

PREFACE

My master thesis theme is **Project of establishing a natural food supplement NEW LIFE COLOSTRUM on the Czech market.**

Master thesis has been created in IMUNOTOP CZ s.r.o. Company, which has this product in assortment and during year 2005, would like to set up them on Czech market.

Budget for this launching campaign is 1, 8 mil. CZK and main goals are:

- Establish a product
- Lead consumers to buy product regularly – lead them to prevention
- Publicize trademark NEW LIFE COLOSTRUM and trademark IMUNOTOP
- Motivate and notify pharmacy – WHY they should sell NEW LIFE COLOSTRUM and not colostrum from competitors. (Why is better, why is more effective and other benefits).
- Increase turnover about 40% till 3 months

Master thesis objectives:

- Define basic marketing strategy and tactics of launching new product on the market.
- Prepare promotion campaign, which establish new product on Czech market (incl. whole marketing strategic process)

To attain all goals I want to use theoretical knowledge which will be describe in the theoretical part. Next methods for complete projects – collecting and processing available information, my own research and gain information from work in the company.

Here is also necessary to know market where the company works, because each market has own specific which has to be recognized. The Pharmaceutical market is various and from 1989 passed through large development, which has not finished yet.

Problem solving:

- Study theory for election correct ways.
- Study and critics analysis of the company culture and outer environment - this analysis gives me concept about size, strcutre and behavior of target market, also about product planning position in relation to competition
- Questionnare iquiry in pharmacies and specialized shops with resulting data evaluation – this inquiry gives me answer on question about request size, sales and segmentation – also helps me find the main selling arguments and show me the way in which should be produt develop.
- on the basis of this information define recommendation in strategy filed, which is nessessary to select with critical aspect with target groups and other effects.

Output of my master thesis will be compact promotion campaign incl. whole strategic process.

I. THEORETICAL PART

1 STRATEGIC MARKETING PROCESS

At the beginning I would like to say that promotion campaign creating is cherry on the cake after hard and long work including many proces.

This process will be describe in the theoretical part and the same process I will follow in practical part.

PhDr. Václav Svoboda in his lecture notes states that:

„Promotion campaign is consisting from series marketing communication resources which are related by the one theme. This theme specify product. Creative exposition of resources keep interest and helps to follow message. Promotion campaign is always limited by the time link. Promotion campaign could include advertising, sales promotion or others form of marketing communications (PR, direct marketing, personal sales or sponsoring).“

(Svoboda, 2004)

Promotion campaign is constructed on certain procedure, which support the efficiency in communication. This procedure is by PhDr. Václav Svoboda called: **Marketing process plan.**

Planning activity always has to aim at given goals. It is not possible to plan, if is not set what we expect and how to achieve our expectation.

Specialize publications offer several scheme how move in promotion campaign planning.

I'm going to describe on following pages two schemes. First is according to PhDr. Vaclav Svoboda and the second one according to Helena Horakova (Strategic marketing).

1.1 Marketing process planning

Marketing Situation Analysis

Customer analysis

Key competitor analysis

Ambient environment analysis [economical, political, sociological and technical environment] – STEP analysis

Internal environment analysis [company rating] – SWOT analysis

Basic goals determinations

Profit

Sales

Market share

Designing Marketing Strategy

Segmentation

Positioning

Marketing plan designing

Product

Price

Promotion

Distribution

(Svoboda, 2004)

In my theoretical study I will follow scheme, which referred Helena Horakova in her book Strategic marketing.

Each phase has own rules, which is necessary to follow. That's a reason why I mentioned them in this theoretical part.

Promotion campaign is not possible to bring into being without these steps. These steps give me important information, on basis of them could be campaign planed effectively.

2 MARKETING SITUATION ANALYSIS

Marketing hierarchic proces begins by situation analysis which include **customer wants research, competition research, economical, law and political environment research** and also should answer question about company performance.

Good made situation analysis (incl. SWOT) could detect opportunities and threats in external environment and strengths and weaknesses in internal environment. The situation analysis shows how marketing plan should be creating.

Marketing situation analysis is an informal study of what information is already available in the problem area.

Marketing situation analysis is first step to start planning. The point is that marketing management bring critical, fair, systematic and complete information about situation in organization and external situation.

(Kotler, 2002)

Analysis is being done in three time horizons. These are:

- Previous progress [where the company were in the past?]
- Current progress [where the company is now?] – Sales analysis, costs analysis, competitive analysis, internal environment analysis.
- Future developing estimation [where the company want to be in the future] – forecasting involve market potential, market share, sales and profit

(Horáková, 2003)

2.1 Customer analysis

Everybody is motivated by needs and wants. Customer analysis answer important question about each specific product / service market.

Among the factors you should asses are:

- Estimated annual purchase
- Projected annual growth rate
- Size of market (customers, organizations, purchasing units)
- Demographics / socioeconomics of customers
- Geographic concetration or dispersion
- Customer buying motivations
- Information they base purchase decision on
- Purchasing practices

2.2 Key competitor analysis

Evaluation of competitor`s strategies, strengths, limitations and plans is also a key aspect of the situation analysis. It is important to identify both existing and potential competitors.

For each major competitor is neccessery to evaluate following topics

- Estimated business strenght
- Market share and market trend
- Financial strenght and weeknesses
- Profitability
- Quality of management

- Technology position
- Marketing strategy (target market strategy, product positioning, distribution and pricing strategy, promotion strategy) – what the competition is likely to do in the future.

(Soukalová, 2004)

2.3 External environment analysis (STEP analysis)

STEP analysis shows market trends in social, technological, economical and political environment.

2.3.1 Economical environment

The economic environment affects the way firms use resources. The economic environment can, and does, change quite rapidly. The effects can be far-reaching and require changes in marketing strategy.

2.3.2 Technological environment

Technology is the application of science to convert an economy's resources to output. Technology affects marketing in two basic ways: with the new products and with new processes (ways of doing things).

2.3.3 Political Environment

The attitudes and reactions of people, social critics, and governments all affect the political environment. Consumers in the same country usually share a common political environment, but the political environment can also have a dramatic effect on opportunities at a local or international level.

2.3.4 Cultural and Social Environment

This analysis shows how and why people live and behave.

(Horáková, 2003)

2.4 Internal environment analysis

(Strength, weaknesses, opportunities and threats analysis - **SWOT**)

SWOT analysis is a tool for auditing an organization and its environment. It's the first stage of planning and helps marketers to focus on a strategy that takes advantage of the firm's opportunities and strengths while avoiding its weaknesses and threats to its success.

SWOT analysis can be very subjective. Here are some basic rules for successful SWOT analysis:

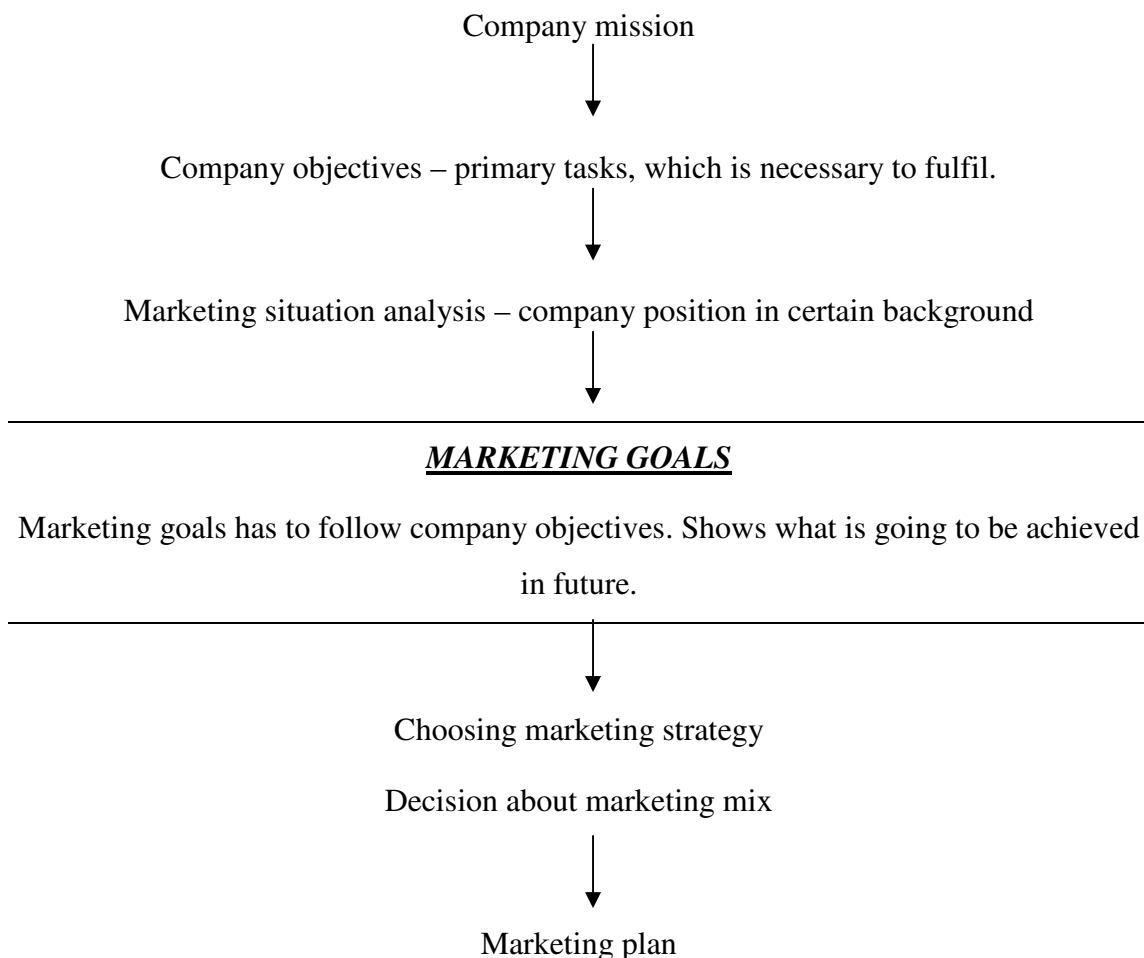
- Be realistic about the strength and weaknesses in organization
- Analysis should distinguish between where organization is today and where it could be in future
- Be specific, avoid grey areas
- Always analyze in relation to the competition
- Keep SWOT short and simple.
- SWOT is subjective

(www.marketingteacher.com)

3 MARKETING GOALS DETERMINATION

The goals are starting points of the marketing planning. Once environmental analyses have been conducted, their results will inform goals. Goals should seek to answer the question *where do we want to go?*

Marketing planning is vital to marketing success. It helps to focus the mind of companies and marketing teams on the process of marketing – *what is going to be achieved.*



(Perreault, 2002)

Marketing goals represents particular tasks and company assume their achieving during certain horizon. Goals are identified with knowledge about consumer and competition background. Goals are not direction how to achieve them.

Marketing goals answer this question:

- WHAT (benefits about is going on)
- HOW MUCH (couched in amount)
- FOR WHOM (segmentation)
- WHEN (time limitation)

(Soukalová, 2004)

4 MARKETING STRATEGY CREATING

The situation analysis identified market opportunities, defined market segments, evaluated competition and assesses the organization's strengths and weaknesses. Marketing objectives have been set up. And according to all this information is possible to design marketing strategy which show us *how to achieve goals*.

Marketing strategy assigns basic orientation in consecution. Purpose of design marketing strategies is achieved to advantageous market position.

Marketing goals answer on question – WHAT, WHO, WHEN and WHERE. Marketing strategies answer on question – HOW. Marketing strategies are means to an achieve goals and goals impacts strategy election.

Tab.1. Marketing goals v. marketing strategies

Marketing objectives		Marketing strategies	
Answer the question	Apply to	Answer the question	Apply to
WHAT?	Products	HOW?	Marketing mix
WHO?	Market or some segment		
WHEN?	Time interval		

(Kotler, 2002)

Marketing strategies show products and markets, which are businesslike for put source in. Also shows which products and market choose for meeting competition and other organization.

Choosing strategy and their consecutive realization is one of the most important steps in marketing process. It presents especially decision about marketing mix and about source allocation in certain horizon.

There are three basic counter forts in marketing strategy. To get a product or service to the right person or company, a marketer would firstly **segment** the market, then **target** a single segment or series of segment and finally **position** within the segment(s).

4.1. Segmentation

Segmentation is essentially the identification of subsets of buyers within a market who share similar needs and who demonstrate similar buyer behavior. The world is made up from billions of buyers with their own sets of needs and behavior. Segmentation aims to match groups of purchasers with the same set of needs and buyer behavior. Such a group is known as a segment.

Segmentation is a form of critical evaluation rather than a prescribed process or system, and hence no two markets are defined and segmented in the same way. However there are a number of underpinning criteria that assist us with segmentation:

- Is the segment viable? Can we make a profit from it?
- Is the segment accessible? How easy is it for us to get into the segment?
- Is the segment measurable? Can we obtain realistic data to consider its potential?

(www.marketingteacher.com)

There are many ways that a segment can be considered. For example, the auto market could be segmented by: driver age, engine size, model type, cost, and so on. However the more general bases include:

- by geography - such as where in the world was the product bought
- by psychographics - such as lifestyle or beliefs
- by socio-cultural factors - such as class
- by demography - such as age, sex, and so on.

(Svoboda, 2004)

A company will evaluate each segment based upon potential business success. Opportunities will depend upon factors such as: the potential growth of the segment, the competition level in segment, how much profit the segment will deliver, how big the segment is, how the segment fits with the current direction of the company and its vision.

4.2. Targeting

Targeting is the second stage in strategic process. After the market has been separated into its segments, the marketer will select a segment or series of segment and target it / them. Resources and effort will be targeted at the segment which we choose.

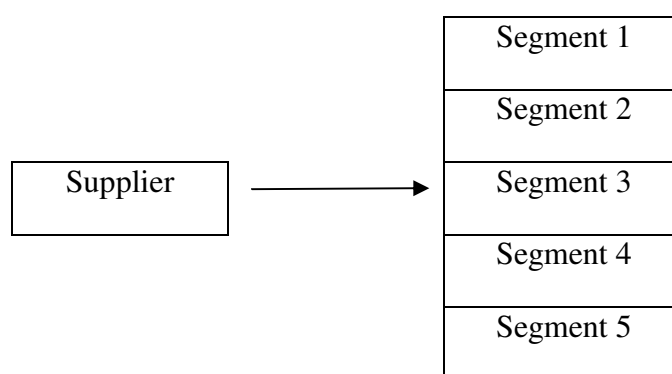
The targeting strategy may be influenced by the market's maturity, the diversity of buyer's needs and preferences, the firm size compared to the competition, corporate resources and priorities, sales potential and financial projections.

Aiming the dart or the bullet at a specific scoring area is 'targeting'. There are three main types of targeting.

The single segment with a single product.

The marketer targets a single product offering at a single segment in a market with many segments. For example, British Airways' Concorde is a high value product aimed specifically at business people and tourists willing to pay more for speed.

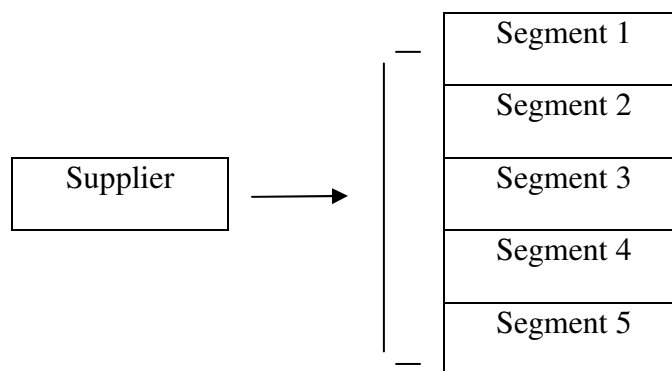
Tab.2 The single segment with a single product



Single product at all segments

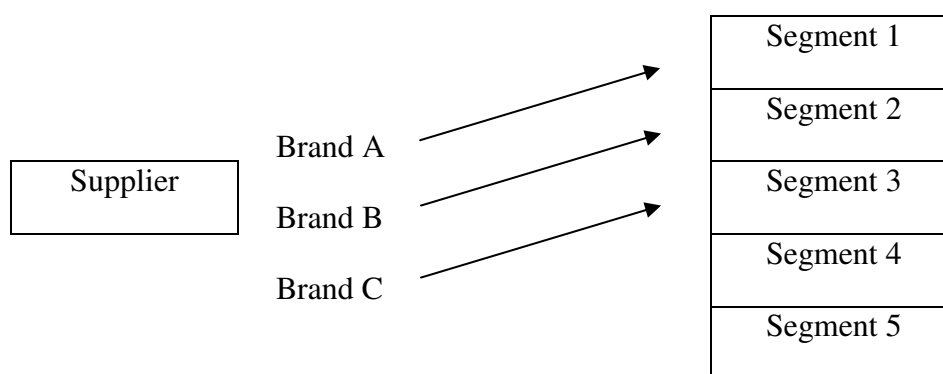
In this type could marketer ignore the differences in the segments and choose to aim a single product at all segments. This is typical in **mass marketing** or where differentiation is less important than costs.

Tab.3 The single product at all segments

*Different segments with a series of differentiated products*

That is a multi-segment approach. Here a marketer will target a variety of different segments with a series of differentiated products. This is typical in the motor industry (variety of products as diesel, four-wheel-drive, sports, saloons and so on)

Tab.4 Different segments with a series of differentiated products



4.3 Positioning

Seeks to position the products in the eyes and mind of the buyer and distinguish the company, product or brand from the competition. The positioning strategy is the combination of product, channel of distribution, price and promotion strategies a firm uses to position itself against its key competitors in meeting the needs and wants of the market target. This strategy is also called the marketing mix or the marketing program.

(Cravens, 1999)

Positioning is all about **perception**. As perception differs from person to person, so do the results of the positioning map e.g. what you perceive as quality, value for money and so on – is a different to my perception. However, there will be similarities.

Product or services are mapped together on a positioning map. This allows them to be compared and contrasted in relation to each other. This is the main strength of this tool. Marketers decide upon a competitive position which enables them to distinguish their own products from the offering of their competition.

The term 'positioning' refers to the consumer's perception of a product or service in relation to its competitors. You need to ask yourself, **what is the position of the product in the mind of the consumer?**

(Svoboda, 2004)

Trout and Ries suggest a six-step question framework for successful positioning:

1. What position do you currently own?
2. What position do you want to own?
3. Whom you have to defeat to own the position you want.
4. Do you have the resources to do it?
5. Can you persist until you get there?
6. Are your tactics supporting the positioning objective you set?

(www.marketingteacher.com)

4.4 Marketing mix

The marketing mix is probably the most famous phrase in marketing. The elements are the marketing tactics, also known as the “four Ps”. Some commentators increase the marketing mix to the “five Ps” to include people. Others increase the mix to “seven Ps”, to include physical evidence and process. For my need I will work with traditional 4 ps.

4.1.1 PRODUCT Strategy – the main point is PRODUCT, which represent real benefit for consumer and is able to take attention. Product has to have value for consumer. Basic strategy components, which are needed for this strategy, are functional property, size, content, color, quality, trademark, design, cover, services, image and so on. Product strategy is based upon the product life cycle.

4.1.2 PRICE Strategy involves choosing the role of price in the positioning strategy. Czech consumer is very responsive to changing prices. Is disposed to pay more for staple. Price position is closely linked to several others aspects of the positioning strategy such as product quality, distribution strategy, and advertising and personal selling programs.

4.1.3 DISTRIBUTION Strategy focus themselves on getting a firm’s products to its target markets. While some producers market their products directly to end users, many others utilize various types of wholesalers and retailers to perform distribution functions and activities.

4.1.4 PROMOTION Strategy informs consumer and helps to sell company products. The promotion mix includes advertising, personal selling, sales promotion, direct marketing and so on. Choosing the right communication depend on the role of promotion strategies in the total marketing program and on solution about push and pull strategic way.

(Soukalová, 2004)

Tab. 5. Summary of strategies in marketing mix

Marketing mix elements	Basic strategic componenets	
PRODUCT	size	design
	colour	cover
	quality	services
	trade mark	producer or product image
	functionality	
PRICE	pricing	
	terms of payment	
	discounts	
	terms of credit	
	allowances	
PLACE	channel of distribution	
	providing services	
	connecting links in distribution	
PROMOTION	advertising	publicity
	sales promotion	public relations
	merchedising	personal sales
	direct marketing	

It can be state that marketing strategy choosing assume:

- focus on requested, reliable and efficient product (product strategy)
- which will be accessible in distribution place (place strategy)
- which will be selling in reasonable price in comparing with similar product prices (pricing strategy)
- their promotion will be effective and suitable for consumer and product characteristic (promotion strategy)

(Horáková, 2003)

5 PRODUCT STRATEGY

The heart of a marketing program positioning strategy is a firm's product offering. It is hard to develop a promotion program or distribution strategy, or to set prices without knowing the product to be marketed. Product strategy includes:

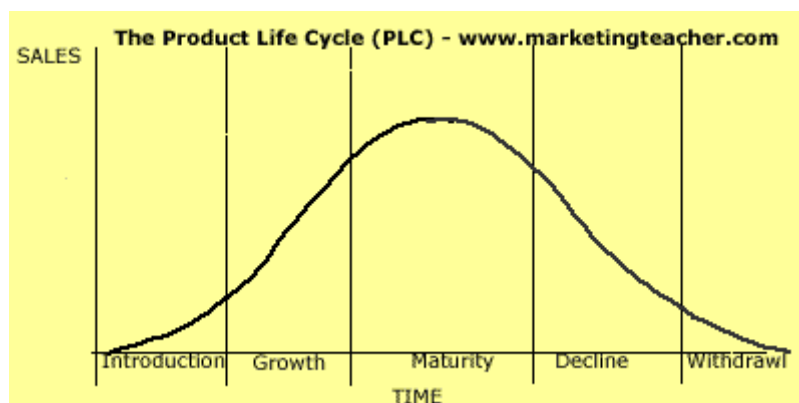
- Deciding how to position a firm or business unit's product items, lines and / or mixes.
- Setting strategies objectives for each product item and product line.
- Selecting a branding strategy
- Developing and implementing strategies for managing products.

Product Positioning and Objectives

Product positioning consist of deciding how to compete with a product or line of products against key competitors in the target markets slected by the management. Key decisions about quality, price and features establishe guidelines for product development and improvement. Closely associated with positioning decisions are the strategic objectives for the product strategy.

(Cravens, 1999)

Choosing product strategie also depends on products life cycle. Each phase has onw rules how to work with strategies.



Pic. 1 The Product Life Cycle (PLC)

6 PLACE (DISTRIBUTION) STRATEGY

Place is also known as channel, distribution or intermediary. It is the mechanism through goods and services are moved from the producer to the user or consumer.

It is the decision about WHEN and WHERE product will be sell and WHICH way will be use to offer product to consumer.

Six basic „channel“ decision:

- Direct or indirect channels (direct to a consumer, indirects via a wholesaler)
- Single or multiple channels
- Cumulative length of the multiple channels
- Type of intermediary
- Number of intermediaries at each level
- Which companies as intermediaries choose.

(www.marketingteacher.com)

There exist two basic distribution strategy, which respect some level in customer needs satisfaction:

Intensive distribution

In intensive distribution the product is everywhere. An example would be the retailing of gasoline. If you look at all the major retail outlets, they are on every corner. In an intensive distribution, the stocking costs are typically very low. Convenience for the customer is critical. When they decide that they need gas or toothpaste, you'd better be there. Convenience is more important to the customer, whereas in selective distribution they are willing to travel to a retail outlet and have fewer choices for that type of product.

Selective distribution

When we decide to use selective distribution, it means that there are fewer locations where the customer can buy our product. We are not everywhere.

We take this approach when the cost to stock our product is very high. For example for home computers, you might sell through a retail outlet. The inventory cost is very high for that retailer so you don't want to license several retail outlets in a small market to sell your product. Their inventory cost is so high and if you create all kinds of competition for them then you are weakening their position.

Another consideration is whether customers are willing to travel to a location to purchase the product. For high ticket items like cars, furniture or computers, the customer may be willing to travel to a number of outlets. But for items like toothpaste, it had better be everywhere. Because they are not willing to travel all around to buy toothpaste, it needs to be available in every outlet.

(www.unb.ca)

7 PRICING STRATEGY

Set the marketing strategy in pricing field depends on market segments characters, on competition or on the product life cycle.

There are some strategie in various situation:

Tab. 6 Pricing Strategie Matrix

		QUALITY	
		LOW	HIGH
P R I C E	LOW	ECONOMY	PENETRATION
	HIGH	SKIMMING	PREMIUM

(Perreault, 2002)

For launching new product is good to choose between two strategies:

Penetration

The price charged for product and services is set artificially low in order to gain market share. Once this is achieved, the price is increased.

Skimming

Charge a high price because product has a substantial competitive advantage. However, the advantage is not sustainable. The high price tends to attract new competitors into the market and the price inevitably falls due to increased supply.

Others pricing strategie

- Psychological pricing – this approach is used when the marketer wants to respond on an emotional, rather than rational bases. For example price 99 not 100.
- Promotional pricing – pricing to promote a product is a very common application. There are many examples such as buy one get one free.
- Competitive pricing
- Product line pricing

(Horáková, 2003)

8 PROMOTION STRATEGY

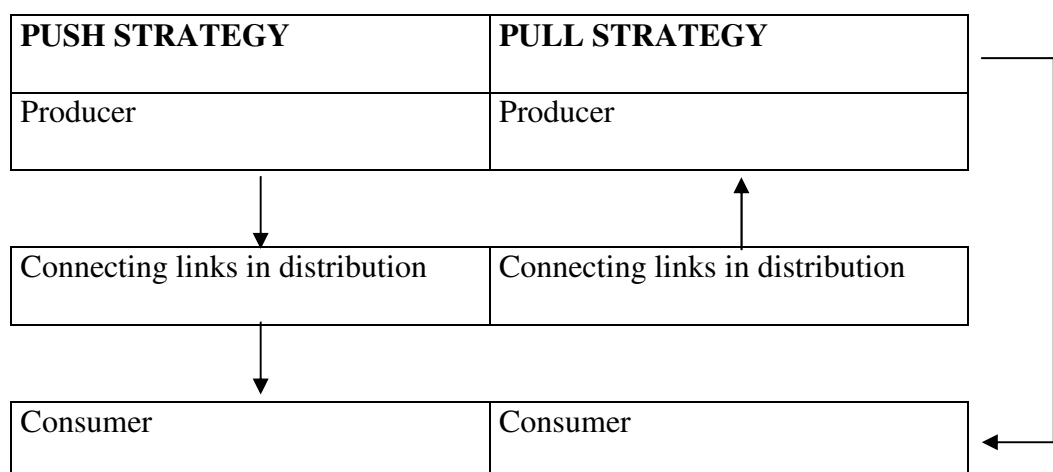
Communication strategy contribute to well-informed consumer and successful sells. Efficiency in this strategy depends on choosing components, event. their combination. Choosing strategy is influenced by the company goals and depends on decision if the company use strategies PULL or PUSH.

Two basic promotion strategies:

- The PUSH STRATEGY maximizes the use of all available channels of distribution to „push“ the offering into marketplace. This usually requires generous discounts to achieve the objective of giving the channels incentive to promote the offering, thus minimizing need for advertising.
- The PULL STRATEGY requires direct interface with the end user of the offering. Use of channels distribution is minimized during the first stages of promotion and a major commitment to advertising is required. The objectives is to „pull“ the prospects into the various channel outlets creating a demand the channels cannot ignore.

(Kotler, 2002)

Tab. 7 Push or pull strategy



(Horáková, 2003)

Of course is possible to combination them. Important is efficiently take advantage of each way. Is normal to focus strategies on retailers and as well as on consumer. Strictly choice doesn't use all power of marketing communication.

For effective communication is necessary to choose COMMUNICATION MIX which consists of:

- Advertising
- Sales promotion
- Public relations
- Direct marketing
- Personal sales (face-to-face sale)

II. ANALYTICAL PART

1 INTRODUCING DISTRIBUTION COMPANY – IMUNOTOP CZ S.R.O. (HISTORY, PRESENT AND BASIC STRATEGIC GOALS FOR THE FUTURE)

Company IMUNOTOP CZ s.r.o. works on Czech market from 2002. The company was established as a branch of Slovak company IMUNOTOP SK which work on Slovak market from 2001. Till 2003 both companies worked together and had the same assortment. From 2003 IMUNOTOP CZ s.r.o. became independent and exclusive distributor of Bi-obran and New Life Colostrum in Middle and East Europe.

The main activity of the company is distribution of natural nutrition supplements for support immunity system and maintains body.

A company assortment belongs among exclusive products and is top of the world produce. They would like to continue in this trend and offer to all consumers the best quality.

The main parts of products are distributed to pharmacies. 10% is distributing to e-shops and 12% to shops with natural supplements (not pharmacies).

IMUNOTOP CZ s.r.o mark positioning

Complex supplier of exclusiv natural immunostimulants

IMUNOTOP CZ s.r.o. gain strong position on pharamceutical trade by distribution product Bi-oBran.

In this time company has 9 employees. Year turnover is 11 million Czech krouns. This turnover is only from Bi-oBran business.

Company has 27% market share on trade with antitumor products. Current competitor is OVOSAN with 48% market share. We sell products under producer brand (not under our own). All our products hang together with indication – all are immunostimulants.

2 ACTUAL SUPPLIERS AND PRODUCTS

Producer: Daiwa Pharmaceutical Ltd., Tokio

Product: **Bi-oBran (MGN-3)**

Bi-oBran is the natural food supplement for helping to maintain a strong immune system. Bi-oBran, as part of healthy diet, gives our white blood cells the nutritional support necessary to carry out their vital role energetically and efficiently, helping to optimize immune function.

Bi-oBran has become one of the leading immune system supplements taken throughout the world. In this time is Bi-oBran the most intent supplement for support cancer treatment on Czech market.

(Bi-oBran had been launched on Czech market in September 2002. Budget for launching campaign was 5, 5 mil. CZK)

Producer: Symbiotics Inc. – The Colostrum company, Arizona, USA

Product: **NEW LIFE COLOSTRUM**

New Life Colostrum are products made from colostrum. Colostrum is the pre-milk liquid that mothers produce at birth. It is full of immune factors and essential growth factors to insure health and vitality for adults and children. NEW LIFE COLOSTRUM support immune system, combat bacteria and viruses, enhance skin and muscle rejuvenation, support joint and cartilage function, metabolize (burn) fat, enhance mood, maintain healthy intestinal flora, increase strength and stamina, accelerate healing of injury or trauma.

(New Life Colostrum is launching in this time. These products belong among the best selling nutrition supplement in the USA).

Producer: MED-PRO Holland B.V., Netherlands

Product: **PROSTASOL**

Natural food supplement for support prostate cancer treatment.

2.1 Company's main strategic goals

The company is aware of big competition on market with natural supplements, even so knows that with good marketing strategy could keep their position and increase the market share.

Among the most important goals include:

- Keep the position of good supplier the quality natural supplements which are focus on treat cancer and other serious illnesses.
- Also is necessary to have quality consultants in oncology and immunology branch. This point is very important because patients have many questions, which are in relation with their illness (and products are quite expensive and people need information to decide about purchase).

Company has two main medicine consultants:

Prof. Dr.Med. Ben.L.Pfeifer

Consultant for Bi-oBran

Director for Clinical Research at Aeskulap Cancer Center, Brunnen, Switzerland

Specialities: anesthesiology, psychology, cancer immunology

MUDr. Jaroslav Svoboda

Consultant for Bi-oBran and New Life Colostrum

Director for immunology clinic, Prague, Czech Republic

Specialties: immunology, oncology

Put the question to our consultants could people and specialist on our website on the link "e-clinic"

- To educate doctors in branch immunology in oncology. In this year company organize I. International Bi-oBran workshop 2005 – Immunology in oncology. On basis my experiences from communication with patient, oncologist have gap in immunology branch.
- In the assortment company want to have products which are on the top of the world produce. These products are more expensive but thanks to their quality gain consumers and could be successful also among doctors.

To create strategy and plans is in competence of the top management, which once in the year control if plans and strategy were follows.

3 INTRODUCING PROMOTING PRODUCTS AND PRODUCER

New Life Colostrum are nature nutrition products made from colostrum.

What is colostrum?

Colostrum is the pre-milk fluid produced from the mother's mammary glands during the first 72 hours after birth. It provides life-supporting immune and growth factors to insure health and vitality of the newborn, such as immunoglobulins, cytokines, lactoferrin. Without colostrum, most calves do not survive.

Because of bovine colostrum's unique contents and nonspecific characteristics, it is a remarkable supplement for people of all ages. Numerous medical and clinical studies conducted worldwide conclude that bovine colostrum helps support the immune system, gastrointestinal tract, and overall good health.

Because colostrum comes from an animal source, the health, diet, and treatment of the cows are of paramount importance.

Colostrum for NEW LIFE COLOSTRUM is collected from the New Zealand Dairy Group. New Zealand's ideal grazing climate, strict government - regulated ranching techniques, and ISO rated, state-of-the-art processing methods make New Zealand colostrum a superior product.

What is NEW LIFE COLOSTRUM?

New Life Colostrum is the only high quality colostrum product made from New Zealand colostrum. New Life Colostrum is manufactured using processes and equipment that are accredited to internationally recognize high quality standards, including ISO 9001 and ISO 14001. These standards include close monitoring of engineering maintenance, the environment, manufacturing and product testing, quality control and pathogen management.

New Life Colostrum is preventive and supporting application for:

- ❑ Support immune system
- ❑ Combat bacteria and viruses
- ❑ Enhance skin and muscle rejuvenation
- ❑ Support joint and cartilage function
- ❑ Metabolize (burn) fat
- ❑ Enhance mood
- ❑ Maintain healthy intestinal flora
- ❑ Increase strength and stamina
- ❑ Accelerate healing of injury or trauma.

New Life Colostrum offers 42 types of products and each of them is determinate on treating different illness.

For the beginning we start on the Czech market with five types and with them we launch trademark New Life Colostrum.

Choosed products:**FOR CHILDREN**

New Life Colostrum HIGH-IG – is the most potent, bioactive immune supplement. To ensure potency, it is collected from the first milking after the needs of the calf are met. HIGH-IG is guaranted to have a minimum 40% IgG level. Best for children which are often ill and have to use antibiotics. For children is colostrum the most native supplement.

FOR NURSING MOTHERS

New Life Colostrum Lactofferin – helps support a healthy gastrointestinal tract while helping support the body's nature ability to absorb nutrients. Nursing mother very often suffer from anemia. Lactoferin helps to transport iron. On the market exists many products, which help with anemia. But many of themes are not good for newborn.

FOR WOMEN

New Life Colostrum CANDIDA – helps regulate the balance of intestinal flora, increase absorption of nutrients in the body, and decrease bioavailability of iron to pathogens. This product contains probiotics, which are good for women (also men) who suffer from yeastlike infection (candidosis). Candidosis is theme that is very discus in this time and many women want to struggle with fungus in their body.

FOR MEN after 40 and if you have serious problem with gastrointestinal tract

New Life Colostrum Immune – helps protect us from invading organisms, intercept pathogen replication which helps the body utilize vitamins, facilitate iron transport and absorption. IMMUNE is the strongest products from all. Clinical research shows that is good prevention in gastrointestinal tract cancer (this cancer invasive especially men after 40). Czech Republic is on the top with this disease.

FOR WHOLE FAMILY**New Life Colostrum BASIC**

With NEW LIFE COLOSTRUM want company to increase market share and enlarge base of customer.

According to consumer interests we will take next products on. It will be much easier because pharmacies and consumer will know trade mark New Life Colostrum.

With products New Life Colostrum Company will follow their positioning – supplier of the quality natural supplements for treat cancer. New Life Colostrum is also determinate on support treatment the GI cancer, but has also more extensive use. So with NLC could company gain new consumers.

4 SITUATION ANALYSIS OF MARKET BACKGROUND

4.1 Consumer behavior

How customer shopping?

Based on long-term research prepared by company **Median** was confirm, that consumers are choosing nutrition supplement on recommendation from their doctor, then they choose based on their own experience and third important factor is recommendation from pharmacist. On the end place is advertising.

But my experience argue on opposite. If you see top ten selling products, which were dedicate to support flu treatment. You could not find any which don't have advertising supports.

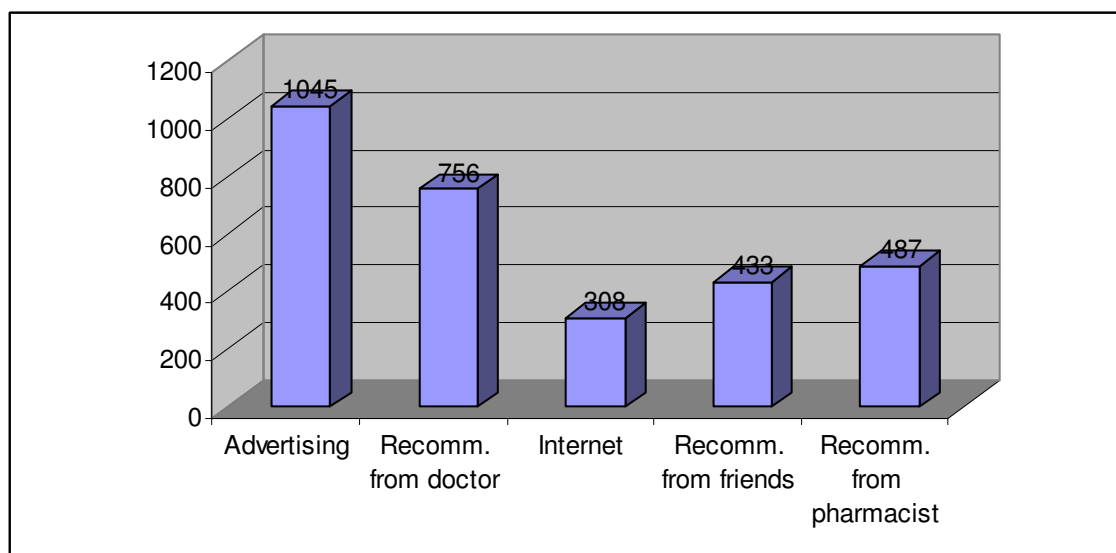
Result is that advertising has strong power in this branch but never will be successful without exact elaborate distribution network. Pharmacist has to have detailed information about product because in busy life they substitute for advice from doctors. Pharmacist course is basic marketing tool. The questionnaire also shows importance of sales representatives.

Here is the point that is necessary to use PUSH as well as PULL strategy to sell products on pharmaceutical markets.

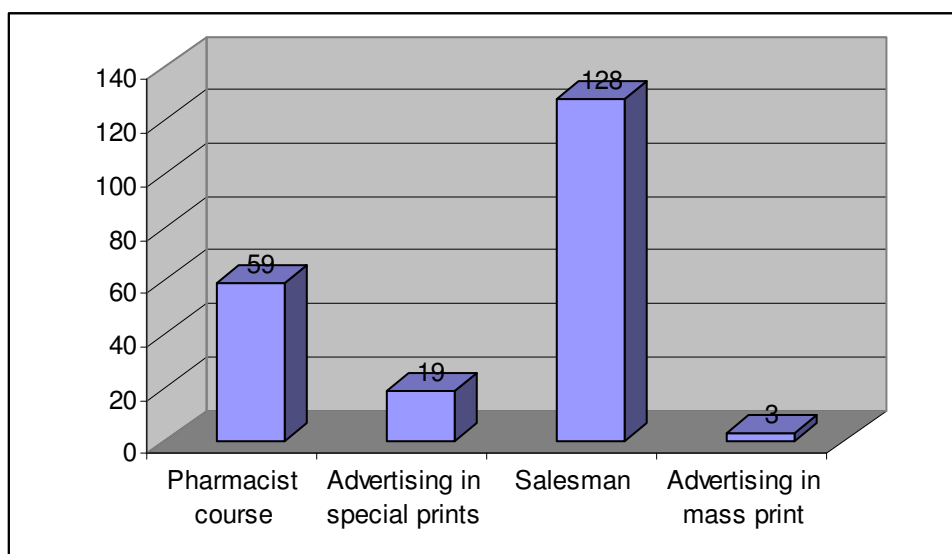
Questionnaire results from pharmacies shows what is the most important impulse for consumers and what helps to pharmaceutical orient among all products.

Graf 1. Questionnaire result 1

What is the biggest impulse for consumer to buy product. Select from 1 to 5, whereas 5 is the most important.

*Graf 2. Questionnaire result 2*

What helps you to orient among all products? Where do you gather information?



4.2 Competition analysis

Direct competition

- **BARNY`s** (before PROENZI, this trade mark have been sold to WALMARK company)

Product BARNY`s colostrum is made on the same way as NLC. Producer is Canada. Their drawback is that they have only basic colostrum. There is limitation in argumentation to consumers (limitation in promotion).

Barney`s colostrum sells through the pharmacies, health shops and e-shops. Price 299,- / 30 capsules at 500 mg. (NLC 620,- / 120 capsules at 480 mg – for Czech trade is thinking about making smaller packaging. 30 capsules will cost around 199,-)

- **PHARMA ACTIV**

Only basic colostrum. 60 capsules at 280 mg costs 360,-.

Pharma Activ sells through multilevel marketing and in choice health shops (not in pharmacies).

- **Dr. BOIDA Colostrum**

Selling only in powder (not in capsules). 580 g (the same amount like 120 capsules) cost 560,-. Again only basic colostrum.

- There are some small companies which sell colostrum through the e-shops. I have found 3 types of basic colostrum which cost from 560,- to 1200,- per 120 capsules.

In pharmacies distribute BARNY`S, Dr. BOIDA Colostrum and IMUNOTOP. Any of these companies don't have colostrum as main product. Here we could take an advantage to come as first. In pharmacy branch is this advantage very important

Indirect competition

All products which have the same effect – increase immune system by the natural way + protect GI tract.

In common is colostrum on the Czech market novelty. So we have to inform consumers about what colostrum is and how works in their body. All these activities have to be done under trade mark New Life Colostrum. In USA and GB colostrum belong among the best selling natural supplements.

Here consumers still buy classic vitamins, but this trend begins to step aside and people want to use natural products with proven effects.

Considering that New Life Colostrum is new product is not possible to define market share.

4.3 Product SWOT analysis

How was note upside product is import from USA, where is also produce. Production is of course adjusted to American consumer which has absolutely different needs than consumer in Czech Republic.

On basis the questionnaire in the pharmacist I was able to draw up the SWOT analysis and suggest changes which would adapt product to Czech consumers.

Strength

High produce quality – ISO 9001 and 14001

Integrated product row

High quality – natural product with proven effects (colostrum is known also among doctors).

Best selling product in the USA

Many disease survival

Weaknesses

Only big packaging (120 capsules) – financial intensiveness. Results from my questionnaire say that consumers in some cases would rather buy smaller packaging.

IMUNOTOP – new company on pharmaceutical trade (3 years), without capital.

Opportunities

Products from colostrum have on the Czech market two companies and only like secondary assortment. In this situation we could take an advantage and come as a first.

Consumers' changes needs and wants to buy quality.

We would use information which publish competition

Changes in healthy system. People in western countries spend more money for this type of product because they have to pay for each treatment, so they take a care about prevention.

Tab. 8 Costs on supplement in European countries

Research from 2003 (www.lekarnici.cz)

Country	EUR / person per year
Germany	80,1
Austria	72,3
Czech republic	39,8
Slovakia	32,3
Spain	68

Threats

Intensive preasure in competitive environment

The public has small faintly about this type of support.

Some strong competitor comes with the similar product.

Pharmacies are full and pharmacist has indifferent attitude.

Negative doctor's attitude towards this support.

4.4 Ambient environment analysis

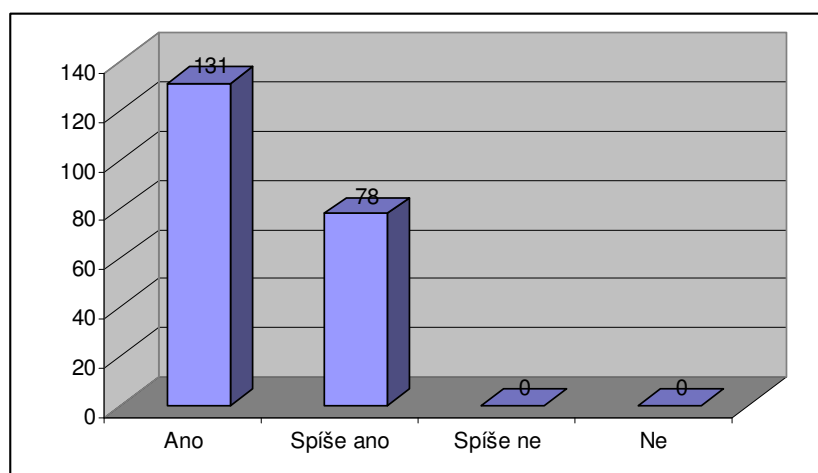
4.4.1 Economical environment

Pharmaceutical trade has passed through by the dynamical development in the last 14 years. At the beginning (1990 – 1996) had has the supplier dominant position. Market were unsaturated and companies which comes in this time had easy way to launch their products.

From 1997 the pharmaceutical trade in Czech republic had passed through a decesive phase. On market remained only six wholesales, which accumulate goods from all distributor and producer. Amount of distributor and producers grow up about 200%. Market became saturated and hard for orientation. Launching a pharmaceuticals became extremely costly and time consuming procedure. But witout good marketing support couldn't be product succesful.

As I asked in pharmacies if them seem market saturated so they answer in this way:

Graf 3. Questionnaire results 3



On these question all pharmacies alluded bad orientation among products and that them really help information gain from advertising.

4.4.2 Technological environment

Pharmacy is a “branch concerning itself with the research and preparation of curative substances, with the production, control, storage, dispensing and correct use of curative preparations.” This definition gives an idea of the scope of pharmaceutical activities involving a large number of entities, which carry out these activities directly or indirectly and which closely co-operate with pharmacy.

These entities are not only manufacturing, distribution and commercial firms and their representations in the Czech Republic or institutions providing services in the area of drug production and distribution, and also pharmacies, which are the last link in the chain of pharmaceutical activities dispensing medicines to patients, but also research and scientific institutes and schools.

A necessary prerequisite of the development of pharmacy and its role in the health service is close connection and co-operation between pharmacists, doctors and drug producers, whose work links up with the research and development of new medicines and food supplements. Very important is the rapid supply and exchange of information. This can be achieved by co-operation between medical and pharmaceutical companies and their incorporation in international associations. In the Czech Republic, this role is played, among others, by the J.E. Purkyne Czech Medical Society, the Czech Pharmaceutical Society, professional chambers, the Czech Medical Chamber, the Czech Pharmacists' Chamber and the Pharmacists' Association. The manufacturers are represented by the Association of the Czech Pharmaceutical Industry (SCFP).

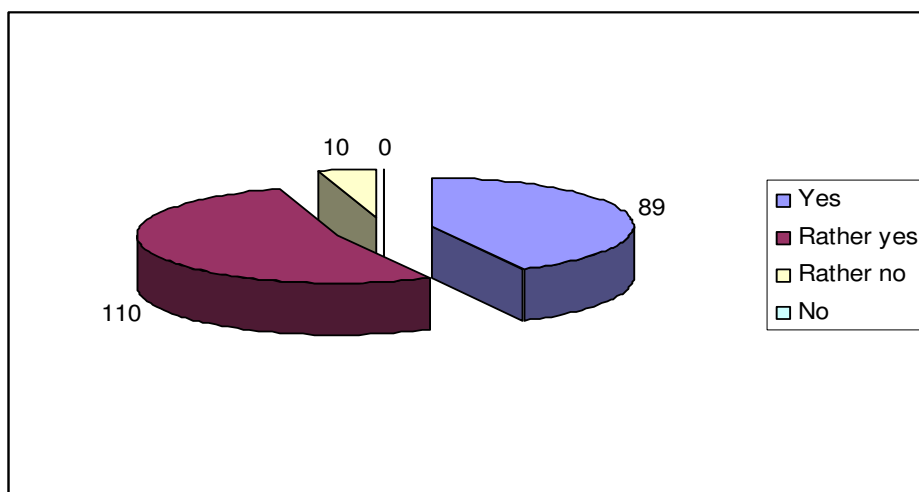
(www.lekarnici.cz)

4.4.3 Cultural and social environment

To this environmental characteristic also belongs how people care about their health. What is normal in physical culture and how are people interesting in prevention. In one research from 1996 (www.pharmaworld.com, 18.4.2005) was mentioned that people are not use to care about their health and believe that medicaments are solution for their problems.

According to my research in 2005 attitudes were changed. On the question – Do you think that Czech consumer care for prevention? – pharmacist respond:

Graf 4. Questionnaire result 4



4.4.4 Political environment

The Czech Republic is a parliamentary democracy. President Vaclav Klaus, a former prime minister and minister of finance, is the head of state. Since 2002, the country has been governed by a coalition of the center-left Social Democratic Party (CSSD), the Christian Democratic Union (KDU-CSL and the Freedom Union (US) parties. The Prime Minister is Stanislav Gross chairman of the CSSD. The coalition enjoyed a bare one-vote majority in the lower house of parliament, the Chamber of Deputies. The main opposition party is the center-right ODS, headed by Mirek Topolánek. The Communist Party holds another large block of seats in the parliament. Now, the fragile coalition government fell apart. As of this writing, the CSSD is trying to form a new government. If it fails to do so, the most likely alternative is an early parliamentary election.

5 SETTING BASIC MARKETING GOALS

- Establish a product
- Lead consumers to buy product regularly – lead them to prevention
- Publicize trademark NEW LIFE COLOSTRUM and trademark IMUNOTOP
- Motivate and notify pharmacy – WHY they should sell NEW LIFE COLOSTRUM and not colostrum from competitors. (Why is better, why is more effective and other benefits).
- Increase turnover about 40% till 3 months

To access this goals is necessary to prepare basic marketing strategies. That means decide about 4Ps in marketing mix which will be maximum effective and will complete creative part in campaign.

For choosing right strategy I will use information gain from primary as well as secondary research. This research will be part of whole market environment analysis which involve consumer behavior and competition environment analysis.

Questionnaire inquiry has been done in 209 pharmacies in various town and cities.

5000 – 15000 inhabitant	30 pharmacies
15001 – 30000 inhabitant	22 pharmacies
30001 – 60000 inhabitant	83 pharmacies
60001 and more (incl. Prag)	74 pharmacies

In Czech Republic are 2113 pharmacies. This number I obtain 20.4.2005 from website of Ministry of health.

Gain information will help me to decide how product prepares and which arguments to choose for advertising.

6 DRAW UP MARKETING STRATEGY

6.1 Segmentation and targeting

Target groups could be divided into three basic factors:

- Product indication
- Buyers – socio-demographic segmentation
- Sellers – distribution net

6.1.1. Product indication segmentation

New Life Colostrum HIGH-IG – children 3 – 12 years old

New Life Colostrum CANDIDA – women from age 15.

New Life Colostrum LACTOFFERIN – nursing mothers.

New Life Colostrum IMMUNE – men 40+

New Life Colostrum BASIC – for whole family

6.1.2. Buyers – socio-demographic segmentation

Women 25+ in active age with secondary and university education with average and above average salary who lives active life and are interesting in their health.

Women / men 40+ this group is sensitive on question about health. In this age start having first health problems, even people still live active life and want to have some solution on their concrete problems.

Men 40+ managers – men with high purchasing power who are looking for some alternative way to increase their condition.

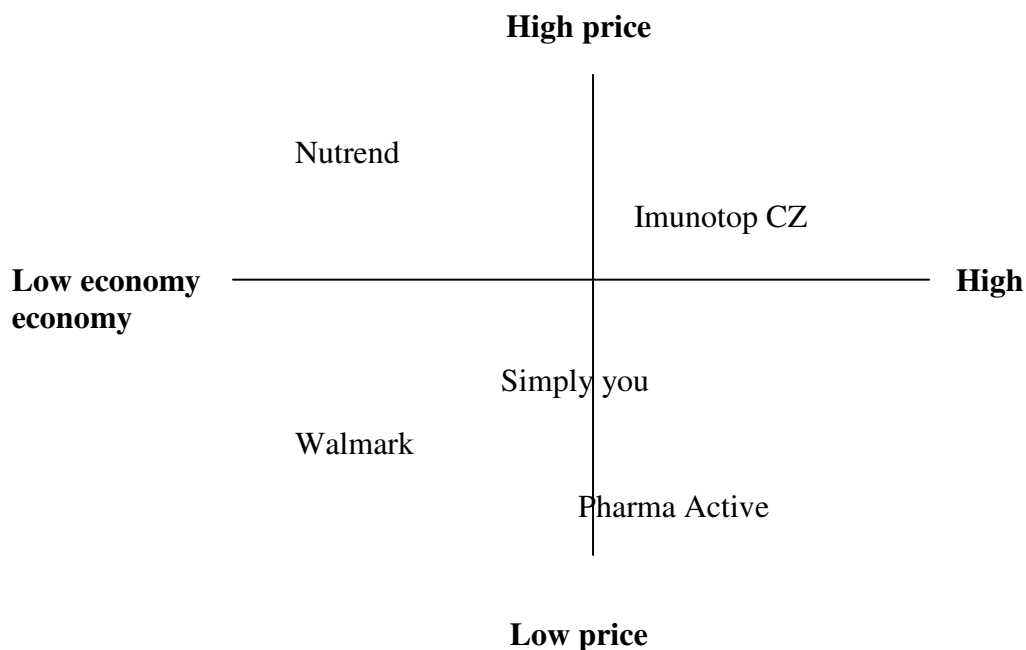
Mothers with children 3 – 12 years old

6.1.3. Sellers segmentation

For successful establishing the product is necessary to choose the right sellers. Here are two basic sellers – pharmacies and salesrooms healthy sustenances.

6.2 Company positioning

Companies: IMUNOTOP, WALMARK, PHARMA ACTIVE, SIMPLY YOU, NUTREND



Pic.2 Positioning map for Pharmaceutical companies with similar assortment.

6.3 Marketing mix

6.3.1 Product

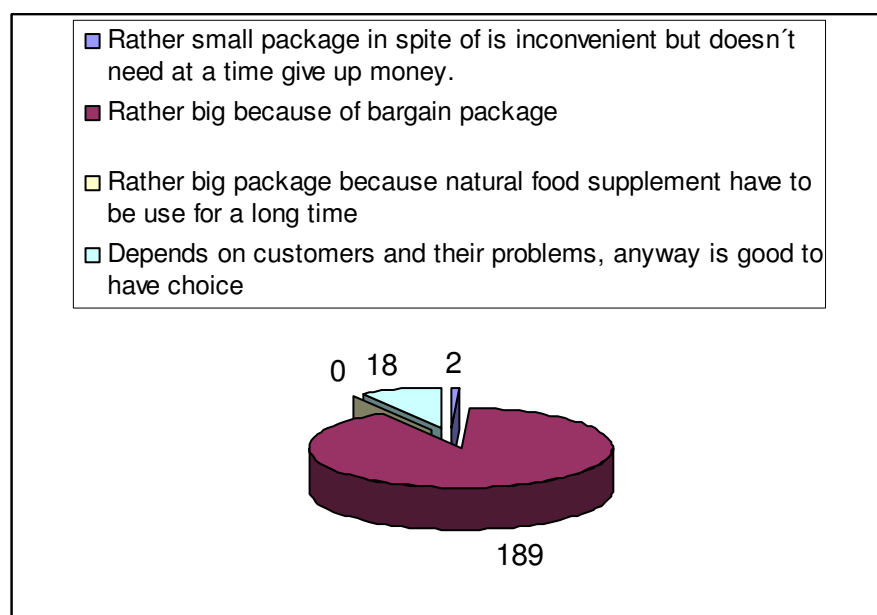
Product is natural food supplement which is intended to various target groups. Is imported from USA and on basis my questionnaire is necessary to assimilate them to Czech consumer. First of all we have to adjust size.

Original imported product is in 120 capsules packaging. It could be quite expensive. Company wanted to repackage to 30 and 60 capsules boxes and also leaves 120 capsules boxes.

But on base my research they will start repackaging only to 30 capsules and leave 120 capsules boxes. 30 capsules package will be made only from three products – HIGH-IG, CANDIDA, IMMUNE. Lactoferrin and basic will be available only in 120 capsules package.

Graf 5. Questionnaire results 5

If the products have several sizes of packaging, what customers prefer?



Almost all pharmacies respond that customers prefer big package but is good to offer also some small one. People want to try the taste or size of capsules and very often will buy first small package.

After this detection, company has decided to make only 30 and 120 capsules package to offer consumer some small one and one bargain package.

120 capsules boxes will be import in not labeling boxes and in Czech Republic will be emblazon or repack to smaller boxes.

According to communication with Ministry of health, repackaging will be made by SVUS Pharma Company because IMUNOTOP CZ doesn't have relevant premises. SVUS Pharma Company also provides labeling.

Here is also question about labels design. Producer abide only original name. Labels design could be done by IMUNOTOP CZ s.r.o.

Labels design will appear from whole communication design. After long discussions were choosed blue like basic colors. Then each product would have different colors to differentiate them.

Labels design is shown in *appendix I*.

6.3.2 Price

Fixing prices is important especially for general new products strategy. In price is included share of advertising, production, quittances etc. Price also designates rate of product penetration on market and gives to consumer sign about quality.

Because company have to see the product through many competitors, which have similar products, they choose strategy of PENETRATION PRICING.

Is necessary attract new consumers and quickly penetrate into the market and so obtain advantage in comparison with competition.

According to Pharmacy research from 2003 – Pharmacy shopping, which was completed by Incoma research, are people willing to pay 200 – 250 CZK for one product (if they don't have some serious problem, we are talking about prevention). That's a reason why we would like to have one product with price under 200 CZK.

2 ways of pricing:

- Starting prices

At launching is important to place basic product row on pharmacy counter. As soon as product will be placed on counter, pharmacy will be interesting to sell them and we have to motivate them buy others and leave the product row completed.

Of course we have to put up consumers to the pharmacy. Pharmacist has to see that people are interesting in this product.

For establishing will be basic product row placed under action price:

30 capsules packaging in amount five will sales representative put up for sale under price 699,- CZK (current price – 996,-).

Part of this packet will be special shelf label. Display the shelf label is in *appendix II*.

- Ordinary prices formation

On creation these prices we have to count that to the business margin has to involve all costs.

IMUNOTOP CZ s.r.o. creates the prices and costs are represented in percentage quantity.

12%	Overhead costs
15%	Advertising
10%	Motivation for salesman, doctors and pharmacies
10%	Quittances
15%	Surplus

According to these percentage amount has to be business margin minimally 62%. Products are purchasing in dollars, so the business margin depends also on currency course.

Concrete pricing is state in *appendix III*.

Pricing strategy also involve trading terms like discounts, payment etc. I propose to IMUNOTOP CZ s.r.o. these conditions:

Discounts from taking:

1 – 5 items	no discount
6 – 10 items	5% discount
11 and more items	10% discount

These discounts are not provided in commisional sales and for wholesalers (from them are prices fixed).

Maturity of an invoice is 14 days. If the order is bigger – above 10 items – maturity is prolonged on 30 days.

Goods are at the latest delivered to the 5 days from ordering. Almost in all cases is delivering to 48 hours.

Goods are delivered by the mail. Minimum taking is not established.

6.3.3 Place

Distribution links

a) To pharmacies

Distributor (producer) → wholesalers' → pharmacy → user

Pharmacies buy only through the wholesalers; they never buy directly from distributor.

On Czech market operate 6 wholesalers – PHOENIX, PHARMOS, GEHE, ALLIANCE UNICHEM, ELEFANT and APON). These wholesalers also help with communication with pharmacist, inform them about products in their periodic and help to pharmacies orientate in assortment.

b) To other shops

Distributor (producer) → retailer → user

Prices are conforming to each link.

Selling places

- **Pharmacies**

In Czech Republic are around 2000 pharmacies. Their number is under regulation Ministry of health service.

Motivation of pharmacist is one from keys to sell achievements but not only one. From previous practice we can say that, sell to pharmacies can work only by means of wholesale with drugs. Pharmacies merchandise only with them.

- **Special shops with natural supplement**
- **Internet**

www.celostnimedicina.cz, www.prozdravi.cz, www.doktorka.cz, www.unimoservis.cz,
www.prirodnilekarna.cz

All websites are e-shops with natural food supplements and people can find there other interesting information from native medicine.

All distribution links could order by this ways:

1. By the phone (hold line as well as mobile phone)
2. By the fax
3. By the e-mail
4. By the electronically order on www.imunotop.cz
5. Through ours commercial representative

6.3.4 Promotion

In practice exist differences in characteristic of consumer market and investment market. While at consumer's goods come into front mainly advertising and sales promotion, investment's articles prefer personal sales and sales promotion.

Today is also possible each form of marketing communication influence and complete by the electronic marketing.

Because NLC is consumer's goods, will be in communication used advertisement and sales promotion.

The highest media affect in pharmaceuticals is in winter time and when spring begins. February is month with the highest expenditure on advertising. The strongest advertising porter is in this segment TV and second place has print.

Considering that our budget we have to focus on printing media.

For launching we will communicate in two ways:

PUSH the product to the customer through personal selling.

PULL the product into the marketing channel where can be purchased.

Example:

The Tickle Me Elmo Doll is an example of how consumer demand was created. Nobody knew that they needed the doll until the company that marketed it convinced children that that was the one that they had to have for Christmas. They communicated with that member of the DMU and that then became the must for their parents. The marketing communications effort "pulled" the parents into the marketing channel to buy the product.

(Cravens, 1999)

7 CONTROLLING

There is no planning without control. Goals states where you want to be and the plan sets out a road map to your destination, then control tells you if you are on the right route or if you have arrived at your destination.

Control involves measurement, evaluation, and monitoring. Resources are scarce and costly so it is important to control marketing plans. Control involves setting standards. The marketing manager will then compare actual progress against the standards. Corrective action (if any) is then taken. If corrective action is taken, an investigation will also need to be undertaken to establish precisely why the difference occurred.

There are many approaches to control:

- Market share analysis
- Sales analysis
- Quality controls,
- Budgets
- Ratio analysis
- Marketing research
- Marketing information systems (MkIS)
- Feedback from customers satisfaction surveys
- Cash flow statements
- Customer Relationship Management (CRM) systems
- Sales per thousand customers, per factory, by segment
- Location of buyers and potential buyers
- Activities of competitors to aspects of your plan
- Distributor support
- Performance of any promotional activities.
- Market reaction/acceptance to pricing policies
- Service levels
- And many other methods of monitoring and measurement.

(www.marketingteacher.com)

III. PROJECT PART

1 PROMOTION CAMPAIGN

Promotion is one of the four aspects of marketing. The other three parts of the marketing mix are product management, pricing and distribution. To start creating promotion is necessary to know all this points.

On basis all analysis made in previous part product have been designed, price assessed and channels of distribution are also known, so I can start with the cheery on the cake – with the last part of the marketing mix – promotion.

Promotion is all about helping people get what they want and use for this communication mix – advertising, direct mailing, face-to-face sales, public relations or sales promotion – to let them know that they can get what they want.

By this sentence I quote my friend what he think about advertising. He is right in principle. All marketing process is adapted to get consumers what they want. And this rule is also applies to promotion. We have to preapre advertising idea which fit to consumers. We have to find the right argument why they should buy our products, which benefits we can give to them.

This is my task in this part. Prepare communication which fit to our consumer. Find the right advertising equipment which will carry the selling arguments.

Budget for the launching campaign is 1,8 mil. CZK.

I devided this amount into:

1 mil.	Print advertising
100 thousand	Advertising on the selling place
200 thousand	Motivations in pharmacies
200 thousand	Production (printing leaflets and so on)
200 thousand	Indoor advertising and shop windows
100 thousand	Increase in stock

Term of launching campaign 1.9.2005 – 31.11.2005

2 PUSH

2.1 Advertising

With existing budget is impossible to achieve advertising in TV or in radio. However print gives me enough opportunities to address consumer and inform them about colostrum beneficences.

With the right choice among magazines we can effectively address concrete target groups, even more then by the TV or radio.

For print advertising is limit 1 mil. CZK. IMUNOTOP CZ doesn't buy media through the medial agency. I states in media plan real book prices and agreement prices, which was given directly to company.

2.1.1 Media plan

Appendix IV.

Media I chose from two rounds, regarding wide spectrum of colostrum indication.

Society magazines

Their usage is important for obtaining large audience. Like basic measure I considered their issue, target group and price for one reader is also very positive.

From society magazines I picked out four different media, each of them have different target group.

KVĚTY – Family type magazine, which reach out all family age categories.

ŽENA A ŽIVOT – Intended to woman in age 20 – 49. Magazin topics are social, stylish, cosmetics, health, travelling and so on.

NEDĚLNÍ BLESK

TELEVIZE – Seem me very suitable to this mediaplan – readers are man as well as woman for whole week.

Health magazines

In case this branch I chose media according to issue and content and according to net distribution. Here is very interesting magazine ZDRAVÍ a KRÁSA, which has own distribution net and is “take free”. This magazine is distributed to the places like beauty salons, health centers, medical attendance, pharmacies and other places which are very important to reach.

I didn't choose specialized publication for pharmacies. In this way is better to save money for pharmaceutical course and sales representative. On basis my research pharmacists gain information from this publication very few (see page 41). And other neither reason why use specialized publication is that magazine Zdravi a krasa is distributed also to the pharmacies.

Detail information pharmacists get from sales representative and on pharmaceutical course. Also could visit our website, if they are interesting in products.

Size advertising I elected ½ a 1 page.

Communication will be divided into two ways:

1. Trade mark New Life Colostrum

In this way is promoted trade mark generally. It creates image about all product and want to tell that here are some products called New Life Colostrum.

This type of advertising is in format ½ page and will be insert in society magazines.

Appendix V. – Advertising 1.

Appendix VI. – Advertising 2.

2. Each product separately

In this way each product is promoted separately. Here I don't promote product but solving some problem.

I prepared communication for one of this product – New Life Colostrum CANDIDA which is determine for women and contains probiotics.

Product is generally good for all types of GI tract infection, but one of these infections annoys especially women – YESTS (candidosis).

This type of advertising is in format 1 page and will be insert in health magazines.

Appendix VII. – Advertising 3.

All types of advertising will follow basic rules in colors. Blue and specific color for particular product.

2.2 Public Relations

On basis our cooperation with media, company became the part of body of editors in two of them.

From this position we can influenced topics and publish article, which inform about colostrum in common way.

In this branch is this type of promotion very popular. Take effect and offers room for wide information.

Appendix VIII – Artical 1

Appendix IX. – Artical 2

2.3. Indoor advertising

Billboards in health care institution and on public toilets (in shopping centers and filling stations)

Sample of this indoor advertising – Appendix AX.

Concrete WC poster are very effective to promote product New Life Colostrum CANDIDA.

Size of the poster panel is A3 (297 x 420 mm)

Function time – time which you spend near pissoir or dryer arms is in ten seconds. This advert is also good if you want to tell more information, not only slogan.

Targeting is absolutny perfect. New Life Colostrum CANDIDA is for women. So if woman sit on the toilet, she would see our advertisement.

Geografic cover – whole republic

Right time to tell – people are not disturbed with any factors

Strategic place – posters are arranged on such place where the visitor can not ignore them.

1 board costs 700,- CZK / month

Cost for one reader is around 0,10 CZK

Designed New Life Colostrum CANDIDA poster for this advertising – appendix AXI

Of course posters in specialized health centers are also very effective. Some places states 100.000 visitors per month. All places costs 700 CZK, so with our budget we can use 107 places for two months to promote our products.

Posters to this indoor advertsing will be devided according the theme.

New Life Colostrum CANDIDA – gynekology and public toilets

New Life Colostrum HIGH-IG – paediatrist and alergology

New Life Colostrum IMMUNE – urology, praticioner and public toilets.

3 PULL

If potential client overruns pharmacy's door-step and would like to buy product made from colostrum, must go away with New Life Colostrum. That's a first task.

If potential client overruns pharmacy's door-step and would like to buy product which helps with problems in GI tract or increase immunity system must go away with New Life Colostrum. That's a second task.

3.1 Sales promotion

So is necessary to move with the pharmacy's arm to catch the right product – New Life Colostrum. To achieve this I'm going to use two ways:

- Bonus program

On basis sold quantity pharmacy gain some bonuses.

Proposal of the bonus programm – appendix AXII

- Colostrum guard

The trained patrols will examine how pharmacist know our products. For example patrol come to pharmacy and ask for something for child who has problem with immunity and very often use antibiotics. If pharmacy recommends New Life Colostrum HIGH-IG win some price and could be registered to the draw about tour on New Zealand. (Our colostrum is from New Zealand).

About all this activities will inform our sales representative.

For the first motivation will be use amount 200.000 CZK and next is contain in business margin – 10%.

All pharmacies have to have basic information about New Life Colostrum – leaflet, broadsheet, website address. This is charge of sales representative.

We have 480 VIP pharmacis (type A). To all these pharmacies will be places the basic product row in action price. And in 50 of them we buy shop window to promote product. For this activity is in budget 50.000,- CZK

Experimental shop window in Hradec Kralove – *appendix AXIII* (this window was prepare to find out how effective could be this type of promotion).

Concerning the promotion leaflets will be again devided into general leaflet and leaflet to each product.

General leaflet will inform about all products – *appendix XIV*

Leaflet to specific prouct will be made together with some information about illnes – *appendix XV*.

By this way I want to give to consumer some benefits – some advice how could threat their problems, some advice that are not afford from doctors.

3.2 Advertising

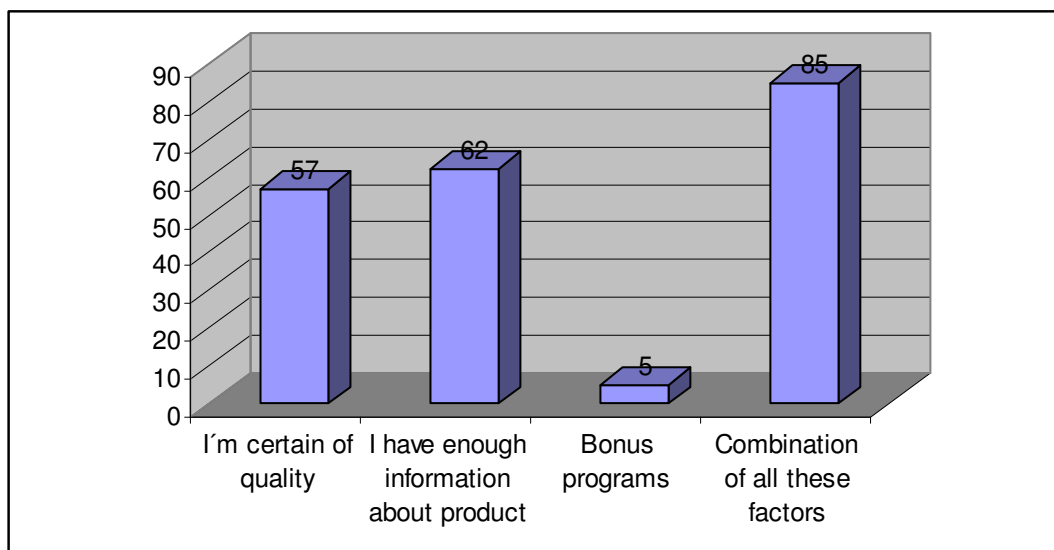
As I wrote on the previous pages, is not efficient to use advertising in specialized magazines (see page 41).

According to my research we have to focuse our effort and money on three factors:

- Convince them of quality
- Supply them maximum information to make them qualified (this point provide sales representative and pharmaceutical course)
- Motivation

What is dominant factor which lead pharmacist to recommend some product?

Graf 6. Questionnaire result 6



Only five pharmacists respond that is important bonus program, but I think this answer was not honest. So many of them rather selected variant 4 – combination of all factors.

From my experiences is motivation program one of the most important key to be successful in pharmacies.

4 PHYSICIANS

If you go back to see page 41, you will see that recommendation from physicians is the second thing which influence consumers to buy some product.

So is important to cooperate with them. In case of New Life Colostrum company have to reach gynecology, immunology, paediatric, urology and gastroenterology. Thanks to previous product Bi-oBran, company has good relations on immunology and gastroenterology. To reach next physicians company hire two medical representatives who introduce to physicians product and company conditions.

Introduce product to doctors is first step. Next step is motivating them. Only 1 physician from 100 recommend product without motivation. Motivation is included in business margin. Could be in the form of gifts or money. All depends on deal with physicians.

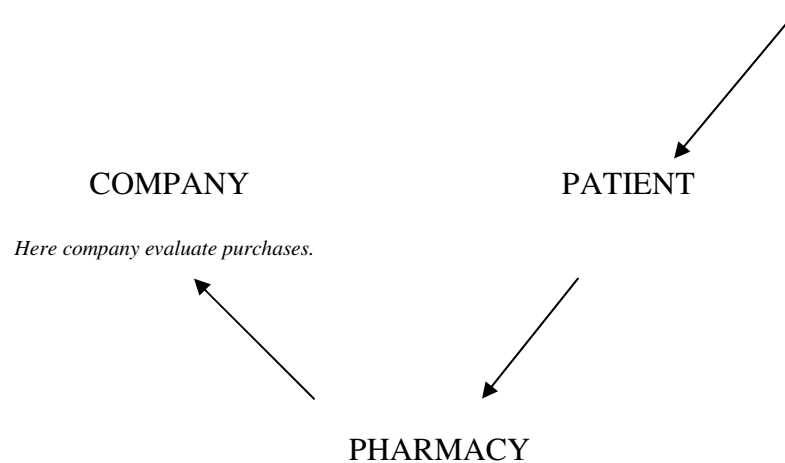
How to find out which doctor recommends our products? For this case company use special prescription leaflets (*appendix AXVI*)

Each co-operative physician gets this leaflet and when wants to recommend New Life Colostrum puts its stamp on reserved place and gives the leaflet to patient. Patient goes to pharmacy and there show this leaflet. Pharmacy gives product to patient and the leaflet hides for our sales representative. They visit pharmacy once a month and pick the leaflets up to evaluate them.

On basis these leaflets company find out which physician has title to quittances.

COMPANY and their MEDICAL REPRESENTATIVE → PHYSICIAN

*Here is an agreement among company
and physicians. On this agreement
depends next steps.*



Pic. 3 Description of cooperation with physicians

5 INTERNET

Company websites

www.colostrum.cz and www.kolostrum.cz

Company bought both domain to decrease competitors opportunity to promote product on internet.

Company website consist information about products, about producers, about production process, about distributor and of course is possible to purchase products over them.

All company websites (www.imunotop.cz, www.biobran.cz, www.colostrum.cz, www.kolostrum.cz) have the same content.

E-shops

Here operate three e-shops with pharmaceutical products. Company purchase product over all of them.

www.prozdravi.cz, www.lekarna.cz, www.001shop.cz

Banners

Promotion banners company placed on basic health servers and on wholesales websites.

For example: www.doktorka.cz, www.celostnimedicina.cz, www.ordinace.cz, www.zdravazena.cz

6 CONTROLLING

At the beginning I determined some goals whose achievement we could control by many ways.

If the product was established on the pharmacies we could control through the „colostrum guard“. They will investigate the pharmacy knowledge in terms of contests. Information from this activity may serve like confirmation if product was correctly established.

If product was established to the consumers mind we could control in accounting, because if people know about product, they will buy them. Company set the goal – increase turnover about 40% till 3 months and keep it.

If this goal is not achieve, company has to find trouble cause and find out WHY and WHERE is the problem

On basis controlling company has to set up following steps in marketing process which help promote New Life Colostrum.

CONCLUSION

In this Master Thesis I tried to prepare promotion campaign which has aim establish a product on the Czech market.

That was first task for marketing worker but definitely no last. Work here on the contrary begins. Company goals are not only establishing product but keep them on the market for longer time. That's a main goal, keep the position and find the regular consumers.

Company carry business in highly competitive environment. So is very important to identify their position – supplier of quality natural immunostimulants. This positioning helps to consumers identify company among competition.

If company wants to progress their goals, **has to afford to consumers more than only sale**. Additional services are very important in this branch. Consumer come back again if he get all information that needed. So is necessary to have quality consultants in health problems. I recommend to find some clinics to cooperate with them, where could client go through the consultation.

Good way is also prepare promotion material (leaflets, prospects and so on) with other information about health problems. This way is perceive by the consumer positively and they estimate it (it also holds in pharmacies).

I would also intensify cooperation with doctors. I would focus an activity no only on motivation but also on their education. For example organise some courses under trade mark IMUNOTOP CZ s.r.o.. Themes could be various – Immunology in oncology, Immunology for children, Canidosis-disease that is not taking serious and so on. These activities could help enforce company among doctors by reputable way.

Contribution of this Master thesis for me as for author is that I make clear about process of promotion campaign. I find out that is important to think about market, because each market has own rules and own consumers. And on basis these characteristics have to be sales argument prepared. I find out many practical information which I would never find without field experience.

By this way I would like to thank to IMUNOTOP CZ s.r.o. that I could prepare there my Master thesis. I wish them many success in their business.

USING LITERATURE LIST

PERREAULT, D. William., McCARTHY, E. Jerome. *Basic Marketing: A Global-Managerial Approach.* 3.edition. Boston: McGraw-Hill Irwin, **2002.** 810 pages. ISBN **0-07-240947-9**

CRAVENS, W. Davis., LAMB, W. Charles., CRITTENDEN, L. Victoria. *Strategic Marketing Management cases.* 6.edition, McGraw-Hill Irwin, **1999.** 622 pages. ISBN **0-256-26125-3**

KOTLER, P. *Marketing Management.* 11. edition, Prentice Hall, **2002.** 768 pages. ISBN **0-130-33629-7**

SOUKALOVÁ, R. *Strategický marketing.* 1.vydání. Zlín: Univerzita Tomáše Bati, **2004.** 118 stran. ISBN **80-7318-177-0**

SVOBODA, V. *Propagační kampaně v marketingových komunikacích.* 1.vydání. Zlín: Univerzita Tomáše Bati, **2004.** 78 stran. ISBN **80-7318-196-7**

HORÁKOVÁ, H. *Strategický marketing.* 2.vydání, Praha: Grada Publishing a.s., **2003.** 204 stran. ISBN **80-247-0447-1**

Lecture notes [online].[cit. 2005-04-04]. Available from WWW:
<http://www.marketteacher.com>.

Scientific information [online].[cit. 2005-04-20]. Available from WWW:
<http://www.lekarnici.cz>

University page [online].[cit.2005-04-20]. Available form WWW:
<http://www.unb.ca/web/marketing>

USING ABBREVIATION LIST

NLC	New Life Colostru
GI	Gastrointestinal
ETC	Et cetera
C.	Circa
event.	Eventual
v.	verus

PICTURES LIST

Pic. 1 The Product Life Cycle (PLC)	27
Pic. 2 Positioning map for Pharmaceutical companies with similar assortment	50
Pic. 3 Description of cooperation with physicians	68

TABLES AND GRAPHS LIST

Tab.1. Marketing goals v. marketing strategies	20
Tab.2 The single segment with a single product	22
Tab.3 The single product at all segments	23
Tab.4 Different segments with a series of differentiated products	23
Tab.5. Summary of strategies in marketing mix	26
Tab.6 Pricing Strategy Matrix	28
Tab.7 Push or pull strategy	31
Tab.8 Costs on supplement in European countries - Research from 2003.....	44
Graf 1. Questionnaire result 1	41
Graf 2. Questionnaire result 2	41
Graf 3. Questionnaire result 3	45
Graf 4. Questionnaire result 4	47
Graf 5. Questionnaire result 5	51
Graf 6. Questionnaire result 6	66

APPENDIXS LIST

AI	Labels design
AII	Advertising shelf label
AIII	Product pricing
AIV	Mediaplan
AV	Advertising 1
AVI	Advertising 2
AVII	Advertising 3
AVIII	Artical 1
AIX	Artical 2
AX	Sample of indoor advertising
AXI	Poster for indoore advertising
AXII	Bonus program
AXIII	Experimental shop window
AXIV	Leaflet
AXV	Broadsheet
AXVI	Leaflet for doctors
AXVII	Promotion articles