

Appendix B

Example Marketing Plan

This marketing plan was written using the worksheets in Appendix A. As a result, this plan is consistent with the outline of the textbook. Florida State University MBA students wrote this plan as a part of their course requirements. The text's authors edited the plan prior to its inclusion here. Furthermore, this plan is meant to be an example and nothing more. We do not suggest that this plan is ideal, feasible, or capable of generating desired goals and objectives. This plan is intended for classroom discussion and to demonstrate how a finished marketing plan might look and read. You should consult with your instructor regarding the format, layout, and other specific requirements that are needed in your particular situation.

Background on the Assignment

Students were assigned the task of developing a marketing plan for the launch of a new over-the-counter (OTC) pain medication. The fictitious client is VirPharm, Inc., a mid-sized Florida-based pharmaceutical company that specializes in quality-of-life prescription and OTC medications for the consumer market. VirPharm has been quite successful with a range of products in recent years. However, the big push at VirPharm has been to transition its prescription medications to the OTC market as patents expire and generic competition enters the market.

The task is to continue VirPharm's past successes by developing a plan to move BOPREX from the prescription market to the OTC market. As a prescription medication, butoprofen (the active ingredient in BOPREX) has been prescribed by doctors to treat rheumatoid arthritis, osteoarthritis, and migraine headache. However, as a nonsteroidal anti-inflammatory drug (NSAID), butoprofen is also suitable to treat general pain and fever. The use of BOPREX by doctors has been declining steadily over the years as more powerful treatments for arthritis and migraine have come into favor. VirPharm recently received FDA approval to market BOPREX as an OTC treatment for rheumatoid arthritis, osteoarthritis, and migraine headache, as well as a general-purpose analgesic (pain reliever) and antipyretic (fever reducer).

In planning for the launch of BOPREX to the OTC market, students were given three positioning options:

1. Launch as a treatment for rheumatoid arthritis and osteoarthritis. Here, the key issues are
 - Strong competition from more effective prescription medications and well-known OTC drugs claiming similar benefits.

- Age- and lifestyle-related target market issues.
 - Potential for higher profit margin, but with a smaller target market (lower volume).
2. Launch as a treatment for migraine headache. Here, the key issues are
- Strong competition from more effective prescription medications and well-known OTC drugs claiming similar benefits.
 - Consumer education regarding migraines versus headaches, as well as the need for immediate pain relief availability.
 - Potential for higher profit margin, but with a smaller target market (lower volume).
3. Launch as a general-purpose pain reliever and fever reducer. Here, the key issues are
- Intense competition from very strong OTC drugs such as aspirin, acetaminophen, ibuprofen, and naproxen sodium.
 - Overcoming fairly strong consumer loyalty to branded pain medications.
 - Potential for very high volume due to wide target market applicability, but with a lower profit margin.

Students were assigned the task of choosing one of these options after conducting extensive research on the industry, the market, and the competition. This comprised the first half of the marketing plan (situation analysis, SWOT analysis, goals and objectives). The next task was to develop a marketing program to launch BOPREX in a manner consistent with the chosen positioning option. Students were required to make decisions regarding the entire marketing program.

Marketing Plan for the Over-the-Counter Launch of BOPREX¹

Executive Summary

VirPharm, Inc., is a mid-size pharmaceutical company that manufactures several quality-of-life, over-the-counter (OTC), and prescription drugs. Their primary objective is to grow their market share for several of their products. They have realized success through Hapizine, an antidepressant; however, the patent for this drug will soon expire, exposing its market share to generic competition. VirPharm, Inc., recently received approval to sell BOPREX in the OTC market to treat general pain and migraines as well as to act as an anti-inflammatory.

¹Florida State University MBA students developed this marketing plan under the supervision of Dr. Michael Hartline as a part of their course requirements. This marketing plan is intended for classroom discussion rather than to illustrate effective or ineffective strategic planning.

Currently, BOPREX ranks sixth in its market for sales, and this strategic marketing plan aims to increase the market share that the drug holds through its introduction into the OTC market. VirPharm, Inc., intends to leverage its strengths in a highly saturated and competitive market to accomplish this goal. Its primary competitors are other OTC nonsteroidal anti-inflammatory drugs (NSAIDs), aspirin, and acetaminophen. Among other weaknesses, there is weak product differentiation in the market as a whole. Currently there are two primary outlets for OTC pain relief: drugstores and grocery stores.

There are several challenges in the NSAID marketplace. NSAIDs are currently under attack in the media due to negative heart-related side effects. In addition, there are many competitors already in this market, and brand loyalty is difficult to overcome. However, VirPharm, Inc., has several strengths that they intend to leverage to overcome these challenges. They have a market-leading sales force and a highly motivated workforce. Cost of production is comparatively low for their products.

VirPharm, Inc., will explore new markets not currently exploited by their competitors. The name of the product will be changed to “RELEVEN.” This newly packaged product will be priced competitively in the marketplace, higher than generic competition but slightly lower than many of their name-brand competitors. The primary target market will be young executives, ages 21 to 40, with a predominant focus on pain relief associated with day-to-day overexertion rather than just headache relief. Another target market will be the older generation that is increasing in population. VirPharm will focus its efforts to market RELEVEN to the age range of 50 to 75, for particularly active seniors. RELEVEN will be differentiated from other products through its use of new distribution channels, specifically office supply websites/stores and online distribution. VirPharm expects to capture 20 percent of the OTC pain reliever’s market share within two years of the product launch. This represents \$438 million in revenue in 2010.

Situation Analysis

The Internal Environment

Marketing Goals and Objectives VirPharm has specific marketing goals and objectives that have brought historical success, which will provide the foundation for future successes. The primary objective set forth for VirPharm involves the focus on efforts to grow the sales and market share of each product that it manufactures. VirPharm engages in the manufacturing of a number of quality-of-life prescription and over-the-counter (OTC) drugs for the consumer market, which has brought brand-preference and leading market share positions with several of their offerings.

As with any publicly traded company, one of the underlying missions of the organization must include the maximization of shareholder wealth. VirPharm’s leading marketing objective is clearly aligned with its mission, particularly as it relates to the subsequent impact on shareholder value. In addition, the marketing objective to grow sales and market share allows the organization the flexibility to respond to external environment changes as well as consumer needs and wants. VirPharm is somewhat uniquely structured by engaging in both the prescription and the OTC

market, which allows the organization additional flexibility in market preferences and requirements.

Current Marketing Strategy and Performance The main objective for VirPharm, Inc., is focused on the marketing efforts used to grow sales and market share position through the products that the company produces. The objective is primarily fostered through a strategy in which profits resulting from their successes are funneled back through research and development to create new and improved products for the markets they choose to serve. In addition, VirPharm, Inc., has also followed a transitional approach into the OTC market from their respective prescription product line as patents expire, such as the recently expired patent of the antidepressant Hapizine, which is the most successful in the marketplace. In combination with drug performance, the prescription drug market depends heavily on the medical profession's endorsement for success, whereas the OTC market depends heavily on relationships with trade, wholesalers, mass retailers, and drugstores.

Recent performance by VirPharm has been fairly successful, with a sales growth rate of 23.4 percent and a net income growth of just over 19 percent. This recent performance has translated into a 2009 revenue level of \$8.6 billion and net income of \$474.2 million. One of the drivers for the increased growth by VirPharm has been their strong brand preference, which has pushed them to being one of the top pharmaceutical providers in both the prescription and OTC drug markets. For the six different product lines that VirPharm offers in the prescription drug market, which account for 75 percent of the business, they are approximately the second- or third-largest player overall and appear to be maintaining that position, without much concern for a recently expired patent on Hapizine, which is number one in the market. The primary concern involves BOPREX, which has been in decline the last few years and currently finds itself as the sixth-preferred drug in its market. In regard to the macro position of the over-the-counter market, VirPharm holds approximately the third-largest position.

VirPharm, Inc., has experienced aggressive growth in sales and has established itself in the top tier of the various product categories they service, which can be largely attributed to their "best in the industry" sales force. However, VirPharm has come to the recent realization that they will need to address the periodic decline in the market position of one of their prescription drugs, BOPREX. This respective decline in BOPREX has been primarily the result of more powerful nonsteroidal anti-inflammatory drugs (NSAIDs), from competitors that provide Vioxx, Celebrex, and Bextra. Currently only Celebrex remains on the market.

Current and Anticipated Organizational Resources The overall resources for VirPharm are described as good; the company is led by a highly motivated sales force that has been recognized as a leader in the pharmaceutical industry and has good working relationships with both suppliers and customers. As a midsize company competing with a large number of major firms, VirPharm has been able to develop a strong reputation for employee integrity, customer satisfaction, and commitment. Conversely, as a midsize player in the industry, VirPharm has realized some limitation

on consumer and trade budgets, which operate at nearly half the rate of the major competitors.

Although the resource levels and relationships are expected to be virtually unchanged in the future, VirPharm must be cautious in some of the variability they have experienced with their offshore suppliers, particularly those in China. The use of suppliers in this region has allowed VirPharm to leverage their market position through lower costs of raw materials. Current alternatives to these resources will lead VirPharm to source supplies and materials from more-expensive vendors located in Europe and Puerto Rico.

Any potential threats related to offshore suppliers that sustain competitive leverages might need to be combated through a potential merger with a larger player in the pharmaceutical industry. VirPharm has entertained these very possibilities and has engaged in discussions with leading firms such as GlaxoSmithKline, Aventis, Pfizer, and Proctor & Gamble. Results from a merger with any of these respective firms would allow VirPharm greater access to resources, specific expertise to be leveraged, supplier leverage, and the ability to focus on the core of what they have established.

Current and Anticipated Cultural and Structural Issues The current organizational culture and structure at VirPharm are depicted as very customer driven, with a foundation that is particularly employee oriented. This culture is best depicted by a sales force that is nearly half of the entire organization's population and by the embracing of an ethical means of doing business through their Code of Integrity. The organization's philosophy recognizes that they operate in a customer and market-driven industry, and that success will not be realized if they do not have the internal motivation and commitment to the firm by their most valued asset: the employees.

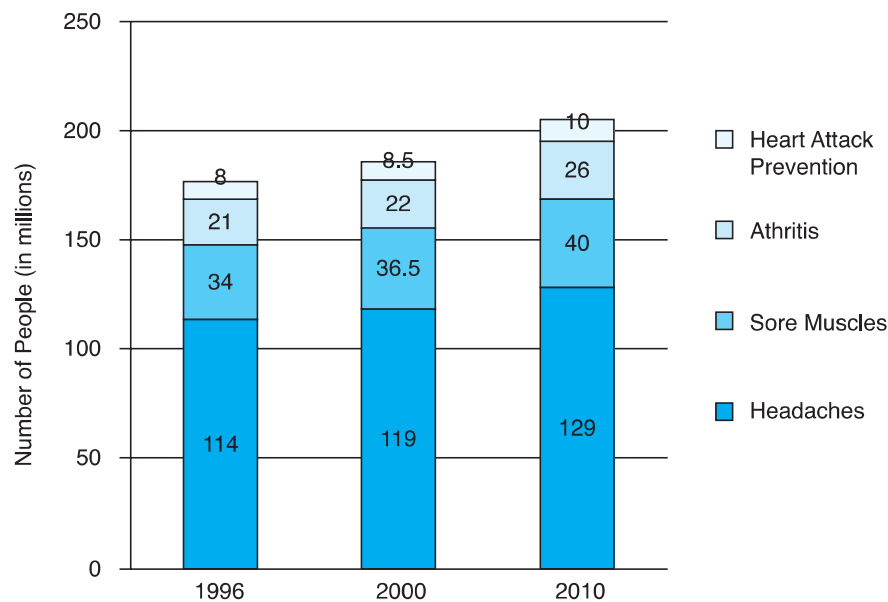
The Customer Environment

Current and Potential Customers A study published by *ABC News*, *USA Today*, and Stanford University Medical Center found that more than half of Americans live with chronic or recurrent pain. Nearly 6 in 10 said their last pain experience was moderate or worse, and 2 in 10 rated their pain as severe. Fifty-seven percent of seniors ages 55 and older experience pain often, compared to 43 percent of people ages 31 to 55 and 17 percent of adults 30 and under. Back and knee pain account for 37 percent of pain locations, followed by headaches/migraines at 9 percent, and leg and shoulder at 7 percent each. Together, these account for 60 percent of all pain by location. To eliminate this pain, 84 percent of respondents said they use OTC drugs and 81 percent use home remedies such as heating pads, ice packs, and hot baths or showers.

The use of OTC pain relievers is increasing. *American Demographics* concluded that the four major uses for OTC pain relievers are headaches, sore muscles, arthritis, and heart-attack prevention. In 1996, an estimated 177 million Americans used an OTC pain reliever for one problem or another. This number is expected to grow to 205 million by 2010. Exhibit B.1 indicates how American consumers use OTC pain relievers.

EXHIBIT B.1

OTC PAIN RELIEF USAGE



Customer's Need for Pain Relievers Headaches and migraines are the number one reason people take OTC pain relievers. Migraines affect 13 percent of the U.S. population, or 29.5 million people, and are most prevalent in people between 20 to 40 years old. This results in one in every four households having a migraine sufferer. Approximately 60 percent of adults have taken an OTC pain reliever for a headache in the past six months. This number has been declining over the past few years due to the acceptance of headaches as a legitimate and sometimes serious medical problem. Individuals have begun seeing doctors for prescription medications that are more effective than typical analgesics for specific types of headaches.

The second most popular reason for taking pain relievers is sore muscles. This is also the fastest-growing reason for the use of OTC pain relievers, specifically NSAIDs. In the early '90s, this reason grew by 17 percent in the young-adult age segment, from ages 18 to 24. This was initially believed to be due to their more active lifestyle, but the market segment of ages 65 and up has grown by 17 percent as well. The aggressive marketing of ibuprofen as an antidote for sore muscles can be credited for this increase. Prior to this marketing campaign, individuals believed that not much could be done for their achy muscles and that it was something they would have to live with. The aging baby-boomer generation could also help this segment along, with the arthritis segment expected to grow rapidly in the future.

Arthritis sufferers have also found relief from OTC pain relievers. Almost 43 million people have been diagnosed as having some form of arthritis, and an estimated 23.2 million live with chronic joint symptoms but have not been diagnosed

by a doctor. This is equivalent to one in three adults. Some types of arthritis include osteoarthritis, a degenerative joint disease; rheumatoid arthritis, which attacks the joint lining causing it to become inflamed; and juvenile arthritis that affects children. Arthritis affects people of all ages, including over 300,000 children, and is the most prevalent chronic health problem and the leading cause of disability among Americans over the age of 15. Arthritis also affects women more than men, with 25.9 million women being doctor diagnosed compared with 16.8 million men.

Customer Purchase Patterns Customers typically purchase pain relievers at supermarkets, pharmacies, and mass merchandise retailers. Individuals may buy OTC pain relievers after surgery or to help eliminate pain after they have used all their prescription painkillers. Purchases typically occur no more than one or two times per month, as indicated in Exhibit B.2.

A number of issues play a role in the consumers' selection of which OTC pain reliever to use. Some consumers look for the lowest price, in which case most generic forms of pain relievers, such as Walmart's Equate brand, cost considerably less than name-brand Tylenol or aspirin. Other consumers look for the absence of certain side effects such as gastrointestinal bleeding or effects on one's liver. Few OTC pain relievers can be taken during pregnancy, whereas others cannot be used in conjunction with certain prescription drugs. When consumers have multiple symptoms, such as a headache with a stuffy head or congestion, they often choose a medication that will solve all of their problems. Products such as Tylenol Sinus serve to eliminate headaches and clear congestion. As an added benefit, the user does not need to be concerned with possible side effects of mixing medications. Once consumers find a pain reliever that works well, they tend to buy only this brand in the future.

Rationale of Noncustomers Aspirin and ibuprofen should not be taken if you are taking blood pressure medications like ACE inhibitors and/or beta-blockers. Some people have allergic reactions to aspirin, which can cause wheezing, hives, facial swelling, and/or shock. Other individuals have a holistic approach to medicine and

EXHIBIT B.2**FREQUENCY OF PURCHASE OF OTC PAIN RELIEVERS**

How often have you purchased an over-the-counter pain reliever in the past six months?

	Frequency	Percent	Cumulative Percent
0 times	370	30.8	30.8
1–2 times	520	43.3	74
3–4 times	175	14.6	88.6
5–6 times	79	6.6	95.2
7+ times	56	4.7	99.8
Don't know	2	0.2	100
Total	1,202	100	

prefer not to take any sort of medication. Because of these reasons, many individuals experiment with alternative means of pain relief. Sports creams like Bengay and Icy Hot, along with ice packs, can be used to eliminate achy muscles and reduce swelling. Electric heat pads are commonly used to reduce lower back pain, and acupuncture has grown in popularity in recent years as an alternative to medications as well.

Competition

VirPharm's likely competition for BOPREX can be categorized into three groups, organized by the common ailment they are intended to remedy. The groups are (1) the treatment of rheumatoid arthritis and osteoarthritis, (2) the treatment of migraines, and (3) the general treatment of fever and pain.

For the treatment of arthritis, competition exists in both the prescription market and the OTC market. The only true prescription competitor is Celebrex, as Vioxx and Bextra have been pulled from the market due to concerns about side effects. Major OTC competitors are Aleve, Excedrin, and aspirin. New competitors on the prescription front, although not publicly well-known, are Enbrel, Remicade, and Avara. For the treatment of migraines, competition exists in both the prescription and OTC markets. Common prescription competitive medications for the treatment of migraines are Imitrex, Axert, and Midrin. The OTC counterparts are Excedrin Migraine and Advil Migraine. Next, there is strong competition in the OTC market for a general fever/pain reliever from many well-known brand names and generics. Aspirin makers Bayer and Excedrin are the major brand players for an otherwise generic product. Acetaminophen is a competing product, most often associated with the Tylenol brand. Next, there is ibuprofen with common brand names of Motrin and Advil. Finally, there is Aleve, which employs naproxen sodium as its active ingredient. Finally, VirPharm could look at a different market for the product, such as offering the product as a multisymptom treatment. In this arena, competition comes from many of the same organizations, which supply multisymptom products such as Tylenol Cold, Advil Cold & Sinus, and Nyquil.

Analysis of Major Competitors As BOPREX will compete for shelf space and market share against drugs promoting various types of symptom relief, it will compete against several different drug types, specifically aspirin, ibuprofen, naproxen sodium, and acetaminophen. Each of these drugs carries unique qualities to provide symptom relief, with uniquely corresponding side effects. Exhibit B.3 summarizes these symptom-relief and side-effect combinations.

Competing Nondrug Therapies In response to the high cost of prescription and nonprescription drugs, and in conjunction with these drugs' side effects, the use of nondrug therapies for the treatment of pain and other ailments is thriving. Nondrug therapies are also the first option by choice for some, as they choose not to introduce drugs into their bodies. Examples of these therapies include exercise, weight control, the use of hot and cold packs, attitude, education, and assistive devices. Advantages to these methods can take the form of improved health, lower cost, and the ability to maintain the treatment indefinitely, unlike many drugs. Some disadvantages may

EXHIBIT B.3

STRENGTHS AND WEAKNESSES OF COMPETING DRUGS

Drug Type (Common Brands)	Strengths/Major Symptoms Relieved	Weaknesses/Side Effects
Aspirin (Bayer) (Excedrin) (St. Joseph's)	<ul style="list-style-type: none"> • Preventive care for cardiovascular issues • Reduces inflammation • Trusted pain reliever 	<ul style="list-style-type: none"> • Can cause stomach irritation • Not suitable for infants or use during the last three months of pregnancy
Ibuprofen (Motrin) (Advil)	<ul style="list-style-type: none"> • Effective pain reliever and fever reducer • Reduces inflammation • Trusted, with strong brand names • Formulas available for adults, children, and infants 	<ul style="list-style-type: none"> • Like all NSAIDs, can cause stomach irritation • May have cardiovascular side effects • Not recommended for prolonged use
Naproxen Sodium (Aleve) (Naprosyn)	<ul style="list-style-type: none"> • Long-lasting pain and fever relief from minimal dosage • Excellent at reducing inflammation 	<ul style="list-style-type: none"> • Like all NSAIDs, can cause stomach irritation • May have cardiovascular side effects • Not recommended for prolonged use • Not as well known as other NSAIDs
Acetaminophen (Tylenol)	<ul style="list-style-type: none"> • Excellent pain and fever reducer • Very high brand loyalty • Does not cause stomach irritation • Formulas available for adults, children, and infants • Can be used during all stages of pregnancy 	<ul style="list-style-type: none"> • Does not reduce inflammation • Dosage must be repeated every 4 hours • Long term use may cause liver damage
COX-2 Inhibitors (Celebrex) (Vioxx) (Bextra)	<ul style="list-style-type: none"> • Highly effective at reducing inflammation • Significant arthritis pain relief • Does not cause stomach irritation 	<ul style="list-style-type: none"> • Documented cardiovascular health issues (especially Vioxx) • Only Celebrex is currently on the market

include the continuance of pain or discomfort during the healing process that could be avoided with the use of medication.

Economic Growth and Stability

The U.S. economy has deteriorated dramatically since 2008, with the weakest housing market and highest unemployment rate in decades. Overall, economic activity in the United States fell 2.7 percent in the third quarter of 2008, followed by quarterly declines of 5.4 percent, 6.4 percent, and 0.7 percent in the second quarter of 2009. The current U.S. unemployment rate stands at 9.8 percent, while the rate in Florida is higher at 10.7 percent. Although the U.S. economy remains quite soft, the worst appears to be over for now. The recession is expected to last well into 2010.

Despite the weak economy, consumers still need to purchase medicines and other necessities. In this sense, drugs and other medications are somewhat recession proof. However, the prescription market has suffered during the most recent economic decline as consumers have shifted to the OTC market in search of less expensive alternatives. U.S. prescription drug sales topped \$291 billion in 2008 (an increase of

1.3 percent, down from 9 percent growth the previous year), while the OTC market totaled \$16.8 billion (an increase of 4.3 percent). The United States accounts for 46 percent of the world's pharmaceutical market. Taking a broader look across the industry, no fewer than 19 blockbuster prescription drugs saw their patents expire in 2008. Analysis suggests that 150 new drug compounds are needed now to plug this gap in the drug innovation pipeline.

The OTC market has also been growing as more consumers turn to self-diagnosis and treatment. There are currently more than 100,000 OTC products that consumers can choose from. The trend to use OTC medications has also been supported by physicians, who have been prescribing them more frequently than in the past. Some drugs that move from prescription to OTC enjoy greater attention from doctors. For example, after Claritin moved from prescription to OTC, 42 percent of purchasers in the first six months were advised to buy it by their physicians. There are currently more than 600 OTC drugs that were once available only by prescription. When drugs move to the OTC market, their prices typically drop. However, these drugs also enjoy a dramatic increase in demand, whereas demand for comparable OTC and prescription drugs sharply declines.

Political Trends

A great deal of political attention has centered on COX-2 inhibitors, sold via prescription under the Vioxx, Bextra, and Celebrex brands. After Vioxx was found to double the rate of heart attacks among its users, Merck voluntarily withdrew the product from the market. Similarly, Pfizer withdrew Bextra when its use was associated with life-threatening skin reactions. Celebrex continues to be sold legally in the United States. The fallout of the COX-2 controversy has placed a great deal of scrutiny on the entire pain relief market, particularly with OTC NSAIDs.

Price controls and advertising regulations are also hot-button political issues. The United States and New Zealand are the only current nations where direct-to-consumer (DTC) drug advertising is permitted by the government. Some politicians are very clear regarding their stance on advertising by drug manufacturers. They argue that drug advertisements increase America's skyrocketing drug costs and should not be allowed until two years after a drug is released. A secondary objective of such a probationary period on advertising would be to prevent unnecessary prescriptions of drugs, where drug awareness created by advertising is inflating the number of prescriptions being written.

Drug manufacturers marshal a great deal of resources to lobby Congress to extend their patents and block generic competition. In the seven years leading up to 2005, pharmaceutical companies spent \$800 million in federal lobbying and campaign contributions. These efforts helped to fend off the importation of drugs from countries that place caps on drug prices. In 2004, lobbying efforts helped pass the Medicare Modernization Act of 2003, which set up a government-based reliable purchaser for pharmaceutical companies.

Drug importation is also a hotly contested political debate in the industry. Although technically illegal and forbidden by the FDA, the practice of acquiring

prescription and nonprescription drugs from nondomestic markets is very popular in the United States. Politicians have stated their positions regarding the importation of nondomestic drugs into the United States. President Obama, for example, supports the importation of drugs from other countries as long as they are safe and the practice will lower drug prices for American consumers. The most recent health care reform plan, however, is basically silent on this issue. Although the importation of foreign drugs seems to have the President's support, the FDA has yet to clear the way for the process to become legal. The FDA claims foreign drug providers may import drugs that are either counterfeit or untested. Those not in support of importing foreign drugs, especially U.S. pharmaceutical companies, side with the FDA and restate the safety concerns with foreign drugs. Those in support of foreign drug importation denounce this stance, as they suspect the pharmaceutical companies are only taking this position to maintain artificially high profit margins.

Legal and Regulatory Issues

Pharmaceutical firms have faced a number of challenges relating to regulation as well as to consumer perception. As a result of the COX-2 controversy, the FDA distributed letters to promoters of NSAIDs that called for changes in the labeling of such products. This new labeling was intended to inform consumers of the potential for increased risk of cardiovascular events and potentially life-threatening gastrointestinal (GI) bleeding associated with COX-2 and other NSAIDs. In addition, the FDA warned that NSAIDs should not be used in conjunction with aspirin due to the increased risk of bleeding and reduced kidney function. Though these warnings have scared many consumers, the FDA has reaffirmed the safety of OTC NSAIDs for short-term use of low doses. In addition to not being recommended for long-term use, OTC NSAIDs are also recommended at lower starting and maintenance doses than prescription NSAIDs. However, OTC medicines do not require a doctor's visit or prescription, and therefore offer an additional level of convenience.

Additional regulations have been passed to enhance patient safety. The Prescription Drug Marketing Act of 1987 aids in the reduction of counterfeiting prescription drugs. Furthermore, in 2004 the FDA announced a ruling requiring hospitals to use bar codes on prescription medications that they distribute. The purpose of this is to minimize the chance of error within drug dispensing. Recently, the FDA went one step further to begin trials of radio frequency identification (RFID) as a stronger means of tracking and controlling the nation's drug supply. Concerns are looming, however, regarding potential radio interference with life-saving equipment within hospitals.

The impending reform of the U.S. health care system by President Obama and Congress leaves many question marks about the prescription drug market. The new insurance exchanges created under the plan would likely lead to prescription drug coverage for more Americans. The prices that consumers will pay for drug coverage will depend on the level of insurance coverage they choose. One outcome that seems likely is the reduction or elimination of the gap in drug coverage under Medicare Part D, which affects roughly 4 million seniors. It is expected that drugs falling within

that gap would see price reductions of at least 50 percent. A major unresolved issue is the effect that health care reform will have on the OTC market. Even though patients may find comparable or improved relief from over-the-counter medications, the new legislation may in fact encourage the use of prescription drugs. In the meantime, over-the-counter medications still qualify as reimbursable expenses through pretax dollars. The ability of consumers to pay for BOPREX with pretax dollars offers them greater choice in their health while providing greater opportunity to VirPharm.

Technological Advancements

As in most industries, technological advancements have affected consumer activity in a number of ways. The Internet has created an abundance of information, not all of which is reliable. Consumers have easy access to information, much of which is promotional material presented in a manner to appear unbiased. Internet sources, however, can also offer educational and potentially useful information. For instance, sites such as www.rxlist.com and www.webmd.com provide useful information on uses and side effects of virtually all prescription and OTC pain relievers.

In addition to the impact on customers, technological advances also offer a number of opportunities and challenges pertaining to manufacturing, distribution, and promotional activities. Technology generates more-extensive research, greater accuracy in manufacturing, more-effective methods for tracking issues, and faster processes for development. With regard to distribution, technology has provided opportunities for environmentally friendly packaging while increasing safety mechanisms to prevent tampering. The most promising of these technologies is radio frequency identification, or RFID. Potential benefits include inventory control, counterfeit deterrence, patient protection, and prompt communications relating to recalls. The cost to implement such technology, however, is significant and has prevented widespread implementation thus far. The FDA has developed a timeline in which drugs that are more likely to be duplicated by counterfeiters will be serialized sooner than others. The adoption of RFID technology affects drug manufacturers such as VirPharm and must be considered when developing packaging.

Technology influences not only marketing and distribution techniques but also the type of pain relief that is available and the delivery mechanism. In addition to traditional pain management, there are a number of technological advances now available to patients seeking relief of acute and chronic pain. For example, neuromuscular stimulators run electrical currents through the body to generate healthy tissue and repair tissues that cause pain. Facet rhizotomy, a procedure that uses an electrode to deaden the nerves that are causing pain in specific areas, is another specialized method of relief for joint pain. Nerve blockers, magnetic therapies, infrared technology, and energy waves also represent technological advances for relief of localized pain.

In addition to new methods of pain relief, there are also new mechanisms for delivering medications. Beyond the traditional oral medications that include tablets,

caplets, capsules, powders, and liquid forms, transdermal patch systems are gaining popularity. These systems have already been implemented in areas such as motion sickness, smoking cessation, and birth control. Furthermore, drug delivery may also be in the form of injections, inhalers, magnets, or lighting systems. Recognizing the effectiveness and convenience offered in alternative drug delivery systems creates future opportunities for makers of pain relief medications.

Sociocultural Trends

The changing values and demographics of today's society offer both opportunities and challenges to pharmaceutical firms. For instance, the increased size of an elderly population creates a large customer base for manufacturers of pharmaceutical products. In addition, this elderly population does not maintain the same lifestyles as those of past decades. Elderly people are remaining employed well into their 60s and 70s and are maintaining active lifestyles. Those in the workforce are increasingly using computers and keyboards, requiring manual dexterity and the ability to remain seated for hours at a time. Today's elderly population is not content to remain inactive. Active lifestyles create a market of on-the-go Americans who require effective pain relief to maintain the quality of life they demand.

More active populations and dual-income households also result in consumers' placing an increased value on their time. The convenience of purchasing items and the convenience of dosing are both significant. Many want to purchase their pain relievers at the same place they purchase milk, on the way home from work. This may be their local supermarket, a large supercenter, or the convenience store down the road. Shopping online is becoming increasingly common, due to convenience, as well. Busy schedules result in convenience being a critical aspect for today's shoppers.

Furthermore, patients are increasingly vocal about their health care, and they are active in seeking solutions to health issues. Television advertising of pharmaceuticals has risen, creating a new level of competition for drug manufacturers. A challenge for manufacturers of OTC medications is that, in recent years, there has been a significant increase in direct-to-consumer advertising of prescription drugs. "Ask your doctor if product X is right for you," suggests one commercial. With prescription medications promoting directly to consumers, manufacturers of OTC drugs are faced with increased competition from makers of similar products of prescription strength.

However, OTC drug manufactures are able to take advantage of the growing trend of self-diagnosis and self-medication. With the diverse selection of vitamins, natural supplements, and OTC products that are available, consumers often self-diagnose their ailments and purchase products targeted to treat their symptoms. The inconveniences of visiting the doctor's office, coupled with increasing medical costs, have resulted in consumers' increasingly looking toward alternative solutions outside of conventional healthcare. The drawback to VirPharm, however, is that self-medication may result in a lack of compliance with recommended dosing. This presents a potential risk to consumers in that over-the-counter NSAIDs are not intended for long-term use.

SWOT Analysis

Strengths	M	×	I	=	R	Opportunities	M	×	I	=	R
BOPREX approved to treat arthritis, migraine headache, and general pain	3		3		9	FDA has approved the transition of prescription NSAIDs into OTC market	3		3		9
Patent exclusivity for three years	3		3		9	Consumers will try new products as they become available	3		3		9
New product entry	3		2		6	NSAIDs can be used as general pain reliever and fever reducer	3		3		9
Prescription-strength pain relief available over the counter	3		2		6	Potential market channels not currently exploited	3		3		9
Effective migraine treatment	3		2		6	Competing prescription pain relievers have been pulled from the market	3		2		6
Talented and motivated workforce	2		2		4	Weak product differentiation among OTC competitors	3		2		6
Lower cost of raw materials	3		1		3	U.S. population is increasingly seeking convenience of online shopping	2		3		6
Wide range of products	1		2		2	Increase in aging population	2		2		4
Weaknesses	M	×	I	=	R	Threats	M	×	I	=	R
Limited marketing budget	-3		3		-9	Competition from both prescription pain relievers and OTC pain relievers	-3		3		-9
Market position (#6 in market)	-3		3		-9	Extremely crowded OTC market	-3		3		-9
Weak product differentiation	-3		3		-9	Consumer loyalty with existing competitors	-3		2		-6
Current brand name (new to market)	-3		2		-6	Negative publicity regarding NSAIDs	-2		3		-6
Midsized company	-2		2		-4	Declining doctor recommendation of NSAIDs	-1		3		-3
BOPREX associated with gastrointestinal side effects	-1		3		-3	OTC NSAIDs not indicated for long-term use	-1		2		-2
Variability in offshore suppliers	-1		2		-2	Regulations on drug advertisements could intensify	-1		2		-2

Developing Competitive Advantages

Shifting BOPREX to the over-the-counter medication is a huge opportunity for VirPharm. By moving OTC, VirPharm can take maximum advantage of its past R&D spending and use its remaining patent exclusivity to capture OTC dominance in the butoprofen pain relief category. VirPharm will be able to tout BOPREX as prescription-strength butoprofen at an OTC price. VirPharm has previous success in moving its prescription products to the OTC market, and that experience will be invaluable as VirPharm attempts this transition with BOPREX. VirPharm's low manufacturing costs are also critical, as the OTC market is very price competitive.

In moving OTC, VirPharm will be able to leverage its strength and newness in a market that consistently looks for the newest, most effective pain relief on the market. In addition, VirPharm can take advantage of the relatively weak differentiation among OTC competitors, as well as the relative softness in the market for COX-2 inhibitors. Furthermore, VirPharm can take advantage of marketing channels that are relatively underutilized by competing OTC firms.

Despite the tremendous opportunities, VirPharm must also be cognizant of its weaknesses in the crowded OTC market. Although being a midsized company does not allow for significant financial backing, it does allow VirPharm to react quickly to

changing markets and customer requests. To compensate for its relatively small marketing budget, VirPharm's industry-leading sales force will work with doctors and pharmacists to emphasize the effectiveness and lower cost of BOPREX. Likewise, VirPharm's promotional campaign will need to be lean, efficient, and cost-effective.

Developing a Strategic Focus

The overall strategy of this marketing plan incorporates key opportunities in the industry into VirPharm's focus. The ability to transition VirPharm's prescription medication into an over-the-counter medication offers an opportunity for market launch within the general pain relief market. VirPharm will benefit from a large adult population, many whom work beyond the age of 65. As a part of this launch, BOPREX will be renamed RELEVEN (pronounced ree-lee-ven)—a name that plays on the relief offered by prescription-strength butoprofen. The strategic focus is to position RELEVEN as a medication that is stronger and more effective than traditional pain relievers and one that is easier to access than by obtaining a prescription.

In terms of distribution and access, RELEVEN will be offered for sale through traditional grocery, mass merchandise, and drugstore channels. However, VirPharm will also aggressively pursue nontraditional venues, such as office supply merchants and online stores. VirPharm will develop partnerships with companies such as Staples, Office Max, and Office Depot to offer RELEVEN as an add-on item through online purchases. This partnership will assist corporate office supply buyers to satisfy multiple office needs with a "one-stop" shop concept. RELEVEN will gain an online presence and develop an "e-drug" status, as well evolve as the preferred pain relief product in the office environment. Realizing the weaknesses of VirPharm's limited marketing budget and its unrecognizable brand name, this approach to marketing and selling RELEVEN will minimize marketing costs.

Marketing Goals and Objectives

Based on careful consideration of the situational and SWOT analysis, the following goal and objectives have been identified to provide the blueprint for an opportunity to transition RELEVEN to the over-the-counter market.

Goal To launch and position RELEVEN as the convenient, prescription-strength, over-the-counter pain reliever.

Convenience is the driving theme of this marketing plan. One of the underlying demands of consumers for products in the OTC market involves convenience, whether it is off the shelf or the convenience of online ordering. In addition, RELEVEN has the unique characteristic of its move to the over-the-counter market. This will give consumers the confidence, satisfaction, and convenience of acquiring a prescription-strength medication without the need of doctor direction.

Objective 1 Obtain a 20 percent share of the multipurpose pain relief market within two years of launch.

Whereas most competing products are positioned as relief for specific ailments, RELEVEN will be positioned as a broad-spectrum pain reliever for a number of different ailments (headaches, migraines, general aches, pains, and fever). This positioning will be focused on the adult population who suffers from overexertion at work—whether it be from tension, stress, computer strain, or noise—or at home from the physical exertion of exercise or household demands.

Objective 2 Garner 20 percent of sales from online ordering within one year of launch.

As strength continues to build in RELEVEN's market share, the availability of nontraditional procurement options (online ordering and availability from office supply retailers) will position RELEVEN as a leader in the office environment. Online buyers will be able to meet their needs without leaving the office.

Marketing Strategy

A summary of our marketing strategy based on the product life cycle is shown in Exhibit B.4. The elements of this strategy will be discussed in the following sections.

EXHIBIT B.4

SUMMARY OF RELEVEN MARKETING STRATEGY

	Introduction	Growth	Maturity	Decline
Overall Marketing Goals	Transition RELEVEN to the OTC market; position as a prescription-strength product for general pain relief.	Increase product awareness and market share through sales to users of prescription medications and other pain relievers.	Continually increase market share through increased office and online presence.	Having gained brand awareness, maximize profit through reduced promotional efforts.
Product Strategy	RELEVEN will be offered in one form (capsule) and in one dosage strength (50mg).	As patent expires, RELEVEN will be offered in other forms; single-dose packaging will be offered.	The product will sustain an “e-drug” reputation and be perceived as <i>the</i> solution for general aches and pains.	The most popular forms of RELEVEN will remain on the market; other forms will be dropped.
Pricing Strategy	RELEVEN will be priced higher than generics and aspirin, but lower than prescription medications and specialty products.	As patent expires, prices will be reduced to maintain market position.	Prices will remain consistent with the growth phase.	Lower costs through reduced promotional efforts will allow further price reductions.
Distribution Strategy	Obtain shelf space from traditional outlets such as drugstores and large retailers; primary focus will be on office supply retailers and online merchants; trial packs will be distributed with office supplies.	Further penetration into nontraditional vendors such as shipping and photocopy centers; single-dose packs will be available through vending machines.	Maximum availability through traditional and nontraditional merchants.	Only most profitable channels and merchants will be retained; significant online presence will continue.
Promotion Strategy	Heavy use of in-store promotions; trial-size packs will be available with office-related items.	Continued in-store promotions; online promotion via office supply websites; promotion via vending services and providers of water cooler suppliers; TV advertising to attract older adults.	Heavy advertising on online news sites.	To further reduce costs, online promotion will be reduced.

Primary Target Market

VirPharm's primary target market consists of men and women, ages 21 to 40, who work in an office environment. Their ethnic background is increasingly diverse. These individuals are found in both urban and suburban locations. Most have some college, and many possess Bachelor's and Master's degrees. They typically remain single well into their 20s and often do not have children until their 30s. Once married, they maintain dual-income households and therefore have larger incomes but less free time. This segment represents an easily identifiable and measurable group. This is a substantial consumer group that is accessible through many diverse communication channels.

Although the primary focus is on young professionals, a second focus within the growth phase will include a target market of active, older adults. This target, which includes both men and women, ranges in age from 50 to 74. The population of this segment continues to grow, and this group will be the largest consumer of pharmaceutical products in the future.

Identifying Characteristics Most of the young professionals in our target market have web access through multiple locations including home and work. Many also maintain a home office or a laptop for working from home. The target maintains an on-the-go lifestyle where they work extended hours and are motivated to succeed in their career. They also sustain active social lives that include frequenting sports events, social gatherings, and restaurants and bars. Because of the lifestyle they lead, the target is seeking convenient access to medications, as they have little time for doctor's visits or for filling prescriptions, and they expect quick relief for their pain. The younger portion of this target was brought up with pagers, cell phones, and the Internet. They often have short attention spans and are accustomed to having information at their fingertips. To break into this market, it is essential to allow quick and easy access to RELEVEN. Many in this segment have become accustomed to periodic headaches and muscle aches, and they choose to endure the pain rather than to address it.

The older target now leads an active lifestyle well beyond the typical retirement age. The nation's baby boomers represent a large percentage of the population and therefore a large consumer segment. Those in their 50s have yet to peak in their career. Many others remain employed well beyond the age of 65 and have no intentions of retiring. These individuals also lead active lives including maintaining primary and sometimes secondary careers, participating in social activities such as bowling and sports events, and beautifying their homes through landscaping and gardening.

Basic Needs and Requirements In terms of pain relief, the primary market seeks effective pain relief for general symptoms including headaches, eyestrain from the computer, and a miracle cure for hangovers. Because of the time constraints for this active generation, they are seeking prescription-strength medications that are available over the counter. Others need relief but have failed to seek resolution due to lack of convenience. The younger group is more impressionable and more easily influenced

by products that are perceived as popular and trendy. The older segment, on the other hand, simply has a need for effective treatment at a reasonable price. In terms of pain relief, the primary market is seeking effective pain relief for sporadic pain such as aching muscles and occasional arthritic pain.

Purchasing/Shopping Habits and Preferences The younger generation increasingly purchases items online. They seek quick and convenient access for all of their shopping needs. In addition to shopping online, many frequent a local convenience store. They are also willing to pay a little more to save time. Furthermore, younger professionals are of a generation that demonstrates items are affordable as long as one can pay the minimum payment. Financing is common, and price is often less a factor than status. The reverse is more likely to be true with the older market. Given the increased cost of healthcare coverage and of prescription medications, these older people are seeking a low-cost alternative for pain relief.

As mentioned previously, price is less of a factor for the primary target. They seek the best solution regardless of price. If a product costs a little more but is easily accessible or can be taken less frequently, that added convenience adds greater utility. Also within this group is a subsegment that tends to endure their pain rather than treat it. A focus of the marketing strategy is to sway nonusers of pain relief medication by offering an effective alternative to relief, one that can be used conveniently, on a short-term basis, and with minimal side effects. The consumers that comprise the older segment are more price sensitive and more likely to be loyal to well-known medications that have maintained a long-term existence in the OTC market. They are exposed to media through TV and newspapers and are typically aware of publicity related to drug recalls and issues relating to products being pulled from the market.

Product Strategy

One primary feature of RELEVEN that will be emphasized repeatedly is its prescription-strength formula. In addition, it has been approved to treat osteoarthritis and migraine headaches as well as to provide general pain relief. At the outset, RELEVEN will be offered in capsule form and in one dosage strength. In order to simplify the initial product offering, there will not be an “extra strength” formula or a formula positioned specifically for migraines or headaches. Instead, RELEVEN will be offered for general relief of pain symptoms that arise from headaches, migraines, arthritis, and other aches and pains. Future offerings will include alternate product forms, including tablets in varying dosages.

A key advantage for VirPharm is RELEVEN’s patent protection for three years after launch. This patent will help to prevent imitations and generic substitutions in the immediate future. Our patent will also support our initial pricing structure for three full years after launch.

Brand Name and Packaging The product previously referred to as BOPREX will be designated as RELEVEN in its over-the-counter form. The name was selected to subtly communicate its purpose of providing relief. The capsule—which is white with red “RELEVEN” on it—will initially be packaged in three different sizes: a “Trial Pack”

with 10 capsules, a “Personal Relief” pack with 100 capsules, and an “Office Pack” with 250 capsules. Although most competitors offer larger packages as “Family” packs, our “Office” pack is designed to maximize positioning in the office/work environment. Future packaging will include a single-dose (two capsules) that will be made available in vending machines throughout the United States.

Differentiation and Positioning There are several features that differentiate RELEVEN. First, it will be developed with an “office presence” that is positioned as the best solution for general pain relief among office workers. The focus will be upon pain relief for many ailments related to an office environment including eyestrain, headaches, and migraines. The office presence is further enhanced through distribution in office supply stores and websites. Moreover, based on the distribution focus, RELEVEN will be differentiated as an “e-drug” solution that is easily accessible through online shopping. It will be positioned as a solution for active, young professionals and will gain brand loyalty through the newness, prestige, and coolness factors.

RELEVEN itself will not be sold with accompanying supplemental products. However, RELEVEN is unique in that it will be sold as a supplemental product within office supply stores. In addition to partnering with retailers such as Staples, Office Max, and Office Depot, VirPharm will partner with manufacturers of specific product lines to include free trial packages of RELEVEN with their product offerings.

Pricing Strategy

RELEVEN is positioned toward young professionals who, in their consumption habits, have demonstrated that price is not the number one factor in selecting products. Convenience is critical to this market, and status is also desirable. By positioning RELEVEN as the best solution for pain relief, and by securing a significant office presence, the affordability of RELEVEN will not be the primary focus of its appeal.

Though price is not the most critical factor in marketing RELEVEN, VirPharm can nonetheless capitalize on its access to cheaper raw materials and therefore lower its cost of production. The pricing strategy, while primarily dependent upon retailers, will position RELEVEN as an affordable solution to pain relief. Revenues will be gained through both volume and substantial profit margins. With a list price of \$5.63 for the 100-count “Personal Relief” pack, we expect RELEVEN to sell at an average retail price of \$8.99. This price is comparable with Advil and Aleve and less expensive than migraine-specific medications. The 10-capsule trial pack will have a list price of \$0.83 and the 250-count “Office Pack” will list for \$8.77.

Distribution Strategy

The overall distribution strategy contains multiple approaches. In the introduction phase, shelf space will be sought through traditional venues such as drugstores and other retailers such as grocery stores and mass merchandise retailers. The primary focus, however, will be through office supply retailers and websites. During the growth phase, access will be extended through less traditional venues such as shipping and photocopy centers. These venues attract the specific target market of young professionals.

Furthermore, RELEVEN will be offered through online office retailers such as Staples.com, OfficeMax.com, and OfficeDepot.com. Company buyers of office supplies and/or technological equipment and supplies will be exposed to RELEVEN through their regular buying activities. A third strategy will present single-dose packages through vending machines in offices, shopping centers, health clubs, golf courses, and bowling alleys. Given the primary venue of online retailers, the focus will be upon national distribution.

Integrated Marketing Strategy

The overall integrated marketing communications directed specifically toward the consumer include advertising primarily through Internet advertising, outdoor advertising such as billboards, through add-on sales via online venues, and through in-store promotions at office suppliers. Additional TV advertising will allow RELEVEN to enhance its initial brand name recognition. Advertising efforts will include 50 percent to Internet advertising, 20 percent to outdoor advertising, and 30 percent to television advertising. VirPharm's advertising budget includes \$125 million for consumer advertising, and an equivalent amount has been dedicated to trade marketing activities.

The advertising strategy will be specific to the product, images of the target market, types of pain that it treats, and the relief it provides. The strategy will focus upon general-purpose pain relief on the days (and nights) that adults have exerted themselves. Exertions include stress from work, eyestrain from the computer, headaches caused by screaming children, and general aches and pains resulting from a late night. Images of a young professional working on a laptop or of a young man waking up after a rough night will be demonstrated to illustrate the uses for RELEVEN.

Sales promotions will include free trial packages that are offered with office supplies in retail stores and online. Further indirect advertising will be presented in the form of office-related items to increase brand awareness. Items will include pens, paperweights, mouse pads, and office calendars. These inexpensive items will be shared through the vending services and through contact with office managers.

Secondary Target Market and Marketing Program

Secondary Target Market Although VirPharm's secondary market will include numerous retailers, the primary focus will be on obtaining shelf space in office supply stores as well as in the warehouses of online suppliers. Other businesses such as shipping and photocopy centers will also be targeted. Finally, vending machine services will be targeted as an opportunity for more direct access to customers. The primary need of these merchants is to increase sales through increased use and visitation of their product offerings. With regard to the vending services, the goal is to increase sales, as profitability is directly related to sales quantities.

Product Strategy The general-purpose relief offered by RELEVEN aligns well with the needs of office supply customers. For online retailers, offering RELEVEN as an add-on sales item is an easy way to increase sales. Because RELEVEN will be positioned with a strong office presence, office suppliers will benefit from their affiliation with RELEVEN.

Pricing Strategy The primary pricing objective is to blend midsize profit margins with substantial sales volumes for profitability. RELEVEN will be offered to retailers at a price higher than generics and aspirin, but at a price that is lower than most specialized arthritis and migraine products. As mentioned previously, the list price to retailers and wholesalers is \$5.63 for the 100-count “Personal Relief” pack, \$0.83 for the 10-count trial pack and \$8.77 for the 250-count “Office Pack.”

Distribution Strategy The overall distribution strategy contains multiple approaches. VirPharm will initially gain shelf space in major retailer stores through the use of slotting fees and discounts on other VirPharm OTC products. These incentives will be phased out by the end of the first year when RELEVEN is established in the market. Freestanding display packs will also be offered to major retailers. Point-of-sale displays will be offered to office supply stores, shipping and copy centers, and convenience stores to capture customers at the checkout. Distribution via vending machines will be outsourced to a third-party vending supply company. After the initial launch through both traditional and nontraditional venues, the primary distribution strategy will be online availability. Online intensity is expected to increase beyond 50 percent once initial distribution has created brand name recognition.

Integrated Marketing Strategy Given the utilization of the organization’s sales staff and consulting firm, communications with the supply chain will be primarily through site visits and sales negotiations. The budget of \$125 million dedicated to the trade marketing activities will be consumed through consulting services, travel expenses of the sales staff, and through trial packages that will be offered to a substantial number of retail locations.

Marketing Implementation

Given the specific focus and direction of the marketing plan, VirPharm will follow an initial structural approach that is somewhat centralized in nature. This choice is based on the specific strategy that has been derived, with new and somewhat unfamiliar channels, and will provide efficient and effective use of limited human and financial resources. The charge of implementing this marketing plan will fall to the Senior Vice President of the Over-the-Counter Division. This sponsor will have responsibility for the overall plan and project, and will be utilized as a “sounding board” to obtain feedback on issues and to help alleviate any discrepancies or conflicts that could jeopardize the plan and/or the organization’s goals and values. Second, a key account manager from the Consumer Group will be assigned role of Implementation Leader. This person will be responsible for ensuring timelines are met, recruiting internal talent, ensuring resources are adequate, and overseeing the completion of the endeavor.

In addition to internal resources, VirPharm will also solicit the expertise of a consulting firm that is well versed on web-based selling, promotion, advertising, and procurement. Because the thrust of the marketing strategy is focused on end-user sales from the use of the Internet, this creates an unfamiliar strategy that has not been previously employed by VirPharm. Therefore, an experienced and skilled resource

should be used to ensure pitfalls are avoided and to provide general direction/feedback to the effort. One of the essential deliverables that the consultant will provide will be a scientific study on the buying habits of corporate buyers and the venues and retailers that are most prevalent and preferred. A detailed listing of implementation activities is provided in Exhibit B.5.

Evaluation and Control

Output Controls

To ensure the proper implementation of VirPharm's marketing strategy for RELEVEN, procedures must be in place to evaluate outcomes relative to the plan's stated

EXHIBIT B.5

TACTICAL IMPLEMENTATION ACTIVITIES

Specific Activities	Assigned Responsibility	Required Budget \$250M/100%	Estimated Completion Time
Product Activities	Implementation Leader	\$37.5M / 15%	
1 Launch RELEVEN capsule, 50mg dosing, trial pack of 10 capsules.	Marketing and R&D	\$12.5M	Month 1
2 Develop 100-count "Personal Relief" and 250-count "Office" packaging.	Marketing and R&D	\$8M	Month 2
3 Offer product in single-dose packages containing two pills.	Marketing and R&D	\$17M	Month 3
Pricing Activities		\$25M / 10%	
1 Offer initial trial packs free for the first two months.	Wholesale Group	\$25M	Month 1
Distribution Activities		\$62.5M / 25%	
1 Obtain contracts with traditional venues such as drugstores and large retailers.	Consultant and Wholesale Group	\$17M	Month 1
2 Obtain contracts with mass office supply retailers and gain initial entrance through trial packs.	Wholesale Group and Marketing	\$8M	Month 1
3 Gain entrance to vending sales by outsourcing vending to a third party; develop single-dose package for vending machines.	Wholesale Group and Marketing	\$17M	Month 3
4 Work with office supply retailers to provide product through their respective online ordering systems.	Consultant, Marketing, Wholesale Group, and Consumer Group	\$20.5M	Month 6
IMC Activities		\$125M / 50%	
1 Set up in-store promotions through trial packs.	Wholesale Group and Marketing	\$8M	Month 1
2 Use television advertising to enhance awareness utility for the office professional, the active person, and the older adult; targeted time slots include sporting events, morning news, and afternoon daytime programming.	Wholesale Group and Marketing	\$37.5M	Month 1
3 Make use of online advertising through Internet search engines and news portals, such as Google, Bing, CNN, and Bloomberg.	Consultant, Marketing, Wholesale Group, and Consumer Group	\$31.25M	Month 2
4 Work with office supply retailers to advertise add-on sales through online ordering system.	Consultant, Marketing, Wholesale Group, and Consumer Group	\$31.25M	Month 6
5 Sponsor major television and sporting events.	Marketing	\$17M	Month 12

objectives. Recapping the objectives to be measured, VirPharm has established the following objectives for the launch of RELEVEN into the OTC market:

Objective 1 Obtain a 20 percent share of the multipurpose pain relief market within two years of launch.

This objective will be assessed via a combination of internal and third-party research reports. Specifically, VirPharm will use the results of Nielsen's point-of-sale measurement reports to track sales and market share by region and type of merchant.

Objective 2 Garner 20 percent of sales from online ordering within one year of launch.

This objective will be assessed via internal company sales records, along with support from members of the supply chain. We anticipate that 8 to 10 percent of sales will come from purely online vendors such as Drugstore.com and Amazon.com. The remaining 10 to 12 percent will come from online ordering at traditional brick-and-mortar stores such as Staples, Office Max, Office Depot, Walmart, CVS, and Walgreens.

Implementation Timeline

Exhibit B.6 outlines a three-month schedule for the launch of RELEVEN. Because a number of activities such as product artwork need to be finalized and a test run of the website conducted, and production runs and distribution of the medication need to occur, the product will not be sold until the first week of June. During this initial week of sales, most of our promotional activities will kick off simultaneously. These include television ads, online banners, and promotional giveaways associated with office supply stores.

Final production of RELEVEN will begin during the first week of May. This will provide sufficient supply to warehouses and retail shelf space prior to launch. After launch, we anticipate production will run continuously, though not in the high quantities necessary prior to launch.

This is only a three-month schedule because most of these activities revolve around the product launch. Marketing activities will continue in the future and will be adjusted based on effectiveness and product demand.

EXHIBIT B.6

THREE-MONTH IMPLEMENTATION SCHEDULE FOR RELEVEN LAUNCH

Month	May				June				July			
Week	1	2	3	4	1	2	3	4	1	2	3	4
Product Activities												
Finalize artwork, packaging, and label design	X											
Begin employee training and education on new strategy	X	X										
Produce packaging materials	X	X	X	X	X	X	X		X		X	
Start production runs	X	X	X	X	X	X		X		X		X
Distribution Activities												
Finalize distribution issues with retailers and vending services firm	X	X	X									
Send shipments to warehouses and distribution centers			X	X			X	X			X	X
Send shipments to retailers				X	X			X	X			X
Pricing Activities												
Give a 5% discount on 100-count packs to retailers selling RELEVEN online					X	X	X	X	X	X	X	X
Give a 10% discount on 250-count packs to retailers selling RELEVEN online					X	X	X	X	X	X	X	X
IMC Activities												
Finalize website design			X									
Start website testing				X								
Launch website					X							
Kick off television advertising					X	X	X	X				
Launch online advertising									X	X	X	X
Commence in-store promotions at office supply centers					X	X	X	X				
Offer free trial packs with online purchase (>\$50) at office supply retailers					X	X	X	X				
Offer free 250-count pack with online purchase (>\$200) at office supply retailers					X	X	X	X				