

**ANALYSIS FOR MARKETING STRATEGY PLAN OF  
NANCHANG CITY CHINA POST LOGISTICS COMPANY  
IN OTC-MEDICINAL MARKET**

Study Case: Nanchang City China Post Logistics co.ltd (NCCNPL)



Bachelor's thesis

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ABSTRACT

Nanchang City, China Post Logistics Co Ltd (NCCNPL) is a subsidiary of China post group, located in Jiangxi Province. The company established in January 18, 2003. NCCNPL is stated-owned enterprise logistics business collected storage, packaging, distribution, processing, cargo handling, transport and information services in a modern intergraded logistics enterprise. It is a professional logistics company that covers nationwide. The thesis idea is clearly to analyse the marketing strategy plan OTC-medicinal market.

The aim of this thesis is build a developing strategic marketing plan for Nanchang City China Post Logistics Co. Ltd in OTC-medicinal market. The dissertation is composed of 5 sections; they are introduction for study, theoretical framework, methodology for market research, result, and conclusions. In this studying process, the theoretical framework applied analysis for marketing strategy around the whole theorised basic, then go through the marketing planning process, it had been separated between situational analyses and the SWOT analysis. The marketing mix strategies used to deeply describe marketing strategy plan in data result analysis. It will better to help the NCCNPL extend their business and keep long-term cooperation with OTC-medicinal.

The study research methods are qualitative and quantities. The interviews, questionnaires are main data collection techniques during studying process. Also, some secondary sources are from books and articles. The author had interviewed 6 managers, who are working for OTC-medicinal project in case company and OTC-medicinal. The responded data information can clearly understand NCCNPL's current market situation. On the other hand, it distributed 200 investigations in OTC-medicinal market, and then 120 effective questionnaires have been got, so the response rate was 77% with these data information. And the theoretical aspects serve for development a marketing strategy plan for NCCNPL in OTC-medicinal market. It combined by marketing strategy theory, marketing strategic planning process, and marketing mix strategies in the thesis.

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Therefore, the final result is summarising market research and discussing with case company, the development marketing strategy planning based on internal and external situation analyses, also with SWOT analysis. In conclusion, the final marketing plan will forward many new suggestions from partners and customers.

**Keywords** NCCNPL, OTC-medicinal, marketing strategy plan, internal and external analysis, SWOT analysis, marketing mix.

**Pages** 58 p. + appendices 5 p.

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## 1 INTRODUCTION

From the beginning of 21th century, the logistics has caught prevalent attention as a key factor to enhance the market competitions and a huge potential market to affect the development of many fields, and has gained quite swift and violent momentum with ascending enthusiasm. To the post enterprise, traditional business was impacted wholly. Thus, strengthening logistics business is an inevitable choice and a guarantee for a fine circle. With the austere situation that both domestic and foreign logistics magnates scramble Chinese markets, it is a basic key for the china logistics company, which wants to be the king of the modern enterprises, to establish and execute correct stratagems. (Wang Zhitai, 2002)

This thesis will focus on a local logistics company in China, Nanchang City China Post Logistic co.ltd (NCCNPL). It is located in the south of China, Nanchang in Jiangxi province. Nanchang City China Post Logistics Company (NCCNPL) is a model in the Chinese logistics industry that has turned from a conventional logistics enterprise to a modern one. Moreover, as a one-hundred-year monopoly enterprise, it has a relatively traditional operation mode, sufficient customers and modeled services. With the trend of the economic globalization, the environment of China Post has changed a lot. In addition, OTC-medicinal market is the only most important long-term partner for logistics business market. This case study aims to give the final development marketing strategy plan of NCCNPL in next 5 years' cooperation with OTC-medicinal.

In the first chapter, the discussions are mainly on the purpose of the study, the background of Nanchang City China Post Logistics Company, the stretch, research objectives, research questions and research methods of the thesis.

### 1.1 The purpose of the study

The main objectives are finding out a successful marketing strategy plan for Nanchang City China Post Logistics Company (NCCNPL) in OTC-medicinal market. Why the author would like to study in this company and this subject is that the author major in logistics in university. During the course, we need understand and think some normal questions clearly before starting a case for the new marketing strategy plan, example likes: which part of the business do we want to develop? Which purpose do we set for the market? How are we planning to achieve them in an optional way? At last, a marketing strategy is a combination of the answers to these questions. So, the author select a case company in China and help them make a development marketing strategy plan in OTC-medicinal market to put my professional knowledge to use. The other words for the reason is that I had been an intern in NCCNPL more than 3 months, so it will easy

and convenient to connection with them, also will be instant to getting useful information or documents for my thesis.

The author had worked there as a manager assistant in planning department for more than 3 months. The internship makes me appreciate the community in practice. So by means of the internship experience in Nanchang City China Post Logistics Co.Ltd (NCCNPL), to find the creation process of whole marketing strategy to concentrate on certain strategy elements of the NCCNPL. My work should be practical and will be done for Nanchang City China Post Logistics co.ltd (NCCNPL). The meaning focus on one project case in OTC-medicinal market, giving and analysis to strategic marketing and put my theoretical knowledge in practice. The subject is the case company keeps long-term partnership with the OTC-medicinal. As the following process will hold more introductions for the OTC-medicinal, it is one most vital cooperative partner, the pharmaceutical unit of Harbin Pharmaceutical group holding co.ltd.

In recent years, the business ranking of the fastest growing and most potential industry, without question, is the logistics industry. As we know, throughout the entire production, circulation and consumption processes in logistics system, it has become an important foundation for the sustainable development of the national economy in the starting point. Following the new science and technology, management and information technology are in widespread use at various fields, logistics is one element that cannot be absent for market economy to become the basis to promote the sustained and healthy development. NCCNPL is famous China national Company, but still have a lot new Logistics Company have been set as a bush. And they grow up for increasingly available with the development of new technologies. This fact leads to perceiving Nanchang City China Post Logistics co.ltd (NCCNPL) cannot stay in around, the effective and efficient market development strategy are really necessary.

All in all, the thesis objection going base on development marketing strategy plan for NCCNPL management team, and to see their business unit, lead to better understanding of their group, it is position and will positively affect the case company. At this period, the author had faced a lot of difficulties and limitations to apply a theoretical base to real cases. In the other hand, it also brings many new professional growths, because the process for the working consist all aspects of business strategy areas, market planning parts and strategy management. It gave a great possibility to apply my knowledge in real study.

## 1.2 The structure of the study

In the planning, the thesis consists of five sections. Each of those chapters describes a different area studies. (Figure1: thesis structure)

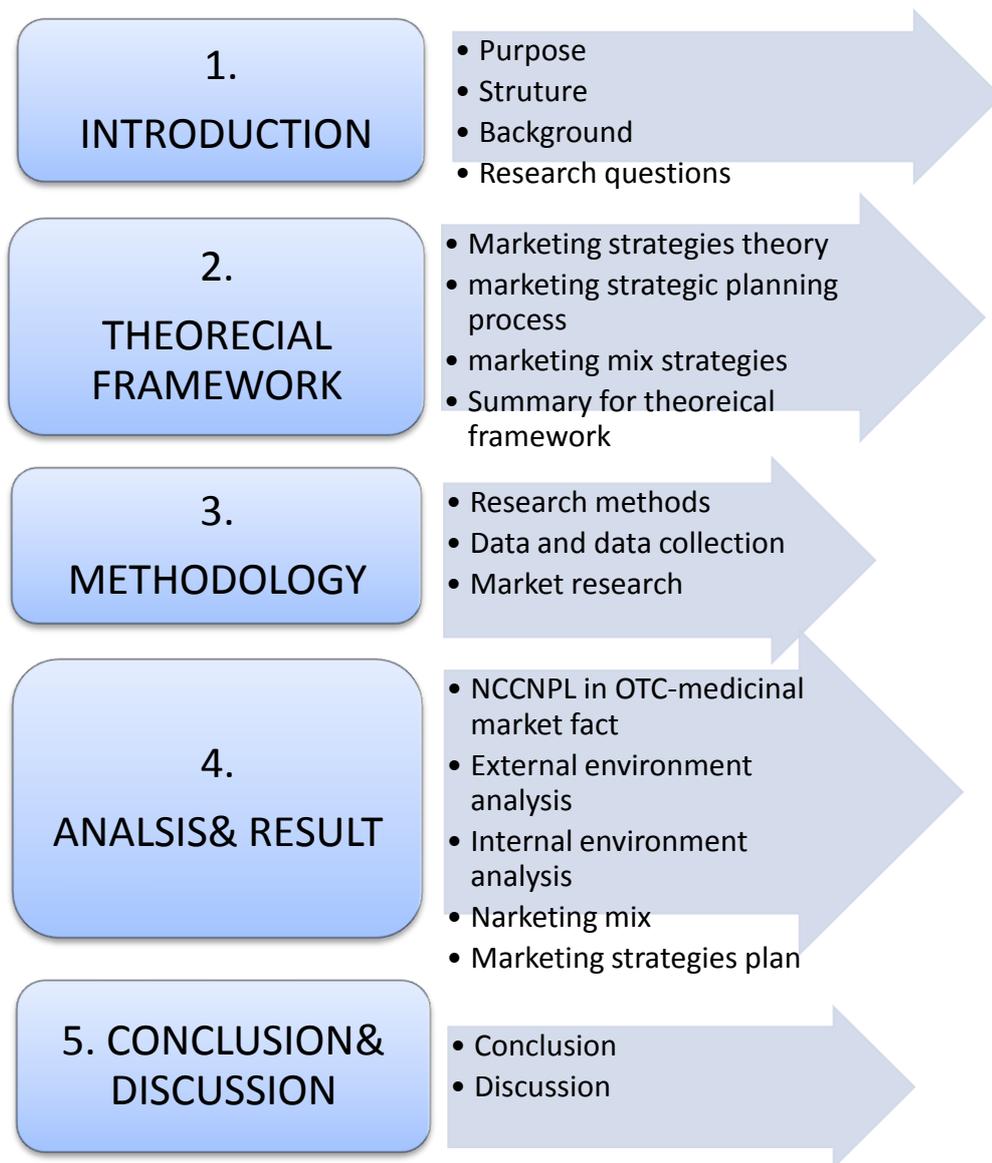


Figure 1 Thesis structure

Chapter one is starting with a based analysis for the topic objectives, explaining the goals and idea for the study of which part of study will focus on. Also including the reason why the author chooses this thesis topic. Then the introduction of the study structure will be given after forth. The section also gives the company background that case has been studied in the following work, some necessary research questions and limitations that should be answered.

Chapter two concentrates on theoretical framework for the thesis, all the information focus on the theory used and describes marketing strategy plan for Nanchang City China Post Logistics co.ltd (NCCNPL) in OTC-medicinal market.

The third chapter is about the methodology for the thesis, it discusses and describes for the research design at work, the data collecting methods used during the process, and the final outline of the case company.

After that in chapter four: the analysis and result. It concentrates on marketing, strategy and competition for the marketing plan and also fine out the new directions of development strategic marketing plan for the case.

The final chapter is the summary section, it includes the conclusion and discusses the case study, gives some suggestions for the future company development.

Indeed, thesis structure wills combination these 5 parts to analysed Nanchang City China Post Logistics co.ltd (NCCNPL)'s marketing strategy plan in OTC-medicinal market.

### 1.3 Company's background

Nanchang City China Post Logistics co.ltd (NCCNPL) was established in January 18, 2003, a subsidiary of China post group. It is a professional operation and management of postal of large state-owned enterprise logistics business, with a registered capital of 3.7 billion Yuan RMB. Company consists of 31 provincial subsidiaries, and it is a collection of storage, packaging, distribution, processing, cargo handling, and transport and information services in a modern integrated logistics enterprise.

#### Market positioning:

Around the national economic and social development needs, in a multi-batch, high prescription, high-value, low-volume, and small size, small weight of the items mainly focus on IT, Pharmaceuticals, high-grade goods, tobacco, e-commerce industries of large and medium-sized enterprises at home and abroad, manufacture enterprise and brand circulation of e-commerce enterprises provide customized, high-level lean logistics service.

#### Company structure:

NCCNPL in accordance with the: Parent - subsidiary – Branch. In nationally established by "mailed in logistics system of unified brand" advanced, reasonable structure, organized, effective organization and management system.

#### Basic network:

- Covering the whole country, urban and rural areas throughout the physical network.

China Post's postal network through the implementation of advanced operating systems, large and medium cities in the country built 201 large-scale mails processing center, covering more than 2,300 cities

above county level. Mail processing field 43 million square meters, with the consolidation, about 300 million square meters of the site can do logistics or logistics center, able to assume the logistics of handling, storage, distribution and other services.

Through long-term development, China Post has formed a plane, train, automobile, and other components of different transport modes huge trunk transport network. Postal has more than 2.1 bars, 310 million kilometers. Around the country, and has strong brand, unified marketing and delivery.

- Perfect function and safety information platform

Adopted advanced technology, ATM exchange covering 31 provinces and cities of 236 postal information network platform constructions has been basically wan. The main network system can provide real-time data and voice and image information transmission. Among that, postal financial subsystem has achieved nationwide remote access services, and stipulating national engineering realization card, become the nation's largest retail financial service.

Based on comprehensive information nets electronic postal network includes online payment system authentication system, and online supermarkets, realize the entire network to unify, follow-up and feedback information and customer orders, and inquires online consulting, and pay and so on the function, is advanced e-commerce. (China Post,2003)

#### 1.4 Research questions, methods and limitation

Research question including the work as following

The main questions for the study:

- What is an efficient marketing strategy plan approach for Nanchang City China Post Logistics co.ltd (NCCNPL) keep the long-term cooperation with OTC-medicinal, and how can it be achieved it in future?

Sub-research questions for the study:

- How to identify the potential factors that impacting the strategic marketing to get the sustainable cooperation in OTC-medicinal market?
- What kind of the challenges faces during implementing the market strategy for OTC-medicinal?

- Which marketing strategy actions can the case company take to make a long-term relationship with OTC-medicinal and to get stronger complete position?
- What are suggestions for the final future strategy marketing plan of NCCNPL?

Research methodology:

In the written process for the thesis, both quantitative and qualitative methods are be used in the case to achieve the topic purpose.

From the marketing research, it could provide the data information and easy to let us understand the study objective. Neuman's (2003) analysis and summary the several benefits for the research. First of all: the research study could be checked against the findings derived from another's; then the second point: qualitative and quantitative methods could support background information on context, act as a source of supposes facilitating marketing research. The next: Are they also can give the help with the subjects for a qualitative research. However, all the explanations for the research methods used in the work is especially efficient that getting at the structural features in real study case practices, while qualitative work are stronger on process aspects. (Neuman 2003)

Punch (1998) analyzed that quantitative research as empirical research where the data are in the form of numbers, the answers can easily understand when you see result. Final, the author will use many kinds of methods to achieve my thesis objective, also related the theoretical knowledge, analysis of documents. (Punch 1998)

In the case, marketing research can help with the collection of data, and offer more opportunities for my thesis. As a practical case in research sense, it is a comprehensive description and analysis of a single situation. The data for a case study normally are obtained from a series of lengthy, unstructured interviews with a number of people involved in the situation, perhaps combined with lots of available secondary and internal data sources (Aaker & Kumar & Day 2006, 208).

In author words, the qualitative research covers 2 aspects, the basic one from the marketing survey; it can combine almost ideas in social personnel. It will be more public and living with customers real thinking. The advanced research is the interview in case company and partner company's managers. It can focus on Nanchang City China Post Logistics Company (NCCPL), how they organized and cooperation with long-term ship to keep the business, the example was towards to a typical customer: OTC-medicinal. My work used to theoretical study and case study methods to descriptive and explanatory. The methodology was both qualitative and quantitative to achieve objectives for my thesis.

Limitation:

The limitation of the research work must be quantitative and descriptive. In the section the author there are interviews with personnel, marketing agents and partner staffs. It will be hard to direct contact with them face to face, it just can send the peppers in mail box, or we just plan the meeting online. The short sentences words was not easy to understand the substance, it will be hard work to organized and with wide space imagination for their answers. The exits limitation is the one biggest challenge for me in the thesis processes.

However, the process will use those market research methods to achieve objective of thesis. Also more any other methods used are study of theoretical framework in literature, and some company analyses information from documents.

## 2 THEORETICAL FRAMEWORK

As already explained in the first introduction chapter, the thesis objective is to build a marketing strategy plan for Nanchang City China Post Logistics co.ltd (NCCNPL) in OTC-medicinal market. Therefore, in this chapter, the theoretical knowledge is presented. Before starting, marketing development strategy will be our main objective has to be presented. In addition, situation analysis is another important part for our objective achieved. Basic on the situation analysis, we can build a suitable marketing strategy for the NCCNPL in OTC-medicinal marketing.

The concept of theoretical background divided in 4 aspects. The first giving the based theoretical knowledge for marketing strategy, it has consist of marketing segmentation, marketing target, and marketing position. After that is the main analysis marketing strategy planning process, and it expand on situation analysis and SWOT analysis in this part. Then the following is marketing mix theory. In the end is about marketing communications explanation.

### 2.1 Marketing strategy theory

The words of “marketing” focus on people. Following Sexton (2006, 7) and Sipilä’s (1998, 32) words, marketing is about what people want, and then gives customer the right price which can bring handsome profit for the company. That means it deals with customer and satisfies with customers’ needs, the way to bring the profitable exchanged relationship by creating value and satisfying needs and wants (Philip Kotler 2009).

According to Johnson and Scholes (2002, 10), strategy is the direction and scope of an organisation over the long term, which achieves advantage for the organisation through its configuration of resources within a changing environment and to fulfil stakeholder expectations. The core of strategy defines are the meaning for the organisation goal to achieve, building a plan management can be used to stake out a market position and strengthen company status. Naturally, then company can win the furious competition; attract customers and conduct operations, all these set objectives for company could be achieved (Tompson 1998). Strategy can make the company easily to understand who we are, which part is strong or weak in the company, and so can give the future expectations for the business, which opportunities we have, and what kind of marketing business plans are suitable. (Tompson 1998, 18)

As one logistics company finger out marketing strategy plan ,as keeping long-term business with OTC-medicinal, the most important field should follow the market, Which the part of marketing of the NCCNPL is the businesses controlling, and also the strategy of which kind of strategy needed and affected in the case. So the theoretical knowledge will include marketing and strategy, both analyses the purpose of the thesis.

Allowing an organization to concentrate its limited resources on the greatest opportunities to achieve a sustainable market for products and service produced in competitive advantage (Wikipedia, 2012). Commonly, marketing strategy is the basic support of the marketing plan, and aims to fill the market needs and reach marketing objectives (Philip Kotler 2009). In Wheelen and Hunger's summary, strategic management is a set of managerial decisions and actions that determines the long-term performance of a corporation (Wheelen & Hunger 2006, 3.). It is an ongoing process that evaluates and controls the business that company is involved, combines three main interrelated activities: strategic analysis, strategy formulation and strategy implementation (Dess & Miller, 1993). However, strategic management is not only the plan for five or ten years, the organizations could secret right strategy skills and used in it requires of competences (Kamensky, 2008, 31).

Additional, definition for marketing strategy plan is managing and planning processes, an organisation or corporation making long-term plans for the future development, direction, target and policy in certain period. The analysis spread in marketing segmentation, market targeting and competitive advantage position.

### 2.1.1 Marketing segmentation

“Market segmentation divides a market into distinct groups of buyers who have different needs, characteristics, or behaviours, and who might require separate products or marketing programs.” (Amstrong, G. and Kotler, P. 2011, p. 78).

As the analysis, segmentation is the ways of classifying customers into groups which share common characteristics. Market segmentation is a process to give the direction to customers servers, what kind of products and needs the customer will be satisfied. The companies according to analysis the market into smaller segments, which could improved efficiently and effectively with products and services that match their unique wants and needs (Philip Kotler 2009, 214-215).

Indeed, the case company needs to make a suitable market segment to enter market, and build more market segment opportunities, and develop large and profitable enough profiles to serve the each market segment.

### 2.1.2 Market targeting

Target marketing is stepping towards segmenting market, with the characteristics of consumers, which entire potential market segments into several parts, and then according to the differences products, selecting suitable consumers as comprehensive use of various market strategies achieve the

market target. The responsibilities for the market targeting are to valuation and choose a market segments. Evaluating market segments will linking for three factors: segment size and growth, segment structural attractiveness, and company objectives and resources. (Philip Kotler., 2009)

To choose target market, the organization should be clear getting the meaning what kind of customer service, which part of product needs are they wants, it is an important strategy in marketing activities. Philip Kotler (2009) summary four difference strategies for the target market (Philip Kotler., 2009).

- Undifferentiated marketing strategy is the company to the whole market as their target market, consider the demand in common market, and do not divided them in differences, according to the product, price, an approach to marketing that attract lots customers. (Figure 2)



Figure 2 Undifferentiated marketing(Wu Jianan 2007, 208)

- Differentiated marketing separates targets in several market segments and design of different products, make different marketing strategy to services different customers.(Figure 3)

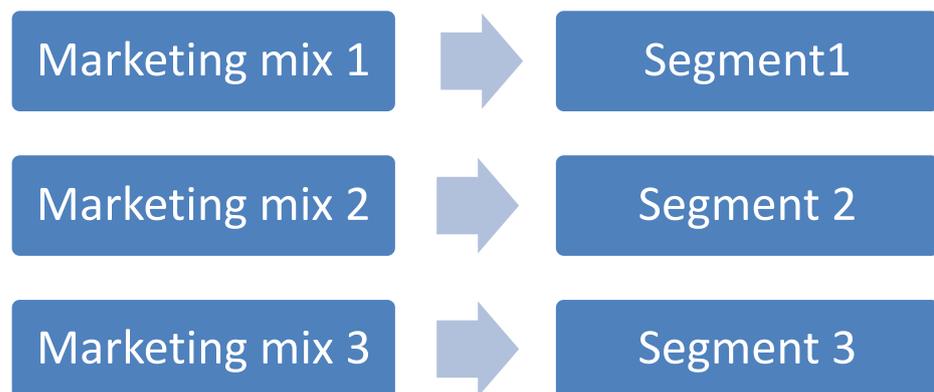


Figure 3 Differentiated marketing(Wu Jianan 2007, 208)

- Concentrated marketing is a way selects two or a few segments of the market as a targeting, and then implements a professional production and sales.(Figure 4)

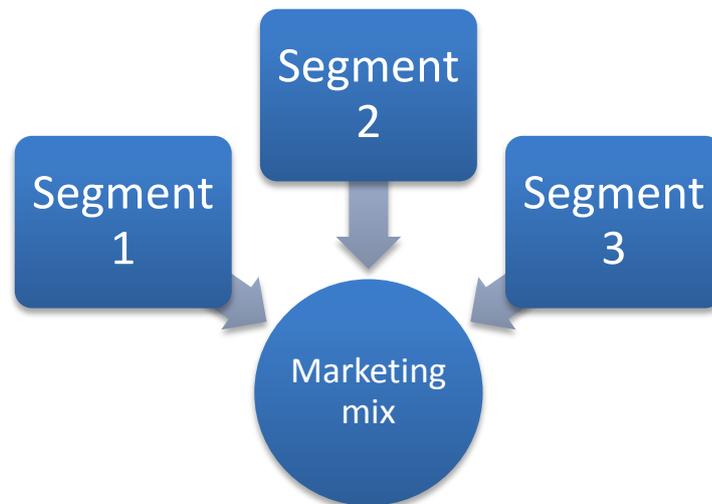


Figure 4 Concentrated marketing(Wu Jianan 2007, 208)

- Micromarketing defined as a real practice for tailoring products and marketing fields to the needs of specific individuals and locations. Micromarketing constitutes local marketing and individuals marketing.(Figure 5)

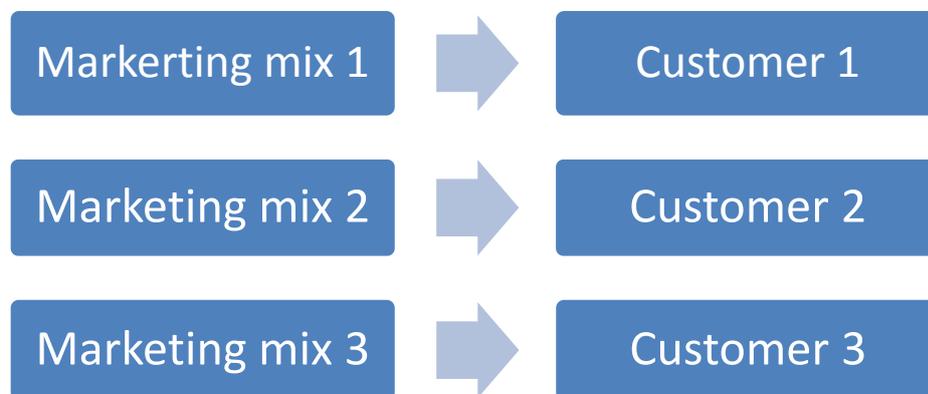


Figure 5 Micromarketing(Wu Jianan 2007, 208)

According to introducing these 4 different kinds of marketing target strategies, it also will use the NCCNPL marketing strategy plan in OTC-medicinal market.

### 2.1.3 Position competitively

Philip Kotler defined: designing an offer so that it occupies a distinct and valued place in the minds of the target customer. (Philip Kotler, 2009)

Positioning is making clear the target marketing clearly and knows the difference of the company. It is also called competitive positioning, careful which customers have about a product in relation to the product's competitors. At the instance of consumers attributes to define what positions will be target in the segments. Place produced occupies in mind relative to competing services and products. The essence is separated with other enterprises; keep the potent competitive capacity in segmentation market, which occupies a special room in the minds of customers. (Philip Kotler., 2009)

In the process for selecting effective positioning, the company may question what the general identification of consumer about the products is, especially compared with competing products; what target marketer needs consumers to think about it, and which positioning strategy will elevate the consumers' current product image to the desired product image. It is the key factors for success for the company establishing a successful positioning competitive to meet consumers' needs when they are choosing their products.

Deeply, choosing and implementing a right positioning strategy had 3 steps as the following analysis from Lovelock and Wirtz (2004, 64):

- Identity possible competitive advantage
- Select the right competition advantage
- Communicate the right competition advantage

In the final analysing, the character of market needs focus on competition that will be an important power for impelling marketing strategy development. Positioning strategy had finger out 3 steps for facing high competitive level business market.

## 2.2 Marketing strategic planning process

Marketing strategic planning is a management tool to help the organization does better work and understand how to compete for the future. It is a guiding process for members of an organisation developing them necessary procedures and operations in the future. Like a decisions strategy for the organization process, as the process of growing and maintaining a strategic fit between target of organization and capability and it's changing marketing opportunities ( Philip Kotler 2009, 62). It involves defining a clear company mission, setting supporting goals, designing a sound business portfolio, and coordinating functional strategies.

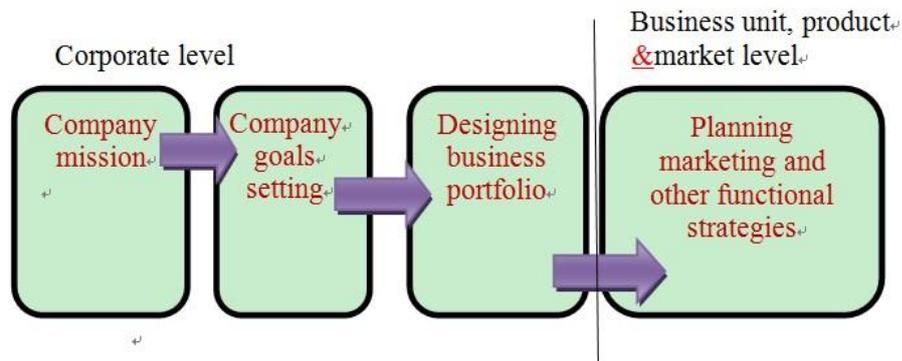


Figure 6 steps in strategic planning (Philip Kotler 2009, 63)

Mission statement: a statement of the organization's purpose, what it wants to accomplish in the large environment (Philip Kotler 2009, 63). In the first step of strategic planning process, it supports company to thinking the question like: what is our business? Who is the customer? What do consumers value? What should our business be? (Philip Kotler 2009, 63) with those detail questions, that acts as guidebook that provide a vision and direction for the company for the future years.

#### Goals setting

The mission needs to be detailed supporting goals into each level of management. It leads to specific business and marketing objectives. The objectives need to be specific. It can be developed the company market strategy.

Designing the business portfolio: the collection of business and products that comprise the company. It is the major activity in the planning process. The tool can help the management identify and evaluate the various businesses that make up the company. A successful method to catch the attractive opportunity that full uses the strengths to take advantage of the environment and win the market competition. (NCCNP, report 2010)

Planning functional strategies: detailed planning for each department designed to accomplish strategic objectives.

From the strategic planning process, the case company will be easily to identify the elements for the market, and how to prevent or handle them. Through the internal and external analysis, a company will make an option of market strategy. Final, it had provided guidelines of useful planning process strategy for the case company to achieve the goals. (Zhao, e-mail 12.1.2012)

The next sub-chapter looks at the analysis tools to explain the marketing strategic planning.

### 2.2.1 Situational analysis

Situational analysis is used to analyse the current market environment, and involves assessing market conditions and trends in the company. Subhash C. Jain introduced, marketing strategy interplays with three elements focus: customer, competition and corporation. (Subhash C. Jain, 2006) A good marketing strategy must with clearly market definition, a good match between corporate strengths and the market needs, and also strength competitive.

There are 3 elements in the situational analysis: the three Cs is customer, corporation, and competition. There is one group linking together to suppose their own pursuit of objective. Customer cannot live without the corporation, similarly, without competition; it will never be alone in the market. When the corporation does not match the needs of the customers, which means the competitors will get right opportunities in the market. Because of that, it also makes a potential marketing active of custom and corporation. We can analysis like between them to promote each other and influence each other at same time. Following the writer's idea is "the matching of needs between customer and corporation must not only be positive, it must be better and stronger than the match between the customer and the competitor." (Subhash C. Jain, 2006)

As the figure7 showing the situational analysis separate in two parts: internal analysis and external analysis.

The first of the internal analysis is the internal environment. In this field, it covers primary issues like organizational objectives, marketing strategy, performance analyzed, resource allocation, structural features, and political power struggles. It is one important analysis to keep companies' marketing goals connected with companies' mission and changing customer and outside environment. The following marketing strategy is controlled by marketing share, profitability, and other relevant measures. We also used the way to compare the integrity of the industry for evaluate performance. It could be easy to find out difference between each others, and it will be revise it in time (Ferrell 2002, 29-31.).

Then the external analysis introducing the competitive pressure, economic growth and stability, and the development of the social culture. From Ferrell said, it had 4 classifications to inspecting pressure of competition (Wu Jianan 2007, 219-221):

- Competitive pressure from brand: the marketing products or services will be similar factors and strengths aiming to the same customers at same prices.
- Products from competitor: facing the same products competition with different features, benefits and prices.

- Generic competitors: their using the same way to solve and satisfy the customers, when the products are different in nature.
- Customer's total budget: because of the limited financial resources, customers want them, but they could not afford.

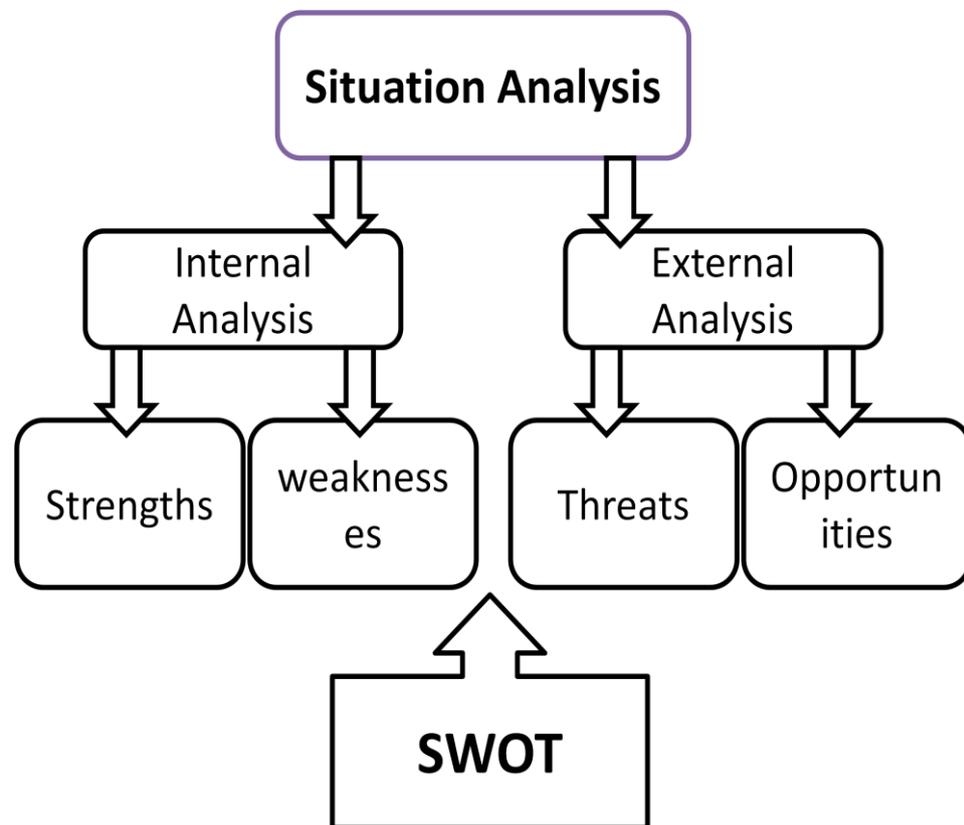


Figure 7 Situational analysis SWOT(NetMBA, 2002-2010)

Indeed, the external environment could apply important reuse when conducting a competitive analysis; the company should focus on the competitive activity such as competitor's sources of supply, technical skills, strong capital strength, manufacturing capabilities and qualities, marketing ability and targeting market.

### 2.2.2 SWOT analysis

SWOT analysis is a marketing strategic tool for competitor analysis, and monitoring both the internal and the external environments of a firm. (Kotler & Keeller 2009, 89). It gives an overall map for the case company's internal situation, and defines the competitive environment in attentive. SWOT stands for four capital letters: strength, weaknesses, opportunities, and threats. As figure 7 shows, the strengths and weaknesses refer to internal analysis of the company, the opportunities and threats were applying information for the external environment. In the studies, the author

need use SWOT analysis to plan the marketing strategy for NCCNPL, the result and information can be valuable and more concrete.

The strength and weaknesses in the SWOT analysis are related to competition. Strength defines the advantage of enterprise that has leading status compared with candidates. In other words, it also called competitive ability higher counter enterprise. Otherwise, weaknesses are lack of condition in competition. The internal factors viewed as strengths and weaknesses internal to the organization in areas like:

- Company culture
- Organizational structure
- Access to natural resources
- Brand awareness
- Market share
- Operational sufficiency
- Exclusive contracts

Opportunities were affecting factors to promote the development for the company. External analysis will list for the macro-environment and the factors are opportunities and threats. As the following:

- Competitor
- Supplier
- Partner
- Customer
- Social changer
- Technology
- Economic environment

To summarize, According to the SWOT analysis tools, the SWOT analysis and use can be a realistic chance of the strength, and reduce the impact of threats and strengths. The most important they can reduce the potential threat and improve their weak at same time. (Alsem 2007, 174). A good SWOT analysis process should with an accurate location for firm's strength, weaknesses, opportunities and threats, understand types for company's advantages and disadvantages, also getting to forecasting analysis opportunities and threats in marketing environments. SWOT analysis is one best and frequently used tool in this process. It should be applied in relation to competition to offer a comparative analysis of the organisation and the competitors. (Ekol, 2008, 132)

### 2.3 Marketing Mix strategies

“Marketing mix is the combination of the four elements, called the 4p’s: product, price, promotion and place, that every company has the option of

adding, subtracting, or modifying in order to create a desired marketing strategy.” (Philip Kotler, 2009, 92)

So far as Philip Kotle concerned, marketing mix is an essential analysis tool used in marketing strategies, that considering enterprise environment, ability, and competitive conditions, looking forward the marketing factors, such as product, price, etc. Then to optimize the combination and use to make coordination, also used to achieve better economic and social benefits.

The most popular marketing mix classification is the 4Ps model, product, price, place, and promotion. The 4Ps model analysis in marketing strategies.

First P: product refers to goods, people, services or ideas. Meaning for what is it and what does it do. And the factors include quality, features, style, brand etc. Methods used to improve the product or increase target sales more effectively to get more competitive advantage. An effectual product strategy should best-know customers’ needs in marketing. For the case company, the first step must clearly understand what kind of product or services will be suitable for consumers demand. According to market experiences to recognized the needs and wants of customers, product strategies’ the key points focus on customer’s habit and value to support products or services. So in the thesis case study process, product strategy will make a good product quality for OTC-medicinal market.

Second P: analysis for customers cost, it is the amount of value for product or services and the consumers exchanged for their benefits. Pricing strategies are analysis on how the price in the marketing will adapt to the needs of marketing environment, how to adjust the price, and how to respond to the competitor’s price adjustment. The P of pricing decisions are very complex, and they are driven by customer demand, costs, information available, competition, profit motives, and product considerations. During the data collection, lots of audience had suggested NCCNPL replace the pricing strategy in OTC-medicinal market, it had more analyse in chapter 4.

Third P: place, means by which products and services get from producer to consumer and where they can be accessed by the consumer. The main objective is providing a convenient ways to services for target customers. It cares about the distribution channels, market coverage, locations, and supply chain logistics. The company activities, that chooses the suitable distribution methods makes the product available to customers.

Four P: Promotions were activities for convey serves to customers, which through advertising, sales promotion, public relationship do the marketing communication. Promotion is an important marketing strategy for make a relationship with target customers, the communication process with them can defined clearly influenced by the relationship marketing. (Duncan &

Moriarty, 1999). Totally, promotion strategy requires company's needs, and send useful information to potential buyer, and let the firm get idea to design the future goals and know how to achieve them at same time.

The 4Ps developed into the 4C's to explain those concepts. In sum of Philip Kotler (2009, 68), marketing strategy plan first step should thinking through the 4Cs, and then build the 4Ps in the plan. 4Cs factors are customers, competitors, capabilities, and company. With 4Cs could give deep analyses about who will buy the products or services in the markets, who provide the choice alternative of supplies, and who had the abilities to satisfy customers' needs. (Philip Kotler, 2009)

#### 2.4 Summary for theoretic framework

As the words summary, the theoretical framework must focus on the thesis is the marketing strategy plan. Making a successful marketing strategy plan for the case company in OTC-medicinal market cannot leave out of the strong competition. First clearly knows well, the mission and vision of marketing objective. The analysis for marketing strategy around the whole theorised basic, then go through the marketing planning process, it had been separated between situational analyses and the SWOT analysis. The marketing mix strategies used to deeply describe marketing strategy plan in data result analysis. In the end, it will give the development of marketing strategy for the case company using these theoretical.



Figure 8 Theoretical framework analysis

It has been designed in three theories levels of detail; marketing strategy theory was throughout the full text, as the whole consistent concept in

theoretical process. All the knowledge sources will centralise to represent purpose in thesis; After that, in the middle of theories works going to case marketing planning process, it applied analysis tools for making plan for the case company, and find out the best answer and explanations of marketing objective; at end the theories, marketing mix strategy is deeply position analyzed.

### 3 METHODOLOGY FOR MARKET RESEARCH

Research is a process to provide effect knowledge of what needs to be studies and understood in the consumer attitude behaviour and applied the promotion and communication. According to the marketing research, we could view the real information not only as an input for marketing decisions, but also as an important strategic asset and marketing tool. In this chapter, it is explaining market research part for thesis. The detail analysis of research methodology, data and data collection and market research result for the company.

#### 3.1 Research methods

Qualitative market research separate with the collection and analysis of qualitative Data. In this study we wanted to obtain the data using two methods: questionnaires and interviews. The use of questionnaires and interviews is already established as an affect method of data collection in qualitative business research (Eriksson & Kovalainen, 2008)

As in the introduction the research methods in the thesis are qualitative and quantitative methods. The purpose of studying is development a marketing strategy plan for Nanchang City China Post Logistics co.ltd (NCCNPL) in OTC-medicinal. Research goals are a functional process for increase knowledge in this area. It suggests those necessary methods to collect and analyzing research data, and consists that these methods needs to carefully applications (Collis & Hussey 2009, 3.).

Asler, Kumar and Day's (2006, 189) speaking, qualitative research targeting for understanding consumers' minds, then to get a primary thinking form them. Qualitative data will assemble that information, which the eyes could not directly predictive analysis. Whereas, qualitative research is an important way to exploring attitudes of the people, motivations, and behavioural expression by analysing qualitative data (Kent 2007, 86). So the unstructured interviews will be used in this period to collect qualitative data, help us increase our understanding for the case company situation and accurate identified OTC-medicinal market situation.

Quantitative research is another exploring data which expressed in numbers mainly. It is focus on marketing phenomena to get ideas about the customers in order to make forecasting. However, quantitative research called quantitative data analysis (Kent 2007, 117). This research method collected information to applied customers' behaviour for thesis goals.

In my case study, interviews also include for my qualitative data. It can deeply analysis between interviewer and interviewee, or may assemble more than one person's ideas at same time. Discussing face to face with respondent, it can easy to communication and exploration (Aaker, Kumar and Day 2006, 192). As the design for the interview, it includes several in-

interviewees with the case company managers, who work in Nanchang City China Post Logistics co.ltd (NCCNPL) and are responsible for OTC-medicinal marketing. And it also built another interview questions for managers from the OTC-medicinal group, which can deeply discuss the company's operations for the marketing strategy plan and get views from a different angle for understanding the objective of the case study. (Appendix 1)

The questionnaire is used as a supplementary means to capture data through asking people questions, it is one kind of document that named marketing intelligence collection (Kent 2007, 151). Above all, through a useful questions gaining the right information that asking right spectator and then making the right decision. The steps for developing a great questionnaire is plan, formulate questions, ensure and organized the word, sample data and test for the questionnaire, and final questions (Aaker & Kumar & Day 2007, 316.). So in the questionnaire research work, the author designed the market survey questions that are going to visit to other hospitals or drugstores, which had cooperated with case company in OTC-medicinal marketing. (Appendix 2)

In sum, marketing research methods will go through interviews and a questionnaire. In the beginning, the author search basic marketing information from official website on the internet. And after familiar with that strategic marketing for case company in OTC-medicinal, the author had organized the information of market situation of case company. The author also used the message and e-mail sends interview questions to the relevance of managers, who worked in case company and managing the strategic department in OTC- medicinal. Questionnaire research also had build for getting more analysis and ideas from social customers.

### 3.2 Data and data collection

In order to collect the useful information for data analysis, the author has been using a variety of data collection approaches to answer different questions for multiple sources. As the research methods selection introducing, the author will focus on available data, observation and surveys to combination two strands of research with both qualitative and quantitative research methods to collect data to establish the marketing strategy plan for the case company. (Figure 8)

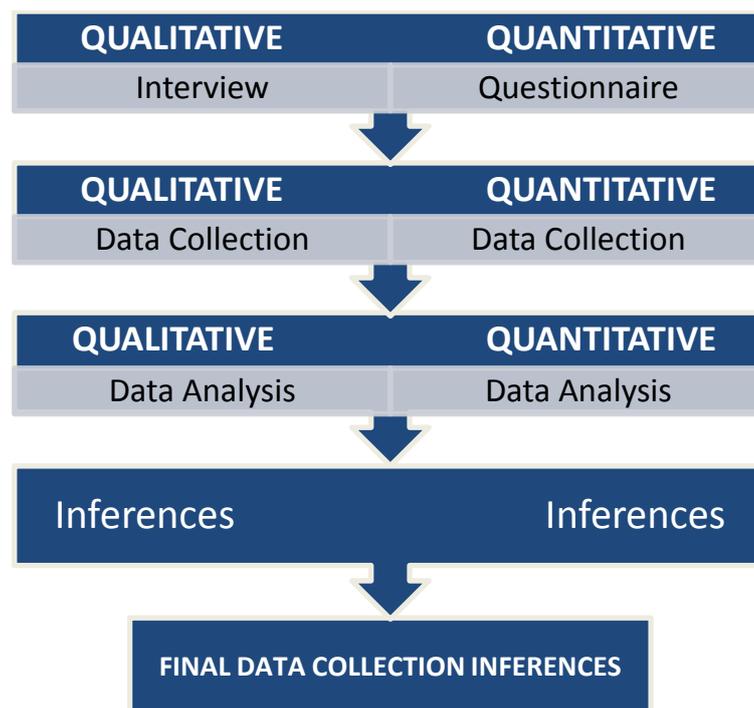


Figure 9 Data and data collection process analysis

In the qualitative component, the interviews with managers for in-depth analysis of study case objective. In this interview, it including in-person interview and mail internet interviews together. The face to face could deeply understand of person's experience opinions and description. In fact, before the author did the interview, those respondents' managers were getting questionnaires, applied some primary information from them, and also order the time before we meet. The interview questions designed to make a point of thesis research goals and later appendix can public the questions pages. The author had separated them in two pages for interview's questions, the first component is for Nanchang City China Post logistics co.ltd (NCCNPL), and the other one is for OTC-medicinal managers. In author's idea, individual conversation in two groups can found more different reply and analysis for the marketing objective in the research, and it is the best methods when you want or need to know what people thinking or perceive, they can share and tell you that. Mail, phone, and internet interviews for surveys, because the limitation of the research, all the respondents schedule were not same, either of mine. The author just had 2weeks in china, before the interview, the author need connect with them by phone or e-mail to order when we would have time, where should we meet. And some time we needs done the interview by voice mail. It is reliable for me to collect data in limited conditions.

A self-administered questionnaire is one method for survey. The quantitative parts focus on the questionnaires for wide range of population, who had realized the case company market service. As the required, the questionnaire should be short and include one or two open-ended questions

make the people comfortable. At same way, it put the questionnaire in website, all the customers who know this case company can answer the question online, and it was better for me to gain the research questions.

Then about the secondary data was used for collected the theoretical framework and analyzed the main research problems, also including theory knowledge which search in internet or website. Kent (2007, 72) summary secondary data including three kinds, they are sources from published, commercial, and internal. The component of published sources is information we could search by organization published. Commercial sources are agencies collect of market research in order to sell data to serve their consumers. Internal data are companies inside data collection (Kent 2007, 72). The thesis study need used secondary data to understand the major content of OTC-medicinal market and whole marketing situation for the case company.

In the end, the data and data collection is the most important process for market research, it support the current situation and information for the future market trend study.

### 3.3 Market research

This selection discusses the market research; it has made a list of data collected analysis: outline of interview questions and questionnaire's data descriptions.

#### 3.3.1 Interview

The interview process spends more than 2weeks from the middle of February 2012, and finished in March 10<sup>th</sup> 2012. The contact person is the project manager, Mrs. Zhao. She works at project department and responsible for OTC-medicinal market in Nanchang City China Post Logistics co.ltd (NCCNPL). Because the author cannot do the studies by field investigations, so in the beginning, all the research was organized by the help of Mrs. Zhao. The author just sent e-mails or messages describing what data the author want, how many people need to interview, and when is suitable. As we could understand, those interviews persons had run their own business every day; the author should respect their time and privacy.

During the process of research, there are 6 members presenting at interview. Three interviews are the managers from Nanchang City China Post Logistics co.ltd (NCCNPL), and other three are from OTC-medicinal group. (Table 1)

Title	Name	Date	Reason
Project manager(CNPL)	Zhao Hong	28, 02,2012	General information in OTC-medicinal project
Administration manager(CNPL)	Wu Lidong	28,02,2012	Detail analysis for OTC-medicinal market
Promotional manager(CNPL)	Xu Jia	02,03,2012	Customer service
Regional manager(OTC-medicinal)	Li Feng	05,03,2012 (phone)	Feedback of cooperation
Marketing manager(OTC-medicinal)	Xia Tingting	06,03,2012	Marketing plan suggestion
Operational manager(OTC-medicinal)	Yong Hua	12,03,2012	Decision analysis for marketing plan

Table 1 Interviewee list

Mrs. Zhao, the contact person as the author introduced in the beginning, is the project manager, working in CNPL more than 8 years. From May of 2007, she started to take a project for OTC-medicinal market. Now she is one best knowing this joint project person. As her answer for the interview questions, she cannot clearly analysis all the problems asked. Anyway, all her words should be objective and believable. She had deeply given the advised for interview questions (Appendix1), China Post Logistics co.ltd (CNPL) established the relationship cooperation with OTC-medicinal group in 2004, now working in CNPL is already over 8 years. After 2014 of September, they will make a new project planning in next future 10years to keep the contract administration. The mission for this project, Mrs. Zhao had worked with OTC-medicinal group, job responsibilities were be acceptable cooperative contract. Zhao was a leader manager in OTC-medicinal project, her will managing whole process for this marketing, presides at overall working policy. The job duties including create marketing strategy, then assist to organizing staffs in implementation process. She must prioritize workload in different parts of work during managing process. In situation of CNPL, Mrs. Zhao said, CNPL are combining storage, transportation, and distribution, information service together a modern comprehensive logistics enterprise. The major strategic for the marketing had exerted the third party logistics management concept mode, and the integration resources to provide services, there is no doubt for the strong marketing services satisfying the customers. Mrs. Zhao is a great believer that NCCNPL have the competitive power to face

the challenges and she also has confidence to finger out future market plan for this project task in OTC-medicinal. (Zhao, interview 28.2.2012)

CNPL's manager in administration, Wu Lidong. She stays in CNPL around 5years. Wu helps me to knowing well cooperation in over 10 years between CNPL and OTC-medicinal. She had held the written documents in hands, all the history documents, if it is published, the author could get be recourses for the studied. She also is one interviewee for applied her thinking for thesis goals. She's reply was in practices, ever meet some self commons. However, Wu had give lots useful history data to make a point for her idea. Wu core responsibilities are each part of direct daily office related work and business in OTC-medicinal market. Besides, she also needs deal with departments' communication and cooperation. (Wu, interview 28.2.2012)

Ms. Xu, a young female manager in Nanchang City China Post Logistics Co. Ltd (NCCNPL), works in promotional department. She joined at 2009, with 3 years street smarts. Xu was working for make marketing plans to annual and seasonal in OTC-medicinal market. It could analysis the responsible for marketing promotion strategy to improve products market share and NCCNPL's brand awareness. Ms. Xu's suggestions were more modernized compared with others. CNPL should distinct understand marketing demands clearly, and set specific goals for OTC-medicinal. What we can control, however, is to improve our services quality. We cannot forecast tomorrow, but CNPL can create better services as possible as they can. She also analysis the challenges now in CNPL, which can be concluded into three points: fresh competitors, invariable system for marketing, and lower communication channel with customers. A deeper explanation will be introduced in chapter 4. (Xu, interview 2.3.2012)

Li Feng, regional manager in OTC-medicinal. He is the only new manager joint last year, 2011in May. Before he came to NCCNPL, he had 5years work experience in one famous logistics company. Furthermore, he was the only person interviewed by phone call. So after interview, it made an extra paper to get more analyses for his questions answers. He is fresh staff, but he is the very man that has a profound cognition about the 10 years' cooperation. Li works followed marketing sales target in company, and take care marketing research and analysis in unit areas of OTC-medicinal market. He said that the strong and competitive environment, the marketing feel satisfied with potential of the market in OTC-medicinal, if long-eyes looking cannot keep in future, the plan also will fall to the ground as well. Additionally, Li hopes the pursuit of win-win situation come true in the future marketing plan. (Li, interview 5.3.2012)

The marketing manager in OTC-medicinal, Mrs. Xia, has already worked for OTC-medicinal for 5years. She was the direct people to creating marketing inventory and planning for the company project, and make sure the objectives, policy, and main schedule for OTC-medicinal market. She is the one who can give the final audit to the programme and bring market-

ing plan into operation. Thus, she will check and summarize the final marketing strategy plan with more integrated and concrete words based on market. She mentioned that a successful marketing plan should be adapted to market variations, and make sufficient preparation meet the marketing challenges. So she is looking forward to the future and developing areas. (Xia, interview 6.3.2012)

The operational manager, Mr. Yong, also agree with that nowadays NCCNPL marketing power. Yong Hua, operational manager in OTC-medicinal group, 5 years works experience in OTC-medicinal. He's duty is also to keep the OTC-medicinal projects make profits during the process. Mr. Yong had emphasized, OTC-medicinal no need logistics company supper best, they want choose one which is supper suitable fitting in the cooperation period. Then, NCCNPL had 10 years experience with OTC-medicinal market, they had built the long-term bridge for cooperation, they are familiar with each other. The strong cooperative relationship should be regarded as human element to keep going the partnership. That is why OTC-medicinal market still wants to choose NCCNPL as the supporter of the logistics services in future. (Yong, interview 12.3.2012)

In sum, there are all the interview managers from NCCNPL and OTC-medicinal. It gives simple analysis for their first thinking of the topic. Here are the discussions in systemic.

### 3.3.2 Questionnaire

The questionnaire is for academic study. (See Appendix2) the author made it to search more descriptions for NCCNPL's market analysis in the public eyes; the author hope to add more understandings of OTC-medicinal market through questions, and get some ideas and perspectives from other target customers. Before the author really participates in marketing survey, the author sent my questionnaires to Ms. Wu, the manager in NCCNPL who helps me to print those documents and give out in markets. At same time, the author sent those questionnaires to the domestic organizations with internet.

As the result data, the questionnaires had been delivered to 200 members of customers, and retrieved 153 answers while the rest 47 portions copies may be missing, or possibly still on the way. The response rate was 77% with 120 valid questionnaires. The rest of 33 questionnaires were not marched, and cannot be downloading in the right word document

The questionnaires for the demographic statistics of respondents were between male and female. Showed on the figure under, male was represented by 60%, and female with 40%. (Figure 10)

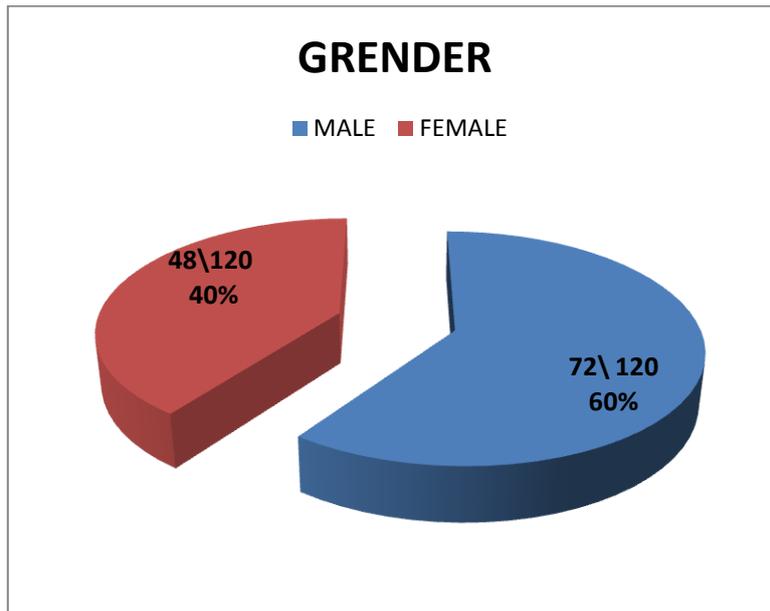
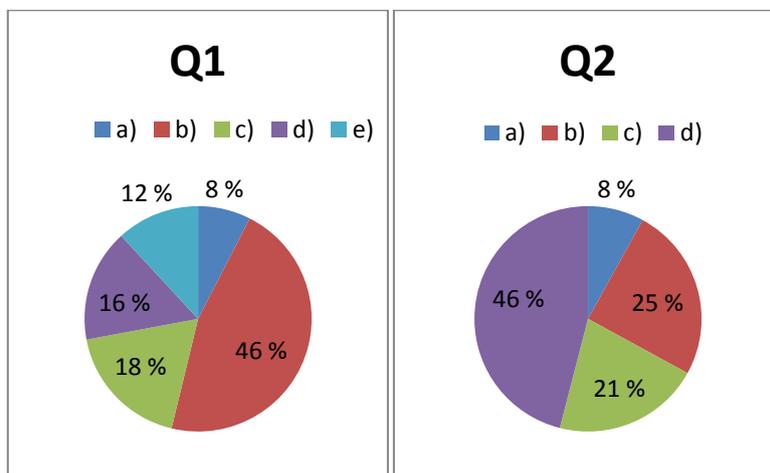


Figure 10 Pie chart for questionnaire's grender

By data distribution, the table2 showing Q1 to Q6 (Table 2):

The questionnaire consists of 6 multiple choice questions and one open-ended question. (Appendix2), all the data and database were collected from markets in China.



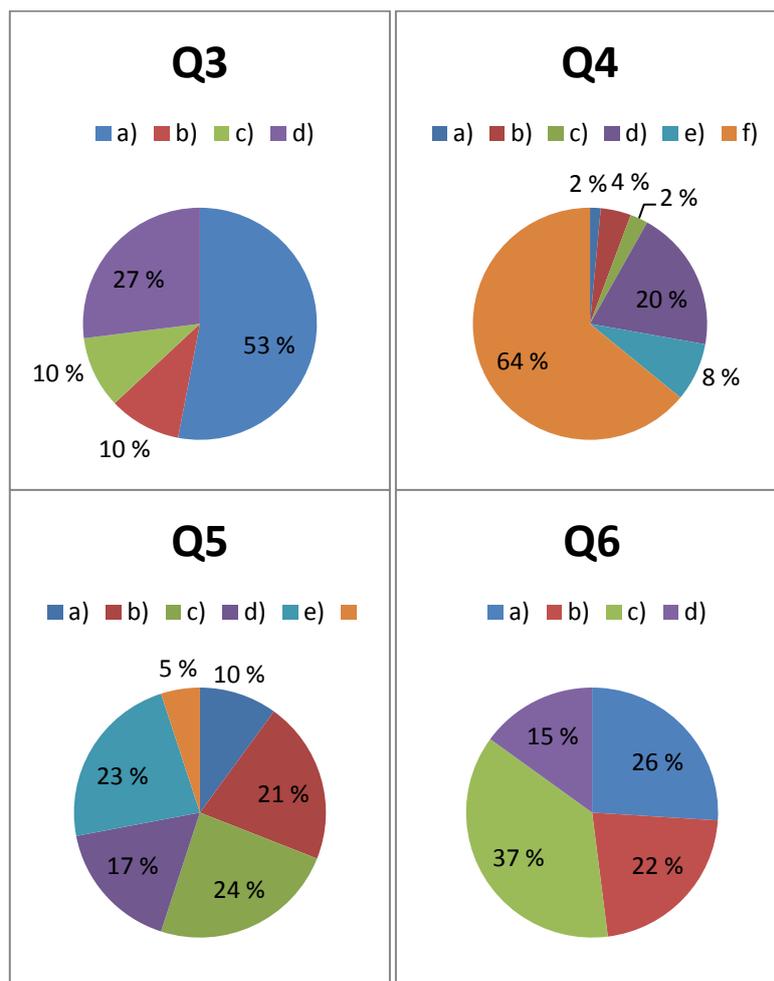


Figure 11 Statistics of questionnaire

Q1 analysis distribution of age, respondents that are classified under 20 years old contributed by 7%; the age between 21 to 30 contributed by 43%; the age from 31 to 40 contributed by 17%; the age from 41 to 50 contributed by 15%; and over 50 years old contributed by 11%.

Q2 answers for how people know NCCNPL. There are 10 persons never know NCCNPL, which account for 8% in total; 25% of the people had directly contact and visited NCCNPL; 21% people know about NCCNPL by television advertising; and it over 46% respondents know about NCCNPL through the website.

Q3 asks for how do you feel when you cooperate with NCCNPL. 53% people think it is ok to cooperate with NCCNPL; 12 persons replied “do not know” accounts for 10%; about 10% of the people feel bad during co-operation period; and still had 27% customers with NCCNPL.

Q4 the reason for choosing NCCNPL, 6% because of the prices; 17% because of the brand; 10% because of the services attitude; 8% by the reason

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POST LOGISTICS COMPANY IN OTC-MEDICINAL MARKET**

of speed of services; 33% by the reason of sanitation quality in CNPL; and 26% had another reasons to be in partnership with NCCNPL.

Q5 is for competitiveness description. 10% people come after high quality service; technical teamwork has 21% supporters; good public praise approve of 24%; the description of having experienced safe issues accounts for 17%; rate of effect after services system is 23%; and others are 5%.

Q6 the weakness for NCCNPL, the feedback result was 26% persons think invariable system for strategic market; the lower communication channel took ground 22%; prices are higher than others were accounting for 37%; and other reasons included 15%.

	<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>
<b>Q1</b>	7	51	23	18	11	\
<b>Q2</b>	30	35	45	10	\	\
<b>Q3</b>	12	12	63	33	\	\
<b>Q4</b>	8	20	12	10	44	16
<b>Q5</b>	12	25	29	20	28	6
<b>Q6</b>	32	26	45	17	\	\

Table 2 Questionnaires data

The open-ended question was suggestion for NCCNPL in respondents' viewing. It summary with six points(Questionnaire, 23.2-14.3.2012):

- Readjusts prices cater to different levels customers, it exceed 80% respondents put forward that.
- Logistics speed for distribution, improve work efficiency, reduce delayed.
- Give up oldness industrial structure, and upgrading modern structure in enterprise administration.
- Personnel quality should be enhance, and staff must be specialization.
- Management development for after services.
- Strengthen publicity, increase brand perception at same time.

In the data and data collection analysis, all the information and suggestions were from questionnaires, in the chapter 4 will depth analysis together with OTC-medicinal market structure, and that will make a marketing plan to lead the positive in NCCNPL.

## 4 ANALYSIS AND RESULT

This chapter will discuss the case study analysis and final result during the findings and research conducted. They were analysed through the theoretical frameworks concerning basic strategic management and marketing planning knowledge. The description is divided into four main aspects. They are NCCNPL fact in OTC-medicinal market, external environment analysis and internal environment analysis for OTC-medicinal market, the last parts analysis for marketing strategies plan for case company in OTC-medicinal market. Ultimately, all the discussion or suggestion will combine the NCCNPL market in OTC-medicinal and theorises in order to interpret the whole process of marketing strategy management.

### 4.1 NCCNPL in OTC-medicinal market fact

Nanchang City China Post Logistics co.ltd (NCCNPL) is one member of China Post Logistics group located in Nanchang, which is established in January 18, 2003 by Mr. Fu Yongfeng, who is the owner and the president of NCCNPL. And the case company's background had been introduced in the first chapter in detail.

Project overview for OTC-medicinal, OTC-medicinal is the core product in Jiang Zhong Pharmaceutical Group. In China, OTC-medicinal is a well-know brand in pharmaceutical industry, the main functions field is treatment childhood diseases. OTC-medicinal had their owner market in Jiang Zhong. In 2007, OTC-medicinal production was higher than 11.95 million and operating income reached up to 13.67million. (Marketing strategy report 2006: 12-14.)

Certainly, OTC-medicinal also is one important clients of Nanchang City China Post Logistics co.ltd (NCCNPL). NCCNPL have built cooperation ship since 2004 of May, the case company named after OTC-medicinal project, the content of the project was NCCNPL applied services for satisfied OTC-medicinal, the services had include transportation, warehousing, distribution, return single and any other logistics services. The return singles are according to the single customers requirements and complete the procurement of transport in OTC-medicinal market.

So far as 2012, NCCNPL had services for OTC-medicinal market exceed 91 different types of children's health protection drugs. At the beginning Nanchang City China Post Logistics (NCCNPL) Company just gave basic distribution services, the services level were single market. Whereas, from 2005 of January to 2006 of June, NCCNPL became to a main distribution centre for OTC-medicinal and after that NCCNPL started add more services areas in various sub-library management services in all parts of the country. About 2006, Nanchang City CNPL company in OTC-medicinal through competitive bidding, the services items and areas with business growing, they are not only with distribution channel for OTC-medicinal

products, they start come out provided Nanchang to other provincial transports, storage, inventory and warehouse management, etc.

The services distribution to 11 provinces areas of China, as the map with red covering: Jiang Xi, Shang Dong, He Nan, Jiang Shu, Hu Bei, Yun Nan, Gui Zhou, Shan Xi, Gan Su, Ning Xia, Qing Hai, Nei Meng. (Marketing strategy report 2006: 18-19.)



Figure 12 Distribution areas for OTC-medicinal market (Marketing strategy report 2006: 18-19.)

Furthermore, in order to apply high quality services, NCCNPL set up 6 warehouses in different cities, local in Ji Nan, Zheng Zhou, Kun Ming, Gui Yang, Xi an, Hu hehaote. With 6 transshipment depots could supply enough services to satisfying the OTC-medicinal market.

Service features for the OTC-medicinal market are using point to point control for each OTC products. As we know, because of particularity for OTC-medicinals, such as liquid with grass blotters, it cannot be direct distributed. And also products have their own effective dates, so the demanding will be highly with transport time, the quality of transport, and storage management during services process. In addition, OTC-medicinal market used online operation system to orders, inquiries, and services feedback; it also means Nanchang City CNPL's worker should with professional competences in internet system areas. During those years partnership between NCCNPL with OTC-medicinal, NCCNPL had transportation and distribu-

tion of OTC-medicinal products 73,450,000 number of units, total of 9723 votes ordering, 5.93 million Yuan in revenue. (Marketing strategy report 2006: 24-30)

In end, this is the case company fact in OTC-medicinal market, the next part will analysis the marketing strategy for case company in macro and micro environment.

#### 4.2 External environment analysis

In this part, it is external environment analysis for Nanchang City China Post Logistics Company in OTC-medicinal market.

External environment is an uncontrollable element of case company in OTC-medicinal market. In this trial, the studies through analysis case company's external environment, it could provide opportunities for case company in OTC-medicinal market, NCCNPL draw on those make a right goal and marketing strategy for OTC-medicinal. In the process for analysis the external environment has divested into two selections: industry environment for NCCNPL in OTC-medicinal market and main competitors analysis.

After China joined WTO, the Chinese economy has met lots of challenges. Chinese government was using macro control, and with a battery of the government intrusion in order to promote rapid economic development, actively facing the socialist marketing economy, at that time to increase the forecast ability, pertinence, and macroscopic control's effectiveness. Now in China, the logistics companies have entered a new age. The development of economy influences and promotes the growth of Chinese logistics companies. Nanchang City CNPL is state-owned logistics company, and concerns the growth of south areas' economy in China. NCCPL is acting an important role in logistics enterprises.

According to the government searching result on the logistics companies' marketing situation, at present, logistics has a wide potential market and high development speed, but still in initial stage. For this reasons, areas of logistics industry will face lots of challenges in developing process. Generally, with the external environment analysis for the Chinese logistics companies, it will make a deep understand about the NCCNPL in OTC-medicinal market.

According to the factual analysis of case company in OTC-medicinal market, Nanchang City CNPL got the OTC-medicinal market project, and started cooperation from May 2004, the internal database summarizes due to 2012 of February, it had bring more than 6,782,000 Yuan earning in OTC-medicinal market, and the calculation for benefits occupied 20% rates for total profits in NCCNPL. Furthermore, these documents are from the case company information database analysis, and this aspect will for-

warding at industry environment, which will be explained then in real OTC-medicinal market. (Guo Shuipin, presentation 12.11.2008)

Nowadays for NCCNPL, the most important threat must be the new members in logistics areas. In China, the logistics rose in 1980s, and came into Nanchang at the end of 1980s. Because of this, CNPL in Nanchang are still in developing in these areas and the management technologies skill are immature and with traditional logistics system in strategic markets. Just looking at OTC-medicinal market, it exceeds 80 logistics enterprises competitive with NCCNPL in Jiang Xi province, located in Nanchang City. In severe competition market environment, the strategic marketing plan is the most fascinating way to enhance the competitiveness in logistics marketing. (Guo Shuipin, presentation 12.11.2008).

In other words, the competitors are impressing with decial the NCCNPL's operating behaviours, and also related OTC-medicinal determinant for cooperative. From the interview, CNPL's project manager, Mrs. Zhao summarized, our marketing services in OTC-medicinal are focusing on regional market in China, in management level, the services are still with traditional and unitary system done the business in OTC-medicinal market, but market competition increasing day by day, if we want keep-long term partnership, NCCNPL should enhance the marketing services abilities, and adapt to clients demand. Otherwise, CNPL is a state-owned logistics enterprise in China; the characteristics for CNPL are large-scale, abundant fund strength, and well equipped technology. So the customers can enjoy comprehensive logistics services in market. Zhao also analyzed it bring higher prices than other competitors in market. With those challenges in NCCNPL, by comprehensive suggestions for marketing strategic plan from managers' interviews (Zhao& Wu& Li, interview):

- Follow a path of mergers analysing, it is trends for future marketing development in logistics areas. Combining some pint-sized companies join to NCCNPL, it can get more opportunities and development space in logistics. The most important point was NCCNPL could apply high quality resources and technologies to them. For NCCNPL, we can build a lot subsidiary company, and offer more extra services in different areas.
- Integrating logistics service in OTC-medicinal market. In OTC-medicinal market, NCCNPL decided increasing controls of the management and services qualities, thus to improved the marketing competitiveness.
- Play brand effect. Ever NCCNPL market prices were a little bit higher; the customers still want and give priority. So it let NCCNPL should keep the brand strength in market.

In OTC-medicinal market, the main competitors for Nanchang city CNPL are include Zhong Shu Yun logistics co.ltd (ZSY), Zai Ji Song Logistics co.ltd (ZJS), and Xi Hua Logistics co.ltd (XHL).

ZSY, ZJS, and XHL which had been attached potentials members' competitors in OTC-medicinal market. (Zhao& Wu& Li, interview)

#### ZSY

Zhong Shu Yun Logistics co.ltd entered into logistics market in 1999. It is new logistics enterprise in Nanchang. During those years developing, ZSY according to elevated marketing hardware, used computerized management system, then already be mass produced due to marketing high cost for logistics services. At present, ZSY is one potential representative enterprise in OTC-medicinal market. ZSY marketing plan was focusing on providing unification service and building alliance relation with customers, and then had achieved market development strategy. The important marketing methods for ZSY were low-prices with integrated service system.

#### ZJS

Zhai Ji Song Logistics co. ltd (ZJS) is one stronger logistics company in local city, the significant marketing advantage were talents holding professional techniques with rich resources in logistics. In this company, they are concerning insider logistics personnel developing, so ZJS recruited lots professional staff and talent, making a big group to enter into the logistics market. To sum u, ZJS was very greatest and strongest competitor in OTC-medicinal market. It had own market positioning and with higher market occupancy in Nanchang. In order, ZJS competition advantage stage is talents with high techniques.

#### XHL

Xin Hua Logistics co.ltd (XHL) was disjunction from a big foreign company in Singapore. XHL marketing strategy major goals all the products distribution services were linking in internet, and they warehousing management with high tech, and XHL had own idiomatical logistics system services for customers. However, XHL was the fastest growing logistics company in Nanchang; it is the biggest threaten for CNPL to keep long-term cooperation with OTC-medicinal.

They are bringing a big challenge for CNPL in Nanchang City. And it was applied from CNPL' minds analysis. As the reason for CNPL's staff analysis with those three competitors, we had add an extra marketing research for OTC-medicinal managers to gave a compared them, what are OTC-medicinal thinking of those logistics companies. The extra questionnaires was comparing this four logistics companies in 4 different angles, the 4points are quality of service, technical teamwork, brand perception, and price position.

Following 4 figures were shall the interviews result in OTC-medicinal, in their eyes, what important elements to selection the partners company. In OTC-medicinal analysis, the 4 logistics companies had mastery owner strengths in different fields.

- CNPL: as the rates of quality of service, technical teamwork, brand perception, and price position. The only price position was not satisfied in OTC-medicinal analysis. So the main existing problems was price in marketing.(Figure 12)

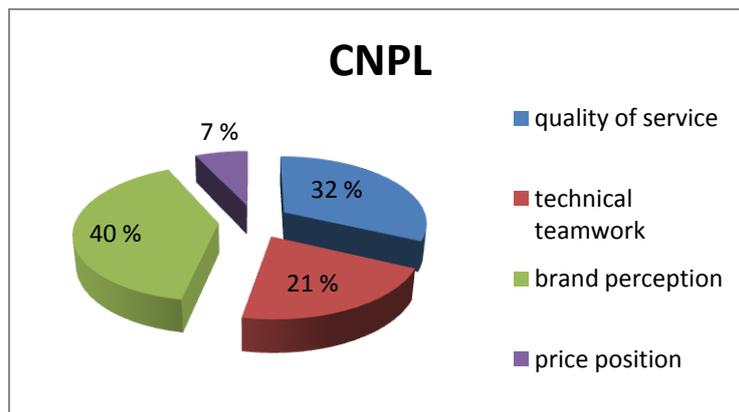


Figure 13 CNPL market share in 4 elements

- ZSY's had 50% rote of price positions. (Figure 13)

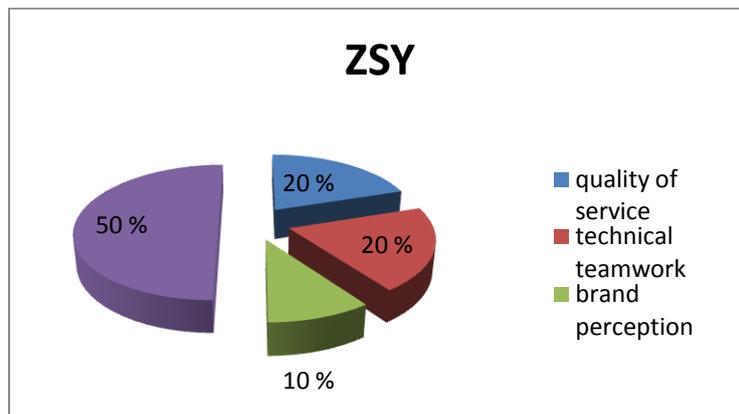


Figure 14 ZSY marketing share in 4 elements

- ZJS's ratio chart greatest strength was technical teamwork in logistics marketing.(Figure 14)

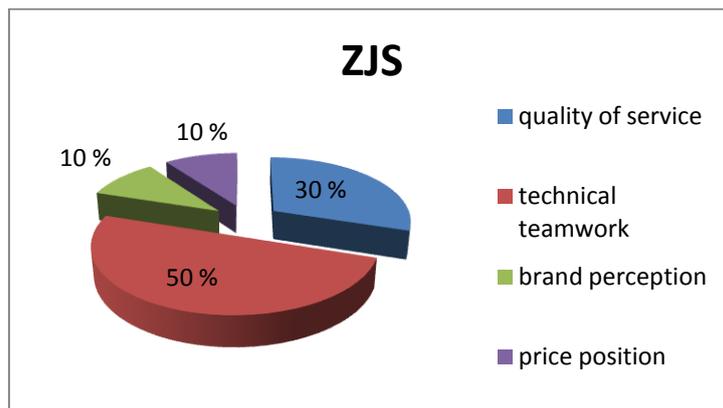


Figure 15 ZJS Marketing share in 4 elements

– XHL had appeal of a client’s brand in marketing share.(Figure 15)

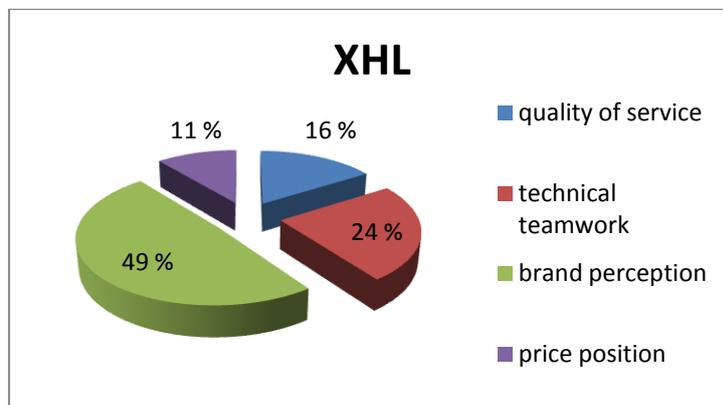


Figure 16 XHL marketing share in 4 elements

The data and database information applied from customer marketing research, and all the figures organized in real marketing data. ZSY, ZJS, and XHL are strong competitors in OTC-medicinal market, so NCCNPL should towards to facing new established logistics company, enhance their threats and to develop competitive advantages in OTC-medicinal market.

### 4.3 Internal environment analysis

The internal environment defined autoimmune conditions and resources in CNPL. On the basis of NCCNPL environment analysis, we could easy decision suitable strategy marketing plan for OTC-medicinal. They are 2 units for the analysis process, the NCCNPL competitive capability and SWOT analysis.

4.3.1 NCCNPL competitive capability

Human resources were critical factors for NCCNPL's competitiveness. The administration manager Ms. Wu applied the inside documents and with some of them can be publish in the research. Now working for OTC-medicinal market staffs are more than 100 persons, they are both from NCCNPL and OTC-medicinal. (CEO, e-mail 23.2.2012)

Professional structure(Table 3):

<b>Mojar</b>	<b>Member</b>	<b>Ratio</b>
<b>Production</b>	50	50%
<b>Technical</b>	10	10%
<b>Project</b>	4	4%
<b>Manager</b>	6	6%
<b>Others</b>	20	20%
<b>Total</b>	100	100%

Table 3 Professional structure for OTC-medicinal project

Degrees constitute(Table 4):

<b>Education</b>	<b>Memembr</b>	<b>Roita</b>
<b>Bachelor degree</b>	22	22%
<b>High school education</b>	30	30%
<b>Junior high school education</b>	42	42%
<b>Supply and logistics</b>	6	6%
<b>Total</b>	100	100%

Table 4 Degrees constitute in OTC-medicinal project

Titles constitute(Table 5):

<b>Job Title</b>	<b>member</b>	<b>Rotia</b>
------------------	---------------	--------------

<b>Senior professional title</b>	2	2%
<b>Middle level title</b>	8	8%
<b>Primary title</b>	20	20%
<b>Others</b>	70	70%
<b>Total</b>	100	100%

Table 5 Titles constitute in OTC-medicinal project

In total, NCCNPL's human resources system was quite balance in OTC-medicinal market. The problem of the employees, some of them had large disparities with degrees, they are not real getting the meaning for the market in OTC-medicinal, and it gave a big influence challenge for work enthusiasm. In the end, NCCNPL in OTC-medicinal still lack competitiveness in reserve of talents.

On another hands, NCCNPL core competitiveness should focus on 3 main points: valuable, uniqueness, and developmental. Promotional manager from CNPL, Ms. Xu proposed three points for defined NCCNPL competitive need improves in OTC-medicinal market (Xu interview, 2012).

- Market operation ability for OTC-medicinal. It mainly displays in high order shipped rate of completion, great timeless for the market order, and strong accident processing power in OTC-medicinal.
- Market management ability. Inside management for NCCNPL, the effected behave methods were customer order management, inventory control, and with transportation optimization in OTC-medicinal.
- Innovation ability in OTC-medicinal market. It was the integrated evaluation system analysis the NCCNPL's company capabilities for competitiveness.

Indeed, Ms. Xu also summarised problems that NCCNPL should be face in OTC-medicinal market. The viewing at market demand of OTC-medicinal, the first weak spot was about traditional service system in NCCNPL. By marketing research count, the questionnaire data had shall 26% customers because of this reason did not choose NCCNPL. It is large ratio reduce the potential customers. Also in OTC-medicinal, the problem still existed. The other point was outdated equipment service for OTC-medicinal market. In this level of the equipments system cannot meet OTC-medicinal market demand. With the increasing complication of economic development, hardware requirements need follow the necessary demand of the times. The third part was the lower communication channel

for clients. OTC-medicinal also comes up for it. When OTC-medicinal products met troubles during distribution process, such as in transported process, products had damaged cargo or some products was delay in delivery, OTC-medicinal usually could not find right person to connect immediate. General, all the manager from OTC-medicinal had recommendation that for NCCNPL. The last point was prices. Also with high ratio in questionnaire, so it should be attention in marketing plan.

#### 4.3.2 SWOT analysis

SWOT analyses for CNCNPL in OTC-medicinal included four components: strength, weakness, opportunities, and threats. (CEO, e-mail 23.2.2012)

Strength of NCCNPL in OTC-medicinal market:

NCCNPL marketing was strength embodied in enterprises inside resources and market size for OTC-medicinal. NCCPL had control affluent human, capital, technical, information, brand, and network. Comparing with others, NCCNPL has gain a good branding and reputation in OTC-medicinal market. NCCNPL managers gave the summative evaluation in 4 components.

- A leading marketing agency specializing in internet service for OTC-medicinal. Since 2004 of May, NCCNPL had open specialized institutions, establishing item group, just satisfied OTC-medicinal market, partner OTC-medicinal according this new system would be convenient to connection and information transfer online. NCCNPL also used to get information from website system, and then analysis, update and improve the marketing plan schedule according to OTC-medicine's operation conditions in time. Moreover, OTC-medicinal can through it give suggestions and feedback for NCCNPL's service quality, and analyze existing problems on time. additional, this web-system were gain a great connotative meaning for OTC-medicinal, and bring more valuable services for customers, either create more benefits for partner and own-self.
- The own specialized superiority in NCCNPL. In sense, NCCNPL's company culture had introduced, in China, CNPL was most senior member in Logistics companies. NCCNPL had holding accumulated lots of expertises in practice and management, now CNPL have a professional technical team and extensive customer group. Consequently, it is one reason for OTC-medicinal cooperation with NCCNPL.
- Core competence of NCCNPL must be brand awareness. Ever people never cooperation with NCCNPL, still has amount of 90% popular well-know NCCNPL in data statistics. OTC-medicinal also agrees with brand awareness of NCCNPL. Accordingly, NCCNPL had got approve from the masses of the people.

- Country's policy for NCCNPL. As we know, NCCNPL had supportive policy with state, and NCCNPL are one of the key develop pillar industry that our country encourages the businessman to invest in. furthermore, NDARC (national development and reform committee) also applying technical assistance thus promoting NCCNPL's marketing development.

Weaknesses of NCCNPL in OTC-medicinal market:

During 8-year cooperation in OTC-medicinal market, NCCNPL had met many difficulties in that period. Some of negative factors lead to NCCNPL cannot achieve the aim for OTC-medicinal. Interviews questionnaire shall the analysis in weaknesses with 4 components.

- Human resources in NCCNPL for OTC-medicinal market. As 3 tables displayed in chapter 4.2.1, employees overall quality was low, with part of the professional technical workers were short of experience, with low capabilities fit they job. The talents with high educated were in small amounts of members, also the marketing person had defect in OTC-medicinal market. At the moment, talents are the most important competitiveness in imminent for NCCNPL. So NCCNPL needs to introduce talents while focusing on talents cultivation and team building, and make it as a useful energy reserve for OTC-medicinal market.
- NCCNPL are still using an invariable system for strategic market, so in OTC-medicinal market, the information system is imperfect. Although, NCCNPL had support a new internet system for OTC-medicinal market, but it cannot actually realize OTC-medicinal market targets in logistics service. At this point, the competitors also can improve this area to increasing the marketing optimization. Therefore, NCCNPL should enhance the market strategic system, coming to modern logistics and required OTC-medicinal market.
- Disordered positioning in OTC-medicinal market. Unclearly market positioning in NCCNPL had bring a big trouble for NCCNPL's economic interest. Also it will influence NCCNPL future development in OTC-medicinal market. The suggestions from OTC-medicinal had included change NCCNPL's market business model, and then combine the matter of fact in OTC-medicinal market ply the local resources' advantages.
- The last weaknesses were process management in OTC-medicinal market. NCCNPL managers noted, NCCNPL's distribution centre from loading, storing, transporting, and final distributing processes for OTC-medicinal, they were the same like other products to accomplish services, so many bulky cargoes did not adopting large equipment, so equipment utilization was very lower in OTC-medicinal market. Because of this, it increased costs and reduced the efficiencies service level in OTC-medicinal market. Also could be waste more time in that

process. In this point, NCCNPL must be strengthened and emphasized.

#### Opportunities for NCCNPL in OTC-medicinal:

In the future analysis for NCCNPL, the logistics marketing will come into more segmentation; OTC-medicinal market also will develop normatively and orderly. In the development process, incompetent companies will be out of OTC-medicinal market. Along with expansion of the market demand, NCCNPL had increasing perfect of infrastructure; it was one best opportunity for NCCNPL to keep long-term cooperation with OTC-medicinal. On other side of NCCNPL, China had entered in WTO, so it also had increased marketing demands in Logistics Company.

#### Threats for NCCNPL in OTC-medicinal:

Threats analysis for NCCNPL must be related to significant changes from external environment. It can bring opportunities, and also can taken threats at same time. Above all, the strong market pressure was the one threats exist in NCCNPL. As some weaknesses analysis, lack human resources and still using invariable system for strategic market, also the technical, market management level are being threatened in OTC-medicinal market. Otherwise, customer requirement are becoming diversified and hominization. High levels requirements needs high qualities services to receive. So it had taken more work and abilities for company, also be a challenge in threats. Anyway, when company faced threats, the best solution were reinforce the inside management, constant upgrading personnel skills, and enhance comprehensive competition strength.

In additional, SWOT analysis tools have an important role, it can mix four factors: strengths, weaknesses, opportunities and threats together to collect the result of data analysis, it also help NCCNPL obtain a marketing strategy map in OTC-medicinal market. So in this thesis work, NCCNPL had followed this SWOT analysis to build suitable marketing strategy plan for OTC-medicinal market.

## 4.4 Marketing mix

Marketing mix is a compound mode for marketing tools, and used to required customers' needs and company's goals. In this chapter, it will describe 4Ps marketing strategies in NCCNPL.

### 4.4.1 Product and service

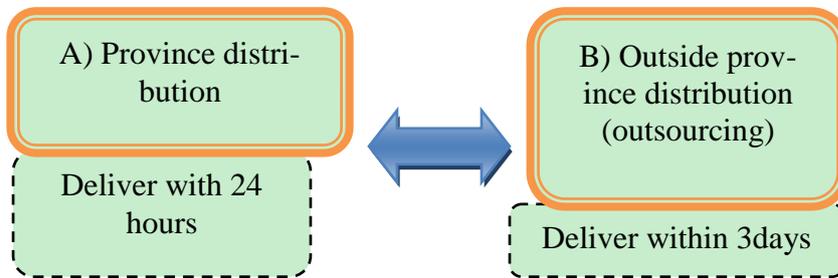
In Logistics Company, service is invisible product in target market. As NCCNPL, they produce logistics services for OTC-medicinal market. It means NCCNPL sells logistics services as products to OTC-medicinal market and services produce through market demands requirement.

NCCNPL in OTC-medicinal market gave a services procedure in product strategy. (CEO, e-mail 23.2.2012)

**1. OTC-medicinal order application from customers**

**2. NCCNPL receive order instruction from network system**

**3. Confirm shipping list and storage keeper sent out goods**

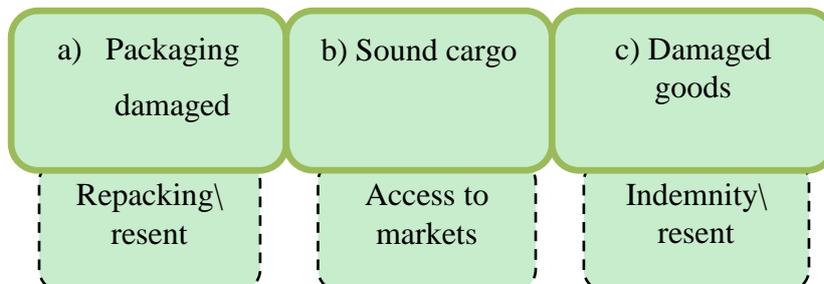


**\*Delay: info messages for leader and resend**

Delivery on time

**4. Full tracking service with goods**

**5. Goods arrived, acceptance of the goods**



**6. Feedback from OTC-medicinal market**

Figure 17 OTC-medicinal market service process design((CEO, e-mail 23.2.2012))

From the goods order from market to final products entity market, all the services are controlled by NCCNPL services system. Above all, when NCCNPL gets order information, and whole services system will be open and operation at that moment. The service system put out message through internet; the IT department staffs reconcile order list, and then NCCNPL make a detail supply list for evaluate warehouse. After that, NCCNPL inventory group share responsibility for make distinction between local city and outside provinces distributed. Keynote must follow time ruled, if passed the goods dateline, they will give a report to leader and resend with the least delay possible. At this logistics process, service system still tracking and monitoring in whole distribution service. Ever the goods arriving market, before acceptance, OTC-medicinal quality control personnel need checking goods, and with 3 probable events: excellent without damage, packaging damaged, and goods damaged. NCCNPL logistics service also applied repackaging, resent, and indemnity for distribution cargoes. In the end, NCCNPL will get final feedback from OTC-medicinal market and customers.

So, product and service strategy from NCCNPL, they made a regime of liability in OTC-medicinal, clearly to show each part of services quality and operation ability. It must be noted; the internet service system had a play an important role in logistics services. Otherwise, all the steps of service were tightly related with each part, a reasonable and effective product and service strategy could lead whole market with strong competitiveness.

#### 4.4.2 Price

Pricing strategy define for NCCNPL logistics service. In China Post group, they had own uniform pricing system, Nanchang city CNPL is one member of China Post. In NCCNPL, price standard of various processes had a big dispute in OTC-medicinal market. Thus it can be seen NCCNPL need change a new pricing strategy to adapt market objective. NCCNPL could reserve some advisable sections, and still based on original, create new one, which are accommodate OTC-medicinal market.

Based on company situation, OTC-medicinal market includes more than 20 types of products, different products with different services solutions. For pricing principles, it had been divided in 4 categories OTC-medicinal products with standard pricing when NCCNPL distributed in local city and outsourcing in other provincial areas. Table define unit price for different products, it included city distribution and outsourcing, for outsourcing to other cities, different areas also had different unit price for services pricing demand. (Table 6 )

<b>PRICING (number of unit) CATEGORY</b>	<b>City distribu- tion (Yuan)</b>	<b>Outsourcing for provincial capi- tal (Yuan )</b>	<b>Outsourcing for other city (Yuan)</b>
<b>Tablet product</b>	4	8	10
<b>Liquor product</b>	6	10	12
<b>Bottled tablets product</b>	8	12	14
<b>Bottled liquor product</b>	10	14	16

Table 6 Standard price for distribution(CEO, e-mail 23.2.2012)

The main pricing solutions are adding preferential policy in objective market. We have already made a long cooperation between each us, NCCNPL will through credit record to change the duration clause, give extension of time for payment. On other hands, NCCNPL still provide discounted price when the distribution services had achieved a certain amount of products.

#### 4.4.3 Promotion

Promotion defined as action implemented by companies to initiate buyers interests, to intensify customers buying desires, to achieve potential demands, and could enhance sales volumes, by means for transmitting information related services and channels to target clients. Promotion strategy is basic marketing communication mix to introduce product or services to potentials clients, and increase companies' brand awareness.

In OTC-medicinal market, NCCNPL had lots of actions for marketing channels. Must attended mainly methods were through advertising strategy. The advertisings channels are newspapers, magazine, television, and website. In 2000, NCCNPL opened own official web internet, Lots customers were acquainted with NCCNPL through the internet; they could registered member online, it built implements the membership in NCCNPL, customers can enjoy preferential, also internet had could apply derail connection channel with customers, so it is successful promotion strategy for NCCNPL. FOR OTC-medicinal market, NCCNPL was holding own brand strength, open official website for OTC-medicinal market, also increased awareness for partner. Moreover, in order to enhance propaganda in OTC-medicinal market, NCCNPL organized special deliv-

ery group, just service for OTC-medicinal developing the sales promotion program. For promotion strategy, make the most use of internet recourse, creating more future market opportunities.

For OTC-medicinal market, NCCNPL was using bounding sales; the bounding sales can interpret as coordinated-process service, which from order to final entry market package service in OTC-medicinal, and all the service processes are transparently for OTC-medicinal. NCCNPL's marketing concept is based on brand communication, provided high qualities services are more important to brand building. So in OTC-medicinal market, promotion strategy plan is more attach importance to services qualities, and then bring good pubic praises for brand image. (CEO, e-mail 23.2.2012)

#### 4.4.4 Place

Place strategy will be service for OTC-medicinal market requirements. OTC-medicinal market overly more than 11 cities areas around China, as OTC-medicinal market research data shall in table: OTC-medicinal product percentage of market in 11 cities.

City	Sales volume	Percentage of market
Jian Xi	2400	10%
Shan Dong	3000	13%
He Nan	2800	12%
Jiang Shu	1300	6%
Hu Bei	900	4%
Yun Nan	2700	12%
Gui Zhou	3100	14%
Shan Xi	2700	11%
Ning Xia	700	3%
Qing Hai	1000	5%
Nei Meng	2400	10%

Table 7 OTC-medicinal product percentage of market in 11 cities(CEO, e-mail 23.2.2012)

It is the copy from OTC-medicinal market data, 2011 in spring season's OTC-medicinal market sales volume in 11 cities; it is analysis one product

in different market share ratio. As this result, we could clearly find out Jiang Xi, Shan Dong, He Nan, Yun Nan, Gui Zhou, and Nei Meng those 7 cities had in exceed of 10%. Because of this reason, NCCNPL had open 6 new inventory system in these 6 provincial capitals; they are Ji Nan, Zheng Zhou, Kun Ming, Gui Yang, Xi'an, and Hu Hehaote. They had their own city distribution centre and NCCNPL applied out-sourcing logistics for these 6 warehouses, the market could pick up the goods immediately; it is best way to reduce time delivery and satisfied market demands.

In Sumy, NCCNPL's place strategy according to OTC-medicinal market quantity demanded to design distribution centres, to meet market demand and also increasing new areas for business cooperation with OTC-medicinal.

#### 4.5 Marketing strategies plan

Marketing strategy plan was an important method to establish a framework for the future market developing in NCCNPL. During plan steps, it includes envisioning the future, building aims and objectives, and then designing marketing strategies for target market. In the study case for NCCNPL was find out valuable marketing strategy plan service for OTC-medicinal. As analysis from the market research, NCCNPL has a wide range customers group in different business areas. OTC-medicinal was one of them, so project department had figure out an effective market strategy for OTC-medicinal market, it was separate different groups and segmentation study to develop OTC-medicinal market strategy for each areas of products.

##### 4.5.1 Market segmentation, target, and positioning analysis

Segmentation analysis:

For the record for NCCNPL, OTC-medicinal had included more than 20 different kinds of products. However, NCCNPL used market segmentation principle, broken down into 3 categories: meditative, rehabilitation, and health products. The meditative foundation was take care for kids' disease control; rehabilitation products were recuperating pesticide effect for kids; health products were using for daily care, the healthcare food for kids. Divided in 3 different groups for OTC-medicinal market, NCCNPL order them by customers needs, pay attention for contentment specific product supplied, also could make targeted features for marketing management in OTC-medicinal market. Significantly, marketing segmentation in OTC-medicinal can enhance competitive for NCCNPL. Classification by products, also NCCNPL distribution system according to OTC-medicinal market needs and want, set up 6 transit warehouses all over the country. They are local in Ji Nan, Zheng Zhou, Kun Ming, Gui Yang, Xi an, Hu hehaote,

it had made circle around China. It required for satisfied different customers by regional distribution in OTC-medicinal market.

In NCCNPL's opinion for segmentation in OTC-medicinal market, case company could found opportunities. Through marketing segmentation, we can discover the marketing shortfall, which parts of service in OTC-medicinal market have great development potential.

Target market with positioning analysis:

At present of NCCNPL, they must carefully analysis for OTC-medicinal, and then determine the market target, so that we could reduce waste of resources. After all, NCCNPL now are keeping partner with OTC-medicinal, and we occupy the leading status in logistics areas, but still facing a lot of competitor joining to OTC-medicinal market. As the interview introduced 3 main competitors, who control strong scientific research ability in different parts to their own advantages, it had brought a big threat to NCCNPL. Now our work for marketing strategy should be clear goals for OTC-medicinal market follow the logistics process, go on with marketing segmentation, done depth market research, and get more ideas thinking from audience.

For NCCNPL, main service targets were OTC-medicinal, we already making 8 years' contract partner. The position analysis defined as competitive positioning. It is a method to face the competition of how to make full use of their potential advantages in real market. Sustainable competitive advantages are reflected in cost and product or service differentiation. NCCNPL had come up with differentiation of service strategy in marketing plan; afford higher quality marketing service than others. Example like, case company had organized aiming group focus on OTC-medicinal products, and applied professional technical team to meet and satisfied them.

#### 4.5.2 Investigation analysis from manager's interviews

Managers' interview started at 20<sup>th</sup> of February and ended in beginning of March. Most of them are interviewed face to face met in NCCNPL meeting office. They were 6 person taking part in meet discuses, 3 managers from NCCNPL, and other 3 from OTC-medicinal. Investigation questions focus on marketing strategy plan analysis for case company. There are summaries from their own opinion.

From NCCNPL side, that combined Mrs Zhao, Ms. Wu, and Ms. Xu's responded suggestions. The market strategy plan for NCCNPL in OTC-medicinal market as shall.

Firstly, NCCNPL need change a new operation philosophy. According to present 8 years' practicing experience in OTC-medicinal market, traditional system could not acclimatization nowadays market, to some extent

had reduced competitiveness in OTC-medicinal market. So modern market management concepts should be innovated and emphasized in market operation model, and to understand how to inspect and developed new areas of market. At that time, NCCNPL must with brave to open a new field service in practices. The project alternatives for OTC-medicinal market, managers suggested, open new logistics system for them, they could had own market boards for distributed products to different city. And build an individual line service in internet for intercommunication service.

Secondly, establish warehouse and delivery system with low-cost and efficient. NCCNPL had open 6 distribution centres service for OTC-medicinal products. The marketing objective was distributing with shortest time to finish duty assigned by logistics and with low logistics cost. So as the plan, should the right distribution centres should nearby target market, which will easy to achieve low-cost and effect to final customers.

Thirdly, enhance reserve of talents. In our society, we hear the emphasis inter-disciplinary talent's important theory frequently. Also apply in logistics areas. The inter-disciplinary talents are production of developing market; it is a strong resource for market competitiveness. By now day analysis, marketing competitive are a kind of brains competing. Previously, NCCNPL did not appeal to staffs with professional, skilful and technical abilities for job applied but now are new age of market; they need talents to exploitation new areas logistics service. In all, at this point of NCCNPL, they had open a new system for company insider, they will offer training courses for they working fields, and also afford capital budget, that staffs can also improve outside of company.

Fourthly, strive to create brand strategy for TC-medicinal market. Power of CNPL brand cannot be transcend by other enterprises. NCCNPL stand by a large amount of clients ratio, it is an important strength for market competitive. For OTC-medicinal, they can gain high profile when they cooperate with us. So it brings intangible assets unlimited. Hence, NCCNPL wants make brand strategy be unified brand in logistics management, combine with mechanism innovation and institutional reform to improve service qualities, and create services attract in OTC-medicinal market. Ever our located in Nanchang city that a subsidiary corporation in China Post, potential customers still believed CNPL brand. So in market strategy plan, we still keep brand advantages to build future market, also for OTC-medicinal.

For OTC-medicinal manager discuss, they consider in their market profit, draw a conclusion for NCCNPL's market strategy plan.

First proposal is about price strategy in NCCNPL. It was a long standing issue for customers. NCCNPL had a standard monopoly pricing in different market service, ever they control the ruling for pricing strategy, but compared in competitors, it likes an inflexible conservative, never change and high than others. It is not fit in versatile market requirement, and the

high prices should coordinate high quality services. However, NCCNPL cannot only pursued margin of products, also need cater to marketing, adjust pricing strategy to compliance shifting market.

Then, according to market requirement that develops more added logistics services in OTC-medicinal market. The range of OTC-medicinal market has expanded follow market share, so OTC-medicinal will increase service areas and levels of quantity and quality. Open a new field service market could satisfy differentiation market and build different levels add service. NCCNPL can segmentation the markets in different grade, using price, quality, and service items enter into separate market.

The next point is necessary to improvised logistics service level in OTC-medicinal market. It is an effect market strategy for enhance competition ability and improve efficiency of management in whole market operation, and also can use this method make a distinction between other logistics enterprises. The basic service level must fulfil with right crop for right land and good at planning for local city around Nanchang and outside province. Additional, supply some specific services ability, which were improve service facilities, improve enterprise equipment level, and ascension transmission speed. Also add more service centres to satisfied marketing requirement.

The end is the communications channels suggestions. In OTC-medicinal market, NCCNPL had provide an internet system connection, that they can direct get feedback or suggestion from that system, also OTC-medicinal can check all the process of services. Ever so, some market case still could not figure out solution in internet connected. At this selection, OTC-medicinal makes a request for add week meeting to communicate how is everything going, how it process of service, and what is the next steps for marketing. Etc. this way can deepen understand of OTC-medicinal market, for NCCNPL could get feedback in time, thus to reduce complain from customers.

Besides these recommendations from NCCNPL and OTC- medicinal, they had organized a marketing structure in this case project in 24th of September, 2007. Before that, the OTC-medicinal already had own apartment in NCCNPL project management, redesigned structure to separated OTC-medicinal be an independent management system. It was a smart choice for promote marketing strategy plan during cooperation. In figure 18, it is shall organization structure for OTC-medicinal project. Network department was separate from marketing group: -it was promoted company informatization and establishes more networking. NCCNPL built a commerce department for connect business with partners, marketing department changes into logistics department. The reorganizational structure had improved the modern enterprises system in OTC-medicinal market. In marketing strategy plan, it also makes a strong market competitiveness compared with other logistics company.

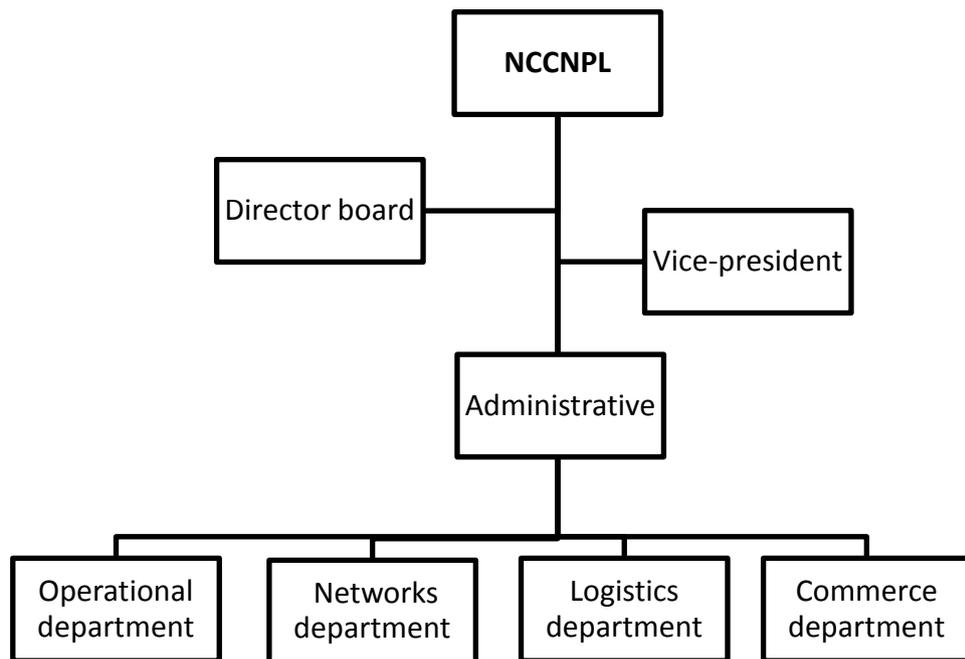


Figure 18 Organization structure for OTC-medicinal project(CEO, e-mail 23.2.2012)

In the end is the map for future cooperation. Nanchang city CNPL and OTC-medicinal cooperation plan is signature form 2004 to 2014. The picture for future 5years, they are reach an agreement, hope could keep long-term cooperation in next future 10 years, promises will safeguards the both side of benefits, accomplishing collaborative development. Anyway, NCCNPL and OTC-medicinal believe that they will build a long term relationship and have a prosperous business together in early future.

## 5 CONCLUSIONS AND DISCUSSION

The final chapter going to the ending conclusion of the thesis, which is based on developing a marketing strategy plan for NCCNPL in OTC-medicinal market. It will be drawn with the view of the research questions, which the author introduced in the introduction chapter. Moreover, the chapter also includes discussion for the thesis and find out some future suggestions for NCCNPL in OTC-medicinal market.

### 5.1 Conclusions

This thesis objective is to build a marketing strategy plan for NCCNPL in OTC-medicinal market. The marketing plan was designed in research of the current one of the OTC-medicinal market. The study started with theory research, and then situation analysis was used to getting more about NCCNPL with partner client and their market situation. We organized the internal and external environment analysis in the process for NCCNPL in OTC-medicinal market. The final result for development marketing strategy plan needs combined all interviewees answer with questionnaires, and also some ideas perspective from audiences. During research period, NCCNPL had detail gave the marketing and company analysis by SWOT analysis tools, and combined with segmentation of marketing, target market, and positioning to increased NCCNPL market competitiveness. In addition, the final marketing strategy plan will compiled to enhance NCCNPL's competitiveness for OTC-medicinal.

The designed research question from the beginning was aimed to get well-knowing of NCCNPL in OTC-medicinal market before the implementing the marketing strategy plan. It had one main question and three sub questions in following:

- What is an efficient marketing strategy plan approach for Nanchang City China Post Logistics co.ltd (NCCNPL) keeps the long-term cooperation with OTC-medicinal, and how to achieve it?

The question focuses on target of the thesis, developing for marketing strategy plan for Nanchang City China Post Logistics Company in OTC-medicinal market. It could detail to gain answer when the author makes it be goal for the questionnaires. However, it could not be analysed by one or two words to answers. The author started from research theory work, then combine with some collections documents from NCCNPL market. In order to get deeply understand, the author interviewed company managers in both cooperation partners. Then the author sent more than hundreds questionnaires to audiences, that had applied lots information with different suggestions. Furthermore, the sub questions also give divided this complex question to answer the main research question.

Sub-research question for the study:

- Which factors impacting the development of NCCNPL cooperation with OTC-medicinal market?

During 8-years cooperation between NCCNPL and OTC-medicinal, affect factors should consist internal and external factors, it has been expiation in chapter 4. All in all, it includes lots reason from social and nowadays economic environments, the competitors in logistics areas, the main elements must be the quality of NCCNPL services, economy, political and technical levels in OTC-medicinal market when you compared with competitors. Therefore, NCCNPL marketing strategy had analysis compared with 3 competitors companies; it goes around the chapter 2 frameworks knowledge.

- What kind of the challengers face during implementing the market strategy plan for OTC-medicinal?

As they words from interviewees, the world always changes so fast beyond your imagination. We can make a plan for market objective, but how you control the real practices in OTC-medicinal market. So challenges need to be one member in marketing plan. The main challenge must be when NCCNPL implementing the final marketing plan, but the situation without efficiency in real market. It is an important challenge we also worried for OTC-medicinal market. Anyway, they also have any other challenges will facing during implementing process, so for NCCNPL, they need understand plan are change schedules, not final decision.

- Which strategic actions can take the case company to make a long-term relationship with OTC-medicinal and to get stronger complete position?

It had get lot suggestions from questionnaires, strategic actions should consist for OTC-medicinal market, focus on the interests of both parties. The market research result had shall this part of information. The cooperation started in 2004 of May; NCCNPL had created a new marketing group for OTC-medicinal in project department. NCCNPL had organized professional mangers services for then, and managers could direct managed by NCCNPL and OTC-medicinal. It was an important strategic action for OTC-medicinal market, NCCNPL could finger out an integral system to satisfied market demand. Moreover, NCCNPL rebuild the organization structure that improved company's management services level for OTC-medicinal market, and increased overall operating efficiency for case company, then in order to achieve win-win between company and its customers (OTC-medicinal), and also follow the market trend.

## 5.2 Discussion

After all the marketing research from interview and questionnaires, it had found lots suggestions for marketing strategy plan in OTC-medicinal market. The discussion can be divided into 2 parts; each had its own thinking solutions for marketing plan. The managers of NCCNPL focus on displays the superiority in market competitiveness, as SWOT tools analysis; NCCNPL had strong brand awareness, with the exact internet system for OTC-medicinal market, and the wide distribution channel for market, then the solution for marketing plan in this case project was suggesting that establish high effective communication with customers and lead the collaboration among different functional groups. So NCCNPL agree that having an effective leadership and managerial skills are very necessary during cooperation with OTC-medicinal. In OTC-medicinal side, they will think about logistics service quality, when compared with other logistics companies. As they discussed, NCCNPL was a senior member in logistics enterprise, they should change the old strategic market system, which enhance the information construction and improved the operation efficiency in OTC-medicinal market. In end, both of them hope to work with partners; they could create permanent value for OTC-medicinal market and build up the competitiveness of NCCNPL.

For the thesis, it is a study of developing a marketing strategy plan for NCCNPL in OTC-medicinal market; the discussion had summated points of suggestions for future research for NCCNPL:

- NCCNPL needs to change the traditional marketing strategy system and operational philosophy in OTC-medicinal.
- With perfect network services function in logistics services areas.
- Divided the services in different levels, it is pricing strategy; Readjusts prices cater to different levels customers
- Using NCCNPL strength and resources to maximizing brand potential.
- NCCNPL need strength the formalization construction, and update market mechanisms and takes the human resources management, strengthens the staffs training.
- NCCNPL should develop more new markets, to achieve growth, create value and gain economies of scale during cooperation with OTC-medicinal market.

As the discussions from interviews questions and questionnaires, a current strategic marketing plan needs analysis clearly company's strengths and weaknesses to identify shortcomings, and then attentions perfects market plan layout.

For all of that, the thesis studying still leaves lots insufficient. The author had review the correlated literature and put in order to analyzed. The main analyses bases on my experience from my major knowledge, then also search a great deal of related literatures. But the author could not control

enough data in company project, all the information was base data that organized by company applied. And also times are limited during research process. One more points, it because the level of my written ability, there still exists some improprieties in the dissertation. The combination of all discusses from suggestions it was represents individual opinion only, so it had many flaws and oversight in thesis.

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APPENDICES

Appendix 1

Interview questions

Interview for members of CNPL

*General questions*

1. How long has been working in CNPL?
2. What is the situation of your company now (major market, customers, and competitors)?
3. How should the CNPL organize the most efficient promotion strategy for the CNPL to provide satisfaction the services for OTC medicinal?
4. What is kind of marketing plan are the best for OTC-medicinal now?
5. What are the strengths and weaknesses of the case company keep long-term cooperation with OTC-medicinal in your mind?
6. What are the main challenges facing during this cooperation processes with OTC-medicinal?

*Pertinence questions*

7. When did the CNPL cooperation with OTC-medicinal?
8. Why the CNPL wants to keep long-term cooperation with OTC-medicinal, what's the main reason?
9. What are potential markets make OTC-medicinal choose China Post Logistics Company?
10. What makes customer (OTC-medicinal) believes CNPL as a strong brand?
11. As CNPL now coordination with OTC (the famous Harbin Pharmaceutical Group Co.Ltd), how can CNPL control factors such as its relationship with its target customers?
12. How does the company determine the price policy for cooperation with OTC-medicinal?
13. What action should CNPL do to make changes in its environment in order to

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increase the market strengths when we service for OTC-medicinal?

14. What are the advantages and disadvantages of CNPL cooperation to OTC-medicinal compared to other logistics company?
15. Nowadays, lots of Logistics Company growing up how does you thinking of them (analysis 3 competitors, example as ZSY, ZJS, and XHL)?
16. What are the best communicational channels to approach the target between case companies with OTC-medicinal?
17. What's picture for future expectation if OTC-medicinal group keep long-term business with the CNPL?

Interview for members of OTC-medicinal

*General questions*

1. How long has been working in OTC-medicinal group?
2. What reasons make OTC-medicinal do the business with the CNPL?
3. What are the most important factors could be influence of OTC-medicinal choose the CNPL logistics be the partner?
4. What kind of marketing strategic plan you wish to achieve during cooperation with the CNPL?
5. What are the strengths and weaknesses that keep long-term cooperation with the CNPL?
6. What are the main challenges facing during this cooperation processes with CNPL?

*Pertinence questions*

7. How long has OTC-medicinal coordination with the CNPL?
8. Was the OTC-medicinal still wants keep long-term cooperation with the CNPL, why?
9. Are you satisfied with the CNPL's present service and why?
10. Which parts of service make OTC-medicinal believed CNPL as a strong brand?
11. What suggestions the OTC-medicinal wants to improved at strategic marketing aspects (comparing with ZSY, ZJS, and XHL)?
12. Compared with the other logistics company, what's the competitiveness and weaknesses in the CNPL?
13. What are the best communication channels to approach between OTC-medicinal with the CNPL?
14. As a member in OTC-medicinal, how do you evaluate the marketing strategy in the CNPL, is there anything needs to improve?
15. What's the picture for future expectation if the CNPL keep long-term business with OTC-medicinal?

## Questionnaire for audience

*Questionnaire for outside personnel (the target customers from the hospitals and drug-stores): this questionnaire is the basic questions for market survey, and it will not be publish to others. Please select the answer mark with "X".*

Gender:

- a) Male    b) Female

1, Age:

- a) Under 20    b) 21-30    c) 31-40    d) 41-50    e) over 50

2, do you know the China Post Logistics company, and how you know them?

- a) Direct contact with the CNPL  
b) Through adv  
c) Through the website  
d) Never heard of them

3, Have you ever cooperation with the CNPL, if yes, what do you thinking about them?

- a) I do not know  
b) Do not like  
c) It's ok  
d) I like

4, what are the reasons for you to choose the CNPL?

- a) Prices  
b) Brand  
c) Service attitude  
d) Speed of service  
e) Sanitation quality  
f) others

5, Compared with other logistics company, what's the competitiveness you agree?

- a) High quality service  
b) technical teamwork  
c) good public praise  
d) With experienced the safe issues  
e) effect after service system  
f) others

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6, Compared with other logistics company, what's the weakness in the CNPL?

- a) Invariable system for strategic market
- b) Lower communication channel
- c) Prices are higher than others
- d) others

7, do you have any suggestions for China Post Logistics Company?

