

Ziva Pharmaceuticals Exploring International Markets for Expansion

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Ziva Pharmaceuticals Ltd. is a WHO-GMP & ISO-9001:2000 certified company of India. They manufacture and market various dosage forms of injectables, tablets, capsules, creams, oral suspensions, gel preparations and dry powders. Their pharma division offers medicinal preparations for human health care for the vital segments like orthopedics, gynecology, dermatology, allergies, gastro, respiratory and nutritional.

The group is now a well established and leading player in the health care market of India, bringing regularly the innovated products from its state of art R&D lab that is approved by DSIR (Department of Scientific and Industrial Research) the highest certifying authority in India.

Ziva was keen to explore international markets for the purpose of sales maximization. A cross functional team of Management Trainees (Core Team) was constituted under the leadership of Vikas who was MBA in Marketing and Finance along with basic qualification of B. Pharma. The team was assigned the task by the Company officials to analyze Middle East market for the company. The company was in expansion mode and for this the company had plans to enter in Middle East region for Pharmaceutical formulations trade and to fulfill this purpose team had been assigned to explore Middle East Market.

The Core Team had thorough discussion with strategic heads of different departments including its CEO, Mr. Murti. Based on this discussion, following objectives were set by team –

1. To understand potential of Middle East Market for Pharmaceutical formulations and to know the factors that affects the international environment for trade and expansion of business.
2. To formulate entry and marketing strategies for a Pharmaceutical formulation company which wants to enter the United Arab Emirates market.

The team could identify following limitations initially-

1. There were four members in the Core Team and all were not much experienced.
2. The time allotted for the study was limited.
3. This study is conducted using Internet as a medium

and not by personally visiting the markets under observation and so conclusions presented though thorough, may not be 100 percent reliable.

4. This study was based on secondary data only and such data may be obsolete or contradictory.
5. Although core team tried its level best to consider genuine data and information with unbiased approach but mistakes could be committed unknowingly.

Core Team was assigned this project to work on by the company as the company wanted to use the information collected through this project to take a decision regarding the international expansion they were planning on.

Before the study began, Core Team carried out the SWOT analysis for the company which helped in concluding that there existed a lot of opportunities for the company to enter new and upcoming markets because of the strengths it possesses and fulfill its dream of entering into a mature market. The team first analyzed important markets of Middle East and then focused on most potential market which was UAE.

Now as per the topic the environmental factors in Middle East particularly United Arab Emirates external environment like political issues, economical issues, social issues and technological issues for trade and doing business were analyzed primarily. UAE as a country had a lot of promising environmental factors to help attract a lot of new players to its market because the market over there is going through the growth phase. The study on attractiveness of the Industry and the market to be entered was done using the Porter's Five Forces model and some of the factors that came out positively out of this study are as under: -

1. Middle East market in Pharmaceutical sector is expected to grow rapidly to US\$ 11 billion in the next few years; hence a good opportunity exists for seizing a sizeable market share by entering such a big market.
2. Middle East pharmaceutical market is highly protected by regulations–favorable to MNC and GCC (Gulf Cooperation Council) based generic manufacturing units.

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3. There are only a few Middle East generic players, there is less intense local competition and there is a good opportunity for JV –partnerships if innovative products are registered and marketed.
4. Middle East's Ministry of Health takes less time for approvals of company's and product registrations for dossiers submitted by GCC based generic pharma manufacturing units.
5. Segregated and dedicated antibiotics, non-antibiotics, hormones, steroid manufacturing facilities exist in the market which makes it even more lucrative for the other companies to enter this market.
6. Availability of latest machinery, equipments, instruments, systems from reputed suppliers.

The company chose UAE as a market to enter as the country is developing based on the governmental initiatives being taken by their government to make United Arab Emirates as a trading hub for all trading activities.

In the Pharmaceutical formulations trade industry there is a high degree of competitiveness for Pharmaceutical formulations trading companies which are using the differentiation strategy to enter the UAE market. The marketing efforts required for doing business at Dubai, UAE were guided by forming marketing strategies, by basing the decisions on market and financial information available for starting the business.

The hands on data indicated that UAE as a potential market but the company wanted to know the exact market potential and what kind of strategies to adopt to sustain and expand in market to enter for a long time based on the above analysis?

Beside finalization of targeted market, the core team also worked on -

- How to startup business office in Middle East Region?
- Which factors will influence the trade to be conducted?
- From which place to begin the startup for trade and for setting-up the office?
- Which Marketing strategy to choose for doing trade in the international market?

After two weeks of work core team had an important meeting with Murti and Group Advisor, Pinto Bose who had experience of about twenty five years in the area of Product Management, Distribution and Sales. After presentation by Core Team, Murti was confident about its new venture but Mr. Pinto warned to go slow as world was witnessing global recession.

Thus till now we can conclude that with directions from the top management to explore the opportunities in International

markets especially middle east (UAE to be particular), the Core Team used PEST analysis to know the market, Porter's Five forces model for conducting industry analysis and SWOT analysis to decide on which strategy to use to make an entry in international market and finally deciding on the marketing strategy to be adopted to fulfill the research objective.

The team began by answering a few "W's" to begin with so as to embark upon a new journey of exploring new possibilities for a new firm.

The W's—These will help in analyzing the following points: -

WHO: Who should be considered the potential customers for the company?

Who should be considered the Potential prescribers of the product range?

WHAT: What information should be obtained from Internet and other sources of information available to the company?

The Political, Social, Economical, Technological issues and factors affecting the United Arab Emirates market. Finally using the Five forces model to find out the factors that can affect the entry of the company in the UAE market.

WHY: Why are we using internet as a medium to get information from the online medium? Why is the marketing research project being carried out?

Collecting the data by visiting all the places to be covered under the scope of the project was not feasible so Internet as a medium was used to collect the data and research was conducted to finalize the marketing mix for the company.

Along with external analysis, the core team simultaneously conducted the internal analysis of the company too which led to team coming up with the below mentioned observations from the analysis: -

- The firm's marketing and distribution set up covers the length and breadth of the entire Indian nation and also helps other countries to fight the diseases and misery.
- Meticulously moving towards an endurable success in emerging as a global player the firm has rightly extended its wings into the world market with enviable presence in African Countries along with an optimistic plan to expand its operations in middle east countries as well.
- Initiative has generated a formidable presence in therapeutic segments like enzymes, antibiotics, pain and anti-inflammatory drugs.

Ziva recognizes the importance of targeted customer focused marketing. The company has clear customer oriented approach, currently serving Indian Pharma market with two divisions: -

Ziva Pharmaceuticals Ltd., Pharma Division

Ziva Pharmaceuticals Ltd., Speciality Division

It has main concentration on Orthopedics, Gynecology, Dermatology, Allergies, Gastro, Respiratory, Nutritional supplements, Cardiovascular, Gastro, Diabetic and Skin Care & Enzymes etc.

SWOT ANALYSIS

To understand organization in a better way SWOT for Ziva Pharmaceuticals was conducted with following conclusions-

STRENGTHS

- High and Qualitative production capacity
- Skilled employees (core competency)
- Boosting congenial but challenging work environment that motivates their people to excel.
- Fortify and maintain a multi product portfolio with emphasis on marketing network giving impetus to loft efforts to attain corporate excellence through customer satisfaction.
- Persistence in excellence has been funneled into a continuous growth of more than twice the average rate of pharma industry.
- Highly qualified and devoted staff of more than 1000 efficient professionals working together in an enabling environment to create a bold presence in the Indian Pharma Industry by earning coveted position amongst the front runners of the industry.
- Keeping an eye on emerging cut-throat competition and global challenges, company has launched a specialty division to fully lodge itself in the segments of antidiabetic, cardiovascular and gastro intestinal drugs.
- WHO, ISO 9001:2000 and USFDA standard plants

WEAKNESSES

- Workers turnover ratio was high
- Limited presence in the international markets.

OPPORTUNITY

- Increased demand in Middle East and North American countries, forming the largest segment and offering the highest growth for the company.
- Participations in events being held at different countries
- Innovative products being produced to be promoted to virgin untouched markets.

THREAT

- Fluctuation in currency, especially appreciation of rupee against the dollar.
- Unstable pricing of raw materials, no subsidiaries present in foreign nations.
- Heavy Bargaining from clients.
- China, Sri Lanka and Thailand's entry in middle East market in pharmaceutical formulation trade business.

The potential market UAE was analysed with following facts

GEOGRAPHY

Location: - Field info displayed for all countries in alpha order. Middle East, bordering the Gulf of Oman and the Persian Gulf, between Oman and Saudi Arabia

Area: - Total: 83,600 sq km , land: 83,600 sq km

Natural resources: - petroleum, natural gas

PEOPLE

Population: - 5,314,317

Age structure: -

0-14 years: 20.5% (male 557,603/female 532,303)

15-64 years: 78.5% (male 3,060,518/female 1,113,867)

65 years and over: 0.9% (male 31,942/female 18,084)

Note: 73.9% of the population in the 15-64 age group is non-national (2012)

Median age: - Total: 30.2 years, Male: 32.1 years, Female: 25 years (2012)

Population growth rate: - 3.055% (2012)

Net migration rate: 16.82 migrant(s)/1,000 populations (2012)

Urbanization: - Urban population: 84% of total population (2010), Rate of urbanization: 2.3% annual rate of change (2010-15)

Sex ratio: - At birth: 1.05 male(s)/female

Under 15 years: 1.05 male(s)/female

15-64 years: 2.75 male(s)/female

65 years and over: 1.77 male(s)/female

Total population: 2.19 male(s)/female (2011) Religions: Muslim 96% (Shia 16%), other (includes Christian, Hindu) 4%

Literacy: - Definition: age 15 and over who can read and write, Total population: 77.9%, Male: 76.1%, Female: 81.7%

Languages: Arabic (official), Persian, English, Hindi, Urdu

COMMUNICATION

Telephones - main lines in use: 1.825 million (2011)

Telephones - mobile cellular: 11.727 million (2011)

Internet country code: .ae, Internet hosts: 337,804 (2012),
Internet users: 3.449 million (2009)

TRANSPORTATION

Airports: - 42 (2012)

Roadways: - Total: 4,080 km

Merchant marine ships: - Total: 61, by Type: bulk carrier 3, cargo 13, chemical tanker 8, container 7, liquefied gas 1, passenger/cargo 1, and petroleum tanker 24, roll on/roll off 4, specialized tanker foreign-owned: 13 (Greece 3, Kuwait 10), registered in other countries: 253

Ports and terminals: - Al Fujayrah, Mina' Jabal 'Ali (Dubai), Khor Fakkan (Khawr Fakkan), Mubarras Island, Mina' Rashid (Dubai), Mina' Saqr (Ra's al Khaymah)

PEST ANALYSIS of the Emirates

The core team completed the PEST analysis of UAE with following outcomes-

POLITICAL FACTORS

- UAE has a stable political system.
- The UAE is essentially a civil law jurisdiction heavily influenced by French, Roman and Islamic laws. Common Law jurisdictions have demonstrated the application of Common Law principles in commercial contracts.
- Federal Commercial Company Law is different from other country laws. Under the Commercial Companies Law UAE nationals must own a minimum of 51% of all public and private shareholding companies and limited liability companies.
- Government is focused on development so there are more Free Trade Zones in UAE.
- The UAE has a unified customs duty rate of 5% on dutiable imports. The duty is levied on the basis of the cost, insurance and freight (CIF) value of the imported goods as evidenced by the manufacturer's or supplier's invoice.
- The UAE is member of Gulf Cooperation Council (GCC), League of Arab States, the Islamic Conference Organization, United Nations, and World trade organization. Trade with Israel is prohibited. Business interests are a major priority for GCC governments
- Government focuses more on Corporate Social Responsibility of company because government heavily wants to protect its rich culture and heritage.

- Emiratisation is a strategy that uses the country's human resources in the most favorable way in the economic process so that transfer of skills and knowledge from expatriates to UAE Nationals is happening all the time in a smooth manner. Emiratisation affects both government agencies as well as businesses.
- If an international company wants to trade from free trade zone of UAE than company has to consult UAE nationals for spreading goods and services.
- Government of Dubai's vision is to make Dubai as a hub for pharmaceuticals trading.
- International organization's membership: G-77, GCC, IBRD, IDB, IFC, IFRCS, IHO, IMF, WHO, WIPO, WMO, WTO and more.
- Government planning is very sound in UAE for ensuring growth and development in the country
- Stringent regulatory approval systems- In the Gulf countries tough entry barriers are implemented to protect the local industry. The major entry barriers in this region are compulsory partnership with local firms, strong patent protection, high level GMP and mandatory bio-equivalence and clinical trials. The Health Policy and Regulation Team, a sector of the Abu Dhabi Health Authority is developing regulatory policies for all medical specialization and medical service sectors. The policies will include alternative and traditional forms of medicine. Other than the entry barriers, there are restrictive price controls and strict factory audits.
- The influence of the western world, patent protection, launch of innovative products and novel drug discovery helps maintain growth in the GCC market.

ECONOMIC FACTORS

- The GDP per capita for the year 2011 was estimated to be US\$ 360.2 billion
- Inflation rate 0.9 % which is acceptable as compare to other Middle East country
- The unit of currency in the UAE is the UAE dirham (Dh.) or the Arab Emirates Dirham (AED) as it is termed in international markets. 1 DH = 14.62 RS
- The UAE has the third largest oil reserves in the world. However, oil contributes only one-third of the total GDP. According to Oil & Gas Journal, the UAE's proven oil reserves were 97.8 billion barrels as of January 1, 2012. The UAE oil reserves account for 8.5 % of total world reserves, most of which are located in Abu Dhabi.

- The UAE has pumped nearly AED 29 billion into manufacturing projects over the past four years and most of the investments have been made by Abu Dhabi.
- UAE has three official stock exchanges the Dubai Financial Market, Abu Dhabi Securities Market, Dubai International Financial Exchange. NASDAQ Dubai Formerly known as The Dubai International Financial Exchange (DIFX)
- The UAE's non-oil foreign trade grew by 7 % by the end of April 2010 to Dh 56.04 billion as compared to Dh 52.34 billion preliminary statistics released by the Federal Customs Authority showed.
- Government is always taking steps to ensure rapid growth of country's economy along with wealth maximization of U.A.E. nationals.

If a company sets up an office, there will be no threat till the company is religiously following the rules and regulations as defined by the government of UAE, like marketing restriction practices, preferential trading practices and other rules like U.A.E. national's participation in any multinational company who comes for doing trade in U.A.E.

- Growth challenges -A number of major factors could possibly restrict the growth of the Middle Eastern pharmaceutical market.
- The volatility of oil prices is the first challenge that UAE has in front of it. As most of the economies of GCC countries are governed by their largest exporting commodity – oil. And because of this fact, the ongoing economic crisis coupled with fluctuating oil prices directly has an impact on the buying power of the respective governments. Diversifying expenditure and allowing the entry of foreign investment could soften the impact of the oil crisis to a minimal level.
- As the governments know that after 40-50 years there will be no income from oil trade so that government is developing more and more tourist destinations to make UAE a tourist hub to attract more and more tourists. This can also help in boosting the economy of UAE which can otherwise face a downtrend because of declining oil resources. And for achieving this objective government is developing Dubai and its adjoining areas as tourist destination, which is world famous for its sea, design of buildings and quality of life. Politically stable economy and government initiatives to make UAE as international trading hub for all business activities is also helping the cause.
- Government's promotional activities for attracting Multi National Company –Free Trade Zone and

Special Economic Zones where MNC's get a 100 percent ownership and 100 percent tax redemption also help in increasing the growth of UAE economy as more and more of these MNC's are bringing in latest technological innovations and new products to the country which are good quality wise and thereby helping in improving the lifestyles of people.

- Opportunity for company's – Companies have the opportunities to make earnings by doing business in UAE and it acts as a platform for entering the GCC countries also of which UAE is a member. And this acts as a platform as the GCC countries economies are open to the companies operating in their respective countries.

SOCIAL FACTORS

- United Arab Emirates is an Islamic dominant country with Islam being the dominant religion. They are more conscious about Islamic rules and culture and they live their life's based on Islamic life style.
- The Emirates have a common cultural heritage but the tribal links are very strong within each Emirate.
- The three most populated Emirates are Abu Dhabi, Dubai and Sharjah approximately 85% of the total population belongs to these Emirates
- The increase in demand for therapeutic applications has made the market lucrative, with more Western companies expected to invest in the future. It is projected that demand for treatment in the Gulf region will rise by 300%. It will stand at \$60 billion in 2025 from \$12 billion in 2008.
- The major disease areas that will experience steep growth will be cardiovascular and diabetes-related ailments. Pharmaceutical companies that invest prudently in this market and recognize its dynamics will find it is possible to operate in the region without adverse developments having a reflective impact.
- The population of the Middle East now exceeds 370 million and is expected to reach over 520 million by 2030. The growing population, dominated mainly by the expatriate community in most of the GCC countries, has given rise to a rapidly growing market for healthcare especially for pharmaceutical applications and its associated industries

TECHNOLOGICAL FACTOR

- The Government of Dubai launched a pioneering initiative – Dubai Technology, Electronic Commerce and Media Free Zone – TECOM, comprising the Dubai Internet City, Dubai Ideas Oasis and Dubai Media City.
- Dubai Technology and Media Free Zone is also

setting up "Knowledge Village", an ambitious initiative aimed at building a vibrant connected learning community.

- There is a continuous Increase in development of technology because of high spending in this sector by the governments. Technology has provided easy communication channels. Government is spending more and more on setup of technology for helping all new technological initiatives.

RANKING OF "UNITED ARAB EMIRATES" FOR DIFFERENT ACTIVITIES OF BUSINESS

Overall business opportunities are also expected to expand significantly, particularly in view of the political stability and the economic progress in the region. UAE is ranked as below, out of world 183 economies. This ranking has been done by "Doing business organization" that is handled by the World Bank for Reconstruction and development.

1. United Arab Emirates (UAE) Ranks 23rd in Global Competitiveness Index 2009/2010
2. Steps to Starting a Business in the UAE: - It requires 8 procedures, takes 15 days, and costs 6.19 % GNI per capita to start a business in the UAE
3. Benchmarking regulations for Starting a Business: - UAE is ranked 44th out of 183 economies overall for Starting a Business
4. Regulations for Protecting Investors: - UAE is ranked 119th for Protecting Investors
5. Regulations for Paying Taxes: - UAE is ranked 4th for Paying Taxes
6. Regulations for Trading Across Borders: - UAE is ranked 5th out of 183 economies overall for Trading across Borders
7. Regulations for Closing the Business: - UAE is ranked 143rd for ease of procedures related to closing a Business
8. UAE is ranked 33rd for overall performance

PORTER FIVE FORCES MODEL ANALYSIS OF UAE (Dubai Market) PHARMACEUTICAL MARKET

There are always competitive forces in any perfect competitive business environment, like that of the Pharmaceuticals sector in Dubai.

Porter's Five Forces Framework is one of the strategic models used to assess the attractiveness of the industry. This model is defined by the five key forces which are Rivalry among the existing firms, Threat of new entrants, Threat of substitutes, bargaining power of suppliers and bargaining power of customers.

The model attempts to address key strategic issues in a wider

scope. Many of the issues mentioned in the model including the forces and the management of those forces are relevant to the sector as well as any other service-oriented business.

The Pharmaceuticals sector of Dubai was analysed using this model so that the results could be utilized for making some strategic decisions related to market entry in its Pharmaceutical formulations trade market. A discussion of each component of the model is as follows

❖ DEGREE OF RIVALRY

There are 231 Pharmaceutical companies registered at Dubai Multi Commodities Center, which are recognized and licensed to operate in UAE. This gives a clear signal that the increase in the number of Pharmaceuticals Company within the industry is fast and in any case there is now a continuous struggle for company to create and maintain a good market share. Though there might be an increase of the number of customers, but that cannot dilute the fact that there is a close competition between the existing firms in the industry with competitors like Rosy blue, Gitnjali, Dumas working hard for the market share.

❖ THREAT OF NEW ENTRANTS

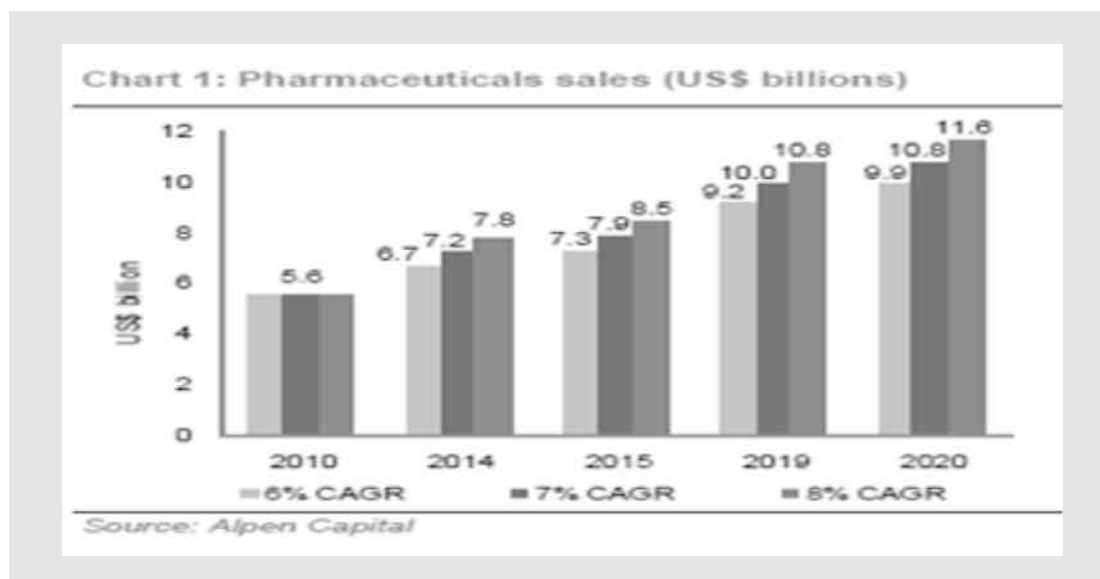
Pharmaceuticals market of Middle East has got a huge potential and Dubai is the commercial hub for pharmaceuticals trading in UAE and here the world's top companies are located in the field of pharmaceuticals trade. Dubai is gateway for trade with Middle East countries for each company. There are more than 231 pharmaceuticals trading companies serving UAE & the Middle East region. Pharmaceutical companies who have specialized in particular competitiveness find it easier to survive in this market. So the new entrants must try and come with some specialized product, only then they will be able to affect the trade of existing Pharmaceutical companies of UAE market. Entry into the UAE market is easy as compared to other countries of Middle East because of favourable government policies and initiatives for making Dubai a Pharmaceuticals Trading hub of the world.

❖ THREAT OF SUBSTITUTES

Pharmaceuticals industry in UAE is facing very stiff competition from nutraceuticals (herbal products) trade which are acting as the substitutes for the Pharmaceutical formulations trade. According to statistics collected from Dubai World Statistics Department, the pharma trade is expected to grow from 5.6 billion US\$ to 11.6 billion US\$ by 2020, driven by a 30 percent increase in imports, but it needs to take care of the competition it can face from the nutraceuticals division. The UAE market has been dependent on imported medicines as local players lack sufficient R&D capabilities. The country, with eight domestic manufacturers in 2010, has relatively limited local production capacities. The domestic production market is ruled by generic drugs. Julphar

is one of the leading drug makers in the region; other players include Globalpharma, Gulf Inject, Medpharma, Neopharma and PharmaCare. So despite the presence of substitutes there is

a huge opportunity available for any new entrant wanting to make an entry in the UAE drugs market.



❖ BUYERS' BARGAINING POWER

Dubai being a trading hub has got deep knowledge about pharmaceuticals sector and they know that there are a large number of sellers in market which increases their bargaining power as a buyer in the trade of pharmaceuticals. If Pharmaceuticals Company produced high quality pharmaceutical product, then especially for those drugs, buyer may be ready to pay the price that company charges, but in general in the pharmaceutical sector there are high influences of bargaining power from buyer.

❖ SUPPLIERS' BARGAINING POWER

Pharmaceutical market has high growth potential due to stable and favorable regulatory and political environment in the UAE. Increasing public and private wealth fuelled by the oil boom and strong healthcare infrastructure does make the market favorable for suppliers but their bargaining powers is not much because of the presence of other already established suppliers in the market.

- Establishment of Free Zones and a favorable investment climate to explore the emerging regional opportunities
- Drug consumption in the MENA region accounts for about 1.5% of the global total or around \$ 9bn.
- The UAE is 2nd in the region in terms of capital invested in the Pharma sector
- Reliant on imports with more than 72 countries exporting Pharma products to UAE
- Highest-priced market in the region

- The pharmaceutical industry in the UAE also benefits from re-export markets as Iran,

Pakistan, Yemen and Somalia which are the major buyers of re-exported pharmaceuticals from the UAE that increases the bargaining power of buyers.

ENTRY STRATEGY

Entry in United Arab Emirates market is somewhat easy as compared to other GCC countries. According to core team, company can enter by setting up business office at Dubai. It is the Commerce City of United Arab Emirates. There is Dubai Multi Commodities Center where companies need to get registered, then setup office in center.

Information is given below about city's and government's initiative for promoting pharmaceuticals trade and the potential of Dubai as a potential market for pharmaceuticals products.

MARKETING STRATEGIES

Ziva now on an expansion Spree has an opportunity to enter Middle East market by setting up company business office at Dubai which is an entry strategy that can be adopted for doing business in Middle East. First of all, the company has to focus on capturing the Dubai pharmaceutical market by focusing on pharmaceuticals traders who don't have their own manufacturing facility by participating in the event named DUPHAT, distributing catalogues, participating in coffee clubs and by purchasing a stall in the conference, participating in trade fairs and updating website with communication in both Arabic and English language. There is no restriction for

promotional activity in UAE. For distribution channel, the Company could use an agent who is a UAE national to cover market of UAE. After capturing the market by selling pharmaceutical formulations only, the company can come up with companies own subsidiaries.

Company can expand market share by expanding in ethical pharmaceuticals business and using the face to face trade meeting with Clients and thereby satisfying their demand. In deciding about the strategy to be adopted for pharmaceuticals retailing, the company can meet the growth criteria by extending its network and strengthening the alliances with media and Internet vendors as well as increasing its effort to deliver through the latest technology in e-commerce.

Marketing objectives

To develop an additional course of action, recommendations, and change methods to Ziva 's current strategy in order to expand the market share in ethical business and pharmaceuticals trade business.

Financial objectives

- Getting the expected return on investment
- Profit maximization with wealth maximization

Positioning Statement

The firm can position itself as a raw material supplier of hard gelatin capsules and then launch the products in strategic alliance with the local distributor in ethical prescription.

❖ KEYS TO SUCCESS

Some of the key factors that will help Ziva Pharmaceuticals Ltd., Pharma Division to expand its operations at Dubai include:

1. Setting up office at Dubai to meet the needs.
2. Extending its network of pharmaceuticals trade across the U.A.E.
3. Effective communication with government which will improve relation and trade
4. Participation in DUPHAT- The Dubai International Pharmaceuticals and Technologies Conference and Exhibition with different promotional activity which will increase client base
5. Repositioning the look of the current website by upgrading graphic elements and state-of-the-art navigation with Arabic language for attracting customers.
6. Setting up alliances with supporting media and the Internet to promote the idea of selling OTC drugs online on mediums in Arabic language.
7. Dubai is famous for its trade fair, and the company should participate in that fair for exposing the people

to the brand name before its formal entry in the market.

8. Appoint experienced commercial agent who is U.A.E national for taking care of the initial operations of the company in the country.

❖ MARKETING MIX

Product

- Pharmaceutical raw materials
- Pharmaceutical formulations

Price

- In this segment price is not predetermined, and prices are determined based on pharmaceutical industry competitiveness and following the national regulator's recommendations and policies.

Place/Distribution

- U.A.E and Middle East.
- Pharmaceutical traders who don't have their own manufacturing facility.

Promotion

- Website containing complete information of the company
- Participation in trade fair of Dubai
- Catalogs distribution in English , Arabic language
- Participation in health camps and conferences held across UAE.

People

- People of UAE are educated and have a high level of income and a luxurious life style and people are investing heavily into healthcare for leading healthy lives.

❖ STRATEGY AND IMPLEMENTATION SUMMARY

The growth strategy of Ziva will require it to initially setup a new office at Dubai. The foundation of the company will also have to be slightly adjusted in response to today's retail environment. There will be two phases for entering the UAE market and these include the following: - First phase is to setup office at Dubai. Secondly, marketing people must revamp the Ziva pharmaceutical's brand to build and strengthen customers' relation and attachment with company in Dubai and this can be done using the strong promotional strategy like participating in trade shows and other local trade fairs so that customers can easily recall the brand name when it is launched in UAE.



Strategy Pyramid

Entry in the new market will be the hardest decision for the organization, but after they win the hearts of the consumer market there, it will be easy to sustain in the UAE market as it has got a lot of market potential in the healthcare sector.

It will have to recruit a marketing executive who has the knowledge of industry as well as knowledge of both Arabic & English language. Later, Ziva as a company must continue to invest in increasing the competency of its people through training them in various pharmaceutical divisions to compete with the increasing competition. The corporate culture that exists in the organization will help Ziva in becoming a company that is trusted in the foreign market because it is dedicated to providing good governance and because of this it will yield greater performance.

The brand re-development for Ziva will need to put an emphasis on its new marketing campaign "The Pharmaceutical for better health" The emotional marketing campaign with innovative and scientific approach of company can and will appeal to the savvy generation of today.

Company must also base its sales strategy on the scientific approach. The tech savvy sales-people must use the latest CRM tools to form long term relationships with their customers which will help them in sustaining the profitable operations in the new market for longer durations of time.

The core team concluded with following five key findings-

- Overall the Middle East's pharmaceutical market is valued at more than \$12bn and is expected to grow at

healthy 10-15% annually.

- There are more than 450 pharmaceutical manufacturers in the Middle East - With the exception of Egypt, all Middle Eastern countries are high importers of branded drugs. Egypt is over 90% self-sufficient in its medicine needs
- Saudi Arabia, as the richest regional market, has embarked on an ambitious hospital building project - Major growth driver's are- greater access to generics and innovative new medicines as primary care improves and more people are covered by health insurance.
- Countries are increasingly adopting liberal economic policies in the healthcare sector
- Local manufacturing capabilities are constrained to generics.
- A high acceptance of Western medicines is present

This report was then presented to top management by core team with one hour audio video presentation. Several questions were raised by different heads and team could give satisfactory answers for them. At the end it was accepted by CEO for immediate actions.

Questions for Discussion

Q 1 - What are the various tools that have been used to understand the potential of the UAE(Dubai) market? What conclusions can one draw from the findings of those studies on the overall potential and attractiveness of market so developed?

Q 2 – If Ziva Pharmaceuticals decides to enter the UAE market in this situation, then on the basis of facts mentioned in the case whether it will be a correct decision or not?

Q 3 – What are the marketing strategies that the Firm ZIVA pharmaceuticals can adopt in this case for the entry into the Middle East (UAE or Dubai) market on the basis of facts given in the case?

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(Most of the data are secondary data, collected from different sources/ organizations. This case is of academic nature and has only intention to discuss various theoretical concepts and approaches adopted by organizations).