

# AN INTERNSHIP REPORT ON BRAND EXTENSION OF PHARMACEUTICALS



F n F PHARMACEUTICALS LTD

*This Report is Submitted to the Faculty of Business Studies,  
Hajee Mohammad Danesh Science and Technology University as  
a Partial Requirement for the*

*Fulfillment of Degree of Masters of Business Administration*

*MBA (Evening) Program - 2016*

PREPARED BY:

MD. MASHUD RANA  
Student ID:  
E130502083  
MBA (Major in  
Marketing)  
2nd Batch, Semester -

V

Faculty of Business  
Studies  
HSTU, Dinajpur -  
5200.

SUPERVISED BY:

MD. MOSTAFIZUR  
RAHMAN  
Internship Supervisor &  
Assistant Professor  
Department of  
Management

Faculty of Business  
Studies

HSTU, Dinajpur - 5200.



Faculty of Business Studies  
Hajee Mohammad Danesh Science & Technology University  
Dinajpur - 5200, Bangladesh.

April - 2016

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HSTU, Dinajpur-5200



APPROVED BY:

MD. MOSTAFIZUR  
RAHMAN  
Internship Supervisor  
& Assistant Professor  
Department of  
Management  
Faculty of Business Studies  
HSTU, Dinajpur - 5200.

MD. MAIN UDDIN  
AHMED  
Internship Co-Supervisor  
& Lecturer  
Department of Finance  
& Banking  
Faculty of Business  
Studies  
HSTU, Dinajpur - 5200.

PROF. DR. ZAHANGIR KABIR  
Chairman  
Examination Committee &  
Dean, Faculty of Business Studies

Hajee Mohammad Danesh Science & Technology University, Dinajpur.

April - 2016



FNF PHARMACEUTICALS LIMITED  
RANGPUR BRANCH  
RANGPUR

Phone: 9336001

Reg/GenII5/94  
Date: 20/04/2015

TO WHOM IT MAY CONCERN

This is to certify that Md. Mashud Rana, S/O Md. Abdul Mannan, a student of MBA (Evening) program in Hajee Mohammad Danesh Science & Technology University Dinajpur, bearing ID no: E130502083 performed successfully his internship Programme with FnF Pharmaceuticals Limited, Rangpur, from 09-02-2016 to 24-04-2016

During Internship Programme, he worked in Brand Extension, especially in Marketing Section.

As far we know he is honest to his work & well manner. His sincerity, capability motivation & responsibility for work may help to progress any organization.

We wish his every success in life.

Manager  
Rangpur Branch  
FnF Pharmaceuticals Ltd.

Internship Report  
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## LETTER OF TRANSMITTAL

15<sup>th</sup> April, 2016

Administration & Human Resource Department

FnF Pharmaceuticals Limited, Rangpur

Subject: Submission of Internship Report on Brand Extension of FnF Pharmaceuticals.

Sir,

With due respect, I would like to inform you that it is a great pleasure for me to submit the internship report on Brand Extension at Rangpur Branch of FnF Pharmaceuticals Ltd. "as requirement for MBA (Evening) program throughout the completion of the report, I have come to know about many things regarding the current old of marketing and their practice especially in the green marketing and most important marketing function of a brand.

Therefore, I firmly believe that this report will meet your expectations your kind advice encourage me to do further research in future your acceptance and appreciation would surely inspire me.

Sincerely Yours,

MD. MASHUD RANA

Student ID: E130502083  
MBA (Evening) Program  
Major In Marketing  
2nd Batch, Semester-V  
Faculty of Business Studies  
HSTU, Dinajpur-5200

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## Supervisor's Deceleration

I hereby declare that the concerned report entitled "Brand Extension of Rangpur Branch of FnF Pharmaceuticals Limited" is a complies work made by Md. Mashud Rana, Student ID: E1130502083. MBA (Evening) program (Major in Marketing). Faculty of Business Studies. Hajee Mohammad Danesh Science and Technology University. Dinajpur 5200, completed his internship under my supervision and submitted the internship report as a part of the fulfillment of the degree of Masters of Business Administration (MBA) (Evening) program at Hajee Mohammad Danesh Science & Technology University (HSTU). Dinajpur.

I wish his the best success for the step in his life.

MD. MOSTAFIZUR RAHMAN  
Internship Supervisor  
& Assistant Professor  
Department of Management  
Faculty of Business Studies  
HSTU, Dinajpur - 5200.

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## Co-supervisor's Declaration

I hereby declare that the concerned report entitled " Brand Extension of Rangpur Branch of FnF Pharmaceuticals Ltd. is an original work made by Md. Mashud Rana, Student ID: E130502083 MBA (Evening) Program (Major in Marketing). Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University. Dinajpur 5200, completed his internship under my supervision and submitted the internship report as a part of the fulfillment of the degree of Masters of Business Administration (MBA) at Hajee Mohammad Danesh Science & Technology University (HSTU). Dinajpur.

I wish his the best success for the every step in his life.



MD. MAIN UDDIN AHMED  
Internship Co-Supervisor  
& Lecturer  
Department of Finance  
& Banking  
Faculty of Business Studies  
HSTU, Dinajpur - 5200.

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## Student's Declaration

It is my pleasure and great privilege to submit my report "Brand Extension of Rangpur Branch of FnF Pharmaceuticals Ltd. as the presenter of this report, I have tried my level best to get together as much information as possible to enrich the internship report. I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

I believe anyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information Please pardon me for that mistake and clarify these of my further information on those matters.

MD. MASHUD RANA  
Student ID: E130502083  
MBA (Evening) Program  
Major In Marketing  
2nd Batch, Semester-V  
Faculty of Business Studies  
HSTU, Dinajpur-5200

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## ACKNOWLEDGEMENT

The author has no words to express his deepest sense of gratitude to esteem the Highness of Almighty Allah, Who has enabled the author to complete the report and to prepare this manuscript in partial fulfillment of the requirements for the degree of Masters of Business Administration MBA (Evening) from Hajee Mohammad Danesh Science and Technology University, Dinajpur in time. I would also like to express my kindness to my friend Md. Shahazan Mondol who continuous inspiration encourages me to make a right movement in my life. I am grateful towards some respected persons for their advice, a piece of information, direction and cooperation which have enabled me to have an experienced in the dynamic environment.

Secondly, I would like to thank my respected supervisor Md. Mostafizur Rahman, Assistant Professor, Department of Management for giving me a proper guideline and co-operation for preparing this report.

I am also grateful to my respected co-supervisor Md. Main Uddin Ahmed, Lecturer, Department of Finance & Banking, Employee and Manager FnF Pharmaceuticals Ltd. Rangpur Branch for their important suggestions and co-operation for preparing this report.

Last but not least, I am owe to the Hajee Mohammad Danesh Science and Technology University (HSTU), Dinajpur for giving me an opportunity to complete my MBA (Evening) degree and give me a scope to gather practical experience and enrich my knowledge.

Author

## Executive Summary

The purpose of this internship report is to focus a light on the internal general marketing activities of a renowned pharmaceutical, FnF Pharmaceuticals Limited. For fulfilling the purpose, Rangpur branch of this FnF pharmaceutical has been chosen as internship place. The specified purpose of this report is to have a specific knowledge about brand extension activities of this branch of FnF Pharmaceuticals Limited. These Brand Extension also have involvement of Bangladesh Pharmaceuticals Industries. The report has been organized in 5 chapters. At first, introduction of the report and concerned topic of the report have been given. Origin, Objective of the study, Methodology of the study. Rationale of the report, Limitation of the report have been described here in an elaborate. The next chapter covers the overview of FnF Pharmaceuticals Limited. It has been tried to cover the most important aspects in a condensed form, in this chapter, the core principles, ethical principles along with vision, mission and strategic objective have been mentioned. Also deposit and lending schemes, banking verities and some other functions have been discussed. The following chapter includes a small overview of the Rangpur branch. Being a small branch, much elaborated overview has not been possible. The chapter next to it focuses on the daily activities or tasks that have been learned during the 45 days of internship period. The next chapter covers the main topic of this report-brand extension of Rangpur Branch. In this chapter, not only internal pharmaceuticals process has been discussed, but also internal process of Bangladesh Pharmaceuticals Industry, which is conducted in Bangladesh Drug Administration Authority, has also been mentioned. Within

the small scope of the branch's brand extension, it has been tried to show all the process elaborately .The brand extension functions of Bangladesh Pharmaceuticals Industries have been well pointed and described. And, lastly the findings and recommendation have been mentioned along with conclusion.

Dedicate to  
My Beloved Parents  
And  
Honorable Teachers

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## CHAPTER 1:

### INTRODUCTORY PARTS.

An internship is a method of on-the-job training for the students of MBA (Evening) program. This is a term mainly derived for medical students. Now, this has been hugely acclaimed by MBA (Evening) programs. Interns may be college or university students. These positions may be paid or unpaid and are usually temporary.

Pharmaceuticals is a huge term covering all the functions of the pharmaceuticals employee in a pharmaceuticals. Pharmaceuticals act as marketing agent by product quality or price for customers, paying cherubs drain by customers on the pharmaceuticals, and collecting cherubs product customers. Pharmaceuticals also enable customer's satisfaction other product methods such as Customer Relationship Marketing (CRM) and door to door marketing.

Pharmaceuticals Industry in Bangladesh is a very strong and will established sector. In Bangladesh there are around 400 registered and legal pharmaceuticals. For a developing country like Bangladesh, it is a great fact human health development.

FnF Pharmaceuticals Limited is a state-owned renowned in Bangladesh, which is now privately owned. General marketing is obviously the most important part of it. One very important function of the general marketing is brand extension is very important. Which is the concerned topic for this report for pharmaceuticals brand extension is very important because it is the one process through which inter-pharmaceuticals or pharmaceuticals industry is conducted efficiency, with less labor and less time. There is no pharmaceuticals, which can be thought about brand extension. Because of

brand extension, all types of foreign and national exchange are possible. And these exchanges in turn contribute to the country's human health development. And, I have been assigned to Rangpur Branch of FnF Pharmaceuticals for the internship.

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### ORIGIN OF THE REPORT

This report is based on an internship program held by FnF Pharmaceuticals Limited. The internship report is a basic requirement of MBA (Evening) program and is considered as a separate course in Hajee Mohammad Danesh Science & Technology University in the last semester of MBA (Evening). The proposed internship period is 45 days. The proposed topic is "Brand Extension of Rangpur Branch of FnF Pharmaceuticals". Department of Marketing arranges internship program to gather practical knowledge about marketing activities followed by FnF Pharmaceuticals Limited for university students as universities conducted with different organization after the completion of theoretical courses of program of Masters of Business Administration (MBA). In this report, I am an internee of the previously mentioned program and the concerned and selected organization is FnF Pharmaceuticals Limited which is a prominent state owned commercial pharmaceuticals in Bangladesh. FnF Pharmaceuticals Limited has been chosen for the internship purpose because it is a well established and experienced organization in the pharmaceuticals sector and there has been a great scope for interns. I have been doing my internship in Rangpur Branch of FnF Pharmaceuticals Limited from 09-02-2016 to 24-04-2016. In

way of delegation, responsibility of carrying out the study has conferred upon the concerned interns.

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### OBJECTIVE OF THE INTERNSHIP

The specify of this report is to gather practical knowledge on marketing systems and operations and details information of some strategic aspects. This internship gives the students a chance to co-ordinate with the theoretical knowledge and the practical experience by working in a respective or selected organization. The following are of objective for internship in pharmaceuticals:

- To know the opportunities and areas of applying theoretical knowledge.
- To apply theoretical knowledge in the practical field areas.
- To have exposure to the functions of marketing systems.
- To have exposure to the functions of marketing.

- To know about the financial aspect of the pharmaceuticals and that branch
- To see and analyze the daily statement of affairs.
- To know everyday marketing flows and analysis with the help of the statement of affairs.
- To know how to work on the information system software for information update.

#### OBJECTIVE OF THE STUDY

1. To know the process of manual marketing and selling system being conducted under Bangladesh Drug Administration Authority.
2. To know how the marketing of instruments take place every day.
3. To know about the mostly market instruments.
4. To know the internal marketing system.
5. To know the internal marketing process of the pharmaceuticals, branch and Head Office.

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#### METHODOLOGY OF THE STUDY

For smooth and accurate study everyone has to follow some rules & regulations. These rules and regulations of collecting, analyzing and finding data are together mentioned as methodology.

The study input was collected from two sources:

#### SOURCES

(a) Primary sources.

- Practical daily desk works.
- Face to face conversation with the officers.
- Face to face conversation with manager.
- Face to face conversation with the clients.
- Supporting arrangement of helping officers.

(b) Secondary sources.

- Annual report of FnF Pharmaceuticals Limited.
- Web site of FnF Pharmaceuticals Limited.
- Written Documents.
- Written affairs.
- Daily printed computerized documents.
- Daily Statement of Affairs.
- Head office documents and reports.
- Previous Report on FnF Pharmaceuticals Limited.
- Web sites of Bangladesh Pharmaceuticals Association.
- Web sites of drug administration authority online journals.
- Various publications on Pharmaceuticals.
- Circulars published by FnF Pharmaceuticals Limited.

### RATIONAL OF THE REPORT

The main purpose to prepare this report is to know about the brand extension activities in our country, specifically in FnF Pharmaceuticals Limited. As a student of MBA (Evening) program, this report is very important for me to meet the requirement of internship. If I ever enter in the



marketing sector for my career, this report can act as a guideline. Proper exploration of the report may help others in the MBA (Evening) program for their future needs. In this report all the technical and infrastructural conditions and scenarios regarding manual and automated clearing will be understood.

### LIMITATION OF THE REPORT

This report is failed to contain all the information about brand extension activities of the pharmaceuticals. This report may give a shallow over view about that task .I could not conclude depth information because I face some difficulties like:

- I have got only one month to work, which is somehow not sufficient enough to gather adequate experience of such vast marketing business.
- After working whole day in the office it is very much difficult and also impossible to study again the theoretical aspects of marketing and to get the information on report.
- As less customers visit the branch, less transactions are made and thus observation method doesn't work properly.

### OTHER LIMITATIONS

- Days of time is not enough for the study,
- Lack of sufficient computer, specially, I don't have any desk with computer, usually I go through one desk to other desks which is being free that time.
- Collection of data was not smooth
- All staffs are not aware of all the process in the pharmaceuticals.



## CHAPTER - 2

### ORGANIZATION OVERVIEW: FnF PHARMACEUTICALS LTD.

#### ORGANIZATION'S HISTORICAL BACKGROUND

FnF Pharmaceuticals is a renowned pharmaceuticals in Bangladesh. It was established as a registered pharmaceuticals in 1998 under the Bangladesh Drug Administration Authority. FnF Pharmaceutical start in vaccine manufacture in 2004. There are 1st time in Bangladesh vaccine manufacture of non govt. organization in Bangladesh. Still now FnF Pharmaceuticals only on vaccine manufacturer Pharmaceuticals in Bangladesh marketing and selling.

FnF Pharmaceuticals is the supply of medicine and vaccine of Bangladesh Government different project and so much good well in livestock sector of Bangladesh Pharmaceuticals Ltd. FnF Pharmaceuticals Ltd. assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations. FnF Pharmaceuticals worked as a human health care and livestock sector till July' 1998.

## CORPORATE PROFILE

### THE PHARMACEUTICALS

#### AT A GLANCE

FnF Pharmaceuticals Ltd. was constituted with the major of 3 (three) component marketing i.e. Nutritional Manufacturer Company. On July 2000 FnF is a Pharmaceuticals Company going Operated in the business then any where in Bangladesh on July 2001. Drug Administration Authority Licensee of vaccine manufacturer 1st time in Bangladesh given permission of FnF Pharmaceuticals Limited on 2004.

Number of Branches:

Pharmaceuticals operates through 65 branches. It is linked to its foreign correspondents all over the branch.

Number of Employees:

The total number of employees is 635

#### CHIEF EXECUTIVE:

The Pharmaceuticals is headed by the Managing Director (Chief executive) who is a reputed professional marketer.

Name of the company. FnF Pharmaceuticals

Chairman : Mst. Fahima Islam

Managing Director : Md. Moklesul Islam

Company Secretary : Md. Nasir Chowdhury.

Legal Status : Limited Company.

Genesis : FnF Pharmaceuticals Ltd. has been incorporated on 15 July 1998

under the Drug Administration Authority taking over and acquiring as a going concern the undertaking and businesses of FnF Pharmaceuticals Ltd. with all of its assets, liabilities, benefits, rights, powers, authorities, privileges, borrowings and obligations.

Date of Incorporation : 15 July 1998

Registered Office : Urban Stream Com. Complex

Dhaka-1000. Level # 3, 18, New Eskaton (R.K. Menon Rd),

With DSE & CSE

Vat Registration : 9011039307

TIN Certificate : 177-200-0021/LTU/Dhaka.

Auditors : Ahmad & Akhtar, Chartered Accountants,  
BCIC Bhaban (3rd Floor) \

& : 30 - 31 Dilkusha C/A, Dhaka-1000, Bangladesh

: G. Kibria & Co, Chartered Accountants,  
Shadhran Bima Bhaban (6th Floor),  
24-25 Dilkusha C/A, Dhaka - 1000,  
Bangladesh.

Legal Advisor : S.M Atikur Rahman, Barister - at - Law,  
Suite- D(1st Floor), 105 / A Kakrail Road,  
Dhaka, Bangladesh.

Tax Consultant : K.M Hasan & Co. Chartered Accountants,  
Hometown Apartment (8th & 9th Floor),  
87, New Eskarton Road, Dhaka- 1000,  
Bangladesh.

Number of Employees : 635

Number of Branches : 65

Website : [www.fnfpharmaceuticals.org](http://www.fnfpharmaceuticals.org)

Email : [info@fnfpharmaceuticals.org](mailto:info@fnfpharmaceuticals.org)

BOARD OF DIRECTORS

Sl No	Name	Designation
1.	Mst. Fahima Islam	Chairman
2.	Md. Fahim Islam	Director
3.	Md. Nasir Chowdhury	Director
4.	Md. Futin Islam	Director
5.	Md. Anarul Islam	Director
6.	Md. Mostofa Rahman	Director
7.	Md. Nazmul Hasan	Director
8.	Md. Munna Islam	Director
9.	Md. Roice Uddin	Director
10.	Dr. Md. Ainul Hoque	Director
11.	Md. Tipu Islam	Director
12.	Md. Moklesur Islam	Managing Director

VISION

The vision of FnF Pharmaceuticals Limited.

Our vision is to expand our loyal customer base by being known as the marketing partner of choice that constantly exceeds customer expectations.

MISSION

FnF Pharmaceuticals Ltd. has three main missions.

- Develop long term relationship that help our customers achieve human health success.
- Offer rewarding career opportunities and cultivate staff commitments.

- Uphold ethical values and meet its customers' health care needs in the fastest and most appropriate way and continue innovative works in order to achieve human resource with superior qualities, technological infrastructure and service packages.'

### CORE VALUES

This pharmaceuticals has a set of interesting core values.

- Social Responsibility - We care for and contribute to our communities. Performance-We measure results and rewards achievements.
- Integrity - We uphold trustworthiness and business ethics.
- Respect - We cherish every individual.
- Innovation- We encourages creativity.
- Teamwork- We work together to succeed.

The first letters of the initial words from 'SPIRIT" and carry importance.

### STRATEGIC OBJECTIVES

- Develop a customer oriented service culture with special emphasis on customer care and convenience.
- Increase market shares by fo1lo a disciplined growth strategy.
- Achieve a significant share of deposit and credits from the existing and niche markets.
- Leverage the technology platform and pen scalable systems to achieve a cost effective operations, efficient MIS, improved delivery capability and high service standards.
- Develop innovative products and services that attract targeted customers and market segments.



- Maintain a high quality assets portfolio to achieve strong and sustainable returns and to continuously build shareholder's value.
- Explore new avenues of growth and profitability, particularly by diversifying price portfolio through structured marketing and expansion or retail and SME financing.

### ETHICAL PRINCIPLES

- Customer Focus and Fairness
- Quality
- Honesty and Integrity
- Belief in the people
- Teamwork
- Good corporate governance
- Corporate Social Responsibility



ORGANOGRAM OF FnF PHARMACEUTICALS LTD.

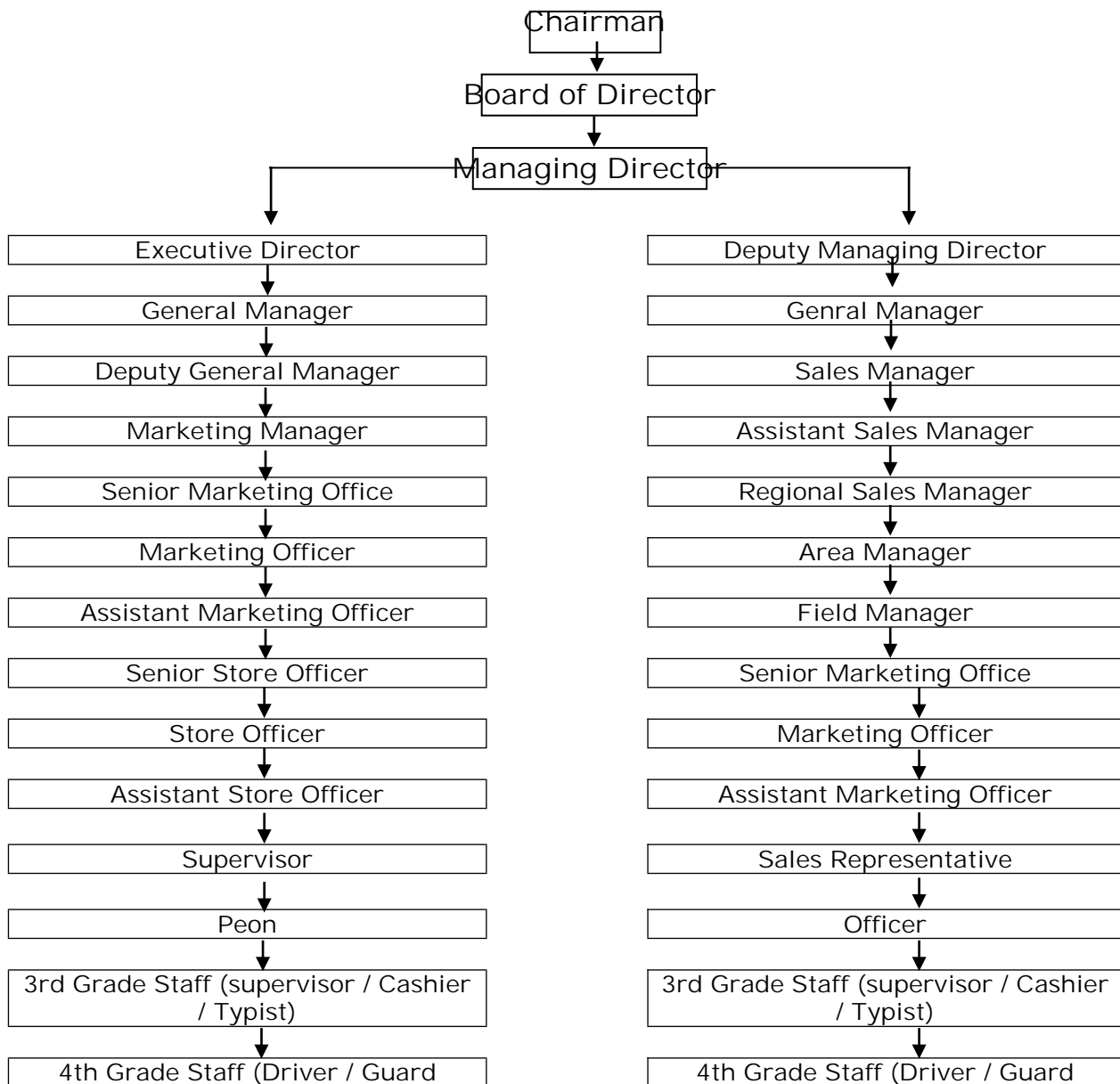


Figure: 1: Organogram of FnF Pharmaceuticals Ltd.

## BRAND EXTENSIONS:

Brand extension is defined as attaching an existing brand name to a new product introduced in different product category. In a typical brand extension situation, an established brand name is applied to a new product in a category either related or unrelated in order to capitalize on the equity of the core brand name. When a new brand is combined with an existing brand, the brand extension can also be called a sub-brand. If the parent brand is already associated with multiple products through brand extensions, then it may also be called a family brand.

## TYPES OF BRAND EXTENSION

Brand extensions can be broadly classified in to two general categories as horizontal extension and vertical extensions.

### HORIZONTAL EXTENSIONS:

In a horizontal brand extension, an exciting brand name is applied to a newly introduced product in either a related product category or in a product class completely new to the company. These horizontal extensions can be further differentiated in terms of their focus termed as line extensions and franchise extensions. Line extensions occurs when a current brand name is used to enter a new market segment in the current product category. (HLL has tried to counter attack the growing popularity of the FnF Pharmaceutical FnF consumer extending Popular Pharmaceutical Popular brand to "Diagnostic Center". In contrast to this, a franchise extension uses a current brand name to enter a new product category.

### VERTICAL EXTENSIONS:

A vertical brand extension uses the core brand name to launch products in the same product category but at a different price point and quality level. In a vertical brand extension, a brand name is usually introduced alongside the core brand name, in order to establish the relation between the brand extension and the core brand. FnF Pharmaceutical launched FnF Agrovate.

Vertical extensions can be viewed as the quickest way to leverage a core brand's equity as the new product is in the same category as the parent; aims at a similar market segment as the parent; and may enjoy the same acceptance as the parent.

As a strategy, vertical brand extension is widely practiced in many industries, of which most commonly noticeable are FnF Pharmaceutical Product. In (For example Tablet, Injection and suspension

Vertical extensions can be made in two ways depending on the direction of the extension, Step - up extension is one involving a new product with higher price and quality characteristics than the original ("Calbo Plus" after the rocking success of "Calbo") Step down extension is a brand extension that is introduced at a lower price and lower quality level than the core brand.

### ANOTHER CLASSIFICATION OF BRAND EXTENSIONS:

Brand extensions are also classified into three types - product related extensions, image related extensions and unrelated extensions. Product related extension is more popularly called 'line extensions'. A line extension is typically a product or flavour or fragrance variant. It is used by the companies to upgrade their customers. Ex Paravet upgrades Paravet Syrap users to AXF and AXF Plus International and Image - related extensions are those where the brand extension bears some logical or emotional relationship with the parent brand. Such a fit exists when companion products are introduced for instance, Paravet syrap and Paravet drop.

Unrelated extensions are those where the parent and the brand extensions have little common but for the brand name. A classic case of this is the brand name Popular Diagnostic center safety, good result, low cost, short time, and other product appearing on soaps, safety and other products. In unrelated extensions also, the match making principles hold good.

Sometimes unrelated extensions happen along the route as the organization evolves, e.g. FnF Pharmaceutical, FnF textile but and textile but extension to diverse areas like power, Popular Pharmaceutical, Popular Insurance etc.

### STRATEGIES FOR ESTABLISHING CATEGORY EXTENSION:

Extensions become successful if the organizations show commitment, there is matching of the brand and extension or

organization and extension, and proper attention to the marketing mix of the extended brand; Brand extensions can come in all forms. There are seven general strategies for establishing a category extension.

1) Introduce the same product in a different form.

Examples:

Paravet syrap in new designed pack, new Paravet drop.

2) Introduce products that contain the brand's distinctive taste, ingredient, or component.

Examples:

New Paravet syrap flavor" Orange.

3) Introduce companion products for the brand.

Examples:

Newme capsul, Newme powder.

4) Introduce products relevant to the customer franchise or the brand.

Examples:

Popular Insurance and Popular Hospital.

5) Introduce products that capitalize on the firm's perceived expertise.

Example:



FnF Pharmaceutical and FnF Agrovete.

6) Introduce products that reflect the brand's distinctive benefit, attribute or feature.

Examples:

FnF Pharmaceutical and FnF Biological Product.

7) Introduce products that capitalize on the distinctive image or prestige of the brand.

Example:

FnF Hatchery and FnF Poultry Firm] Push Factors For Brand Extension

CHAPTER - 3  
OVERVIEW OF THE BRANCH: RANGPUR BRANCH

RANGPUR BRANCH AT A GRANCE

- Branch Name: Rangpur
- Branch Code: 052
- Branch Location : Divisional & District
- Brand Address: Kamlkachna, Rangpur.
- Establishment 7th March - 2004
- No of Employees : 25
- Marketing & Selling : Period : 10 am to 8 pm

DEPARTMENTS

This branch is arranged into 5 department logically. No physical structure is maintained.

- Product Marketing.
- Product Selling.
- Product Promotion.
- Accounts.
- Employee Training.

### FUNCTIONS

- Product marketing.
- Product Selling.
- Product Promotion.
- Khamer Visit.
- P/C Conference.
- Account Maintenance.

### LIABILITIES & RESPONSIBILITY

- Product Quality.
- Rezenable Price.
- Smoothly Supply.
- Easy Payment System.
- Transport Facility.
- Quality Raw materials.

## CHAPTER - 4:

### BRAND EXTENSION OF PHARMACEUTICALS

#### PUSH FACTORS FOR BRAND EXTENSION:

In the recent years, industries have opted for brand extension due to any one or more of the following reasons:

- 1) Government regime in their existing industry: A typical example could be the case of ITC. Wills has come out with clothing extensions and God Flake has come out with greeting cards.
- 2) Market dynamics: The FnF pharmaceuticals that was the leader in the Pharmaceuticals Division in the Bangladesh recently entered in to the spices segment with many pure and processed spice varieties.
- 3) Customer requests: This through may seem to be a welcoming sing on the part of the company, is a very serious issue that has to be very carefully handled.

#### PULL FACTOR FOR BRAND EXTENSIONS:

The current trend n management is no more reactive but is proactive. One needs to be prepared to face rather than think after sudden attack. There are many factors that have been identified by authors as pull factors that have aided many organizations to get to brand building and extensions.

- 1) Already established brands: FnF has a hold in the Pharmaceuticals industry and also in medicine appliances.
- 2) Increase Customer base: Brand extension can add up to increase the existing customer base by entering in to new segments, and converting the users there to the brand.
- 3) Diverse portfolio: This helps in speeding the risk.
- 4) Building corporate image.
- 5) Extension of the USP to similar or diverse areas and, hence, maintaining unique product features.
- 6) Leverage on the existing loyalty of customers.
- 7) Positioning is done more easily than that of a new bread.
- 8) Advertising and promotional measures done with
- 9) Leveraging on core competency values, cultures and systems.

#### ADVANTAGE OF EXTENSIONS

Well - planned and well - implemented extensions offer a number of advantages to marketers. These advantages can be broadly categorized as those that facilitate new product acceptance and those that provide feedback benefits to the parent brand or company as whole.

#### FACILITATE NEW PRODUCT ACCEPTANCE

- 1) Improve Brand Image: One of the advantages of a well-know and well-liked brand is that consumers form expectations over time concerning its performance. Similarly with a brand extension,

consumers can make inferences and form expectations over time concerning its performance. Similarly with a brand extension, consumers can make inferences and form expectations as to the likely composition and performance of a new product based on what they already know about the brand itself and the extent to which they feel this information is relevant to the new product. These inferences may improve the strength, favorability, and uniqueness of the extension's brand associations. For example, when FnF Pharmaceuticals Product Paracetamol applications.

- 2) Reduce Risk perceived by customers: One research study, examining factors effecting new product acceptance, fund that the most important factor for predicting initial trial of a new product was the extent to which a know family brand was involved. Extensions from well known corporate brands such as FnF Pharmaceuticals good quality, good result, reasonable price.
3. Increase the Probability of Gaining Distribution and Trial: Because of the potentially increased consumer demand resulting from introducing a new product as an extension it may be easier to convince retailers to stock and promote a brand extension.
- 4) Increase Efficiency of Promotional Expenditures: From a marketing communications perspective, one obvious advantage of introducing a new product as a brand extension is that the introductory campaign does not have to create awareness of both the brand and the new product. In general it is easier to add a link from a brand already existing in memory to a new product than it is to first establish the brand in memory and then also link the new product to it.
- 5) Reduce costs of Introductory and Follow-Up Marketing Program: When a brand becomes associated with multiple products, advertising can become more cost - effective for the family bran as a whole.

- 6) Avoid cost of Developing a New Brand: To conduct the necessary consumer research and employ skilled personnel to design high quality brand names, logos, symbols, packages, characters and slogans can be quite expensive, and there is no assurance of success.
- 7) Allow for Packaging and Labeling Efficiencies: Similar or virtually identical packages and labels for extensions can result in lower production costs. If they are coordinated properly, it will result in more prominence in the retail store by creating a 'billboard' effect.
- 8) Permit Consumer Variety Seeking: Consumers may need change in the product with out having to leave the brand family. So the line extensions can encourage the customers to use the brand to a greater extent or in different ways.

#### Provide Feedback Benefits to the Parent Brand

Besides facilitating acceptance of new products, brand extensions can also provide positive feedback to the parent brand in a number of ways:

- 1) Clarify Brand Meaning: Extensions can help to clarify the meaning of a brand to consumers and define the kinds of markets in which it competes. Example: Rong Polanck Aventis its brands for the products for the human.
- 2) Enhance the Parent Brand Image: According to the customer - based brand equity model, one desirable outcome of a successful brand extension is that it may enhance the parent brand image

by strengthening an existing brand association, improving the favorability of an existing brand association, adding a new brand association, or a combination of these. Brand extension helps to clarify the core brand values and association and affects the parent brand image.

- 3) Bring New Customers into the Brand Franchise and Increase Market Coverage: Line extensions can benefit the parent brand by expanding market coverage. By bringing attention to the parent brand, the new product's sales may also increase.

Example: The introduction of Or Saline dehydration helps to expand the market coverage for saline

- 4) Revitalize the Brand: Brand extensions can help to renew interest and liking for the brand.
- 5) Permit Subsequent Extensions: One benefit of a successful extension is that it may serve as the basis for subsequent extensions. For example, Good years FnF pharmaceuticals successful introduction of its Pran RFL tires sub-brand led to the introduction of Pran RFL Aquared for performance vehicles with either wider wheels or a luxury image.

### DISADVANTAGES OF BRAND EXTENSIONS

Despite these potential advantages, brand extensions have a number of disadvantages.

- 1) Can Confuse or Frustrate Consumers: Different varieties of line extensions may confuse and frustrate consumers as to which



version of the product is the "right one" for them. As a result they may reject new extensions for tried and true favorites. Moreover, because of the large number of new products and brand continually being introduced, many retailers do not have enough shelf or display space to stock them all.

- 2) CAN ENCOUNTER RETAILER RESISTANCE: It is impossible for a grocery store or supermarket to offer all the different varieties available across all the different brands in any one product category. Moreover, retailers often feel that many line extensions are merely "me-too" products that duplicate existing brands in a product category. They feel that it should not be stocked even there were space.
- 3) CAN FAIL AND HURT PARENT BRAND IMAGE: If the brand extension fails it also harms the parent brand image. Unfortunately, these negative feedback effects may sometimes happen.
- 4) CAN SUCCEED BUT HURT THE IMAGE OF THE PARENT BRAND: If the brand extension has benefit association which are conflating with those of parent brand, it will change the consumers' perception towards the parent brand.
- 5) CAN CAUSE THE COMPANY TO FORGO THE CHANCE TO DEVELOP A NEW BRAND:

One of the disadvantages of brand extension is that by introducing a new product as a brand extension, the company forgoes the chance to create a new brand with its own unique image and equity.

### REINFORCING BRANDS:

Brand equity is reinforced by marketing actions that consistently convey the meaning of the brand to consumers in terms of brand awareness and brand image. The important considerations concerning brand reinforcement are as follows:

### MAINTAINING BRAND CONSISTENCY:

The most important consideration in reinforcing brands is the consistency of the marketing support that the brand receives, both in terms of the amount and nature of that support. Brand consistency is critical to maintaining the strength and favorability of brand associations. Brands that receive inadequate support in terms of shrinking research and development and marketing communication budgets run the risk of becoming technologically disadvantaged.

### PROTECTING SOURCES OF BRAND EQUITY

Although brands should be given to preserve and defend those sources of existing brand equity. For example, Procter & Gamble made a minor change in the formulation of its Cascade automatic dishwashing detergent, primarily for cost-saving reasons. As a result, the product was not quite as effective as it previously had been under certain, water conditions. After discovering the fact, one of P&G's chief competitors, Lever Brothers, began running comparative advertisements for its Sunlight brand featuring side by side glasses that claimed, "Sunlight Fights Sports Better than Cascade". Since the consumer benefit of "virtually spotless" is a key brand association and source of brand equity for Cascade, P&G reacted swiftly. It immediately returned Cascade to its original formula and contacted

Lever Brothers to inform that company of the change, effectively forcing it to stop running the new Sunlight ads on legal grounds. This episode clearly demonstrated that Procter & Gamble fiercely defends the equity of its brands.

#### FORTIFYING VERSUS LEVERAGING.

There are a number of different ways to raise brand awareness and create strong, favorable and unique brand associations in consumer memory to build customer based brand equity. The advantage of creating, a brand with a high level of awareness and a positive brand image is that many benefits may accrue to the firm in terms of cost savings and revenue opportunities. Marketing actions that attempt to leverage the equity of a brand in different ways' may help to fortify the brand by enhancing its awareness and image.

#### FINE-TUNING THE SUPPORTING MARKETING PROGRAMME

Reinforcing brand meaning may depend on the nature of brand associations involved. Several specific considerations play 'an important role in reinforcing brand meaning in terms of product-related performance and non-product related imagery associations, as follows:

1. Product-Related Performance Associations: The core associations of a brand are primarily product-related, performance attributes or benefits, innovation in product design, manufacturing, and merchandising is especially, critical to enhancing brand equity. For example, after Timex watched brands such as Casio and Swatch gain significant market share by emphasizing digital technology and f in their watches, it made a number of innovative marketing changes. Within a 'short

period of time, Timex introduced Indigo glow- in the dark technology, showcased popular flew models such as the Iron man in mass media advertising, and launched new Timex stores to showcase its products. These innovations in product design and merchandising have significantly revived the brand's fortunes,

2. Non-Product-Related Imagery Associations: For brands whose core associations are primarily non-product-related attributes and, symbolic or experiential benefits, relevance in user and usage imagery is critical. Because of their intangible nature, non-product-related associations maybe potentially easier to. In categories in which advertising plays a key role in building brand equity, imagery may be an important means of differentiation.

#### REVITALIZING BRANDS:

The changes in consumer tastes and preferences, the emergence of 'new competitors or new technology, or any new development in the marketing environment can potentially affect the fortunes of a brand. In virtually every product category, there are examples of once prominent and admired brands that have fallen on hard times or, in some cases, even completely disappeared. A number of these brands are managed to make impressive comebacks in recent years as marketers have even a newt life in to their customer franchises. Examples: Ace Syrup flavor is banana.

Thus brands sometimes have had to return to their' roots to recapture lost sources of equity. Reversing a fading brand's fortunes requires either lost sources of brand equity to be recaptured or new sources of

brand equity to be identified and established. Revitalization strategies obviously involve a continuum, with pure “back to basics” at one end and pure “reinvention!” at the other end. Many revitalizations combine elements of both strategies. Customer-based brand equity framework provides guidance to refresh old sources of brand equity or create new sources of brand equity to achieve the ‘expected positioning. According to the model, two such approaches are possible:

1. Expand the depth or breadth of brand awareness, or both, by improving consumer recall and recognition of the brand during purchase or consumption settings.
2. Improve the strength, favorability, and uniqueness of brand associations making up the brand image. This approach may involve programmes directed at existing or new brand associations.

#### EXPANDING BRAND AWARENESS

One of the powerful ways to build brand equity is to increase the breadth of brand awareness. The company has to make it sure that the consumers will think of purchasing a brand in the situation in which the brand can satisfy consumers’ needs and wants. The starting point of creating new sources of brand equity is with ways that increase usage. Either increasing the level of consumption or increasing the frequency of consumption can increase usage.

In general, it is probably easier to increase the number of times a consumer uses the product than it is to actually change the amount used at any one time. Consumption amount is more likely to be a function of the particular beliefs that the consumer holds as to how the product is best consumed: Increasing frequency of use, on the other hand, involves either identifying additional or new opportunities

to use the brand in the same basic way or identifying completely new and different ways to use the brand. Increasing frequency of use is a particularly attractive option for brands with large market share that are leaders in their product category. Both of these approaches are shown below:

1. Identifying Additional or New Usage Opportunities: In some cases, the brand may be seen as useful only in certain places and at certain times, especially if it has strong brand associations to particular usage situations or user types. In general to identify additional or new opportunities for consumers to use the brand more. A marketing program should be designed to include both of the following:

- (a) Communications to consumers as to the appropriateness and advantages of using the brand more frequently in existing situations or in new situations.
- (b) Reminders to consumers to actually use the brand as close as possible to those situations. For many brands, increasing usage may be as simple as improving top of mind awareness through reminder advertising. Some brands are seen as only appropriate for special occasions. An effective strategy for those brands may be to redefine what it means for something to be "special".

Another potential opportunity to increase frequency of use is when consumer's perceptions of their usage differ from the reality of their usage. For many products with relatively short life spans, consumers may fail to replace the product in a timely manner because of a tendency to underestimate the length of productive usage. One strategy to speed up product replacement is to tie the act of replacing the product to a certain holiday, event, or time of year.

2. Identifying New and Completely Different Ways to use the brand: The second approach for increasing frequency of use for a brand is to identify completely new and different usage applications. For example, food product companies have long advertised new recipes that use 'their branded products in entirely different ways.

### IMPROVING BRAND IMAGE

A new marketing program may be necessary to improve the strength, favorability and uniqueness of brand associations making up the brand image.

### REPOSITIONING THE BRAND

Repositioning the brand requires establishing more compelling: points of difference, it requires reminding consumers of the virtues of a brand that they have begun to take for granted. Other times a brand needs to be repositioned to establish a point of parity on some key image dimension. A common problem for established, mature brands is that they must be made more contemporary by creating relevant usage situations.

Updating a brand may involve some combination of new products, new advertising, new promotions, new packaging and so forth.

### CHANGING BRAND ELEMENTS

Often one or more brand elements must be changed to either convey new information or to signal that the brand has taken on new meaning because the product or some other aspect of the marketing programme has changed.

## ENTERING NEW MARKETS:

Positioning decisions require a specification of the target market and the nature of competition to set the competitive frame of reference. The target market or markets for a brand typically do not constitute all possible segments that make up the entire market. In some cases, the firm may have other brands that target these remaining market segments. In other cases, however, these market segments represent potential growth targets for the brand. Effectively targeting these other segments requires some changes in the marketing programme, especially in advertising and other communications. To grow the brand franchise, many firms have reached out to new customer groups to build brand equity. Example FnF Pharmaceuticals Promote its Paracetamol syrup for adults instead of just for babies. Segmenting on the basis of demographic variables and identifying neglected segments is thus one viable brand revitalization option. In some cases, just retaining the existing customers who might move away from the brand or recapturing lost customers who no longer use the brand can be a means to increase sales. Brands such as Kellogg's Frosted Flakes cereal, New Napa Extra campaigns to make the consumers to use them. Attracting a new market segment is a difficult task. Baximco and other marketers have struggled for years to find the right blend of products and advertising to make their brands- which have more masculine oriented images appear relevant and appealing to women. Creating marketing programmes to appeal to women has become a priority of manufacturers of products from cars to computers. Marketers have also introduced few marketing programs : to different racial groups, age groups, and income groups. Attracting



emerging new market segments based on cultural dimensions may require different messages, creative strategies and media.

### ADJUSTMENTS TO THE BRAND PORTFOLIO

Managing brand equity and the brand portfolio requires taking a long-term view of the brand. As part of this long-term perspective, it is necessary to carefully consider the role of different brands and the relationships among different brands in the port follow over time. In particular, a brand migration strategy needs to be designed and implemented so that consumers understand how various brands in the portfolio can satisfy their needs as they potentially change over time. Managing brand transitions is especially important in rapidly changing technologically intensive markets.

### MIGRATION STRATEGIES

Brands can play special roles that facilitate the migration of customers within the brand portfolio. For example, entry level brands are often critical in bringing in new customers and introducing them to the brand offerings. Ideally, brands would be organized in consumers' minds so that they at least implicitly know how they can switch among brands within the portfolio as their needs or desires change. For example, a corporate or family branding strategy in which brands are ordered in a logical manner could provide the hierarchical structure in consumers' minds to facilitate brand migration.

### ACQUIRING NEW CUSTOMERS

All firms face tradeoffs in their marketing efforts between attracting new customers and retaining existing ones. Firms proactively develop

strategies to attract new customers, especially younger ones. The marketing challenge in acquiring new customers lies in making a brand seem relevant to customers from potentially vastly different generations and life styles.

Some alternative approaches that attempt to broaden the marketing programme and attract new customers as well as retain existing ones are discussed as follows:

1. Multiple marketing communication programmes: One approach to attract a new market segment for a brand and satisfy current segments is to create separate advertising campaigns and communication programmes for each segment. The increased effectiveness of targeted media makes multiple targets more and more feasible. The drawbacks of this approach is the expense involved and too much of media overlap among target groups.
2. Brand Extension and Sub-brands: Another approach to attract new customers to a brand and keep the brand modern and up-to-date is to introduce a line extension or establish a new sub-brand. These new product offerings for the brand can incorporate new technology, features, and other attributes to satisfy the needs of new customers as well as satisfy the changing desired of existing customers. For example: Napa, Napa Syrup and young men and Napa Extra for young women.

#### NEW DISTRIBUTION OUTLETS:

Attracting a new market segment become simple when we make the product more available to that group. For example, the sale of Napa

Extra increased by making that product more available to the target group.

### RETIRING BRANDS

The adverse changes in the marketing environment may make some brands not worth saving. Their sources of brand equity may have essentially dried up or even worse, damaging and difficult to change new associations may have been created. In such a situation, decisive management actions are necessary to properly retire the brand. Several options are possible to deal with a fading brand. The first step in retrenching a fading brand is to reduce the number of its product types. Such actions reduce the cost of supporting the brand and allow the brand to put its best foot forward. In some cases, the brand is beyond repair and more drastic measures have to be taken. One possible option for fading brands is to consolidate them into a stronger brand. Finally, a more permanent solution may be to discontinue the product altogether.

### BRAND VALUATIONS

Brand valuation was introduced in the 1980s, initially as a response to the vulnerability of sound but financially sleepy businesses to the attentions of acquisitive conglomerates. Valuing brands necessitates the desegregation of the company into its component brands, and the application of valuation methods to each component brand. Brand valuation was controversial when it was introduced, and remains so today. Its advocates argue that it is perfectly natural to recognize the financial value of a company brands 'n the balance sheet, given that these are durable assets that deliver real financial benefits to rite business in terms of a higher price or market share than would other sc he the case. Its critics, in equal measure, maintain that, whatever the theory, brand valuations arc arbitrary, subjective and opaque and consequently of limited use. The final difficulty for brand valuation is

that brands are sold infrequently. Businesses or business units are sold regularly, so company valuation theory can be tested against many cases, Brand valuation theory has been subjected to much less rigorous testing, because there are relatively few test cases.

### CONTEXT FOR BRAND VALUATION

Valuation: A method of estimating the monetary worth of an entity. its main applications concern how companies and shares are valued.

Value Based Marketing: A disciplined process of evaluating marketing decisions, based on robust financial valuation principles and market response analysis. The result: optimal marketing decisions, strategy and implementation

Economic Value: the monetary worth of an entity, established by a valuation method. Val Method: the rules and calculations used in the valuation process. Different methods are available, so it is important when reviewing something's value to know the method used.

### CUSTOMER VALUE:

The perceived worth of something to a customer, expressed as a set of evaluative statements. Not necessarily connected or correlated with economic value, despite what the pundits say.

Profit: Revenues minus costs measured over a specified period. There are several accounting

Definitions of profit, probably the most useful for general marketing use being EB or Earnings before Interest, Tax, Depreciation and Amortisation. Profit Stream: A series of profits over a period of time. Investment analysts often look at profit streams over 3, 5, and 10 years or more.

Net Present Value: A single value that represents the profit stream (or other financial flow), summarized using a method such as Discounted Cash Plow (DCF),

Profit Maximization: Making brand management decisions in order to maximize profit over a specified period.

Share Price: the price at which company shares are traded on a Stock Market.

Market Capitalization: The overall value assigned to a company by a stock market (equal to the share price multiplied by the number of shares).

It may seem paradoxical to many marketing people that most finance people spend little or none of their careers thinking about economic value. On the other hand, economic value is something that investment analysts, concerned with trading shares, think, about a good deal. Understanding this conceptual gap is a good starting point for our thinking.

Chapter - 5

CONCLUDING PARTS

BRAND VALUATION METHODS

Brand valuation was pioneered by Interbrand who developed and refined the economic use method of brand valuation. Some of the approaches about brand valuation are discussed below:

**Historical Cost:** This approach values the brand as the sum of the costs incurred in bringing the brand to its current state. The main disadvantages are:

1. The historical costs of creating a brand appear to bear little relation to the current value of the brand, based on the other approaches to brand valuation (and are often considerably lower).
2. In practice, it is difficult to identify the costs involved in creating a brand and, in particular to separate out that part of marketing expenditure responsible for brand building.

**Replacement Cost:** This approach values the brand at the cost of creating a new but similar brand. The main disadvantage is:

1. The difficulty in estimating how much it would cost to create a new equivalent brand now, It would be a questionable assumption to base the estimate on the cost of creating the original brand as the existence of the original brand will often have changed the marketplace.

However, even if this assumption were to be justifiable, then the approach suffers from the mo disadvantages a the historical east approach;

#### MARKET VALUE:

The market value of the brand is what it might be sold for in the open market, assuming a willing buyer and willing seller. The main disadvantages are that:

1. There is scant information available about sales of brands and,
2. Even where such information is available, it is difficult to extrapolate from one brand to another.

#### PREMIUM PRICE

This approach values the brand in terms of the premium price that it commands over an unbranded or generic equivalent. A premium price can be used to calculate the additional profits earned by the brand (after allowing for any additional production or marketing costs), and these can be used in a Net Present Value calculation to arrive at the value to the business now of the profit stream attributable to the premium price

The main disadvantages are:

1. It is not always easy to find an equivalent unbranded or generic product
2. The effect of the brand is not always or entirely reflected in a premium price. It may also be reflected in sales volumes or, equivalently, market share, Indeed, the profit maximizing optimum for a brand will normally be to use the brand strength to gain some combination of a premium price and market share.

#### ROYALTY RELIEF:

The royalty relief approach values a brand at the Net Present Value of the royalty payments that the business would have to pay to license the brand if it did not own the brand. In other words, the brand is valued at the amount by which ownership of the brand “relieves” the company from the need to pay license fees or royalties.

Where royalty data are readily available, the approach is workable, However, royalty data are generally applicable only to specific sectors and markets, and are not easily extrapolated beyond these boundaries

**Economic Use Method:** This method of assessing brand value attempts to calculate the value of the brand to its owner in terms of the Net Present Value of the profit stream attributable to the brand. This is the approach of choice for brand valuation companies such as Interbrand Ltd and Brand Finance Ltd and will be described in more detail below. The “economic use” method of brand valuation has been implemented in a number of ways and various proprietary techniques have been developed to estimate some of the key factors.

Here we present a simplified form of the approach, broadly following the methodology of Brand Finance Ltd, as described in the excellent review. All “economic use” methods start with an analysis of the profitability of the brand to the business. It should be emphasized that all of the analysis that follows is based on separating the finances of the brand of interest from other brands that may be produced by the company, and also from any unbranded products that may be produced in parallel by the company.

#### ECONOMIC USE / HISTORICAL EARNINGS APPROACH:

The simplest “economic use” method is the “historical earnings” approach, the main steps for which are as follows: 1 Starting with the revenue attributable to the brand, multiply by the profit margin for the brand to get the operating profit for the brand (or, equivalently, deduct from the revenue the operating costs associated with the brand).



- 1) Starting with the revenue attributable to the brand, multiple by the profit margin for the brand to get the operating profit for the brand (or, equivalently), deduct from the revenue the operating costs associated with the brand).
2. Estimate the capital employed by the brand, including both fixed assets and working capital. Multiply this by an appropriate capital charge to obtain the charge for capital employed by the brand.
3. Subtract the charge for capital employed by the brand from the operating profit for the brand to get the earnings after capital charge.
4. Not all of these earnings are attributable to the strength of the brand itself-there could well be some earnings after capital charge even if the brand were weak.  
Therefore multiply the earnings after capital charge by the proportion of the earnings that are attributable to the strength of the brand to obtain the brand earnings.
5. Multiply the brand earnings by the tax rate to get the tax payable on the brand earnings. Then subtract the tax payable from the brand earnings to get the brand earnings after tax.
6. Finally, multiply the brand earnings after tax by the multiple to obtain the brand valuation.

#### ECONOMIC USE / FUTURE EARNINGS APPROACH:

In theory, the multiple used in the "historical earnings" approach should reflect both the growth prospects for the brand and the uncertainty attached to future earnings from the brand. Although the calculation method could be improved by calculating a weighted average of earnings over recent years, the preferred and most widely-used approach for brand valuation is to estimate the brand value as the Net Present Value of the future brand earnings after tax. For this method of brand valuation, the procedure is as follows:

1. Calculate the brand earnings after tax as per steps I to 12 in the table above, but do this not only for the current year (Year 0), but also for the next 5 years.
2. Discount the brand earnings after tax for Years 0 to 5 back to the current year.
3. Estimate the “terminal” value of the brand (representing the Net Present value of after tax brand earnings from year 6 through to infinity). This is usually calculated by assuming no further growth beyond year 5.
4. Estimate the brand value as the discounted brand earnings after tax for Years 0 to 5 plus the terminal value.

#### BRAND VALUE

This approach has two important advantages in that it provides:

- 1) A more rigorous methodology for taking into account the future growth of the brand, and
- 2) A mechanism for taking into account the effect of brand strength on the level of risk associated with future earnings

However, the advantages of this approach come at a cost:

- i. It requires that a forecasting model for the brand is developed, the forecasting model has to include estimates for the next 5

years of revenues, margins (or Costs), and total capital employed attributable to the brand

- ii. It introduces another key factor that has to be estimated, namely the discount rate to be used in the Net Present value calculation.
- iii. It introduces a further arbitrary factor in the choice of a 5 year period for the forecasting model.
- iv. It frequently exhibits the behavior (exemplified in the table) that the terminal value is of comparable importance to the Net Present Value of the brand earnings after tax for the initial period of 5 years, emphasizing the Importance of the assumptions made for the period more than 5 years into the future. The general 'principle behind "future earnings" systems of brand valuation is that strong brands benefit not only from a favorable combination of a premium price and a high market share, but are also more resilient in adverse market or economic conditions. This means that they have a lower risk profile, and therefore that a lower discount rate should be used in calculating the present value of future earnings.

Both Interbrand Ltd. and Brand Finance Ltd. have developed proprietary methodologies based on ranking and rating systems to assess brand strength and to map this parameter onto the discount rate to be used in the Net present Value calculation.

## CONCLUSION

Internship program plays a vital role for gaining experience in practical works of any organization. In the case of this report, the internship program of MBA (Evening) programme, have immensely helped in gaining practical experience and application knowledge in marketing functions.

The learning & experience collected from FnF Pharmaceuticals Limited have been quite enjoyable, interesting and useful. And this achievement would definitely come in assistance to realize further carrier in the job market.

General marketing is the most important function of a pharmaceuticals. 60% of the marketing success depends on it. Proper management of this function with well trained employees and environment can attract lots of customers.

Undoubtedly, brand extension cover a huge portion of general marketing functions. It is sell which makes all types of cash, cheques transfer possible among branches, pharmaceuticals and even outside of the national border. In previous manual system, this process was quite inefficient in terms of time, cost and service. With the Multinational Marketing system of the introduction of Bangladesh Drug Administration Authority the scenario has changed drastically. A long time consuming process has become a shorter one with great service enhancement. It is a matter of pleasure and opportunity to work on this function and to know much about the internal process of this.

There will always be problems in any subject. It's natural. In spite of automation, there has not been full use of this in FnF Pharmaceuticals Limited. Still, many branches outside Dhaka follow the manual process. If coverage of brand extension zone increases, this may be changed and it will

lead to overall cost saving for the pharmaceuticals. And, also green marketing should be more focused, as it is still not seen in work that much.

Last, but not the least, in spite of all limitations or problems, this internship program has been a great aid to me for better learning, experience, achievement and understanding and for the fulfillment of the MBA (Evening) program

## RECOMMENDATION

### RECOMMENDATION FOR THE OVERALL PHARMACEUTICALS INDUSTRIES

Pharmaceuticals is a service oriented organization. Its business profit depends on its product quality. Good service quality and performance of General Marketing can lead to increased customer satisfaction. One important function of general marketing is selling function, without which inter - pharmaceuticals process seems impossible.

- The pharmaceuticals actual customer satisfaction of service
- In case of service zone, the coverage and number of zones should be expanded.
- They should also focus on the marketing aspects to let customers know about their products and offering and more promotion should be given to attract new customer.
- Evaluate customer's needs from their perspective and explain logically the shortcomings.
- Use appropriate techniques in evaluating customer need professionally.

□ The pharmaceuticals should computerize all its marketing report function, should provide online marketing facility and should actually get green marketing in work.

## RECOMMENDATION FOR THE RANGPUR BRANCH

- Employees should be trained enough in every function.
- Employees should earn experience in order to be speedy and active.
- Employees must be well experienced in handling systems, computers and software.
- Systems for information preservation are back dated. It needs to be updated to a newer version or better software.
- Overall system and process of general functions take much time to complete. This process should be speeded up.