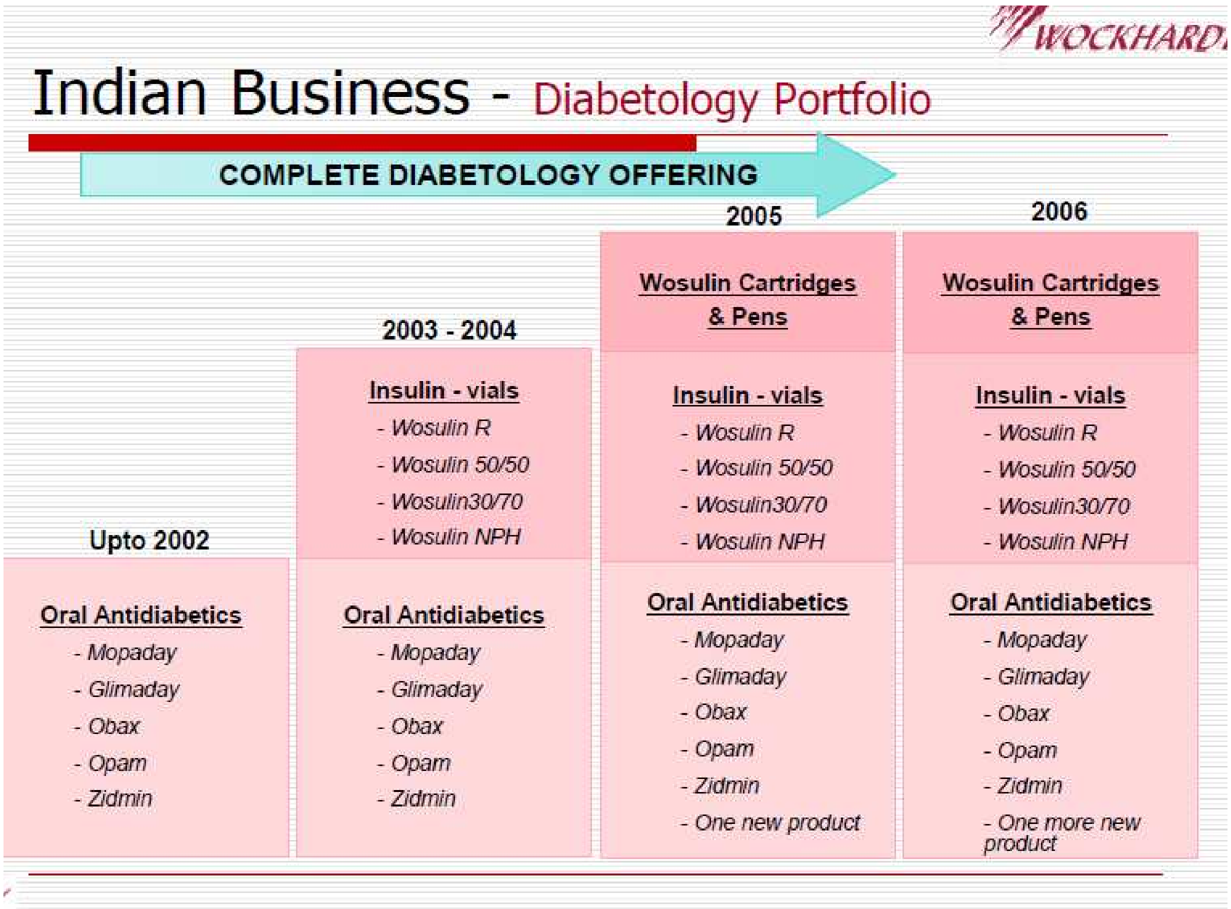
Tryptomer

Cough Therapy

Zedex

Bro-Zedex

Viscodyne



Brand management

Glimaday is an important brand of Wockhardt in Indian anti-diabetic market. It is 15 crore brand .Brand manager is mother and father of brand .It is responsibility of brand manager to take care of each component of brand e.g. Brand history, Brand positioning, Brand recall etc. It is important to understand brand Glimaday and its nurturing by its brand manager. In this case there is only one brand manager who is handling Glimaday which is 15 crore brand.

Brand manager is also called as product manager in Wockhardt.

Hierarchy in Wockhardt

President
↓
Vice –President
↓
Assistant Vice- President
↓
General Manager
↓
Deputy General Manager
↓
Marketing Manager
↓
Group Product Manager
↓
Senior Product Manager
↓
Product Manager (Brand Manager)
↓
Deputy Product Manager
↓
Product Executive

Product Manager / Brand Manager

Brand managers role is related with managing and arranging all the activities and operations related with brand . In case of Glimaday , brand managers role consist of three major activities.

- Strategy preparation and Environmental Analysis
- Strategy Formulation
- Strategy Implementation

Strategy Preparation and Environmental Analysis

Brand Manager require good analytical and statistical tools regarding collection of data and then analyzing relevant data. Both primary and secondary sources of data collection are used .First we will go for secondary sources of data that is used in deciding annual strategy for Glimaday.First major source of secondary data is ORG-IMS data.

1. **ORG- IMS**

IMS Health and ACNielsen ORG-MARG entered into a joint venture on the 1st of January 2004, aligning their health care information business operations in India, bringing together the two organizations global expertise and strong local presence to deliver a broader array of actionable, strategic solutions to the pharmaceutical market.

ACNielsen ORG-MARG is a leading solutions provider of syndicated and non-syndicated information services in India that examine health care, consumer products, financial, retail, business to business, and media performance trends. IMS is the world's leading provider of information solutions to the pharmaceutical and healthcare industries.

This joint venture, ORG IMS is committed to deliver even greater value to our clients with innovative solutions that stay one step ahead of their needs. With over 23,000 companies marketing more than 60,000 prescription brands, the industry in India faces significant competitive challenges. Combined with the removal of trade barriers and other government actions, the pharmaceutical landscape is also dramatically changing.

ORG IMS is uniquely qualified to leverage its global expertise, information assets, and analysis tools to help clients in India better understand market behavior and to maximize their business performance as they face these mounting pressures. Using global services and information solutions, such as pharmaceutical and medical audits, attitudinal surveys and disease-specific studies, the organization provides services to the market that offer clients a series of first class information solutions.

ORG IMS Research Pvt. Ltd. has set a vision for itself - “to be a one-stop shop for providing evidence based business solutions to the healthcare industry”. In line to this they have started up with our consulting services in the arena of pharmaceutical marketing offering solutions in three areas, viz portfolio management, launch management and sales force effectiveness.

ORG-IMS provides detail data regarding pharmaceutical industry. It collects and provides valuable information to industries.

In case of Glimaday, Wockhardt purchase data regarding performance of Glimaday in the last year and also data regarding competitor companies. This data gives detailed information which includes statewise, areawise relevant data with respect to Glimaday. There are 66 brands which are competing with Glimaday in Indian antidiabetic market. Following chat will give you small idea that in detail how information is provided

Glimaday	10	41.00	Wockhardt
Brand Name	Unit	Price	Marketer
K-Glim M	10	17.00	Blue Cross Laboratories
Glista	10	29.00	E.Merck (India)
Metanorm G1	10	30.00	Elder Pharmaceuticals
Bigonyl	10	35.00	Indoco Remedies
Isryl-M	10	35.00	Systopic Laboratories
Glimulin-MF	10	35.20	Glenmark Pharmaceuticals (Healtheon Division)
Secremet	10	36.00	Bal Pharma
GLYCOMET-GP	10	36.75	USV
Glimy-M	10	37.12	Dr. Reddy's Laboratories
Glimaday	10	41.00	Wockhardt
Betaglim-M1	10	41.00	Panacea Biotec
Gemer-1	10	42.00	Sun Pharmaceuticals
Gluformin-G1	10	42.40	Nicholas Piramal
Amaryl M	10	65.20	Aventis Pharma

Source- ORG-IMS

This is an important task because at this stage brand manager analyses all the data regarding Glimaday and other antidiabetic brands. This data tell how Glimaday is performing vis-à-vis other competitor brands . At this stage in short it helps to prepare brand plan and present it I front of higher authorities. This source also tells about SKU data and make brand manager aware about areawise and shopwise demand of product in the market.

2. **CENMARC**

Centre for Marketing and Advertising Research Consultancy

This is another source of secondary data . This source gives detailed information deals with prescription data which is collected and published monthly as well as quarterly.This is an important source as survey is carried out by directly taking doctors prescription data . This is collected byputting carbon copy below prescription pages .This is most important source because it tells you exactly how many target doctors are prescribing Glimaday and how many are prescribing competitor brands. This helps in deciding strategy as it is good for segmentation and targeting of market.This tells zonewise and citywise data.

Both these secondary sources of information gives idea about national ,stae and areawise competition in the market.

Primary Sources of Data

1. Sales Report of Wockhardt

2. Data-Medical Representative wise

3. Regional Managers Report

This gives detail information also most trusted , relevant and companys own information.

Once brand manager collects all this data then with the help of statistical tools and analyses performance of the brand in last year. It also help brand manager in deciding future target market .Here brand manager analyses which doctors to target to increase market share . Also refined data tell brand manager about which areas are having intrusion from competitors.

Brand manager then analyze MR data checks how many doctors are visited by them and

Out of them how many doctors have prescribed Glimaday.

In this way reasons can also be analyzed about decrease in sales of Glimaday in specific territory.

So preparation for Brand plan starts.

Product Features

Brand manager decides on product features. How should Glimaday tablets look like?

In antidiabetic market tablets with 1 mg and 2 mg content enjoys 90 % of market share. Remaining share belongs to 3 mg tablets . Glimaday is having its maximum sales in first two categories . So brand manager with the help of statistical analysis refers data and checks whether there is any chance for 3mg tablets. If ther is emerging untapped market in 3 mg segment then production strategies are also determined by brand manager. Brang manager also decides on colour and shape of Glimaday tablets. Once shape is decided then attractive packaging on which brand Glimaday should be visible. Here brand manager plays an important role as Product manager of Glimaday.

Communication Strategy

Next important task in front of brand manager of Glimaday is to convey this brand to target doctors. First important task is deciding on positioning line. This is an important part as punching line put brand in the mind of target customers which are no one else than doctors.

Communication strategy should be able to convey

- Where product (Glimaday) is used?
- Whether it is used in Type 1 or Type 2 diseases?
- What are key benefits to doctors ?
- Identifying situations when communication strategy should be changed

Promotion Plan

Direct advertising is unethical in pharmaceutical industry. At the same time there is huge competition in the market which makes situation critical for brand manager of Glimaday.

There are 66 competitive brands in the market fighting for market share with Glimaday.

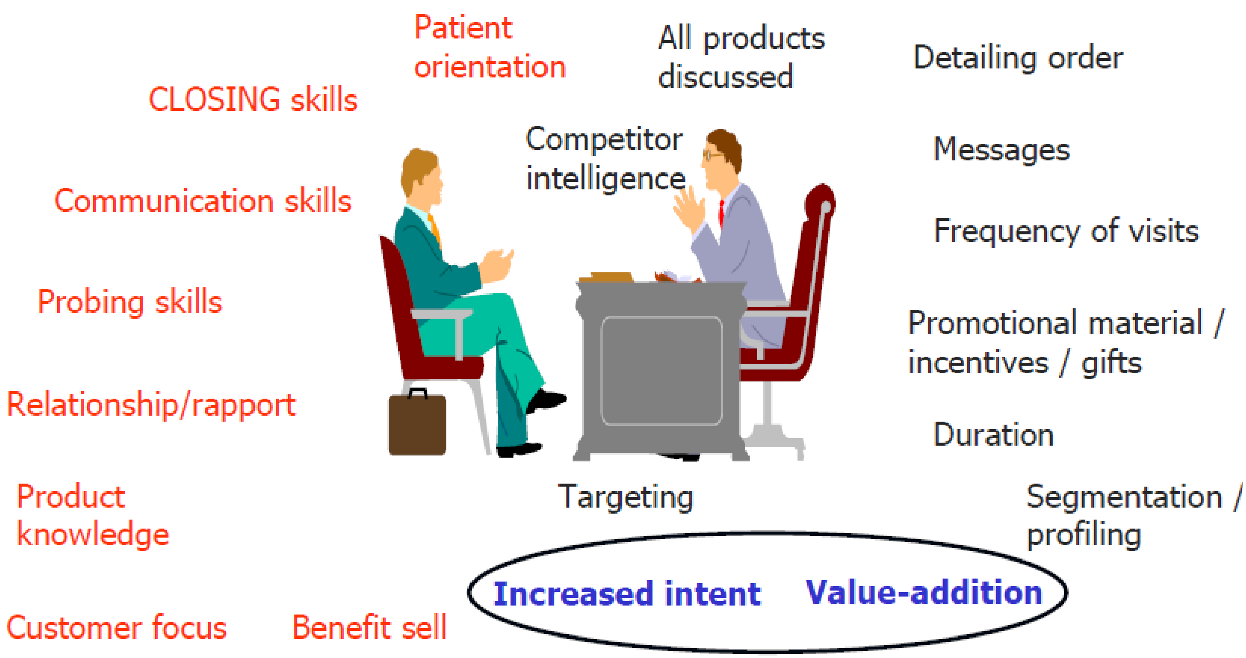
But in pharma industry customers are easily identifiable which are no one but medical practitioners / Doctors.

Most important way to reach to doctors is direct sales force which are also called as Medical representatives. Glimaday brand manager always remains in contact with sales people as they are major tool of communicating brand to doctors .

Following is a daily schedule of Medical Representative at Wockhardt selling Glimaday.

Also role and way Brand manager convey these representatives their role , responsibilities is mentioned

The Role of the Medical Representative at Wockhardt



Personal development plans tend to be the way of reviewing employee performance in most companies. They are often set around key competencies that the company are hoping the representative displays, and also around the key sales objectives set for that particular year. They are the way most companies also decide upon your pay reviews.

The image of the product and the company that a doctor forms is directly related to the degree of professionalism exhibited by the medical representative. This position therefore demands a high level of integrity and commitment to the company and its products. Two things to remember about the role are:

1. The more you put in to the job, the more you get out.

2. Two days are never the same, there is so much variety everyday, that makes the job even more appealing to people

Organisation and Planning

Most GP's /Hospital doctors have an appointment system for seeing medical representatives. As so many other companies are trying to see the same customers, it is essential for the medical representative to be well organised and planned in advance.

By careful planning, a medical representative, will see a mix of doctors, nurses and pharmacists every day. Those seen only by appointment and those seen without appointment but at an allocated time, this means very good record keeping of all customers is an essential skill.

A day in the life of a Wockhardt medical representative

8am+ Early morning appointments, spec calls, Card dropping. Get to as many surgeries as possible to either try and see customers then and there or arrange to try and come back later

10am + Interviews with GP's. In these two hours You will probably see between 3 and 5 GP's. Surgeries tend to be finishing, and all companies are bust trying to see the prescribers. Be warned it's a very busy few hours.

12.00 + Lunch/Meetings. The meeting will entail standing on your feet and giving a presentation to the GP's in the surgery/ or Dr's in the hospital. Normally these days this is by using a company prepared slide presentation on power point. Sometimes you may have a flip chart desk presenter.

2pm + Hospitals/ Pharmacist

4.30-5.30pm+ Home/ Admin. This will involve reporting all calls made responding to emails and requests. You may also have to speak to your manager, and most importantly plan your next day and rest of your week.

7.30pm+ Occasional evening meetings. This will be a meal and a promotional presentation either by you or by an invited speaker.

Brand Manager knows that MRs are not much technical people and due to which Brand manager has to explain them product features in simple and understandable terms without losing expected impact on practitioner.

Brand manager continuously update about new features added in Glimaday. Recently Wockhardt has differentiated and has claimed that its product is most pure product in Indian market . Such differentiating features brand manager should communicate with MRs.

MRs get only 3 to 5 minutes in the busy schedule of doctors. Brand manager trains MR that how Glimaday brand should be addressed in that small effective time. Also stationary on which brand Glimaday is printed is usually gifted to doctors that is also many times done with MRs.

MR is an important source of current market situation specially regarding availability of stock with medical shops near to doctors clinics or hospitals. Glimaday should be available because if patient do not get this brand in chemist shop then even doctor also next time hesitate to prescribe this brand to patients. So Brand manager is always in contact with his representatives for balancing demand and supply gay in case of Glimaday.

Continuusly analyzing performance of sales force and motivating them for better performance in meetings is another duty of brand manager.

Relation with Doctors

Glimaday brand manager arranges party for doctors and in party his major target is by promotion tools imbibing bran Glimaday in the mind of doctors and ot will be easy for them for brand recall. Also organizing domestic tours for doctors who are promoting Glimaday and sometimes brand manager assists doctor on tours for building relations. Brand manager also arranges gifts like chairs , matrices for doctors. At this time care is always taken that brand Glimaday is printed on those gifts.

Relation with suppliers

Glimaday brand manager do merchandising also. While arranging gifts for doctors , these gifts should be of good quality and branded. Also purchase should not be huge economic burden for the company. For this Glimaday brand manager is always in search of good suppliers. He also tries to maintain good relations with these suppliers.

Brand manager has to change his strategy after every three month . As this brings fresh concepts into existence and at the same time this allow to get rid of monotony.

For example Glimadays earlier positioning line was , **"Every time. HbA1C7".** But recently it is changed as **"Together Whenever "**

Preparation of Budget

Glimaday brand manager estimates all the cost required for lauching of Glimaday and in presentation of brand plan only presents annual budget for Glimaday. This includes estimated expenditure and also estimated revenue. In brand plan presentation brand manager tells higher authorities that Glimaday is now at 5th position in the market and at the end of year 2009 target is to take it to no 4 position by increasing its market share.

Brand Recall Activities

Glimaday brand manager takes all the care the current prescribers are not lost also new prescribers are able to recall brands immediately. For this proper arrangement of LBL (Leave Behind Literature) is required. Glimaday brand manager pays great attention.

Once plan is passed then brand manager pays attention to implementation activities. He also prepare for backups if strategy goes wrong somewhere.

And then cycle continues for the whole year. At the end results are matched with estimates and performance of brand manager is analysed.

Project Findings

- Brand management in Pharmaceutical industry is different and unique comparing with FMCG sector.
- Though market is vast still target market is well defined and easily targetable in pharma market.
- Sometimes two brand names are associated with same product.
- Target market, medical practitioners are always well aware about the product so product itself should be of good quality and availability should be confirmed.
- Sales force and medical representatives are most important instrument in promoting pharmaceutical brand.
- Communication strategy is very different and less glamorous comparing with FMCG sector.
- Brand manager should be well versed with analytical skills.
- .New patent regime is going to increase brand building activities in Indian pharmaceutical companies.

Project Limitations

- There was time constraint while preparing project.
- Project emphasizes on only one company, there would have been better analysis if two or more companies would have been studied.
- There was no questionnaire prepared .Major data is collected with help of secondary sources .
- Due to paid nature of web sites like ORG-IMS it was not possible to collect data.
- Mr. Sandeep Temkar was having constraints in providing information because of sensitivity and secrecy of data.

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