



ACI Pharmaceuticals Ltd.



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Letter of Transmittal

21 September, 2024

To

Tanvir Alam Himel

Adjunct

Department of Business Administration

East West University, Dhaka, Bangladesh

Honorable Sir,

We are pleased to submit our term paper topic "ACI Pharmaceuticals Ltd." as a part of the Principles of Marketing (MKT101) course at East West University. This term paper provides an in-depth analysis of the company's Marketing Strategy, Market Mix and SWOT Analysis.

Throughout the research, we explored the key factors that contribute to ACI's success in the competitive pharmaceutical industry. The insights gained from this study have allowed us to apply theoretical marketing concepts to real-world business strategies. We are grateful for your guidance and constructive feedback, which were vital in completing this project.

We sincerely hope that this term paper proves to be informative and insightful for your purposes. Thank you for your time, supporting, and considering of our term paper. We eagerly await your evaluation and feedback, which we believe will contribute to our academic growth and understanding of this important marketing tool.

Sincerely,

Abrar Hossain Zahin

ID# 2022-2-60-040

On behalf of the group

Acknowledgement

I would like to express my sincere gratitude to all those who supported me in the completion of this term paper. First and foremost, I extend my sincere thanks to honourable Teacher whose guidance, encouragement, and valuable insights were instrumental throughout the research process. Your thoughtful advice and feedback shaped the direction of this study and ensured its quality. I am also grateful to the ACI Pharmaceuticals Ltd. whose resources, reports, and data offered crucial information about the company's marketing strategy. Their cooperation enabled a thorough understanding of ACI's operations and marketing efforts. Lastly, I would like to acknowledge my family and friends for their unwavering support and encouragement, especially during challenging times. Their understanding and patience gave me the motivation to complete this paper. Thank you all for contributing to the completion of this academic journey. Without your coalition, this paper would not have been possible.

Abstract

ACI Pharmaceuticals is one of the world's major pharmaceutical companies working to increase health through innovative quality and strategic processes. It was established in 1968. From a regional company ACI has grown its products into the international market. ACI not only focuses on research and development but also to create innovational treatments across various therapeutic areas such as cardiology, oncology, and many rare diseases. It has a strong R&D strategy which enhances its growth and sustainability. It has an enhanced product portfolio with prescription medications. The center marketing strategy is growing worldwide through, smart acquisitions, partnerships, and regionalized product offerings. ACI has its external and internal factors that affect its relationships between customers and the company. It has amazing marketing strategies to promote and sell the products or services to its targeted market. It has many market segmentations in different divisions to fulfill the needs and wants of the consumers. Moreover, it uses targeting and positioning on its products to differentiate it from competitors. The SWOT analysis of ACI Company reflects strong global presence, and good financial stability. It is also taking advantage of opportunities in expanding markets. ACI has a multifaceted marketing mix strategies because it has high-quality, innovative products which enriches its business portfolio. Its marketing mix is strategically designed to focus on its global distribution network, value-based pricing to amplify its market status. Overall, ACI Company is long-term and well-positioned company for its strategic marketing strengths and it has the ability to cope up with the shortcoming opportunities.

Introduction

Advanced Chemical Industries, or ACI Company, has been outstanding in the field of chemicals with its innovative and qualitative approach. ACI has comprised a journey and it has manufactured a wide range of chemical products that include specialty chemicals, industrial chemicals agriculture chemicals, and consumer goods. It was established as a subsidiary of the Imperial Chemical Industries (ICI) in 1968. In 1992, after independence, the company renamed to Advanced Chemical Industries (ACI) Limited. It puts immense belief in the development of technology and sustainability in the process by maintaining high standards of safety and concern for the environment. ACI undertakes R&D as part of its commitment and gains a leading position within the highly competitive marketplace. The company is committed to customer satisfaction and, therefore, strongly oriented toward collaboration with clients in the tailoring of products in response to customers' needs. The base for ACI's reputation has been the consistent delivery of reliable, high-quality products, and ACI always maintains a companionable and supportive relationship with consumer's community of Bangladesh.

Mission: “To enhance the quality of the life of the people through providing innovative and accessible products with highest quality and sustainability.”

Vision: “To lead pharmaceutical companies in Bangladesh providing products and services in high quality, encouraging employees, ensuring superior return, and using appropriate technology to satisfy the customers.”

Core values: ACI Company's core values generally focus on ethics, innovation, quality, customer focus, teamwork, ethical business practices to ensure their position among the competitors.

Marketing Strategy

A **marketing strategy** is a plan of action designed to promote and sell products or services to a target market. It outlines how a company will reach its aimed audience, communicate its value proposition, and ultimately achieve its business goals. Marketing strategies typically involve setting clear objectives, analyzing customer needs.

Here's an expanded to the **Marketing Strategy (STP: Segmentation, Targeting, Positioning)** of **ACI Pharmaceuticals Ltd.** to fill to various configuration of how ACI approaches the market, identifies potential customers, tailors its products, and positions efficiently and strategically.

1. Segmentation

Segmentation involves dividing the market into evident groups of customers with similar needs or wants. ACI employs a combination of segmentation strategies based on different criteria:

- **Demographic Segmentation:** ACI divides its market based on demographic factors like age, income level, and gender.
 - **Generic drugs** are mostly targeted toward low-middle income groups.
 - **Young adults:** Targeted with vitamins, supplements, and products focused on prohibitive healthcare, fitness, and wellness.
 - **Middle-aged individuals:** Focused on chronic disease management products like cardiovascular, diabetic and pain relief medicines.
 - **Senior citizens:** Products targeting age-related health issues like osteoporosis, arthritis, hypertension and Alzheimer's.
 - **Specialty drugs** are more focused on older age groups with specific health conditions, such as heart diseases or diabetes.
 - **Lower-income groups:** ACI offers low-cost generic medicines to provide affordable healthcare solutions to people with limited purchasing power.
 - **Middle and upper-income groups:** These segments are targeted with both generic and branded medicines, particularly specialty drugs, wellness products, and supplements.
 - **Healthcare professionals:** ACI provides prescription drugs and engages through direct marketing activities like product detailing and clinical seminars.
 - **Urban professionals and business owners:** Supplements and preventive care products marketed through lifestyle and wellness channels.
- **Geographic Segmentation:** ACI's product offerings are differentiated based on geographic location:
 - **Urban markets:** In cities and towns, ACI focuses on high-margin specialty drugs and advanced healthcare solutions, leveraging well-established healthcare infrastructure. It also offers high quality vitamins and supplements.
 - **Rural markets:** For rural areas, mainly focus is on affordable generic medicines and basic healthcare solutions for common diseases. ACI aims to make healthcare accessible in underserved regions by focusing on distribution through local pharmacies and healthcare centers.

- **Behavioral Segmentation:** ACI segments its market based on behavior patterns such as:
 - **Usage rate:** frequent buyers of OTC products like vitamins.
 - **Loyalty status:** physicians prescribing certain drugs regularly.
 - **Heavy users:** Individuals with chronic conditions who frequently purchase maintenance medications like heart disease, diabetes. This segment is continuously targeted with prescription drugs and healthcare management solutions.
 - **Brand loyal customers:** ACI fosters brand loyalty by engaging healthcare professionals who prescribe ACI's products consistently, building brand advocacy among both doctors and patients.
 - **Occasional users:** Consumers who purchase healthcare products like supplements or OTC drugs on an as-needed basis. They are targeted through advertising and mass media.
- **Psychographic Segmentation:** ACI segments its customers based on their **lifestyles, attitudes toward health**, and overall **health consciousness**.
 - **Health-conscious consumers:** These individuals actively seek wellness products, vitamins, and preventive care solutions. ACI markets supplements and health products with a focus on well-being and active lifestyles.
 - **Proactive healthcare seekers:** Consumers who are focused on maintaining good health and preventing diseases through diet, exercise, and regular use of health supplements.

2. Targeting

After identifying the segments, ACI uses **targeting** to focus on the most profitable and suitable market segments. The company adopts a differentiated marketing strategy, where it targets multiple segments with tailored marketing approaches:

- **Focus on Healthcare Professionals (Doctors and Specialists)**
One of ACI's primary target segments is healthcare professionals, including doctors, pharmacists, and specialists. ACI engages this group through:
 - **Direct Marketing:** Medical representatives regularly visit doctors to inform them about the benefits of ACI's products. This helps drive prescriptions for ACI's branded medicines.
 - **Seminars and Medical Conferences:** ACI organizes and sponsors events to share research and new product information, building trust and credibility within the medical community.
 - **Key Opinion Leaders (KOLs):** Collaborating with well-known doctors or specialists who advocate for ACI products, especially new launches.
- **Hospitals and Clinics**
ACI also targets healthcare institutions like hospitals, clinics, and pharmacies. The goal is to ensure that ACI's products are stocked and used in hospitals through:
 - Bulk purchases of generic drugs for hospital and clinic use.
 - Exclusive partnerships with large hospitals for the supply of critical care drugs and specialty treatments.
- **Retail and Wholesale Channels**
 - **Pharmacies:** ACI maintains strong relationships with retail pharmacies to ensure wide availability of its products. Pharmacies are incentivized with discounts and promotional offers.

- **Wholesalers:** These are crucial for distributing ACI products across different regions, especially in more rural areas. ACI focuses on building a strong distribution network to reach these channels effectively.

3. Positioning and Differentiation

ACI Pharmaceuticals Ltd. **Positions** itself as a trusted provider of high-quality, affordable healthcare solutions with a strong focus on innovation, social responsibility and accessibility. The company **Differentiates** itself through its extensive product range, strong R&D and a wide distribution network that ensures access to essential medicines across all regions.

- **High-Quality, Affordable Healthcare:** ACI positions itself as a provider of high-quality yet affordable pharmaceutical solutions. The company strengthens connection to international standards and stringent quality control in manufacturing. This is particularly crucial for generic drugs, which ACI positions as affordable alternatives to expensive branded medicines.
- **Innovative and R&D Leadership:** ACI differentiates itself by offering innovative products and continuously expanding its portfolio to include new medicines, formulations, and healthcare solutions. ACI's investments in R&D help it stay at the forefront of pharmaceutical innovation.
- **Wide Reach and Accessibility:** Through a widespread distribution network, ACI positions its products as widely available and accessible to both rural and urban populations. This network ensures that patients in even the most remote locations can access their medicines, reinforcing ACI's image as a customer-centric company.
- **Sustainability and Social Responsibility:** ACI's commitment to sustainability and corporate social responsibility (CSR) also plays a part in its positioning. The company runs awareness campaigns and healthcare initiatives in underserved communities, positioning itself as a socially responsible pharmaceutical company contributing to the well-being of society.
- **Brand Trust and Loyalty:** ACI leverages its long-standing presence in the pharmaceutical industry and its reputation for trust and reliability. Doctors, healthcare professionals, and patients view ACI as a dependable provider of essential medicines, creating a strong foundation of brand loyalty.
- **Differentiation through Product Range:** ACI positions its products through diversification, offering a broad range of products across multiple medicine categories.
 - **Generic drugs:** Positioned as high-quality, affordable solutions for mass-market use.
 - **Specialty medicines:** Positioned as premium products targeted at chronic and complex health conditions.
 - **OTC products:** Positioned for preventive care, wellness and daily healthcare needs, targeting a broad consumer market.

Marketing Mix

Marketing mix is the set of controllable, tactical marketing tools (Product, Price, Place, Promotion) that the firm blends to produce the response it wants in the target market.

- **Product:** ACI is one of the top pharmaceutical companies in Bangladesh. They offer a wide range of high-quality healthcare products. They have more than 450 prescription drugs in various therapeutic categories. They also offer vitamins, supplements, self-care, herbal and ayurvedic products.
- **Price:** ACI mainly follows a competitive pricing strategy for its generic medicines to serve a large segment along with cost-plus pricing and value-based pricing for its high-end, innovative products.
- **Place:** ACI Pharmaceuticals has a large distribution network.
 - **Nationwide presence:** ACI has a strong distribution system throughout Bangladesh, making its products available in hospitals, pharmacies, and clinics.
 - **International exports:** ACI exports its pharmaceutical products to 30 countries and has marketing approval from 15 countries.
 - **Online and retail availability:** OTC products can be found in local pharmacies as well as in online market pages.
 - **Direct supply to hospitals and clinics:** ACI partners with hospitals and provide their medicines and supplies directly.
- **Promotion:** They use different types of promotional methods such as advertising, sales promotion, special offers, and online marketing including social media campaigns, sponsoring events, print media, etc.

SWOT Analysis

A SWOT Analysis is a structured planning method used to evaluate the **Strengths, Weaknesses, Opportunities** and **Threats** involved in a project or in a business venture. The following SWOT analysis of ACI pharmaceutical ltd.

Strengths

- **High Quality Product:** ACI is the first company in Bangladesh to obtain certification of ISO 9001 Quality Management System in 1995
- **Environmental Policy:** ACI is the first Company in Bangladesh to get certification of ISO 1400 Environmental Management System in 2000. The company is committed to maintain the harmonious balance of our eco-system and therefore constantly seeks way to manufacture and produce products in an eco-friendly manner so that the balance of nature remains undisturbed and the environment remains sustainable.
- **Product Development:** This creative team of professionals is engaged in developing new formulations and dosage forms with competitive advantages and strong product Differentiation. ACI is actively engaged in introducing newer molecules and Novel Drug Delivery Systems (NDDS) to meet the needs of the future.
- ACI has been able maintain its growth above the market growth.
- The marketing team of ACI is very efficient and effective.
- Visionary and proficient leadership.
- Technology advanced and Innovation capabilities.

Weaknesses

- **Extreme reliance on imports:** Around 60% of Bangladesh's total need of API is fulfilled through imports. The company can earn more revenue if it uses the locally produced API for production.
- **Unethical Competitors:** Although quality assurance is one of the major aspects of pharmaceutical industry, only the top 15-20% producers follow the guidelines. Unethical competitors may produce at cheaper price. Price sensitive customers may be attracted to these low-quality products.
- **World Economic Recession:** Since the company eyes more on export market, it becomes more prone to be hit negatively by world economic events.
- **Absence of facility for bio-equivalence study,** which is mandatory for drug exports to the regulated as well as some moderately regulated markets
- Bangladesh pharmaceutical industry does not have any significant capability for research or mixed production of medicines.
- No good research and development (R&D) activity
- Capitals are borrowed from bank.
- Much diversification causes complex strategy.

Opportunities

- Extension of Patent Provision: Least developed countries have an extension until 2016 to implement the pharmaceutical patent provisions of the TRIPS Agreement under the Doha Declaration on TRIPS and Public Health.
- Potential domestic and international market: Apart from domestic market, ACI pharmaceutical is exporting to nine different international markets.
- Establishment of API Park: Bangladesh government established Active Pharmaceutical Ingredient (API) park in Munshi Ganj in May 2008 to promote production of API. This backward-integrated API or raw material industry will make pharmaceuticals companies of the country competitive in export markets.
- Vast opportunity for Bangladeshi companies to go for contract manufacturing and compulsory licensing.
- Increasing demand of modern technology in terms of cultivation for Agribusiness.
- Large size of target customer and diversify into related products.
- Opportunity of entering new related business.
- Expand product line to meet broader range of customer needs.
- Ability to move to better strategic group. Faster market growth.

Threats

- Expected expiry of WTO/TRIPS agreement: The major challenge for the expansion of pharmaceutical industry in Bangladesh is the expected expiry of WTO/TRIPS agreement in 2016, which provides patent exemption for pharmaceutical products in Bangladesh as a least developed country (LDC).
- Maximum Retail Price: Under the Drug Control Ordinance of 1982, the government fixes the maximum retail prices (MRP) of 117 essential drug chemical substances while the non-essential drugs are priced through an indicative price system.
- Environmental Regulation: The Corporation will develop the infrastructure with state-of-the-art facilities including a central effluent treatment plant (ETP) and incinerator for solid and liquid waste-management.
- Capital Intensive Research and Development: After the expiry of patent provision in 2016, pharmaceuticals companies may face difficult time to deal with capital intensive research and development for drug discovery. This may greatly affect their export and may restrict their growth.
- Associated pharmaceutical industries are highly competitive and increase in regional competition.
- Export may be reduced if world economy is affected.
- So much well-established competitors and growing competitive pressures.
- Increased inflation of the economy.

SWOT Analysis impact on Marketing strategy and Marketing Mix

The strength of ACI is high quality product. ACI is the first company in Bangladesh to obtain certification of ISO 9001 Quality Management System in 1995. Which directly impact on Positioning and Differentiation in companies marketing strategy and also product mix. It creates a view to the customer about the company. ACI have a strong marketing team which target the healthcare professionals, hospitals, retail & wholesale channels which though they fulfill the target strategy. 60% API is come from abroad, so it is dependable in exchange rate. So, it impacts the product and price in marketing mix. And some Unethical competitors produce product at cheaper price and sensitive customer may attracted by low price and then it impacts on pricing of marketing mix. So, there is a hope. If government establish API Park, then it will decrease our dependency and price of the product will be reduce and people will get drug in an affordable price and it will impact on position and also marketing mix pricing because ACI follows a competitive pricing strategy. Increased inflation of economy is a threat of ACI and all other pharma industry so the cost of production become high and impact on marketing mix and marketing strategy.

Environment Factors

Marketing environment refers to the external and internal forces and factors that affect the company's ability to establish relationships with the targeted customers of the company. ACI Pharmaceuticals Ltd is a recognized company in Bangladesh and Internationally s. Like all companies, it is influenced by micro and macro environmental factors. Below we will breakdown of these environments as they apply to ACI pharmaceuticals.

Micro Environment of ACI Pharmaceuticals Ltd.

Organisation:

1. Top management: They make decisions, for there wrong decisions can affect the company.
2. Shareholders: Though it is a publicly traded company so, investment plays a key role in the company.
3. Finance: It's an important branch of the company.
4. R&D: They are innovating new formula of their product that helps to grow.
5. Purchasing: This sector purchases raw materials and-machine for company.
6. Operations: It's a major branch. Serve the customer and give satisfaction.
 - Marketing agents are crucial for the company. They represent the company.
 - Highly skilled workforce like pharmacists, chemists and sales representatives are crucial for the company.

Suppliers:

1. Raw material suppliers: The quality and reliability of suppliers directly affect their production.
2. Equipment Suppliers: Suppliers of machinery are also critical aspect of drug production.

Customers:

1. Professionals: Doctor, Hospitals, Pharmacies are highly involved in this category. Companies are dependable to them.
2. Patients: They are the main user of their product.
3. Government: It's one of the major customers especially for public health campaign and government hospitals.

Competitors:

1. Domestic: Beximco Pharmaceuticals, Square Pharmaceuticals, Incepta and many more company are the competitors of ACI. ACI face competition in local market for those company.
2. International: With multinational pharmaceutical companies, they also face competition.

Intermediaries:

1. Distributors: They have a strong distributor so that, their product can reach in pharmacies, hospital and rural area.
2. Retailers: They serve the consumer.

Macro Environment of ACI Pharmaceuticals Ltd.**Political Factors:**

1. Government policies: Government decisions regarding healthcare reforms drug pricing can influence ACI.
2. Political Stability: Political factor like elections, foreign trade policies can impact on all business environment.

Economic Factors:

1. Economic growth: Because of positive economic growth of Bangladesh people can take treatment and medicine in affordable price.
2. Exchange rate: Due to the exchange rate, it effects on cost of production.

Social Factors:

1. Cultural preferences: Customers may take traditional drug or home remedies that can affect for pharmaceuticals market.
2. Demographic factor: Bangladesh has large number of populations. A huge number of people are suffering form diabetes and cardiovascular and ACI has a strong presence on this area.

Technological Factors:

1. Automation in production: Automation can change the growth of the company because it improves the production can improve operational efficiency and maintain standards. It also reduces costs.

Environmental Factors:

1. Environmental Impact: ACI needs to take care the impact of the production on the environment. As a large manufacturer, they have to concern about pollution and eco friendly packaging.

2. Climate Change: Climate change can create problem with transport their product, getting raw materials.

Consumer Trends and Preferences:

1. Demand for Generics and OTC Drug: The demand for affordable Generics and OTC medicines is increasing.
2. Customer Trust and Loyalty: Trust in Pharmaceutical Companies is Crucial.

Observation

ACI has a strong market position in Bangladesh because of their dynamic marketing strategy. The company effectively utilizes segmentation, targeting, positioning and differentiation to fulfill diverse consumer needs and wants. Although they have high quality product and strong distribution network. Their competitive pricing and quality products have made the trust of the customer and get loyalty. However, In domestic market they have the reputation but as well as they have the dependency in domestic market. Expanding their business in international market will be a great opportunity and growth for them. Because pricing pressure can be a threat in domestic market.

Recommendations

To improve 'ACI Pharmaceuticals Ltd' Marketing Strategies and mix, the company should focus on enhancing its R&D capabilities to develop more innovative, high-value products, especially in specialty medicine and wellness segments. Strengthening the supply chain by leveraging the establishment of the local Active Pharmaceutical Ingredient (API) production to reduce costs and decrease reliance on imports, allowing for more competitive pricing. ACI should further expand its international presence through strategic partnerships and licensing agreements, while deepening its engagement with healthcare professionals via more targeted and educational marketing initiatives. Additionally, investing in digital marketing and e-commerce platforms can tap into the growing demand for online healthcare solutions, broadening their customer base and improving obtainability, particularly in underserved regions. Furthermore, adopting more eco-friendly practices in production and packaging will classify with global sustainability trends, strengthening its brand image. Competitive pricing and a focus on expanding into new international markets can drive further growth, while addressing internal weaknesses like R&D infrastructure will enhance long-term stability.

Conclusion

ACI Pharmaceuticals success in the industry is driven by its strong commitment to quality, innovation, and customer-centric marketing strategies. The company effectively utilizes segmentation, targeting, positioning and differentiation to fulfill diverse consumer needs and wants, while maintaining a robust product portfolio that spans both affordable generics and high-value specialty medicines. Its strategic focus on R&D, wide distribution network, and adaptability to market trends have helped ACI remain competitive. By addressing its weaknesses, such as reliance on imports and expanding its digital presence, ACI can further strengthen its market position, capitalize on emerging opportunities, and ensure durable growth in both domestic and international markets.

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