

**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**



**ASSESSMENT OF OPPORTUNITIES AND CHALLENGES OF  
PHARMACEUTICAL MARKETING IN ETHIOPIA: THE CASE  
OF PRIVATE PHARMACEUTICAL IMPORTERS**

**BY**  
**GIRMA SOLOMON**

APRIL, 2014  
ADDIS ABABA, ETHIOPIA

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**BY  
GIRMA SOLOMON  
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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL  
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ADDIS ABABA, ETHIOPIA**

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## DECLARATION

I, the undersigned, declare that this thesis is my original work; prepared under the guidance of Dr. Temesgen Belayneh. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Signature

**APRIL, 2014**

## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor

Signature

**ST.MARY'S UNIVERSITY, ADDIS ABABA**

**APRIL, 2014**

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## LIST OF ACRONOMY

- **AMA** : AMERICAN MARKETING ASSOCIATION
- **BMI** : BUSINESS MONITOR INTERNATIONAL
- **CAGR** : COMPOUND ANNUAL GROWTH RATE
- **CME** : CONTINUING MEDICAL EDUCATION
- **COMESA** : COMMON MARKET FOR EASTERN & SOUTHERN AFRICA
- **CV** : CARDIOVASCULAR
- **D/YS** : DEATH PER YEAR
- **ERCA** : ETHIOPIAN REVENUE AND CUSTOM AUTHORITY
- **FMHACA** : FOOD, MEDICINE, HEALTH CARE AND CONTROL AUTHORITY
- **FMOH** : FEDERAL MINISTRY OF HEALTH
- **HC** : HEALTH CENTER
- **HIV/AIDS** : HUMAN IMMUNE DEFICIENCY VIRUS AND ACQUIRED IMMUNE DEFICIENCY SYNDROME
- **HSDP** : HEALTH SECTOR DEVELOPMENT PLAN
- **INN** : INTERNATIONAL NON PROPRIETARY NAME
- **MNC** : MULTINATIONAL COMPANIES
- **NBE** : NATIONAL BANK OF ETHIOPIA
- **NCDS** : NON COMMUNICABLE DISEASES
- **NGO** : NON GOVERNMENTAL ORGANIZATION
- **PASS** : PHARMACEUTICAL ADMINISTRATION AND SUPPLY SERVICE
- **PDMA** : PRESCRIPTION DRUG MARKETING ACT
- **PFSA** : PHARMACEUTICAL FUND AND SUPPLY AGENCY
- **PHC** : PRIMARY HEALTH CARE
- **PLC** : PRIVATE LIMITED COMPANY
- **SSA** : SUB-SAHARAN AFRICA
- **WHO** : WORLD HEALTH ORGANIZATION

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## **ABSTRACT**

*Pharmaceutical marketing is one of the important areas in pharmaceutical industry. The main objective of this study was to assess opportunities and challenges of pharmaceutical marketing in Ethiopian private pharmaceutical importers. Representative sample of 48 respondents were surveyed out of total population of 60. Systematic random sampling technique was used to select the samples. The study used questionnaires and key informant interview to collect the data. Data was analyzed and presented using frequency distribution, percentage and graphs. Accordingly, the findings of the study revealed that level of economic growth, population size, increased number of health professionals and health institutions, increased emergence of lifestyle diseases in the country are some of the identified opportunities of pharmaceutical marketing and also tedious process of getting marketing authorization, high turnover rate of marketing personnel, difficulty of cash collection of credit sales, insufficient foreign currency for importation and supply chain related problems are some of the investigated challenges of pharmaceutical marketing in private pharmaceutical importers of Ethiopia. Based on the findings and conclusions made, possible solutions are forwarded along with further research scopes.*

**Keywords:** *Pharmaceutical marketing, opportunities, challenges.*

## CHAPTER ONE

### INTRODUCTION

#### 1.1. BACKGROUND OF THE STUDY

Ethiopia is the second most populous country in sub-Saharan Africa, with a population of over 82.8 million people. The country introduced a federal government structure in 1994 composed of nine Regional States: Tigray, Afar, Amhara, Oromia, Somali, Benishangul Gumuz, Southern Nations Nationalities and Peoples Region (SNNPR), Gambela and Harrari and two city Administrations (Addis Ababa and Dire Dawa). The Regional States are administratively divided into 78 Zones and 710 Woredas ([ethiomedic](#), accessed on October 15, 2013).

According to FMOH website reports, the Ethiopian health care delivery system has historically been unable to respond quantitatively or qualitatively to the health needs of the people. It was highly centralized. Its services were delivered in a fragmented way with a reliance on vertical programs and there was little collaboration between public and private sectors. Consequently, the Ethiopian Transitional and Federal Governments have initiated political, economic and social changes resulting in the formulation of the 1993 Health Policy and Strategy. The Federal Government and the regional authorities seek to reorganize health services into a more cost-effective and efficient system, better able to contribute to the overall socio-economic development effort of the country (moh, accessed on November 10, 2013).

The pharmaceutical sector is administered by Food, medicine, health care and control Authority (FMHACA). From the website of FMHACA, it was reported that, there are 114 importers and wholesalers of which 61 (1 government owned and 60 private owned) are human medicine importers, 39 veterinary medicine importer and 1 veterinary wholesaler (fmhaca, accessed on September 30, 2013).

## **1.2. STATEMENT OF THE PROBLEM**

The study done by (John and Nebil, 2010) in Ethiopia, focused on pharmaceutical manufacturing stating that the Ethiopian pharmaceutical industry consists of 13 pharmaceutical and medical supply manufacturers; about 10 of these produce pharmaceuticals while the rest are engaged in producing medical supplies such as syringes, absorbent cottons and laboratory equipments. In this study detail profile of the pharmaceutical manufacturers in Ethiopia were presented in detail. The industry is very small in size and has limited capacity; it serves only a small part of the domestic market (less than 20%) while imported drugs cover the rest of the market.

The other study done in Ethiopia by (WHO,2003) stated that, import and wholesale are done by the public sector, private sector, NGO's and international organizations. The Pharmaceutical Administration and Supply Service (PASS) of the Ministry of Health and the Pharmaceutical and Medical Supply Import and Wholesale Share Company known as PHARMID (semi-governmental organization) are responsible for import and distribution to the public sector and it was transformed Pharmaceutical Fund and Supply Agency (PFSA) in order to introduce efficiency in the supply chain of pharmaceuticals and medical supplies management system. In the private sector, the total number of importers /wholesalers has increased from only 11 in 1993 G.C to 42 in 2002 G.C.

These two studies done in Ethiopian pharmaceutical sector mainly focused on pharmaceutical manufacturers and public pharmaceutical importers respectively. Even if the private pharmaceutical importers has their own contribution to pharmaceuticals and medical supplies of the country there is no documented study done except specifying the total number of importers available in the country. So this study will try to fill this knowledge gap.

### **1.3. RESEARCH QUESTIONS**

This research tries to answer the following questions:

1. What are the opportunities for pharmaceutical marketing in Ethiopia?
2. What are the problems (challenges) of pharmaceutical marketing in Ethiopia?

### **1.4. OBJECTIVES OF THE STUDY**

The study is intended to analyze the different aspects of pharmaceutical marketing of Ethiopia and identify opportunities and problems specially related to pharmaceutical importation. In relation to this, the study has the following objectives.

#### **1.4.1. GENERAL OBJECTIVE**

- To assess the opportunities and challenges in pharmaceutical marketing of Ethiopia.

#### **1.4.2. SPECIFIC OBJECTIVES**

- To investigate the opportunities of pharmaceutical marketing in private pharmaceutical importers of Ethiopia.
- To describe the challenges of pharmaceutical marketing in Ethiopian private pharmaceutical importers.

## **1.5. SIGNIFICANCE OF THE STUDY**

This study assessed the opportunities and challenges of pharmaceutical marketing of Ethiopia especially in private pharmaceutical importers.

So this study could have the following importance:

- The finding of this study could support the currently available private pharmaceutical importers by showing the current opportunities in the market and to think over the challenges to be more productive in the market.
- The findings of the study could provide directions for interested new investors in the pharmaceutical trade how to exploit opportunities and mitigate challenges for better performance in the market.
- It will support private and public health institutions since product supply from private pharmaceutical importers could be enhanced.
- This research will also contribute for better availability of the products in the market which could increase accessibility of essential drugs to the users which directly helps in building healthy society.
- It could be one of stepping stones for other interested researchers in the area.

## **1.6. SCOPE AND DELIMITATION OF THE STUDY**

The study is limited to private pharmaceuticals importers (human medicine importers and distributors) in Ethiopia which most of them are located in Addis Ababa City. The study focuses on private pharmaceutical importers due to the fact that the challenges facing the private sector may not be necessary similar to that of the public sector. And also, the opportunities identified in the private sector could also not necessarily similar to that of public sector. The scope of the study is limited since it focuses only on private importers of pharmaceuticals.

## 1.7. DEFINITIONS OF TERMS

### **COUNTERFEIT DRUGS:**

*According to the WHO definition, a medical product is counterfeit “when there is a false representation in relation to its identity (e.g. any misleading statement with respect to name, composition, strength, or other elements), its history or source (e.g. any misleading statement with respect to manufacturer, country of manufacturing, country of origin, marketing authorization holder).”OR*

**COUNTERFEIT DRUGS:** In accordance with Black's law dictionary,' the term "counterfeit drug" may be used to describe a drug made by someone other than the genuine manufacturer, by copying or imitating an original product without authority or right, with a view to deceive or defraud, and then marketing the copied or forged drug as the original. In reality, however, a counterfeit drug is defined differently in different countries.

### **FOREIGN EXCHANGE:**

Transactions encompass everything from the conversion of currencies by a traveler at an airport kiosk to billion-dollar payments made by corporate giants and governments for goods and services purchased overseas. Increasing globalization has led to a massive increase in the number of foreign exchange transactions in recent decades. The global foreign exchange market is by far the largest financial market, with average daily volumes in the trillions of dollars.

**IMS Health** is a company that provides information, services and technology for the healthcare industry.



**LIFESTYLE DISEASE:**

A disease associated with the way a person or group of people lives. Lifestyle diseases include atherosclerosis, heart disease, and stroke; obesity and type 2 diabetes; and diseases associated with smoking and alcohol and drug abuse. Regular physical activity helps prevent obesity, heart disease, hypertension, diabetes, colon cancer, and premature mortality.

**1.8. ORGANIZATION OF THE PAPER**

The study is organized in five chapters. The first chapter consists of the introduction which includes background, statement of the problem, research questions, objectives of the study, significance of the study, scope and delimitation of the study and organization of the paper. Chapter two focuses on review of related literatures. Chapter three deals with research design and methodology. Chapter four presents data analysis and interpretation. Chapter five provides summary of findings of the study, conclusions and recommendations.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURES

#### 2.1. INTRODUCTION

This chapter is dedicated to the literature reviewed from books, journals, academic and government papers, and newspaper articles and from the internet. The key concept under study in this research thesis, namely opportunities and challenges of pharmaceutical marketing in Ethiopia has been assessed. In pursuit of this objective, the review presents definitions of pharmaceuticals and that of marketing, pharmaceutical marketing, global overview of pharmaceutical industry, the general overview of pharmaceutical industry in Ethiopia, opportunities of Pharmaceutical marketing and also challenges of pharmaceutical marketing.

#### 2.2. DEFINITIONS OF PHARMACEUTICALS AND MARKETING

According to WHO, pharmaceutical product is defined as *any product intended for human use, or veterinary product intended for administration to food-producing animals, presented in its finished dosage form, which is subject to control by pharmaceutical legislation in either the exporting or the importing state and includes products for which a prescription is required, products which may be sold to patients without a prescription, biologicals and vaccines* (WHO, 2010).

According to (Kotler, 2002); Marketing is defined as *the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit*. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products

and services and also in his eleventh edition of Marketing Management, he described the most important concepts of marketing. These are segmentation, targeting, positioning, needs, wants, demand, offerings, brands, value and satisfaction, exchange, transactions, relationships and networks, marketing channels, supply chain, competition, the marketing environment, and marketing programs. These terms make up the working vocabulary of the marketing professional. The key processes of marketing are: (1) opportunity identification, (2) new product development, (3) customer attraction, (4) customer retention and loyalty building, and (5) order fulfillment. A company that handles all of these processes well will normally enjoy success (Kotler, 2012).

We can distinguish between a social and a managerial definition for marketing. According to a social definition, marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and services of value freely with others. As a managerial definition, marketing has often been described as the art of selling products. But Peter Drucker, a leading management theorist, says that “the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy” (Kotler, 2002).

The American Marketing Association offers managerial definition of Marketing and accordingly “*Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives*”(AMA, 1985) and

According to (AMA,2004),*Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.*

American Marketing Association also revealed another definition of marketing in 2007. In view of that *“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large(AMA,2007).”*

The American marketing association released new definition of marketing in 2008. Accordingly *“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2008).*

### **2.3. DEFINITIONS OF PHARMACEUTICAL MARKETING**

Pharmaceutical marketing sometimes called medico-marketing or pharma marketing in some countries, is the business of advertising or otherwise promoting the sale of pharmaceuticals or drugs. Many countries have measures in place to limit advertising by pharmaceutical companies. Pharmaceutical company spending on marketing far exceeds that spent on research (Brezis, 2008).

The marketing of medication has a long history. The sale of miracle cures, many with little real potency, has always been common. Marketing of legitimate non-prescription medications, such as pain relievers or allergy medicine, has also long been practiced, although, until recently, mass marketing of prescription medications has been rare. It was long believed that since doctors made the selection of drugs, mass marketing was a waste of resources; specific ads targeting the medical profession were thought to be cheaper and just as effective. This would involve ads in professional journals and visits by sales staff to doctor’s offices and hospitals. An important part of these efforts was marketing to medical students. Marketing to health care providers takes four main forms: gifting, activity by pharmaceutical sales representatives, provision of drug samples, and sponsoring continuing medical education (CME) (Sufirin & Ross, 2008).

In order to answer the question what is pharmaceutical marketing a clear definition of the concept is highly relevant. According to the Prescription Drug Marketing Act (PDMA), a law of the United States federal government, “pharmaceutical marketing is the business of advertising or otherwise promoting the sale of pharmaceuticals or drugs” (U.S. Department of Health and Human Services, 2006). According to Smith (1991) the main goal of pharmaceutical marketing is pharmaceutical care, care that is required for patients and consumers and declares safe and rational drug usage (Issets et al., 2006). This involves providing solutions for diseases and sickness in order to improve overall health and public’s knowledge of health (Sheehan, 2007). Moreover, marketing practices are also aimed at increasing sales and profits for manufacturers and wholesalers (Rubin, 2004). Via marketing efforts directed at consumers, the pharmaceutical industry aims at expanding the market and influencing market share (Bala & Bhardwaj, 2010).

Other key goals of marketing are the exchange of information, and matching as closely as possible the marketing mix of their companies to the needs of their customers/patients (Smith, 1991). The exchange function of pharmaceutical marketing entails the exchange of information, products, use right and payment at every stage of the supply chain as well as upwards (towards the manufacturer/wholesaler) as downwards (towards the customer) (Smith, 1991). The exchange of information is part of a larger goal of pharmaceutical marketing, communication. Through marketing efforts it becomes possible for pharmaceutical drug manufacturers and drug wholesalers to communicate new developments in pharmaceuticals and drugs, and to promote their products to physicians and consumers or patients. The content of the information notifies physicians and consumers about the efficacy and the characteristics of a drug, which eliminates any uncertainty and initiates the process of diffusion and early adoption of the new drug (Manchanda, Phil, & Honka, 2005). With promotion through advertising one can increase brand awareness (Yoo, Donthu & Lee, 2000), this way drug manufacturers can be competitive with other pharmaceutical manufacturers in the pharmaceutical industry. Whether the pharmaceutical promotional expenditures are effective and accomplish its

goals depends on a wide range of variables and appears to be heterogeneous (Singh & Smith, 2005).

The pharmaceutical market involves many markets, products, processes and intermediaries and is severely regulated. This ensures that the pharmaceutical and healthcare industry is tremendously complex (Supply Chain in the Pharmaceutical Industry, 2010). Important players in the pharmaceutical market are; pharmaceutical firms, pharmaceutical manufacturers, drug wholesalers, physicians, patients, the government, insurance companies and pharmacists. The pharmaceutical market differs from other markets in three respects (Kremer et al., 2008).

First, the pharmaceutical industry is characterized by a provider-patient structure, in which the physician plays a significant role (Stremersch & Van Dyck, 2008). Here, the physician is the decision maker, whereas the patient utilizes the drug and pays for the drug (Gonül et al., 2001). A second characteristic of the pharmaceutical industry is that a large percentage of the industries' revenues are spent on marketing (De Laat, 2002). Third, in the pharmaceutical market new product development, life cycle management and marketing management are highly important facets, here for specialized knowledge on marketing is required (Gagnon & Lexchin, 2008).

In pharmaceutical industry, world health organization defined marketing authorization as a legal document issued by the competent medicines regulatory authority for the purpose of marketing or free distribution of a product after evaluation for safety, efficacy and quality. It must set out, inter alia, the name of the product, the pharmaceutical dosage form, the quantitative formula (including excipients) per unit dose (using INNs or national generic names where they exist), the shelf-life and storage conditions, and packaging characteristics. It specifies the information on which authorization is based (e.g. "The product(s) must conform to all the details provided in your application and as modified in subsequent correspondence"). It also contains the product information approved for health professionals and the public, the sales category, the name and address of the holder of the authorization, and the period of validity of the authorization (WHO, 2010).

## **2.4. GLOBAL OVER VIEW OF PHARMACEUTICAL INDUSTRY**

The pharmaceutical industry is a large and important industry worldwide, where its practices have direct impact on the welfare of patients in specific and the society in general (Manchanda & Honka, 2005). The pharmaceutical market is characterized by the phenomena of derived demand, where the end consumer of the product is not necessarily the decision maker in the purchase process. The process is controlled by the patients and physicians, where physicians act as gatekeepers or intermediaries who decide whether or not a purchase will be made and if so, which drug will be purchased through prescriptions (Zelnio, 1982). Thus, the pharmaceutical industry is characterized by multiplicity of market players including physicians, medical representatives, patients, insurance companies, government, health organizations etc. Moreover, the industry is highly regulated and monitored by various institutions including health organizations on a national and international level (Carter & Chitturi, 2009). The pharmaceutical industry is characterized by multiplicity of market players including physicians, medical representatives, patients, insurance companies, government, health organizations etc (Huh & Langteau, 2007).

## **2.5. THE GENERAL OVERVIEW OF PHARMACEUTICAL INDUSTRY IN ETHIOPIA**

Ethiopia is one of the most populated countries of Africa with a high demand for pharmaceutical products and yet has annual health expenditure per capita of only (PPP) US\$30. The manufacturing for pharmaceutical products in Ethiopia is quite small. There are actually 8 main private local manufacturers of various pharmaceutical products including medical supplies, finished product formulation using imported raw materials and one of them produces empty gelatin capsules. Two companies have developed joint ventures. The local production represents less than 10% of the total market for pharmaceutical products. The industrial base is not well developed and the manufacturing companies have relatively low production capacities. Usually local manufacturers tend to be given preference in the case of

procurement from the government. The prices of the locally manufactured products are actually higher than imported products. None of the Ethiopian manufacturers meet the World Health Organization's basic Good Manufacturing Practice (GMP) standards. This is explained by the low level of technical capabilities. In terms of personnel Ethiopia seems to have enough trained pharmacists. One of main issues that ought to be addressed by local manufacturers is the need to access updated technology (HNP, 2009).

The import and distribution of pharmaceutical products is done through public sector, private sector, NGO's and international organizations. The Pharmaceutical Administration and Supply Service (PASS) of the Ministry of Health and the Pharmaceutical and Medical Supply Import and Wholesale Share Company (PHARMID), which is a quasi-governmental organization, are responsible for importation and distribution to the public sector. The public procurement is done through international and local tenders as well as by direct purchasing or negotiation.

Private companies import directly but have to abide by the list of Authorized products (COMESA, 2011).

The Ethiopian pharmaceutical industry currently consists of 13 pharmaceutical and medical supply manufacturers; about 10 of these produce pharmaceuticals while the rest are engaged in producing medical supplies such as syringes, absorbent cottons and lab equipment. Almost all of these companies are owned by Ethiopian nationals. The industry is very small in size and has limited capacity; it serves only a small part of the domestic market (less than 20%) while imported drugs cover the rest of the market and there are 112 importers and wholesalers registered by the Drugs Administration and Control Authority of Ethiopia (John & Nebil, 2010).



## **2.6. OPPORTUNITIES OF PHARMACEUTICAL MARKETING**

The forecasted pharmaceutical market growth in African countries has already generated interest both among companies with existing African operations and those that plan future presence. From MNCs to Indian and Chinese generics manufacturers, pharmaceutical companies from all over the world are attracted by increasing African economic strength and the potential of its emerging middle class. These factors are triggering a rising demand for healthcare services and medicines, offering a strong growth opportunity for the companies with the right sustainable business model (IMS, 2012).

BMI notes that Hikma Pharmaceuticals is the second Middle Eastern drug maker to show interest in the Ethiopian market this year, 2013. UAE-based drug maker Gulf Pharmaceutical Industries (Julphar), in conjunction with its Ethiopian partner Medtech, opened a US\$9.6mn manufacturing facility in Addis Ababa, in February 2013. This investment represents Julphar's first direct investment in Africa. The long-term potential of Ethiopia's pharmaceutical market offers drug makers a significant return on investment. Over the next decade, demand for medicines will be driven by Ethiopia's very large, growing and increasingly urbanized population. With currently little competition in the domestic market, drug makers who invest early stand to benefit the most. BMI forecasts total medicines consumption to increase from ETB6.50bn (US\$365mn) in 2012 to ETB15.31 (US\$631mn) in 2017, equating to a compound annual growth rate (CAGR) of 18.7% and 11.6% in local currency and US dollar terms respectively. It is important to note that pharmaceutical per capita spending in Ethiopia is very low in comparison with other Sub-Saharan Africa (SSA) countries (BMI, 2013).

Ethiopia's burden of disease is significantly higher than in neighboring Kenya (estimated at 170 D/Ys lost per 1,000 population) and in East Africa as a whole (which has a burden of disease of 280 D/Ys lost per 1,000 population). Ethiopia experiences a heavy burden of disease mainly attributed to communicable infectious diseases and nutritional

deficiencies. Shortage and high turnover of human resource and inadequacy of essential drugs and supplies have also contributed to the burden. However, there has been encouraging improvements in the coverage and utilization of the health service over the periods of implementation of Health Sector Development Plan (MOH, 2005).

According to (Congress Federal Research Division, 2005) report, starting from HSDP I there were major activities under the health facility construction, expansion, rehabilitation, furnishing and equipping focused mainly on the PHC facilities: HPs and HCs and to a certain extent hospitals. Progresses in the Health facility construction, upgrading and equipping under HSDP III were remarkable. Through increasing construction works, the number of HPs has reached 14,416 achieving 88.7% of the target by 2009/10. . Moreover, there are now 2,689 HCs accounting for 84% of the 3,200 HCs target by the end of HSDP-III. Additional 511 HCs are under construction to reach 100% target. So the construction and expansion of health institution could positively contribute for increase in demand in the use medicine which in turn would like to be the opportunity for pharmaceutical marketing.

The changing economic profile of Africa is also linked to an increased demand for chronic care drugs, reflecting a marked shift in the burden of illness towards non communicable diseases (NCDs) and the continued impact of human immune deficiency virus and acquired immune deficiency syndrome (HIV/AIDS) on the continent. The NCD proportional contribution to the healthcare burden is forecast to rise by 21% through 2030. While continuing to struggle with infectious and parasitic illnesses, Africa is expected to experience the largest increase in death rates from cardiovascular (CV) disease, cancer, respiratory disease and diabetes over the next ten years, resulting in greater demand for healthcare services and appropriate medicines. The combination of economic strength and an expanding middle class is already driving a demand for medicines across Africa (IMS- Africa, 2012). Pharmaceutical company spending on marketing exceeds that spent on research. In 2004 in Canada \$1.7 billion a year was spent marketing drugs to physicians and in the United States \$21 billion were spent in 2002.

In 2005 money spent on pharmaceutical marketing in the US was estimated at \$29.9 billion with one estimate as high as \$57 billion. When the US number is broken down 56% was free samples, 25% was detailing of physicians, 12.5% was direct to users advertising, 4% on hospital detailing, and 2% on journal ads. In the United States approximately \$20 billion could be saved if generics were used instead of equivalent brand name products (Sufrin & Ross, September, 2008).

During the past 20 years, Ethiopia's public health system has undergone a remarkable transformation. Although physicians are in short supply, the number of other health professionals such as health officers, nurses, midwives, and health extension workers have significantly increased in the past five years. Since 2003, the number of pharmacists has increased almost tenfold-from 172 to 1,343 in 2012. The number of pharmacy technicians has doubled from 1,171 to 2,029 during the same time period. Preventive and curative health services have improved and access to health services has increased tremendously given the country's commitment to serving Ethiopia's largely rural population. Overall coverage in 2000 was estimated to be 89.6 percent, a 25.6 percent increase from 1996(WHO, 2012).

## **2.7. CHALLENGES OF PHARMACEUTICAL MARKETING**

In India, from review of marketing strategies of pharmaceutical companies (Saurabh, 2006) stated that there are some challenges from organizational perspective. These are; increased competition and unethical practices adopted by some of the propaganda base companies, low level of customer knowledge (Doctors, Retailers, Wholesalers), poor customer (both external & internal) acquisition, development and retention strategies, varying customer perception, the number and the quality of medical representatives, very high territory development costs, high training and re-training costs of sales personnel, very high attrition rate of the sales personnel, busy doctors giving less time for sales calls, poor territory knowledge in terms of business value at medical representative level, unclear value of prescription from each doctor in the list of each sales person, unknown value of revenue from each retailer in the territory, absence of ideal mechanism of sales forecasting from field sales level which leads to huge deviations, absence of analysis on the amount of time invested on profitable and not-so profitable customers and lack of time-share planning towards developing customer base for future and un-tapped markets.

According to the World Health Organization (WHO, 2006), counterfeit drugs could make up as much as half of the global pharmaceutical market, with the largest share of fake products circulating in the developing world where regulation and enforcement capacity is comparatively weak. The other study done by (WHO, 2006) also stated that, counterfeit drugs have been around for much of the recent history of industrial-scale drug production in India and abroad. Although detailed data on counterfeit medicines are difficult to obtain by virtue of its very nature, a recent WHO report estimates the prevalence to be around 1% of sales in developed countries to over 10% in some developing countries. The more important aspect of this global problem, according to the WHO report, is that while such estimates are only meant to provide insight into the problem, the occurrence of even one single case of counterfeit medicine is simply unacceptable to society.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1. RESEARCH DESIGN**

The research approach used in this study was a cross sectional survey. The focus of this study was to describe opportunities and challenges for pharmaceutical marketing in Ethiopia. Therefore, descriptive survey method was adopted. Moreover, the study design provides quantitative and numeric descriptions of trends, attitudes or opinion of the total population by studying a sample from the population. Key informant interview is also used to supplement or to get in depth understanding of the sector.

#### **3.2. POPULATION AND SAMPLING TECHNIQUES**

According to FMHACA website, there are sixty one (61) pharmaceutical importers (human medicine importers) in Ethiopia, of which sixty (60) of them are private owned importers and the rest one (1) importer is owned by the government with the name pharmaceutical fund supply Agency (PFSA). Since this study focuses on private importers, the total population of the study is 60 in which one respondent was considered from each pharmaceutical importer. The target respondent was the Technical Managers (Pharmacists) or Marketing Managers running these firms because they were assumed that having past and present knowledge of pharmaceutical marketing and is the best in offering valuable information to the study. Three key informants were participated in the study in which two of them have more than twenty years and the rest has eight years experience in Ethiopian pharmaceutical marketing.

The sample size for the study was calculated by using a simplified formula of sample size determination cited by (Israel, 2013). Accordingly, the sample size for the research by using 0.05 sampling error and 95% confidence level is 52.

The formula for sample size determination is:

$$n = \frac{N}{1 + N(e)^2}$$

**Where:**

**n** = is the sample size,

**N**= Total population size,

**e** = Sampling error (Usually 0.10, 0.05 and 0 .01 are acceptable error, the researcher used 0.05 sampling error and 95% confidence level).

Then the sample size of the study was:

$$n = 60 / 1 + 60(0.05 \cdot 0.05)$$

$$n = 60 / 1 + 60(.0025)$$

$$n = 60 / 1 + 0.15$$

$$n = 60 / 1.15$$

$$n = 52$$

The sampling technique used to select the sample in this study was systematic sampling of random sampling design. After that, numbers were allocated to all study population in the study which is 60 private pharmaceutical importers. Then by using fixed sampling interval, starting with the first institute every 8<sup>th</sup> institute was selected not to be included in the sample. Accordingly, the 1<sup>st</sup>, 9<sup>th</sup>, 17<sup>th</sup>, 25<sup>th</sup>, 33<sup>rd</sup>, 41<sup>th</sup>, 49<sup>th</sup> and 57<sup>th</sup> were selected not to be included in the sample. The rest 52 institutes (importers) were selected as samples and considered in the study.

### **3.3. TYPES OF DATA AND TOOLS/INSTRUMENTS OF DATA COLLECTION**

The study used primary and secondary data. The primary data was obtained from the data collected by using self administered questionnaire and interview of key informants in the sector. The secondary data was collected from past document reviews, relevant articles and websites.

### **3.4. PROCEDURES OF DATA COLLECTION**

Questionnaires were distributed to the selected respondents by the researcher. The filled questionnaires were collected by the researcher. In addition to this, data was also collected through face to face interview of key informants. The data collected through questionnaire and interview were compiled and analyzed.

### **3.5. METHODS OF DATA ANALYSIS**

Quantitative data analysis consisted of measuring values which were analyzed using descriptive analysis methods. Results were presented using frequency distribution, percentage ratios. Data interpretation was supported by tables and graphs. Qualitative data obtained from the study was presented through narrative.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **4.1. INTRODUCTION**

In this chapter of the research, the data collected from different sources are presented, analyzed and interpreted. Accordingly, the chapter deals with the demographic nature of the respondents and analysis and interpretation of the data collected. The analysis of data is processed in line with the basic research questions and objectives of the study. Thus, the chapter has two parts .The first part presents the characteristics of the respondents, the second part presents detailed analysis and discussion of data collected through questionnaire and information obtained from administered questionnaires and interview with key informants in the sector. The details are presented in the upcoming sections.

#### **4.2. DEMOGRAPHIC CHARECTERISTICS OF THE RESPONDENTS**

The first part of the questionnaire consists of demographic information of the participants. This part of the questionnaire requested a limited amount of information related to personal and professional characteristics of the respondents. Accordingly, the following variables about respondents were summarized and described in the subsequent tables. These variables include: Age, Sex, Occupational position and Educational status and year of Experience in pharmaceutical marketing.



**Table 1: Back ground of the respondents (n=48).**

<b>S.N</b>	<b>Items</b>	<b>Response Counts</b>	<b>Response Percent</b>
<b>1</b>	<b>Sex</b>		
	Male	45	94.0
	Female	3	6.0
	<b>Total</b>	<b>48</b>	<b>100.0</b>
<b>2</b>	<b>Age</b>		
	<25		
	25-34	32	67.0
	35-44	12	25.0
	45-54	4	8.0
	<b>Total</b>	<b>48</b>	<b>100.0</b>
<b>3</b>	<b>Occupational position</b>		
	Technical Manager	31	65.00
	Marketing Manager	17	35.00
	<b>Total</b>	<b>48</b>	<b>100.0</b>
<b>4</b>	<b>Educational Qualification</b>		
	Below 12 grade		
	Diploma		
	Bachelor Degree	42	87.5
	Masters	6	12.5
	<b>Total</b>	<b>48</b>	<b>100.0</b>
<b>5</b>	<b>Experience in the sector</b>		
	Less than a year		
	1 to 3 years	16	33.0
	3 to 6 years	12	25.0
	Above 6 years	20	42.0
	<b>Total</b>	<b>48</b>	<b>100.0</b>

*Source: Own Survey, 2013*

The above table 1 shows that male respondents were about 94% while females were 6%. This shows that the managerial positions of pharmaceutical marketing of private pharmaceutical importers were occupied by male pharmacists. The table also shows that about 67% of the respondents were in the age group of 25-34 years while, about 25% are in age group of 35-44 years and about 8% are in age group of 45-54 years. These could help to make use of the possible opportunities for pharmaceutical marketing in the coming years since majority of them could have chance to stay in the market for about 20 to 30 years. Regarding the occupational position, 65% of the respondents were technical managers and 35% of the respondents were marketing managers. This could support the private pharmaceutical importers in using the available opportunities and minimizing the challenges in the pharmaceutical marketing since they have direct exposure to the activities of pharmaceutical marketing. Regarding the educational status of the respondents, 87.5% of the respondents were Bachelor Degree holders while the rest 12.5% of the respondents were graduate of Masters. This implies that the academic level of the managers could help the pharmaceutical companies to make use of the available opportunities and to alleviate the challenges facing the pharmaceutical marketing in private pharmaceutical importers.

### **4.3. THE OPPORTUNITIES AND CHALLENGES OF PHARMACEUTICAL MARKETING**

In this section the results obtained from questionnaires and key informant interview regarding opportunities and challenges in Ethiopian private pharmaceutical importers were presented and discussed under the following subsections.

### 4.3.1. OPPORTUNITIES OF PHARAMCEUTICAL MARKETING

In this sub section, the results investigated by study regarding the possible opportunities for pharmaceutical marketing were analyzed, presented and discussed as below.

**Table 2: Opportunities of Pharmaceutical Marketing (n=48)**

S.N	Items	Response				Total
		YES		NO		
		N	%	N	%	N
1	Level of economic growth of the country	48	100	0	0	48
2	Increased Population size of the country	48	100	0	0	48
3	Increased number of Health institution	48	100	0	0	48
4	Technological Advancement	48	100	0	0	48
5	Increased number of wholesalers	48	100	0	0	48
6	Emergence life style diseases	44	92	4	8	48
7	less number of local manufacturer	44	92	4	8	48
8	Increased number of Health professionals	40	83	8	17	48
9	Disease burden in the country	40	83	8	17	48
10	Establishment of Importer's Association	36	75	12	25	48

*Source: Own Survey, 2013*

As shown in item 1 of Table 2, all of the respondents 48(100%) responded that increase in level of economic growth of the country is an opportunity for pharmaceutical marketing. They justified that increase in economic growth of the country increases the need for health care and purchasing power of individuals for pharmaceutical products.

Similarly study done by IMS health which focused on pharmaceutical market growth of African countries stated that the increasing economic strength is one of the factor which triggers the rising demand for health care and medicines and offers growth opportunity for pharmaceutical companies (IMS, 2012).

As shown in item 2 of Table 2, all of the respondents 48 (100%) agreed that increased population size of a country is an opportunity for pharmaceutical marketing. They explained that when there is increase in population, there is a chance of increase of diseases thereby there is more need for medicines.

As shown in item 3 of Table 2, all of the respondents 48(100%) replied that the increment of number health institutions in the country is an opportunity for pharmaceutical marketing for the reason that those who were relying on traditional medicine or left untreated gets accessibility to for health care. So, this increases the health coverage of the country which directly increases the use of pharmaceutical products.

As shown in item 4 of Table 2, all of the respondents 48(100%) responded that technological advancement is an opportunity for pharmaceutical marketing. Because increase in technological advancement make the diagnosis of different diseases easy and as result consumption of pharmaceutical products increase.

As shown in item 5 of Table 2, all of the respondents 48(100%) agreed that increase in number of wholesalers throughout the country is an opportunity for pharmaceutical marketing. Since it creates accessibility of the drugs to the users, it increases the demand for the pharmaceutical products.

As shown in item 6 of Table 2, 44(92%) of the respondents replied that emergence of life style diseases is an opportunity for pharmaceutical marketing. They justified that, since the lifestyle of the society is changing through time chronic types of diseases are emerging. The study of done by IMS health-Africa, stated that the changing economic profile of Africa is also linked to an increased demand for chronic care drugs, reflecting a marked shift in the burden of illness towards non communicable diseases (NCDs) and Africa is expected to experience the largest increase in death rates from cardiovascular (CV) disease, cancer, respiratory disease and diabetes over the next ten years, resulting in greater demand for healthcare services and appropriate medicines(IMS- Africa, 2012).

Since Ethiopia is one the African countries, the above study could also be true for Ethiopia. Therefore, these types of diseases create long term opportunity for pharmaceutical marketing since the drugs are used lifelong once started by the patients.

As shown in item 7 of Table 2, 44(92%) of the respondents responded that availability of less number of local pharmaceutical manufacturers in Ethiopia is an opportunity for private pharmaceutical importers. According to the study done by (John and Nebil,2010) in Ethiopia, which focused on pharmaceutical manufacturing there are only about 10 manufacturers focusing on human medicines. As a result the industry is very small in size and has limited capacity; it serves only a small part of the domestic market (less than 20%) while imported drugs cover the rest of the market. Since there is a big gap between the need for products and the supply of the products by local pharmaceutical manufacturers, it creates the chance for importers to fill the gap.

As shown in item 8 of Table 2, 40(83%) of the respondents replied that the increased health professionals in the country is an opportunity for pharmaceutical marketing. Because it creates an opportunity to treat illness by drugs rather than by traditional way and also increases health coverage of the country which directly increases the consumption of pharmaceutical products.

As shown in item 9 of Table 2, 40(83%) of the respondents responded that the availability of disease burden in the country is an opportunity for pharmaceutical marketing. They justified that when there is burden of disease is available, there is a need for huge number of drugs to treat or prevent the diseases. This in turn increases the number of prescriptions for the medicines which directly increase the consumption of pharmaceutical products. The study done by Ministry of Health stated that Ethiopia experiences a heavy burden of diseases and inadequacy of essential drugs and supplies also contributed for the burden(MOH,2005).Therefore, the availability of disease burden the country is an opportunity for pharmaceutical importers.

As shown in item 10 of Table 2, 36(75%) of the respondents said that the establishment of Ethiopian Private Pharmaceutical Importers association is an opportunity for pharmaceutical marketing by saying that it facilitates the registration of pharmaceutical products, resolves many problems related to importers like unfair competitions among themselves.

Similarly, the key informants interviewed also confirmed that:

The increased economic growth level of the country, the large population size, the increased number of health institution throughout the country, the increased technological advancement and the increased number wholesalers throughout the country are the current major opportunities for the pharmaceutical marketing of private importers in Ethiopia. Beside these, they also stated that the currently emerging of life style diseases, the availability of less number local pharmaceutical manufacturers in our country, the increased number of health professionals throughout the country, the availability of disease burden in the country are also opportunities for pharmaceutical marketing in Ethiopia.

Finally, the key informants underlined that the establishment of Ethiopian private pharmaceutical importers association (established in 2012) is an opportunity for pharmaceutical marketing of Ethiopia since the objective of this association to resolve every problems related to importation pharmaceuticals by dealing with concerned government bodies including regulatory authorities like FMHACA, ERCA and the like.

### 4.3.2. CHALLENGES OF PHARAMCEUTICAL MARKETING

In this sub section, the results obtained by the study regarding the challenges of pharmaceutical marketing in private pharmaceutical importers of Ethiopia were analyzed, presented and discussed as follows.

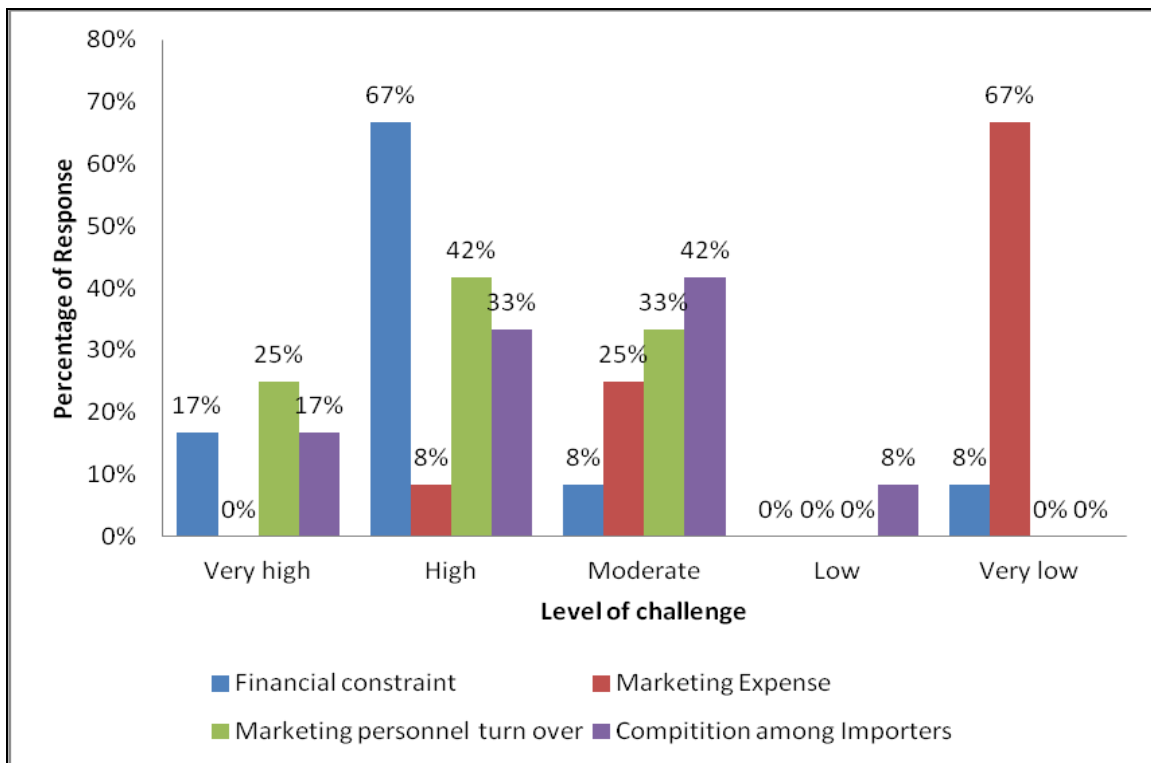


Figure 1: Challenges within pharmaceutical importers (n=48)

Source: Own Survey, 2013

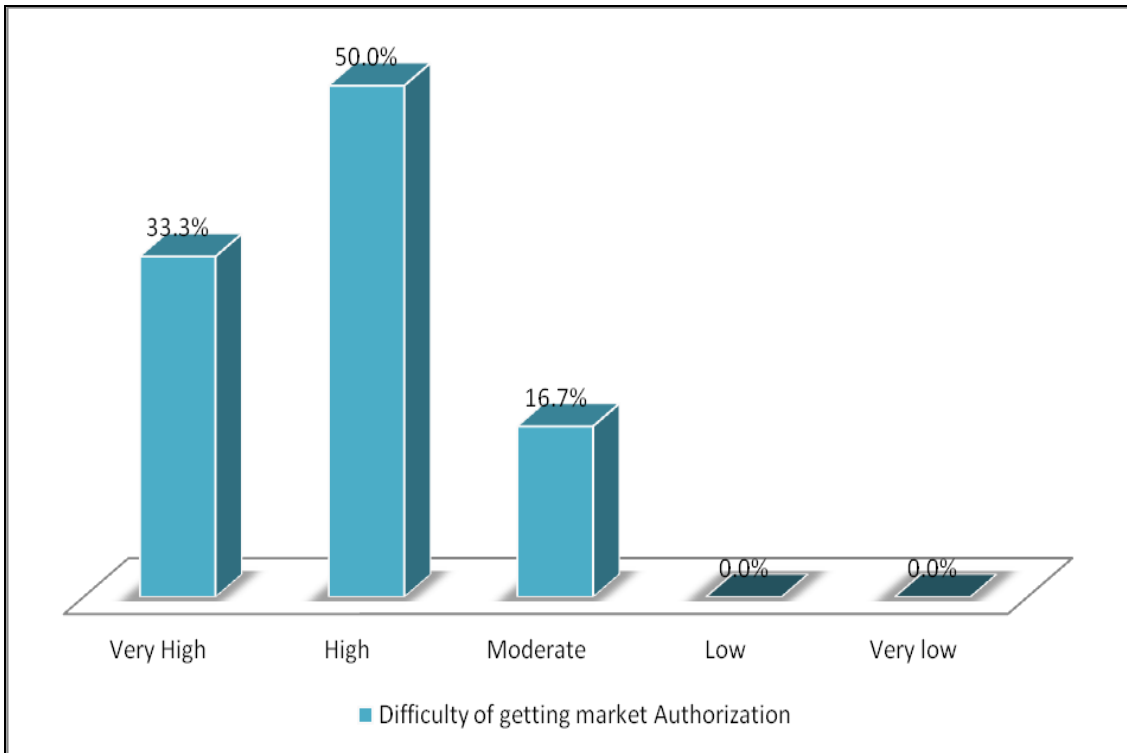
The above figure shows that about 84% of the respondents revealed that the level of financial constraint with in pharmaceutical importers is high. This shows that financial constraint is one of the major challenges of pharmaceutical marketing in Ethiopia.

The above figure also shows that about 67% of respondents responded that the level of turnover of marketing personnel is high. Therefore, this shows that turnover of marketing personnel is one of challenge in pharmaceutical marketing of Ethiopian private pharmaceutical importers. Similarly, the study done by Saurabh, (2006) on marketing strategies of pharmaceutical companies in India stated that the very high attrition of Sales/Marketing personnel is one of the challenges of pharmaceutical marketing.

From the above figure, we can understand that about 50% of the respondents responded that the level of competition among importers is high and about 42% of the respondents replied that the level of competition among importers is moderate. Hence, this shows that the competition among private pharmaceutical importers is also another challenge of pharmaceutical marketing in Ethiopia. Similarly, the study done by Saurabh (2006) in India showed that the increased competition is one of the challenges in pharmaceutical companies.

From the above figure, we can also notice that about 67% of the respondents replied that marketing expense is low in pharmaceutical marketing of private pharmaceutical importers. So this shows that marketing expense could not be a challenge for pharmaceutical marketing in private pharmaceutical importers of Ethiopia.





**Figure 2: Difficulty in getting market Authorization for pharmaceutical products (n=48)**

*Source: Own Survey, 2013*

The above figure 2 shows that about 83% of the respondents responded that level of difficulty related to getting market authorization for pharmaceutical product in Ethiopia is high. Therefore, this shows getting market authorization is one of the major challenges for pharmaceutical marketing private pharmaceutical importers. The key informants also revealed that process of getting market authorization for pharmaceutical product is very tough. They explained that the long tedious process requested by the regulatory body of the country is tiresome and takes long time to register a product i.e. to get market authorization for a product. So, getting market authorization is super challenge for pharmaceutical marketing in Ethiopia.

**Table 3: Challenges related to foreign exchange, government support and supply chain (n=48)**

S.N.	Challenges	Responses				
		Very High	High	Moderate	Low	Very Low
1	Level of difficulty of getting foreign exchange	16(33.3%)	20(41.7%)	8(16.7%)	4(8.3%)	0(0.0%)
2	Level of government support	0(0.00)	0(0.0%)	20(41.7%)	8(16.70%)	20(41.7%)
3	Difficulty related supply chain during importation	4(8.3%)	27(56.2%)	17(35.5)	0(0.0%)	0(0.0%)

*Source: Own Survey, 2013*

As shown in item 1 of Table3, 75% of the respondents illustrated that the level of difficulty of getting foreign exchange for importation is high. This shows that getting foreign currency is one of the challenges in pharmaceutical marketing. The key informants also confirmed that, the level of getting foreign currency is very difficult since there is no enough foreign currency from the bank for importation.

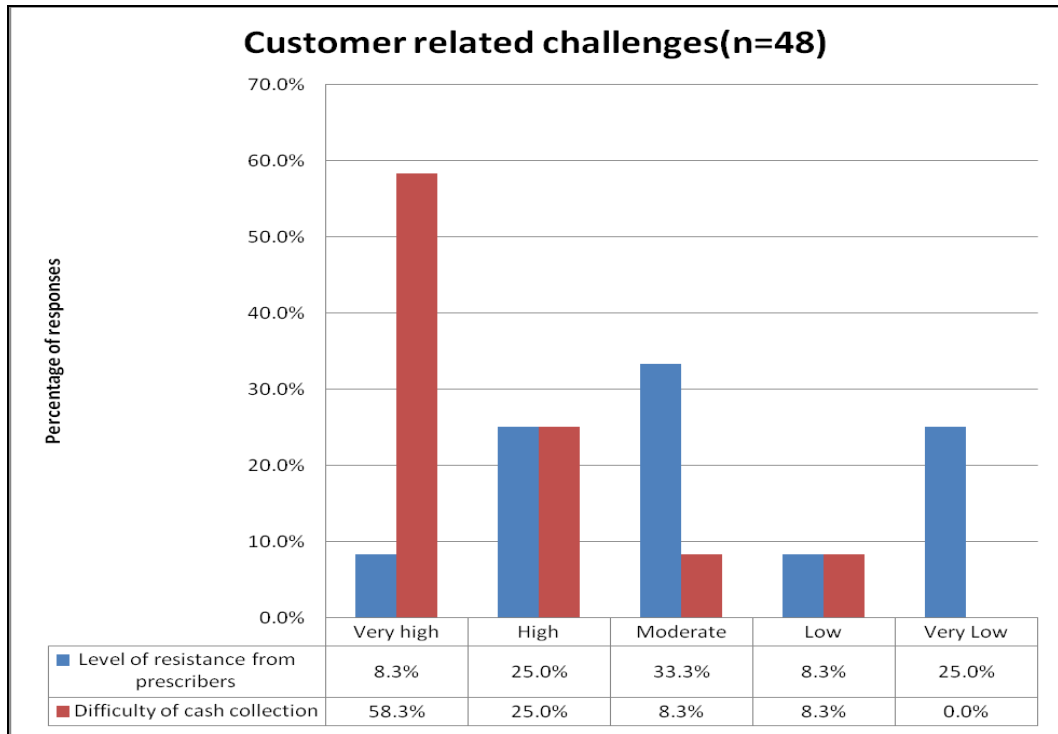
As shown in item 2 of Table3, 58 % of the respondents responded that the level of government support to the private pharmaceutical marketing is low. This weak government support for the sector is also challenge for private importers pharmaceutical marketing of Ethiopia.

As shown in item 3 of Table3, 66% of the respondents replied that the level of difficulty related to supply chain during importation is high. Hence, this shows that problems related supply chain is also challenge for pharmaceutical marketing in private pharmaceutical importers.

The interview with key informants showed that, the problems related supply chain during importation is very significant. The related problems visible at dry ports and Cargo are:

- There is no separate ware house for storage of pharmaceutical products, is treated as other commodities which affects the quality of the products, which directly affects marketing the product.
- Due to in appropriate storage the label of the products was removed and so marketing of pharmaceuticals whose label was removed was impossible.
- There is no pharmacist there who can handle the products professionally and communicate with the importers and understand each other
- There is inconsistency by custom officers during estimation of taxes on the products, which affects the pricing the products. This directly affects the marketing of the products

So, the key informants underlined that due to these related supply chain problems, pharmaceutical marketing of Ethiopia is facing a significant challenge since the quality of the products were deteriorated and time of delivery was delayed due to less understanding by the custom officers and their bureaucratic procedure to clear products.



**Figure 3: Customers related challenges (n=48)**

*Source: Own Survey, 2013*

From the above figure 3, we can understand that 33% of respondents replied that level of resistance from prescribers is moderate and also 33% of respondents replied that level of resistance from prescribers is low. So this indicates that resistance from prescribers could not be a major challenge for pharmaceutical marketing in Ethiopia. Likewise, the interview result also shows that the perception from prescribers for new pharmaceutical products is not as such difficult. So the challenge from prescribers is minimal.

The above figure 3 also shows that 83% of the respondents replied as the level of difficulty of collection of cash of credit sales is high. Therefore collection of credit sales is one of the major challenges in pharmaceutical marketing of private pharmaceutical importers of Ethiopia. The key informants also said that cash collection of credit sales is one of the difficulties they are facing in their sales and marketing activity. So, cash collection of credit sales is definitely challenges of pharmaceutical marketing in private pharmaceutical importers of Ethiopia.

**Table 4: Challenges related to demand forecasting and availability of counterfeit medicines in the market (n=48)**

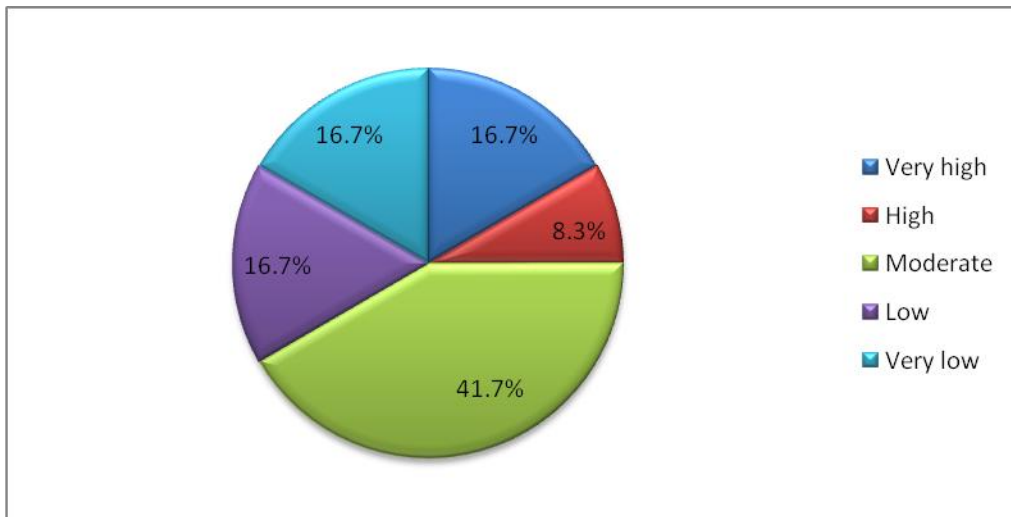
S. N.	Challenges	Responses				
		Very High	High	Moderate	Low	Very Low
1	Level of challenge of forecasting demand of pharmaceuticals	20(41.7%)	20(41.7%)	4(8.3%)	0(0.0%)	4(8.3%)
2	Level of availability of counterfeit medicines in the market	0(0.0%)	8(16.7%)	12(25%)	16(33.3%)	12(25%)

*Source: Own Survey, 2013*

As shown in item 1 of Table 4, about 83% of the respondents replied that the level of difficulty in demand forecasting for pharmaceutical product is high. This shows that forecasting demand for pharmaceutical product is one of the challenges in pharmaceutical marketing in private pharmaceutical importers.

Similarly the interview result of key informants showed that demand forecasting for pharmaceutical product is difficult. Because there is no well organized data base system regarding the consumption of pharmaceutical products to know the trend in the past which could help for casting demand for the future. Beside this, some time there is epidemic breakout of diseases in which prediction might be difficult. So these reasons make demand forecasting of pharmaceutical products difficult.

As shown in item 2 of Table 4, about 58% of the respondents indicated that the level of availability of counterfeit medicines in Ethiopian market is low. Therefore this shows that availability of counterfeit medicines in Ethiopian pharmaceutical market could not be a major challenge in pharmaceutical marketing of private importers in Ethiopia. According to key informants, currently the availability of counterfeit drugs in Ethiopian pharmaceutical market is minimal. So, it is not a major challenge for the Ethiopian pharmaceutical marketing.



**Figure 4: Level of price fluctuation from suppliers (n=48)**

*Source: Own Survey, 2013*

As shown in the above figure 4, 42% of the respondents showed that the level of price fluctuation from suppliers is moderate. So this indicates that price fluctuation from suppliers could not be major challenge for pharmaceutical marketing in Ethiopian private pharmaceutical importers.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

This chapter deals with the summary of the major findings of the study, the conclusions made out of the findings and the recommendations forwarded.

#### 5.1. SUMMARY OF FINDINGS

The main objective of this study is to assess the opportunities and challenges of private pharmaceutical importers in Ethiopia. To achieve this objective data were collected through questionnaires and key informant interviews. Data was analyzed and presented by using tables and graphs. Accordingly, the summaries of major findings are given below. As per the questionnaire and key interview analysis, the following opportunities of pharmaceutical marketing of Ethiopian private pharmaceutical importers were identified.

These are:

- High level of economic growth of the country
- Increased population size of the country
- Increased number of Health institution
- Technological Advancement
- Increased number of wholesalers
- Emergence life style diseases
- less number of local manufacturer
- Increased number of Health professionals
- Disease burden in the country
- Establishment of Importer's Association

As per the questionnaire and key interview analysis, the following challenges of pharmaceutical marketing of Ethiopian private pharmaceutical importers were identified.

These are:

- ❖ Availability of financial constraint at private pharmaceutical importers
- ❖ Difficulty /long process of getting market authorization for pharmaceutical products
- ❖ Difficulties of cash collection of credit sales
- ❖ Difficulties of demand of forecasting of pharmaceutical products
- ❖ Lack/insufficient of foreign exchange for importation of pharmaceutical products
- ❖ High turnover of marketing personnel in private pharmaceutical importers
- ❖ Difficulties at supply chain service of government offices for pharmaceutical importation
- ❖ Weak government support for pharmaceutical importation
- ❖ Availability of counterfeit drugs in Ethiopian pharmaceutical marketing
- ❖ Fluctuations of price fluctuation from suppliers
- ❖ Resistance from prescribers for new pharmaceutical products



## 5.2. CONCLUSSIONS

Based on the summarized findings, the following conclusions were made:

- ❖ The increased number of health institutions, wholesalers and health professionals throughout the country has great contribution for the growth of pharmaceutical marketing Ethiopia increasing the health coverage of the country.
- ❖ The current technological advancement in diagnosis has positive contribution for the increased use pharmaceutical products.
- ❖ The increased disease burden and emergence of life style diseases in Ethiopia increases the need for more pharmaceutical products to be used which directly increase the consumption of pharmaceutical products in the country.
- ❖ The less number of local pharmaceutical manufacturers in Ethiopia creates an opportunity for pharmaceutical importers to fill the demand gap for pharmaceutical products in the country.
- ❖ The establishment of private pharmaceutical importer's Association will solve many problems that private pharmaceutical importers are facing in their operations.
- ❖ Financial constraints, difficulties of cash collection of credit sales, high turnover of marketing personnel and forecasting demand for of pharmaceutical products are challenges for pharmaceutical marketing in Ethiopia.

- ❖ Lack/insufficient of foreign exchange for importation of pharmaceutical products and weak government support for pharmaceutical importation are the challenges of pharmaceutical marketing.
- ❖ Difficulties at supply chain service of government offices for pharmaceutical importation and difficulty /long process of getting market authorization for pharmaceutical products are the challenges of pharmaceutical products.
- ❖ Availability of counterfeit drugs in Ethiopian pharmaceutical market and fluctuations of product price from suppliers are challenges of Ethiopian private pharmaceutical importers.

### 5.3. RECOMMENDATIONS

Based on the findings and the analysis of the study, the following recommendations which are necessary for using the opportunities and minimize the challenges in pharmaceutical marketing of Ethiopian private pharmaceutical importers, are forwarded:

- ☞ The difficulties /long process of getting market authorization for pharmaceutical products from regulatory bodies have to be minimized by removing irrelevant further requests for product registration and minimizing high bureaucratic approaches of officers at the medicine regulatory office of Ethiopia.
- ☞ The private pharmaceutical importers have to unite through their association in order to minimize the problems related to collection cash of credit sales.
- ☞ The pharmaceutical product consumption data base of the country has to be established in order to the support the demand forecasting process pharmaceutical by providing trend of consumption.
- ☞ The NBE has to give priority for pharmaceutical importation in provision of foreign exchange in order to enhance the importation process of pharmaceutical products which resolve the problem stated in Ethiopian health policy which was less accessibility of modern pharmaceutical products to the users.
- ☞ The human resource department of pharmaceutical importers has to give due attention to minimize the turnover of pharmaceutical marketing personnel.
- ☞ The quality of service at supply chain service providing organizations (cargo and Dry ports) of government has to be improved.
- ☞ The government has to improve the support for private pharmaceuticals importers during formulation of pharmaceutical related policy and facilitating a means of getting financial support in order to be more productive in the sector.
- ☞ The availability of counterfeit drugs has been minimized by stringent control of regulatory bodies and support of the public.

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