

3.10 NEW PRODUCT DEVELOPMENT

New product development in pharmaceutical industry is a much more complex process as compared to other industries. The cost of development, the R&D capability, registration with the ministry of health, sourcing of raw material, all make this a daunting task for any marketing team. One of the most widely used methods of acquiring new products, acquisition, is not applicable to local pharmaceutical companies in developing countries. The reason is that all multinational companies of some stature already have their local offices in almost every developing country, and they prefer to market their products through them instead of joining hands with local partners. There are some examples of an arrangement between a local company and an international company, but they comprise a very minute portion of the total industry turnover. This leaves the companies with no other option but to develop branded generics for marketing. At present, there is no possibility of development of original products given the size and resources available to local industry. The new product development process in Pakistan's pharmaceutical industry can be outlined as follows:

- Molecule identification.
- Molecule screening.
- Sourcing of raw material.
- Pilot batch manufacturing.
- Marketing strategy development.
- Test marketing/Clinical trial/user trial.
- Commercialization.

Now we will go through each step to develop a clear understanding of the new product development process.