



Analysis for Marketing Strategy Plan of Pharmaceutical
Company
Case: Jiangxi Chenxi Pharmaceutical Company

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ABSTRACT

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<p>The objective of this thesis is to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical Company in the medicinal market. The ideal outcome of this thesis is to design a marketing strategy plan to help the case company become a successful manufactory and strengthen the brand image.</p> <p>Qualitative and quantitative research methods are used in this dissertation research. A single case study is utilized as a research technique. A questionnaire and the interview are the major information sources of the empirical data for the research.</p> <p>The theoretical framework aims to find knowledge for compiling the main elements of the marketing strategy plan in this thesis. An internal analysis, PESTLE analysis and SWOT analysis are also presented in this thesis.</p> <p>The result of the thesis is design a marketing strategy plan for the Jiangxi Chenxin Pharmaceutical Company. This marketing strategy plan is based on the internal and external analyses of the case company.</p> <p>Keywords: Pharmaceutical Business, Marketing Strategy Plan, PESTLE analysis</p>	

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1 INTRODUCTION

The motivation and background of the research, the definition of the research topic and questions are given here. The chapter is concluded by an illustration of the structure of this thesis.

1.1 Motivation and Background

The case company in this thesis is Jiangxi Chenxin Pharmaceutical Company. Chenxin is a manufacturer in the field of medicine. The company produces medicine and offers medicine to hospital or drugstore. The main business of the company is producing medicine and selling the medicine. The company can provide products for the different kind of partners, for example, pharmaceutical companies, hospitals, clinics, pharmacies and other institutes. The business scopes of the company are Chinese medicine, chemical medicine preparations, antibiotic preparations, biochemical medicine, biological products, antibiotic bulk drugs and medical equipment, totaling thousands of varieties. The company's facilities are located in Jiangxi Province, China. The main business area is China, and the company does not have any sales activities outside of China.

When I did my practical training in the case company, I found out that there was a big space to develop the medicine company, and the company has an opportunity to change to be a manufacturer. Due to the lack of some medicine information and raw materials, the changing of the pharmaceutical company did not achieve the desired results. The company's CEO Ms. Huang discussed these problems with me and told me that she needed a new plan to develop the pharmaceutical company. A strategy marketing plan will help the case company managers pay attention to the real market situation and make a competitive strategy for the company.

My personal involvement in the case company is a strong motivational factor in the writing of this thesis because I did my practical training in this company and also my mother works for the case company. During the research process, a lot of data and information were drawn from my own personal working experience and observations while doing the traineeship in this company.

I analyze the pharmaceutical company situation in this thesis research. Lastly, a holistic marketing strategy plan will be provided for the case company.

1.2 Research Objective and Research Questions

The positive and negative factors are concomitant for the company as a manufacturer in the medicine market. Therefore, the objective of my Bachelor's thesis is to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company operating in the medicinal market.

According to the objective of my thesis, the following research questions are defined:

What is a marketing strategy plan approach for Jiangxi Chenxin Pharmaceutical company?

The case company now faced lots of problems. The author wants to design a marketing strategy plan for the case company. However, the case company needs an appropriate marketing strategy plan. The author will design a marketing strategy plan through combining the theoretical information and the case company's fact.

How can a marketing strategy plan be build for Jiangxi Chenxin Pharmaceutical company?

The author will answer this question by combing the theoretical information the data from the research. The author will examine the real situation of markets to answer this question and to build a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company.

What are suggestions for the future marketing strategy plan of Jiangxi Chenxin Pharmaceutical company?

The author will answer this question by combining the theoretical information and the data from the empirical research. The author will examine the real situation of markets and combine the strategy marketing plan to answer this question.

1.3 Structure of the Thesis

The thesis consists of five sections in the planning. All of those chapters describes a different area studies. (Figure1: thesis structure)

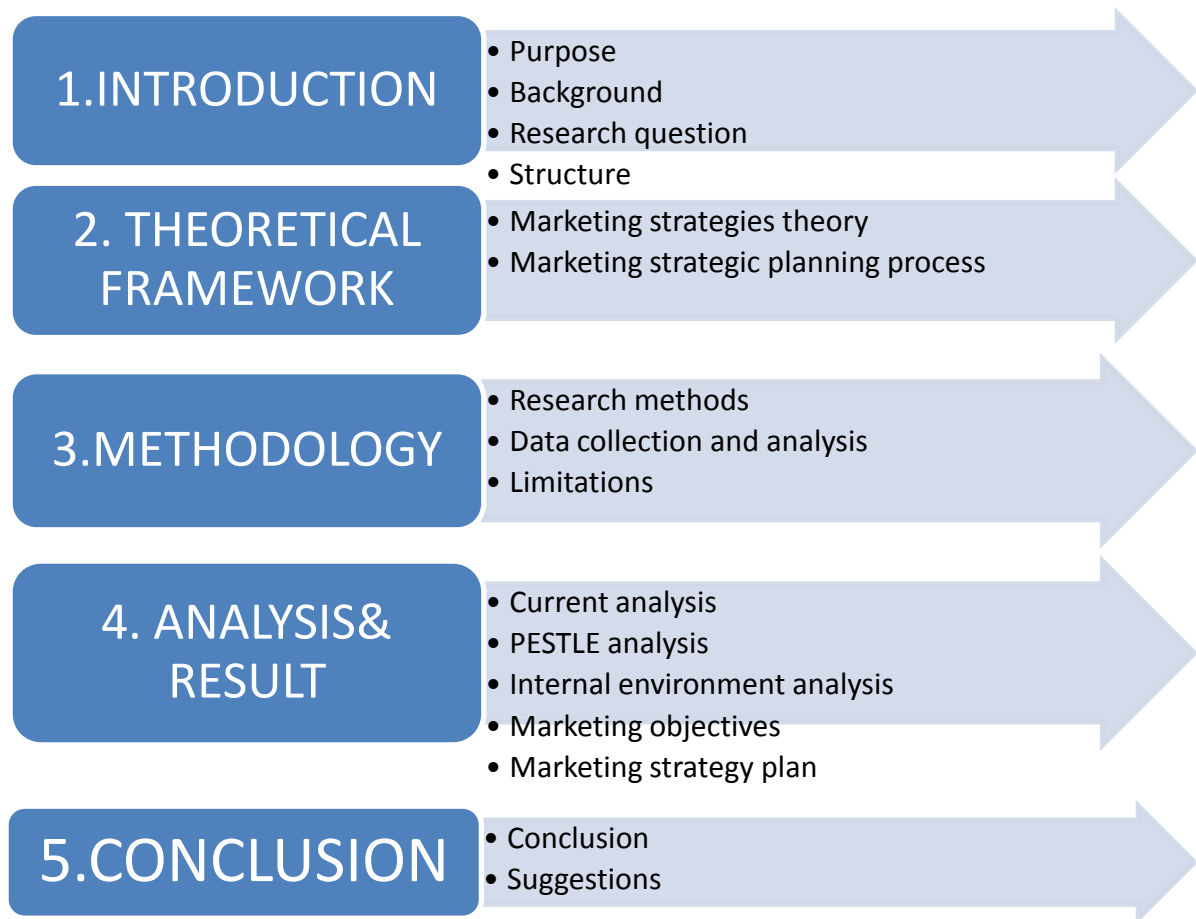


Figure1. Thesis structure

Chapter one is beginning with a based review for the topic objectives, explaining the purpose for the study of which part of the study will focus on. Also including the reason why the author chooses this thesis objective. The chapter one also gives the case company background that case has been studied in the following work; some research questions should be answered. Then the introduction of the study structure will be given in the Chapter one.

Chapter two focuses on a theoretical framework for the thesis, all the information concentrate on the theory used and explains marketing strategy plan for Jiangxi Chenxin Pharmaceutical Company operating in the medicinal market.

Chapter three is about the methodology for the thesis, it discusses and explains for the research design at work, the data collecting and analysis methods used during the process, and the limitations of research.

Chapter four focuses on the analysis and result. It concentrates on marketing and strategy for the marketing plan and also find out the new directions of development for the case company.

The final chapter is the summary section; it contains the conclusion and suggestion for the future development.

2 THEORETICAL FRAMEWORK

As already explained in the first introduction chapter, the thesis objective is to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company operating in the medicinal market. The theoretical knowledge is presented in this chapter. The main objective is present marketing strategy theory. In addition, another important for the objective achieved is the situation analysis. Then a suitable marketing strategy plan can be built for the Jiangxi Chenxin Pharmaceutical company in the medicinal market based on the situation analysis.

2.1 Marketing Strategy Theory

Business is focusing on people, so as the marketing. Marketing is about people's need, and then provides customers the appropriate price, which can bring handsome profit to the company (Sexton2006,7). Following Kotler and Keller's (2009) words, it manage customer and satisfies with customers' needs, the way to bring the exchanged relationships through creating value and satisfying needs and wants.

Johnson and Scholes (2005,3) define the strategy as follows:“Strategy is the direction and scope of the organization over the long-term: which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder expectations.”

Strategy is about the business trying to get in the long-term; what kind of activities are involved and business can fit which markets; how can the business perform better than others in their market? What resources are required for complete; what external and environment factors affect the business' ability to complete. (info entrepreneurs 2013)

Following Johnson and Scholes's (2002,10) words, strategy is the direction and scope of a company through the long-term, which gets benefits for the company through its configuration of resources within fickle environment and to satisfied stakeholder expectation. The core of the strategy is the meaning to achieve the company's goal, market position and strengthen company position can be staked out by used plan management. Company can achieve the competitive power; attract customers and conduct operations, both of these set objectives for a company could be achieved (Tompson & Strickland 1998,18). According to Tompson and Strickland (1998,18), company can easily understand the status by strategy, which part is strong or weak in the company, and strategy can give the future expectation for the business, which opportunities can get, and what kind of plans are efficient.

In addition, the author sum up the definition of the marketing strategy plan is planning and managing processes, long-term plans for the future development, direction, target and policy in a certain period made by an organization or corporation.

2.1.1 Market Segmentation

" Market segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments each of which tends to be homogeneous in all significant aspects." (Stanton, 1983, cited in Vieceli & Valos 1998, 137)

The market can be divided into distinct groups of buyers by market segmentation, and it is a process to give direction to customer's servers, what kind of products and needs the customer will be satisfied (Amstrong & Kotler 2010,78). Divide the market into smaller segments that could be improved efficiently with products and services, it can match the company's unique wants and needs (Kotler & Keller 2009, 214-215).

After combined the theories, a suitable market segment is needed for the case company in order to enter the market, and build more market segment opportunities, and develop profitable enough profiles to serve the each market segment.

2.1.2 Market Targeting

Market targeting means that a complete profile of the different segments has been developed for the market by a marketer. The role of market targeting is used to select target markets and then choose available methods for the organization. (Cant & Strydom & Jooste & Plessis 2009,128.)

It is time to a company decide which target markets need to be focused after targeting the market. The first activity is to identify the market size, growth and segment attractiveness. In addition, helping the greatest segment may earn the less potential profit than helping the right target market with relative resources needed. The most attractive ones are not always the greatest. (Kotler & Keller 2009, 214-215.)

The best objectives and long-term goals are needed though the company has chosen the most attractive market segment to serve. There are one, two or multiple market segments that may be chosen by marketers, and the options are between three broad approaches to the market: concentrated marketing, differentiated marketing and undifferentiated marketing (Strydom & Jooste & Plessis 2009,134).



Figure 2. Undifferentiated marketing (Kotler 1994,286)

Undifferentiated marketing is a strategy that a company used the whole market as their target market, considering the demand in the general market, and do not divide them into differences, according to the product, price. In addition, the company focus on common needs replaces differentiating the market segments. (Figure 2)



Figure 3. Differentiated marketing (Kotler 1994,286)

Differentiated marketing is a strategy when a company decides to offer the market segments with offers for each segment. Consumers have lots of options in the market through this way that will help companies to increase total sales and market share. (Figure 3)



Figure 4. Concentrated marketing (Kotler1994, 286)

Concentrated marketing is also like to be single-segment. It is a way that choosing to target from two or a few segments within the market, and then implements a professional and sales. (Figure 4)

2.1.3 Product Positioning

Products have not set the position, although market segmentations have been chosen. In customers' mind, the buying power is quite much affected by brands or product's position. The first thing that companies need is to explore whether the product are taking a place in customers' mind. Maybe someone will ask why product's position is important in a company's marketing strategy? Marketing is developing every moment. With various products of different brands, customers can easily get confused of their best options (Whitesmokereview2013). If a company wanted to make consumers feel comfortable when choosing their product, a successful positioning map is needed.

Deeply, choosing and implementing a correct positioning strategy had three steps. The first step is identity possible competitive advantage; the second step is selecting the best competition advantage; the third step is communicating the right competition advantage. (Lovelock & Wirtz 2004, 64.)

2.2 Marketing Strategic Planning Process

Marketing strategic planning is a useful management tool to help the company does better work and learn how to compete in the future. It is a guiding process for companies' developing necessary procedures and operations in the future. "The new realities of the marketplace provide given opportunities and challenges; decision makers have to employ themselves in strategic planning to match markets with

products and other corporate resources more effectively and efficiently, to strengthen the company's long-term competitive advantages." (Czinkota & Ronkainen 2007,194)
 The figure 5 shows the steps in strategic planning: defining the company; setting company objectives; designing the business portfolio; planning marketing and other.

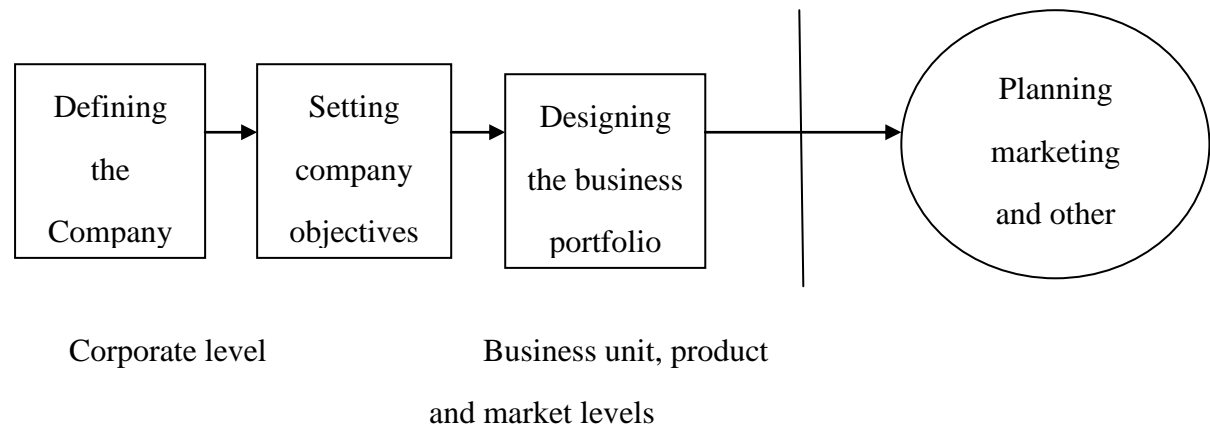


Figure 5. Steps in strategic planning (Kotler 2009 & Keller,63)

Mission statement: The statement of the company's purpose wants to complete in the large environment (Kotler & Keller 2009,63). The mission statement supposing the company to thinking business and customer in the first step of the strategic planning process, and then thought about some detail questions that act as a guide provide a direction and vision for the company's future (Kotler & Keller 2009,63).

Objectives Vs Goals: "Objectives are the results of planned activity. They state what is to be achieved by when and should be quantified if possible. The achievement of corporate objectives should result in fulfillment of the company's mission. In contrast to objectives, the goal is an open-ended statement of what one wishes to accomplish with no quantification of what is to be achieved and no time frame for completion". (Huger & Wheelen 2007, 7.)

Designing the business portfolio: Business portfolio means the collection of businesses and products that make up the company. It is the major activity of the

planning process. It is a tool by which management identifies and evaluates the various businesses making up the company. (Harker & Armstrong 2009, 43.)

Planning functional strategies: To accomplished strategic objectives, it is needs detailed planning for each department (Kotler & Keller 2009,63).

The case company will be easily to identify the elements in the market, and the ways in which prevent or handle them through the strategic planning process. The situation analysis will be divided into the internal and external review that the company will use them to make an option of marketing strategy. In addition, it will provide the case company the guidelines of useful planning process strategy to achieve the goals.

The next sub-chapter will introduce the analysis tools to explain the marketing strategic planning.

2.2.1 Situation Analysis

The case company can use situation analysis to analyze the current market conditions, and includes assessing market conditions and trend. "Situation analysis is the process by which the company develops a clear understanding of the individual market and then evaluates its significance to the company and for other markets in which the business operates" (Doole & Lowe 2007, 27). A clearly market definition, a good match between strengths and the market needs, and also strength competitive should be involved in a good marketing strategy.

The situation analysis can be separated in two parts as figure6 shows, i.e. internal analysis and external analysis. The PESTLE analysis will be used to examine the external environment in the thesis.

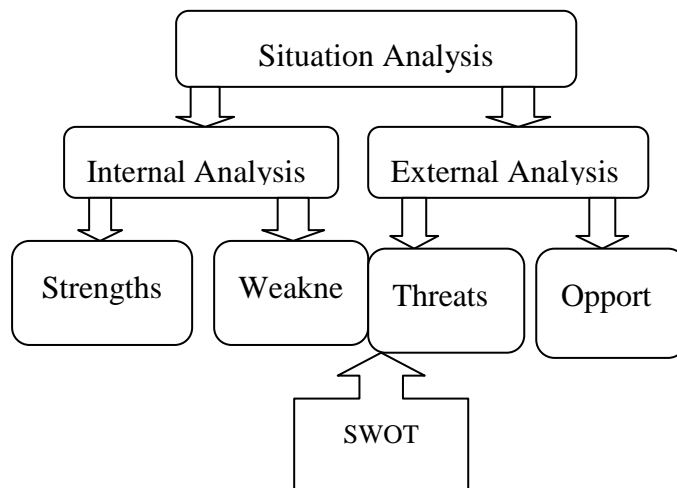


Figure6. Situation analysis SWOT (NetMBA, 2002-2010)

Internal analysis is to use knowledge and understanding of the strengths and weakness within an organization. Company culture and image, organization structure, staff, operational efficiency and capacity, brand awareness, financial resources are seemed in. (Aaker & McLoughlin 2010, 99 - 109.)

Internal analysis can be put into two parts: performance analysis and determinants of strategic options. Performance analysis is consisted of profitability, sales, shareholder value analysis, customer satisfaction, product quality brand associations, the relative cost, new products, employee capability and performance, product portfolio analysis. A determinant of strategic options includes past and current strategic, strategic problems, organizational capabilities and constraints, financial resources and constraints, strengths, and weakness. (Aaker & McLoughlin 2010, 100 - 109.)

PESTILE Analysis is an effective tool in the macro-environment analysis. A letter represents one element: political factors, economic factors, social factors, technological factors, environmental factors and legal factors. (Zhi Ku 2011)

PESTEL is based on the PEST analysis then add environmental factors and legal factors. It through these six factors to analysis company's situation: political, economic, social, technological, environmental and legal. (Zhi Ku 2011)

2.3.2 SWOT Analysis

SWOT analysis is one of the well-known and usual tools to the strategic planning process. "The SWOT analysis is a beneficial tool for decision-making and understanding dependencies between a company and its environment" (Pahl & Richter 2009, 27). It provides an overall view of the case company's internal situation, and it defines the competitive environment. SWOT divides into four parts, strengths, weakness, threats and opportunities. As the figure6 shows the strengths and weaknesses prefer to internal analysis; the opportunities and threats refer to the external environment.

An SWOT analysis can help the case company gain insights into the past and think through possible situation to existing or potential problems. The case company should be involved the following things throughout the process: company culture, structure, resources, brand awareness, market share, operation sufficiency and exclusive contracts.

Strengths and weakness

It is important to the case company to list what are the most critical success factors. The strengths and weakness are relative, not absolute (Armstrong & Kotler 2009,138). In fact, sometimes strengths can be dangerous depending on the managing to extend. For example, if a person is planning to start a business, the person employee may have previous experiences in that. In addition, if the company already knew where to

go to find the support, this would be considered strength. If the company lacks human resources or experiences, this would be considered weakness.

Opportunities and threats

The case company can analyze the factors that could impact on the case company based on company situation. Technology development or investment may bring about many opportunities to the company. Due to government policies, competition, the tariff barrier or environmental changes may cause adverse effects, this would be threats.

3 RESEARCH METHODOLOGIES AND TECHNIQUES

The scientific research design is discussed in this chapter, focusing on the ways in which the data are gathered and analyzed in order to find answers to the research questions. The discussion includes research methods, the research process, data collection and analysis and limitations of research. In addition, this chapter also presents some reason for and challenges of the selection of the qualitative methodology in the case study.

3.1 Research Methods

A single case study is employed in this thesis research, in order to reach the objective of designing a marketing strategy plan for the case company. "Case study is an ideal methodology when a holistic, in-depth investigation is needed" (Feagin & Orum & Sjoberg 1991,1). Yin (2011,96) presents the following four applications for the case study model: to explain complex causal links in real-life interventions; to explain the real-life context in which the intervention has occurred; to describe the intervention itself, and to explore this situation in which the intervention being evaluated has no clear set of outcomes.

"Case studies are generally qualitative by nature" (Sekaran 2003, 125). This thesis uses various research methods, i.e. quantitative and qualitative research. Atkinson and Delamont (2010,318) state that qualitative research is used to search and comprehend people's religion, experiences, attitudes, behavior and interactions. The data from the quantitative research that can be changed to number (Grinnell & Unrau 2010, 53). In addition, an understanding of potential reasons and motivation can be achieved by the quantitative research (Willmer 2001, 134).

"The qualitative research is a type of scientific research and it used to find out answers to the question, and produces findings that are applicable beyond the immediate boundaries of the study." (Berg 2004; Creswell 2003; Neuman 2003, cited in Hopper 2007,44.) The advantage of qualitative research methods is that it allows for the use of open-ended questions, and the option of probing gives participants the opportunity to respond in their own words which better than giving them some answers to circle as quantitative methods do. In addition, qualitative methods can ask why or how, it is easy to find people's needs immediately with their difference. This thesis is an exploratory study since few studies have been conducted in the same research area.

Interviews are also included the qualitative data in the case study. It can deeply analysis the interview and interviewee or may assemble more than one person's views at the same time. It can be easy to communication by discussing personally with respondent.

The questionnaire is used as a supplementary means to capture data by asking people questions, and it is one kind of document that is used for marketing intelligence collection (Kent 2007, 151). Through a helpful question can gain the best information by asking customer, and then making the right conclusion. The step for making an ideal questionnaire is a plan, formulate questions, ensure and organized the word, sample data and test for the questionnaire, and final question (Aaker & Kumar & Day 2006, 316). Hence, the author designed the marketing survey questions, and then sent the questionnaires to hospitals and drugstores.

In sum, the author searched basic marketing information from the official website on the Internet in the beginning. In addition, after familiarizing with that strategic marketing for the case company, the author organized the information about the market situation within the case company. The author also used the messages and e-

mails send questions to the CEO. The questionnaire survey built on getting analysis and views from social customers.

3.2 Data Collection and Analysis

The objective of this thesis is to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company in the medicinal market. The data collection is used to explore the reality to reach the purpose of the research. Hence, the form and the content of data collection were designed based on the objective of this research.

The data in the thesis is obtained from primary and secondary sources. The interview is the tools for obtaining primary data. Furthermore, there are some data obtained from secondary sources, such as the company record and archives. The trust relationship with the case company is built through previous study and research; the case company allows the author to access to some data of the company, for example, the history, structure and some archives of the case company.

The author has used a variety of data collection techniques to answer different questions, i.e. multiple sources to obtain the useful information for data analysis were relied on. The author chooses the available data, observation and surveys to combine qualitative and quantitative research methods to collect data for designing marketing strategy plan for the case company.

The research was adopted with qualitative method as mentioned in the previous topic. It is obtained by the interviews. A marketing plan needs crucial information from personal opinions and environment impacts. The interviews' questions were created to find out a marketing plan for the case company.

In the qualitative component, the interview with the CEO is used for achieving the objective of this research. It was including personal interviewing and e-mail interviews together. The advantages of personal interviewing: the personal interviewing can deeply understand of person's experience opinion and description. The interviews were made to in order to design a marketing strategy plan for the case company. The interview for the company manager focuses on the operational strategy of the case company.

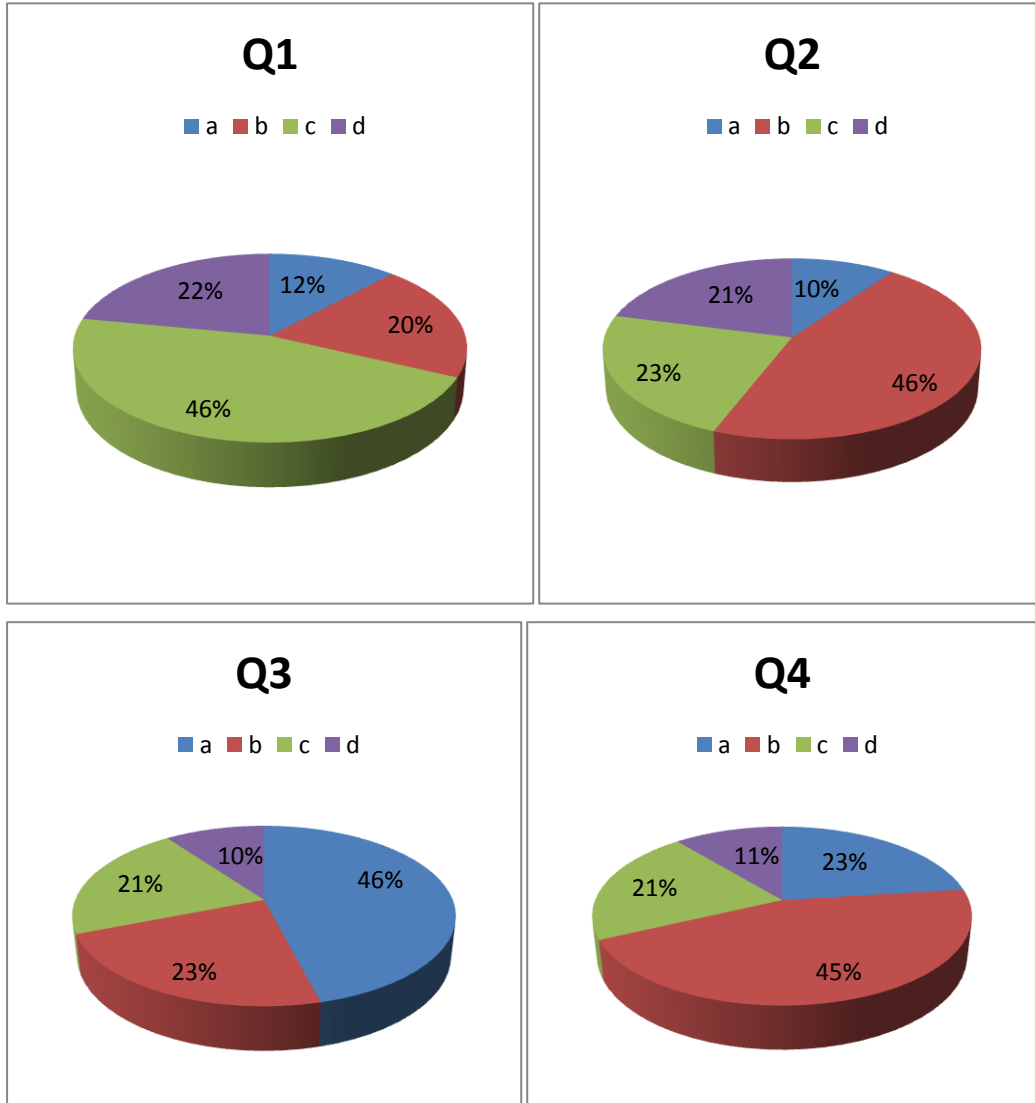
The interview process took about three weeks. The researcher was organized three interviews with the CEO. It is necessary for the research, interview key persons who are running the business every day and able to give detailed information. The researcher took some notes during the interviews. All the information were recorded and exchanged later to word document. The resarcher had more possibility to get in-depth into each opinions through the interviews.

The other method used for the survey is a self-administered questionnaire. The quantitative parts rely the questionnaires. The questionnaire needed to be short and include one or two open-ended questions to make the prospective respondents comfortable. The author made the questionnaire available for the respondents in one drugstore, and the customers who knew this case company could give their responses. The practice was suitable for the author to gain quantitative data for answering the research questions.

The questionnaires delivered to 100 people of customers, and received 78 responses, but the rest 22 copies may be missing. The demographic statistics of respondents were male and female. Male was represented by 30%, and female was 70%.

As a result, the figure 7 showing Q1 to Q6.

The questionnaire includes 6 multiple choice questions(Appendix1). All the data and information were collected from markets in Jiangxi.



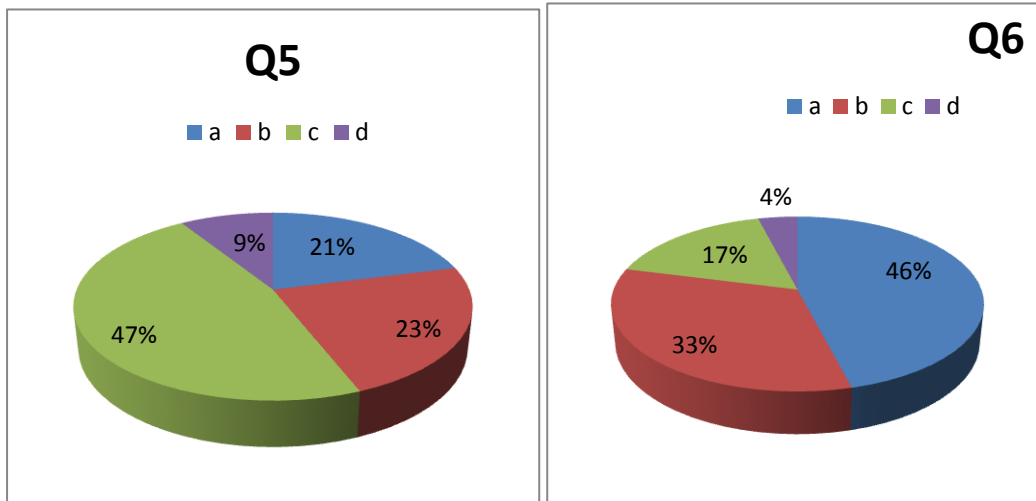


Figure 7. Statistics of questionnaire

Q1 analysis the customers' age, the age under 20 years old contributed 12%; the age from 21 to 30 contributed by 20%; the age between 31-40 contributed by 46%, and over 40 years old contributed by 22%.

Q2 answer for how people know the case company. There is 21% of people never know the case company, 10% of people know about the case company by ads; 46% respondents know about the case company by their friends, and the other 23% people know the case company from doctor.

Q3 use four different reason to test customers' attitudes, 46% because of the prices; 23% because of the brand; 21% because of the after-sale services; and 10% of people had other reasons.

Q4 is about competitiveness. 23% choose high quality products; price has 45% supports; effect after sale system approves of 21%, and about 11% people had other opinions.

Q5 is a weakness for the case company. The result was 21% persons think good public praise; the experience accounts for 23%; rate of publicity is 47%, and others are 9%.

Q6 is the satisfaction of the customer. There are 46% customers very satisfied on the products; 33% people satisfied on the products after used them; 17% respondents think is just so-so, and it less 4% people unsatisfied.

Through analysis, the results of the questionnaire, the target customers, the customer loyalty and customer demand have been tested. The case company needs to pay attention to customer loyalty and brand image.

3.3 Limitations of Research

One limitation of this thesis research is an aspect of generalization. However, the objective of this thesis is to assist the case company by a concrete result instead of attempting to generalize the results of this research. Hence, the result of this research is a marketing strategy plan to the case company helps it in its operations. In terms of reliability of this thesis, the multiple sources of data collection were needed for maximizing the reliability and preventing too subjectively of explanation. However, the limited time and other recourses made this work hard; this thesis mainly was to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company in the medicinal market. Consequently, the reliability is affected.

4 ANALYSIS & RESULTS

The marketing strategy plan for the case company is in focus here. The marketing strategy plan for the case company includes the analysis of the current situation in the case company, internal analysis, PESTLE analysis, SWOT analysis, and an analysis of market objectives.

4.1 Current Situation

According to interview question 1, the CEO said the case company faced one problem at 2011; the long-term partner does not give enough goods to the case company, and the customers need more than the company gets. Agency problem now is happening between the agent and client. Agency problem means due to the different targets, plus the uncertainty and asymmetric information. Agent will be misunderstanding the client's goal, and client is hard to observing and monitoring agent. In the agent's opinion: Agent has different targets and interests compare with clients, and their utility functions are different. Now the opportunistic behavior is happened.

Due to the limitation of the agency, expanding business is very difficult for the case company as an agent. The case company is not the sole agency to the clients; other agents use some activities to getting more customers and making different agreement with the clients. This situation may harm for the company's benefits. In addition, the case company has different goals with clients, and it is hard to find a new partner now. In addition, the case company decided to become a manufacturer to prevent the problems happening. The author has talked about the challenges with the CEO in the interview (Q2). However, after become a manufacturer, the case company faced lots of problems that influence the changing: lack of raw material, brand images and experiences.

The financial data collect from the interview question 5. According to interview question5, the CEO said the turnover of the case company about one million RMB in 2012. The gross profit has about three hundred thousand RMB. The CEO said the objective of the financial part is increased 30% of turnover in 2013. In addition, increasing gross profit margin and operating margin will achieve through brand image and after-sale service.

Through analysis the questionnaire, the objectives of customers are improved brand images and satisfied customers. The target customers are middle-age persons age between 31 to 40 after the combing the results of the questionnaire and interview question 3. The measures are customer feedback, sales rate, customer loyalty and after-sale service.

The goals of internal are attracting customers and building brand image. The high-quality product, the unique services and improve market share is the objectives of the internal part. The measures are increasing the publicity and marketing performance.

4.2 PESTLE Analysis

The case company selects Jiangxi provinces as the main market. Therefore, Jiangxi provinces have been chosen in this analysis.

Gan is the abbreviation for the Jiangxi Province. It is located in the southeast China, close to the middle and lower reaches of the Changjiang River. The total area of Jiangxi Province is 166,900 square kilometers. It is made up of 11 country-level cities, which are Nanchang, Pingxiang, Yingtan, Shangrao, Xinyu, Jian, Yichun, Jingde town, Fuzhou, Ganzhou, and Jiujiang city. The capital city is Nanchang. Jiangxi province has a convenient traffic infrastructure; there are five main rivers and

seven airports. Jiangxi is beside Zhengjiang province in the east, Guangdong province in the south, Hunan province in the west, while Hubei province and Anhui province are in the north and share Changjiang River. With the expressway system developed, the expressway was 4344 km long in 2011, and it ranked 4 in China. Jiangxi has a developed railway system, and one can travel to any city by train when in Jiangxi. The population of Jiangxi was 44,567,475 in 2010, and languages are Gan, Mandarin and Hakka. Due to the larger population, the case company can get enough labor power and customers.

Politically, Jiangxi is a part of China, and the politics of Jiangxi are most like all other governing institutions in China. The politics comprise the dual party-government system. The highest ranking official in the People's Government of Jiangxi is the governor. However, due to the dual-party-government governing system, the Governor has been less power than the Jiangxi Communist Party of China Provincial Committee Secretary, colloquially termed the "Jiangxi CPC Party Chief. In 2013, the Jiangxi CPC Party Secretary was Su Rong and the governor is Wu Xingxion. Now there are five political factors that have an effect on Jiangxi's development, i.e. separations of the social stratum, political instability and distorting power and conditions. Due to the government's policies published in the last half of 2012, the pharmaceutical industry sales increased compared with the first half of 2012. Pharmaceutical manufacturing value added grew by 14.6% compared in the second half, compared with the first half when it was growing by 0.3%. Pharmaceutical industry achieved the sales income of 1,206,991,000,000 Yuan.

Economics: Jiangxi is a rather poor province when compared to its neighboring provinces. It is located in the three richest provinces of China, i.e. Guangdong, Zhejiang, Fujian, which sometimes have prevented Jiangxi's development. (Baidu, 2012)

The Chinese economy has met a lot of challenges after China joined WTO. In order to promote rapid economic growth, Chinese government was using macro control and with a battery of the government intrusion. Chinese government is actively facing the socialist marketing economy to increase the forecast ability, pertinence, and macroscopic control effectiveness. The Pharmaceutical industry has entered a new age. The growth of economy promotes and affects the growth of Chinese Pharmaceutical industry. (Baidu, 2012)

In the view of social, the social factors are consisted of culture, social responsibility, people's lifestyle, income disparity, average income, values and aesthetic, regional preferences and also the demographic changes will probably have an effect on the market. The lifestyle and the demographic described as follows:

(1) Lifestyle

The people's lifestyle in Jiangxi is similar to that in China generally; people prefer to foreign goods to native products, having no reference for the quality of the goods. This lifestyle is that the local company will get hit hardest. Trough an analysis about luxury's sales status, China is the main market of luxury (Renmin 2012).

(2) Demographic changes

Through the growth trend of China, China has a one-child policy since 70's, and the birth rate and the natural rate of growth are decreasing year by year. However, there is the history's reason, the population in China is still a large amount. According to some analysis, the population of ages between 18 years old to 60 years old is about 8.16 hundred million, which is 2.15times more than 1964. This part of the population will occupy 60% of the total population at last 30 years. The structure of China's population is "a few at each extreme and many in between small at both ends and significant in the middle", which is a benefit for the medicine industry from the

medicine industry's target group. (Baidu,2012)

Technologically, the analysis of the factors of science and technology, the most dramatic factor is technology. An enterprise's development cannot do without technology. If there is no technical and product innovation, enterprises will lose their business growth and progress. In addition, there is no future for the enterprise. The customers prefer to choose international medicine since they perceive that the medicine produced in China has poor quality. There are several medicine problems taking place in China in the recent years, including adding some cheap substances with little curative effect to gain profit. Some enterprise does not invest in innovation; they use the old way to produce medicine. For these reasons, native medicine enterprises have less competitive advantages than foreign medicine enterprises. In addition, native medicine companies should focus on the technological innovation and environmental protection. (Baidu 2012)

From the point of view of the environmental factors, it is inevitable for most of the industrial production to have negative impacts on the quality of the natural environment. Now from the United Nations to the governments around the world are all paying enough attention to environmental pollution, and also formulate some relevant laws to prevent the behaviors which harm the environment. In addition, this is the objective needed for protecting the earth environment, and also the trend of "harmonious coexistence between man and nature". For the pharmacy industry, they should pay attention to the factor of environment. The assessment of national emission standard for the pharmacy industry's use is GB 21907-2008 "integrated wastewater discharge standard". Earth is our common home; environmental protection is the time subject of worldwide concern, and any industry must do long-term management of the environmentally and friendly way to dealing with the aftermath, especially for the pharmacy industry. (Baidu 2012)

Legal aspects play an important role in the specification and supervision of the environment. Today, with the social-economic development, enterprises' relationships become increasingly close, and the market environment is become increasingly complex. With this situation, several potential legal problems will be faced. If the legal issues are not to be considered on time there will be “plot into disease”, and enterprises may suffer heavy losses. The regulations documents about medicine include 13 documents and administrative rules of medicine are about 25. (Baidu 2012)

4.3 Internal Environment Analysis

Autoimmune conditions and resources in the case company will be defined in the internal environment. It is easy to make a suitable marketing strategy plan to the case company on the basis of the case company's environmental analysis. There are two sub-chapters for the analysis process, the competitive capability and SWOT analysis.

4.3.1 Competitive Capability

According to question 4, logistics were critical factors for the case company's competitiveness. The case company was an agent before it changed its business role as a manufacturer. The case company has enough experiences on the logistics part. Besides, the case company has built a relationship with local hospital and drugstore.

The case company's core competitiveness should focus on 3 main points: valuable, uniqueness, and development. For the case company, there are 3 points that need improves market operation ability, market management ability and innovation ability. The market operation ability shows in high order shipped rate of completion and

efficient accident processing power. The market management ability is an inside management for the case company, its behave methods were inventory control and customer order management. The innovation ability is very important for a new manufactory.

4.3.2 SWOT Analysis of the Case Company

Based on the research findings and explanation, the SWOT analysis was making to assist the case company to understand their situation.

<p>Strengths</p> <ol style="list-style-type: none"> 1. Financial condition 2. Skilled man power 3. Manufacturing process 4. Experience in medicine trade 5. Tacit knowledge 	<p>Weakness</p> <ol style="list-style-type: none"> 1. Marketing Promotion 2. Brand image 3. Marketing research 4. Lack of experience 5.Lack of raw resources. 6. Quality product and unique design
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Stable political condition 2. Income dispersion 3. Niche market 4. Expansion of business 5.Product development 	<p>Threats</p> <ol style="list-style-type: none"> 1.Losing investment 2.Brand loyalty 3.Competitors 4. Customer taste 5. Risk of failure

Table 1. SWOT analysis

Strengths

The stable and good financial condition of the company has been supportive in the smooth operation of the business and can be very helpful in entering a new market. Presence of skilled manpower is also the strength of the competitor in the market. Manufacturing process is also a unique feature; the case company buys the factory with machine. Therefore, the case company does not need to care more about the manufacturing process. The case company has successful experience in medicine trade because they were an agent before; they can use this kind of experience to selling their own products. The case company is a family business, and this company is established by a couple. This couple has their own meeting and shares they knowledge, they have enough tacit knowledge.

Weaknesses

Chenxin pharmaceutical company lack of marketing promotion. The case company did not have their own website now, and the ads were not enough. Through the analysis, a phenomenon is Chinese people like buy well-known brand product; the case company now did not have a well-known brand. Although the case company has enough experience in medicine trade, but now the case company needs new detail information of Chinese market and also new professional market research for a new product. As mention before, the case company is a family business, and the owner is not graduated from Business University, the owner just had the skill from the previous job, the owner lacks professional knowledge, and the owner does not realize that the strategy plan is important. Nowadays, companies have a quality which has created goodwill among the customers. As discussed in the previous chapter, before the case company changed their business role to be a manufactory, the case company was an

agency. They have enough experience in medicine trade was not meant they have experience in produce medicine. Some medicine produce process and raw resources are secret; the case company needs to hire some professionals to research and development new medicine. Quality products and unique design have been a great aspect of the company and have attracted many customers. However now the case company did not have the quality products with unique design.

Opportunities:

Stable political situation provides the case company an opportunity to expand business. Through the previous analysis, most of the Chinese people have the ability to buy the normal medicine. Niche market is also an opportunity; people have enough money to care their health, so it means people would like to pay money for protecting their health. The case company has a potential market growth indeed. The population rate growth rapidly, among the population categories more than 10% holding by older group, the medicine services, will be highly demanded. Besides the population growth, medicine service is more necessary when the economy is currently developed. Entering into a new field provides the case company an opportunity to expand its business. As the product enters into the market, the demand of new customer may differ and to meet the demand company has to make changes, which are an opportunity of developing products.

Threats:

The case company will face some problems when the case company enters a new field. Such as losing investment, brand loyalty, as mentioned before Chinese people prefer to choose famous brand product. There are some famous brands in China; people may choose the famous brand first. Customer taste may differ; it can be a hurdle to the business as company's product may not satisfy their taste. Strong competitors which are already been established on the market can be another threat to

the company. There are several risks while entering a new field, thus risk of failure which entering a new market is always a threat to the business.

4.4 Marketing Objectives and Marketing Strategy Plan

The author has discussed the marketing objective with Ms. Huang during the interview (Q6). The long-term objectives are difficult to achieve. A short-term objective for the case company is easy to achieve than the long-term objectives.

The first five-year plan is to build brand loyalty in customers. This is a comprehensive objective of the case company. The case company does not have a brand now, and it is necessary to the case company to found a brand and then build brand loyalty. There are lots of steps for the case company to be gone through, since the case company should build a new brand, improve the services, provide good-quality products, advertising and market promotion. The case company needs to let customers know the brand first, and then make the customers know the case company providing unique services and high quality products. The agent is the main business during this time. The main objective of the case company is moving the main business to manufacture.

Through the empirical and theoretical research, marketing strategy plan suggestion to the case company has been created. It will help the case company to achieve the market objectives.

It is necessary to build a new famous brand. The case company needs to let the customers know the brand after it produces; the tryout of the product is a good way. New brand will take a long time to become famous. The suggestions from customers are important for the new brand, the after-sale services should be improved. Through the analysis of after-sale services, the case company can gain different customers'

demand, and do some changes about the product to satisfy a variety of customer demands. A drug formulations department should be established. The drug formulation department is to explore new medicine for new customers. For the service part, the service department should be improved. The service department should be paying attention to the after-sale services. The after-sale services need to accord the customer's need and give it to drug formulations. Now, people have an increasing number of demands on their health.

Second, after the new brand has been created, the case company need to improve the marketing promotion and brand loyalty to make people know the new brand. Advertising in the new brand can be increased put into markets through the newspapers, TV or the Internet under the case company's ability. The case company can hold some promotion activities to attract customers, in addition to the advertisement., The case company can launch some marketing promotions, for example, give some tryout for new customers.

Third, the case company can explore medicinal commodities with medicine inside. The commodity with medicine inside can attract the different target group. The commodity with medicine inside can be shampoo and makeup.

According to the customer questionnaire, high-quality and cheap products attract increases the number of customers. People prefer to buy high-quality with cheap price. The case company needs to build brand image, because not so many customers know the case company's products. Increasing spending on advertising is very necessary for the case company.

Finally, the Internet is a good medium for the case company development. An increasing number of Chinese people use the Internet to get information such as news, and brands. Similarly to other countries, Chinese people use Facebook and Twitter. Chinese people prefer to use Weibo or Renren. The case company needs to create a

professional web site and make people accessible at their website, in order to make people know the case company.

4.4.1 Market Segmentation, Target, and Position Analysis

Segmentation analysis:

The case company had included more than 10 different kinds of products according to the record of the case company. While the case company used market segmentation principle, divided all the products into three categories: meditative, rehabilitation and health products. The meditative products are taking care for people's common disease control; the rehabilitation foundation is recuperating pesticide for people; health products are using for people's daily care, especially for middle-age people's personal care. The case company produces and sells the medicine by customers needs, paying attention for a specific product supplied, and try to make targeted features for different customers. According to the needs and want of medicinal market, the case company sets up 4 transit warehouses around the Jiangxi Provinces. These warehouses are located in Ji An, Jiu Jiang, Nan Chang and Gan Zhou; which make a circle around Jiangxi. This was used to satisfied different customer by regional distribution.

The case company could find opportunities through segmentation in the medicinal market. The case company can discover the marketing shortfall and potential through marketing segmentation.

Target market through positioning analysis:

The case company should be carefully analysis for the pharmaceutical industry, and then determine the market target; thus the case company could reduce waste of resources. After all, the case company now is still a new manufactory in the pharmaceutical industry, and there are lots of competitors in the pharmaceutical industry. According to the market analysis, the competitors have more experiences than the case company, and also they control strong scientific research ability in different parts to their own advantages; it was a significant threat to the case company. The case company should have a clear goal as to the pharmaceutical industry, continue with marketing segmentation, implement deep market research, and get more opinions from customers.

For the case company, main service targets are local hospital and drugstore, the case company already made contracts with them. The position analysis is a method to face the competition and make full use of potential advantages in the real market. In the marketing plan, the case company has to make the differentiation of strategies, try to offer higher-quality services.

5 CONCLUSIONS AND SUGGESTIONS

The objective of this thesis is to design a marketing strategy plan for Jiangxi Chenxin Pharmaceutical company in the medicinal market. This chapter will answer the research questions that were introduced in the first chapter. The chapter five consists of the findings and conclusion and suggestions for the Jiangxi Chenxin Pharmaceutical company.

5.1 Findings and Conclusion

In this research, theoretical knowledge was combined with the empirical study findings in order to get answers to the research questions. The theoretical foundations are based on literature discussing the marketing strategy plan. This marketing strategy plan was designed in the research of the current situation of the medicinal market. The thesis started with theory research, and was followed by the analysis of the current situation of the case company, which was used to information about the case company's market situation. The internal and PESTLE analysis in the process were conducted for the case company in the medicinal market. The result of compiling the marketing strategy plan needed combine the CEO's expectation and the information gained from the questionnaire responses, and also some information from customers. During the research period, the company and marketing analyses were conducted by SWOT analysis tools, and were connected with marketing segmentation, target market, and positioning to increased market competitiveness.

The research question is used for getting information for the purposes of the case company in the medicinal market before the completion of the marketing strategy plan. This research has three questions as follows:

What is a marketing strategy plan approach for Jiangxi Chenxin Pharmaceutical company?

This question is focused on the target of the thesis, design a marketing strategy plan for Jiangxi Chenxin pharmaceutical company in the medicinal market. The author began with research theory work, then combined the theoretical information with the information from the documents from the case company. The author interviewed company CEO in order to get the in-depth understanding of the case company's operations and their expectations concerning this research. Following the interviews, the author sent 100 questionnaires to drugstore that had different answers. The marketing strategy plan for the case company was made by the various analyses detailed previously in order to achieve the objective of this research.

How can a marketing strategy plan be build for Jiangxi Chenxin Pharmaceutical company?

The author need to find out the objectives of the company for this question. The analysis of the case company helps the author realize today's situation of the market. Internal analysis, PESTLE analysis, market analysis and SWOT analysis are necessary to obtain a complete understanding. Through the interview and questionnaire, the author get realizing the real situation of the case company. After analysis the situation about the case company, the marketing strategy plan for the case company was made by combing the analysis and the objectives.

What are suggestions for the future marketing strategy plan of Jiangxi Chenxin Pharmaceutical company?

The case company needs to pay more attention to customers and its brand images than it does today. The final future marketing strategy plan should be changed based on the economic development and the industry changes. The case company needs to change

the traditional marketing strategy system that seems to be unsuitable for them to become a manufacturer. It has changed the services at different levels, for example, different products for different customers. The case company can use strength to maximizing brand potential. The case company should develop products, to achieve growth, create value and obtain economies of scale.

5.2 Suggestion for Future Research

After finished these analyses concerning the case company, the author found out there are some problems about the company's operations, they should solve these problems. Hence, the future research of the operational plan is very necessary for the company's development. The author hopes this research would help the case company to design an ideal marketing strategy plan. In addition, the case company could use this plan to gain a foothold in new fields, which may help the case company attract an increasing number of potential customers and gain added value as a business enterprise.

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APPENDICES

Appendix 1

INTERVIEW QUESTIONS

1. What is your opinion about change to manufacture? Would it have market potential?
2. What are factors could be influence the changing?
3. What is the target market area?
4. What are the strengths of your company?
5. What are the turnover and profit of your company in 2012?
6. What are the market objectives in 2013?
7. What are the challenges facing during this time?

QUESTIONNAIRE FOR CUSTOMERS

Appendix 2

Questionnaire for customers(the target customers from the drugstore); the basic questions of this questionnaire for market survey, and it will not reveal the customers' personal information. Please select the answer mark with you like.

Gender

- a) Male b) Female

1. Age

- a) Under 20 b) 21-30 c) 31-40 d)Over 40

2. Do you know the Jiangxi Chenxin pharmaceutical company, how do you know them?

- a) Through ads b) Through friends c) Through doctors d) Never heard

3. What are factors for you to choose Chenxin?

- a) Price b) Brand c) After sale d) Others

4. Compared with other pharmaceutical company, what's the competitiveness you agree?

- a) High quality products b) Price c)Effect after sale system d) Others

5. Compared with other medicine, what's the weakness you think?

- a) Good public praise b)Experience c) Publicity ads d) Others

6. Have you satisfied on the products after you use them?

- a) Very satisfied b)Satisfied c) OK d) Unsatisfied

Thank you for your answers! Have a nice day!