



**MARKETING STRATEGY OF AOLIDA PHARMACEUTICAL  
GROUP**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF  
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This Independent Study has been Approved as a Partial Fulfillment of the  
Requirement of an International Master of Business Administration

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## ABSTRACT

With the continuous development of the market economy, Pharmaceutical Group's competition is also gradually intensified, by changing the marketing strategy to reflect their advantages as an effective way to increase Pharmaceutical Group's visibility.

This study took Aolida Pharmaceutical Group as the subject of study and the objectives of the study were: 1) to analyze the current marketing situation of Aolida Pharmaceutical Group based on SWOT analysis; 2) to analyze the market segmentation, target market, and market positioning of Aolida Pharmaceutical Group; 3) to analyze the 4Ps strategy of Aolida Pharmaceutical Group.

This study used the documentary research to explore the marketing strategy of Aolida Pharmaceutical Group based on the 4Ps theory, STP theory, and SWOT analysis and analysed the marketing environment, market positioning, and 4Ps marketing strategy of Aolida Pharmaceutical Group.

This study found that: 1) Based on SWOT Analysis, Aolida Pharmaceutical Group faces marketing challenges and opportunities. The company should focus on product portfolio, brand management, and marketing network, including strengthening brand promotion and exploring new areas like geriatric healthcare; 2) Based on STP Analysis, Aolida Pharmaceutical Group focuses on developing specialized pharmaceutical products based on different disease areas and consumer characteristics, selecting key target markets, emphasizing branding through market segmentation and positioning, and caring for patient health to build long-term customer relationships and achieve sustainable growth; 3) Based on the 4Ps Theory, Aolida Pharmaceutical Group focuses on product quality and innovation, reasonable pricing, expansion of diversified sales channels as well as strengthening brand building and digital marketing. Through these strategies, it can improve the competitiveness of products, expand market share,

and build good relationships with consumers, laying the foundation for sustainable development

**Keywords:** Pharmaceutical Group, Marketing Strategy, SWOT Analysis, STP Theory, 4Ps Theory

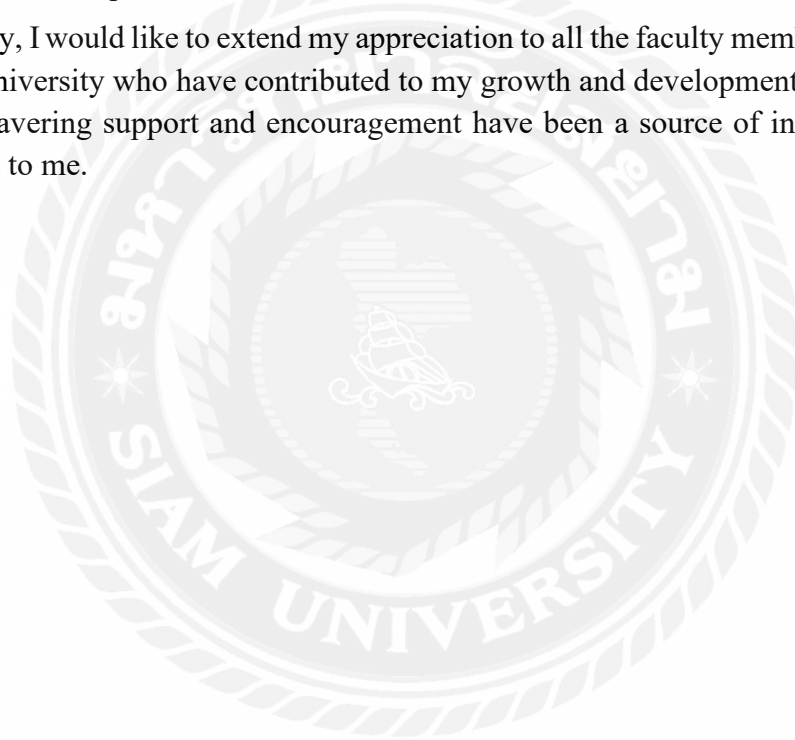


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## DECLARATION

I, *XIEXINCHANG* hereby certify that the work embodied in this independent study entitled “*Marketing Strategy Of Aolida Pharmaceutical Group*” is the result of original research and has not been submitted for a higher degree to any other university or institution.



*XIEXINCHANG*

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XIEXINCHANG

December 26, 2023

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# Chapter 1 Introduction

## 1.1 Background of the Study

Drug is a special commodity, which is related to human life safety and health, and is an important part of people's livelihood. Pharmaceutical industry is a sunrise industry with social development and people's health needs continue to grow, China's pharmaceutical industry since the reform and opening up to maintain a relatively rapid growth, has become an important part of the national economy (Wang, 2006 ). Given that China has joined the World Trade Organisation, the pharmaceutical industry is facing fierce international competition. The rapid development of the pharmaceutical industry will accelerate the process of industrial restructuring, and the market competition will make some excellent pharmaceutical companies stand out, while those that do not have the ability to compete will be eliminated from the game. Aolida Pharmaceutical Group has a relatively strong industrial base, is a company with significant influence in the pharmaceutical industry, does not lack products, technology, talents, but lacks the It does not lack products, technology and talents, but lacks modern enterprise management concepts and operation mechanisms. As the pharmaceutical industry is facing great challenges and opportunities due to the advancement of global medical technology and increasing health awareness, Aolida Pharmaceutical Group needs to develop an effective marketing strategy to increase its market share, profitability, and satisfy consumer needs.

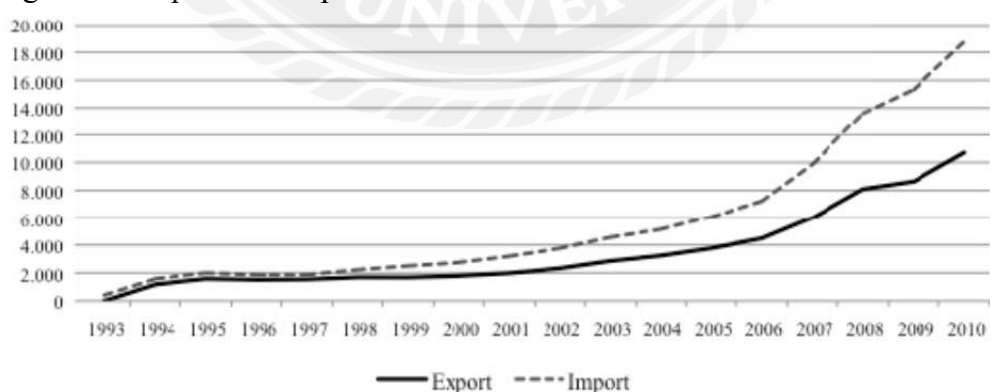
In recent years, as far as the pharmaceutical industry is concerned, the reform has entered into a deep-water area and started a key battle. In particular, the implementation of consistency evaluation, zero margin, two vote system, medical insurance fee control and other policies has made pharmaceutical enterprises experience unprecedented challenges. At the beginning of 2018, the National Medical Insurance Bureau was established to take over the three lifelines of bidding, medical insurance and drug prices (Yuan, 2008). It is destined to play a huge role in the process of medical reform, which will completely affect all pharmaceutical enterprises, and another era of major reshuffle will come. The recently launched 4+7 procurement mode with quantity is essentially a national level centralized procurement, which is a combination of bidding and procurement and price exchange based on quantity. The bid winning results showed that the average decline of the 31 shortlisted procurement varieties (through consistency evaluation or original research) was 52%, with a maximum decline of 96%. The A-share pharmaceutical sector immediately led the decline, with large fluctuations in many stocks, even in the Hong Kong stock market (Yuan, 2008). Subsequently, many non-pilot provinces have expressed that they will link this price. It can be asserted that pressing prices and squeezing water will become the vane of provincial GPO or second negotiation. Purchasing with quantity and exchanging price with quantity will become the mainstream mode for public medical institutions to purchase drugs in the future.

Drug production and marketing enterprises actively adjust the sales model and optimize the marketing strategy has become an unavoidable imperative and inevitable choice.

After years of steady development, Aolida Pharmaceutical Group has entered the first array of pharmaceutical enterprises in Heilongjiang Province, but there is still a big gap compared with domestic excellent pharmaceutical enterprises, especially in R&D investment and sales volume. As a developing enterprise, R&D investment needs business performance as support. In recent years, the sales performance of the enterprise has grown rapidly, but how to achieve leapfrog development, especially in the current environment, there are many problems to be solved, and the difficulty is not small. The gap between reality and goal tests the ability and wisdom of enterprise managers.

China's pharmaceutical market has been developing rapidly over the past 10 years, growing at a rate of 20% per year, and by 2020, China's market is expected to overtake the United States as the largest pharmaceutical market (Chang, 2013). At the same time, along with China's social progress and economic development, the people have higher requirements for medicines, the previous rough management and business model is no longer suitable for the current industry development needs. Thus, the pharmaceutical enterprises enter the stage of strategic competition, the important strategic goal of sustainable development of enterprises began to change into the development of core competitiveness and gain a competitive advantage. At the moment, sales from generics dominate the market (61.4% of the market share in 2009), but newly patented products are expected “to gain shares from a huge and rapidly growing absolute value market” (Jan-Willem, 2011). Data on imports of pharmaceutical products show a strong expansion (+195% of the value of flows from 2006 to 2010), and in parallel, exports are accelerating (+135% over the same period). As shown in Figure 1.1

Figure 1.1 Import and Export Trade in Medical & Pharmaceutical Product Sector



Source: own calculation on data provided by CeSif, Fondazione Italia Cina – Ceic(data in million US dollars)

This paper intends to draw on through the overall analysis of the pharmaceutical industry, and then combined with the advantages, disadvantages within the Aolida Pharmaceutical Group, digging deeper into the potential for the establishment of a property rights system as the core of the modern enterprise system: to management

system innovation with innovation in management organisation, management style and management principle as the main content. Therefore, this study aims to explore the marketing strategies of Aolida Pharmaceutical Group to help the company better cope with the competition and changes in the market. By analysing and studying the company's marketing strategies, it can provide a reference and lesson for other pharmaceutical companies and promote the sustainable development of the whole industry.

## **1.2 Questions of the Study**

This study takes Aolida Pharmaceutical Group as an example and provides an in-depth understanding of the current marketing status and market positioning of Aolida Pharmaceutical Group, as well as an in-depth analysis of the strengths, weaknesses, opportunities and threats of Aolida Pharmaceutical Group through SWOT analysis. The specific research questions are as follows:

1. What is the current situation of marketing at Aolida Pharmaceutical Group?
2. What are Aolida Pharmaceutical Group's market segments, target markets, and market positioning?
3. What are the 4Ps strategy of Aolida Pharmaceutical Group?

## **1.3 Objectives of the Study**

Marketing strategy is the core of the company's strategic system, which is based on the requirements and specifications of the company's strategy to develop Marketing objectives, ways and means, and through the realisation of marketing objectives, to support and serve the company's strategy (Chang, 2013). Marketing strategy plays an extremely important role in the development of enterprises, scientific formulation and implementation of effective Marketing strategy is an important means for enterprises to adapt to environmental changes, enhance and maintain competitive advantage and rational allocation of resources. Important means, but also a relationship between the survival and development of enterprises is an important task, only to the product marketing strategy Only the product marketing strategy research and implementation, in order to enable enterprises to develop and grow in the fierce market competition.

This paper takes the marketing strategy of Aolida Pharmaceutical Group as the research object. The specific research objectives of this paper are as follows:

1. To analyze the current marketing situation of Aolida Pharmaceutical Group based on SWOT analysis.
2. To analyze the market segmentation, target market and market positioning of Aolida Pharmaceutical Group.
3. To analyze the 4Ps strategy of Aolida Pharmaceutical Group.

## **1.4 Significance of the Study**

The pharmaceutical sector plays an important role in the medical and health system, pharmaceuticals represent a significant cost driver in the health care systems and account for a large share of health expenditures in China. During the 1990s, in rural health care facilities, about 70% of the outpatient care revenue and 55% of the inpatient

care revenue were from drugs. In urban health care facilities, about 50 percent of the revenue was from drugs (Dong, Bogg, Wang, Rehnberg & Diwan, 1999). Figure 2.1 shows that since 2000, pharmaceutical expenditure has increased per annum. Another trend can also be seen in Figure 2.1 (TME is total medical expenditure. PE is pharmaceutical expenditure. RMB is Chinese currency.): the percentage of per patient medical expenditure particularly for pharmaceuticals has always been maintained at a relatively high level. Challenges and opportunities coexist in the pharmaceutical industry. The adjustment of policies, rules and resources is of positive significance to enterprises that are good at seizing opportunities and are brave to explore innovation points. The pharmaceutical industry is a high-tech industry with high input and high output, and the revenue performance is crucial to the development of enterprises.

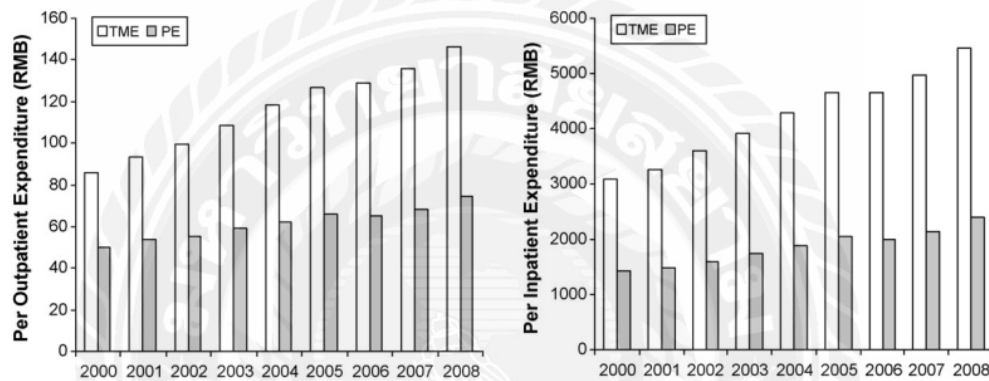


Figure 2.1 Per Patient Expenditure in China Since 2000

Source: China Health Statistics Year Book 2008

This paper took the marketing strategy of Aolida Pharmaceutical Group as the research subject. Under the guidance of the marketing strategy theory, through in-depth analysis, we have summarized the weaknesses and deficiencies in the marketing strategy of Aolida Pharmaceutical Group, and formulated a marketing strategy optimization plan suitable for the enterprise, which is conducive for Aolida Pharmaceutical Group to accurately grasp the market opportunities, improve the level of marketing management, and enhance the core competitiveness of the enterprise. To ensure the sustainable and healthy development of the enterprise and realize the goal of the century old Aolida.

In today's increasingly competitive market, how to combine the actual situation of the enterprise, develop an effective product marketing strategy, so that the enterprise in the fierce competition for survival and development, which is an important issue that all enterprises face must be urgently solved, this study aims to explore the marketing strategy of Aolida Pharmaceutical Group, which is of great practical significance and Theoretical significance. In terms of practical significance, the study can help the company to improve market competitiveness, promote enterprise innovation and development, strengthen customer relationship management, etc., and at the same time, it can provide reference for other pharmaceutical companies and promote the

sustainable development of the whole industry. In terms of theoretical significance, the study can enrich the theory of marketing strategy, explore the marketing practice in the pharmaceutical industry, provide the basis for management decision-making, etc., and promote the development of the marketing discipline and the progress of the industry. Therefore, this study has high practical and theoretical value and has a positive impact on promoting the sustainable development of enterprises and the industry.

## **1.5 Definition of Key Terms**

A large number of terms are used in this study and the following are the relevant definitions of these terms.

**Pharmaceutical Group:** Pharmaceutical Group refers to a collective of companies or organizations within the pharmaceutical industry engaged in the research, development, manufacturing, distribution, and/or marketing of pharmaceutical products. These products can include prescription medications, over-the-counter drugs, vaccines, biologics, and medical devices intended for human or animal use. Pharmaceutical groups may vary in size and scope, ranging from multinational corporations to smaller, specialized firms, and may operate within specific therapeutic areas or serve diverse healthcare needs.

**Marketing Strategy:** Marketing Strategy is a comprehensive plan or framework developed by an organization to achieve its marketing objectives and goals. It involves the analysis of market conditions, customer needs and preferences, competitive landscape, and internal capabilities to formulate strategies for product development, pricing, distribution, and promotion. A marketing strategy guides the allocation of resources and directs activities aimed at creating value for customers, building brand equity, and driving sustainable business growth.

**Market Segments:** Market Segments refer to distinct groups or categories of consumers within a larger market who share similar needs, characteristics, behaviors, or preferences. These segments are identified through market research and segmentation analysis, allowing companies to tailor their products, services, and marketing efforts to better meet the specific needs and preferences of different customer groups. Market segmentation enables organizations to enhance customer satisfaction, improve targeting precision, and optimize resource allocation for more effective marketing strategies.

**Target Markets:** Target Markets are specific segments or groups of consumers that a company selects as the focus of its marketing efforts and resources. These segments are chosen based on criteria such as market attractiveness, growth potential, alignment with the company's capabilities, and fit with its strategic objectives. By identifying target markets, companies can develop tailored marketing strategies and messages to effectively reach and engage their desired customer base, thereby maximizing the impact of their marketing investments and driving business success.

**Market Positioning:** Market Positioning refers to the strategic process of establishing a distinctive and desirable position for a company, brand, product, or

service within the minds of target customers relative to competitors. It involves defining and communicating the unique value proposition, benefits, and attributes that differentiate the offering from competitors and resonate with the needs and preferences of the target market. Market positioning aims to create a perception of superiority, relevance, or value that enables the company to effectively compete and capture market share while building strong customer relationships and loyalty.

## **1.6 Limitation of the Study**

The focus of this study is to examine the marketing strategy of Aolida Pharmaceutical Group. Aolida Pharmaceutical Group is taken as the subject of this study. SWOT analysis is used for qualitative analysis and research. The strengths, weaknesses, opportunities and threats of Aolida Pharmaceutical Group are analysed in detail. Meanwhile, the current marketing status and market positioning of Aolida Pharmaceutical Group are discussed in depth, and the improvement measures of Aolida Pharmaceutical Group's marketing strategy are proposed. The purpose is to help Aolida Pharmaceutical Group overcome marketing difficulties, improve competitiveness, and target marketing capabilities. Meanwhile, it is hoped that this study can provide reference for the development of the industry and provide theoretical basis for subsequent research. However, there are some limitations in this paper, including the following:

1. Data limitation: The findings of this paper are based on sales force compensation at HZ and may not be generalizable. There may be differences in the sales force remuneration systems of other companies and therefore cannot be directly generalized to other organizations.

2. Information access limitation: the data and information used in this study may have some sensitive business information that cannot be accessed, thus affecting the analysis and assessment of the compensation system and preventing a comprehensive understanding of HZ Company's compensation system.

3. Limitation of research objectives: the research objectives of this study mainly focus on optimizing the compensation system of sales staff in HZ Company, which cannot solve other potential problems or challenges, such as sales strategy, team management, etc., and additional research may be needed to improve it.

4. Time limitation: the research scope of this study is limited by time, which does not allow for a comprehensive assessment of the long-term changes and effects of HZ Company's salesperson compensation system. Long-term tracking and research will help to better understand the impact of the compensation system.



## **Chapter 2 Literature Review**

### **2.1 Introduction**

The purpose of this study was to examine the marketing strategy of Aolida Pharmaceutical Group, with Aolida Pharmaceutical Group as the main research subject, and to provide strategies for the problems of Aolida Pharmaceutical Group in the management of marketing strategy through SWOT analysis. This chapter mainly introduces the relevant theoretical concepts involved in this research. Based on the content of the first chapter, the theoretical part is carried out to provide academic support for the development of Aolida Pharmaceutical Group. The following section focuses on the pharmaceutical industry, company background, marketing strategy and SWOT analysis of Aolida Pharmaceutical Group.

### **2.2 Pharmaceutical Industry**

#### **2.2.1 The Current Development Status of China's Pharmaceutical Industry**

In the transition from a planned to a market economy, a pharmaceutical regulatory framework has taken shape. The incremental and piecemeal nature of reform has created a pharmaceutical market with a number of deficiencies (Yu, Li, Shi & Yu, 2010). The development of China's pharmaceutical industry is mainly driven by the consumption of essential medicines such as medical treatment, healthcare and rehabilitation, and childbirth by a population of 1.3 billion. As of the end of 2017, there were over 4300 pharmaceutical industry enterprises in China. Among them, there are over 200 bio pharmaceutical enterprises, over 800 traditional Chinese medicine production enterprises, and around 3400 chemical drug production enterprises (Chang, 2013).

The performance growth of China's pharmaceutical manufacturing industry mainly comes from the economically developed southeastern coastal areas, with Jiangsu and Shandong being major provinces in China's pharmaceutical manufacturing industry, with contribution rates exceeding 10% (Chang, 2013). According to the "2017 Blue Book of China's Pharmaceutical Market Development" by the Southern Institute of Pharmaceutical Economics under the CFDA, the total output value of China's pharmaceutical industry has maintained a sustained and rapid growth trend, The total value of the pharmaceutical industry increased from 1234.9 billion yuan in 2010 to 3556.6 billion yuan in 2017, with a compound annual growth rate of 13.21%. According to relevant data from the National Bureau of Statistics, in 2016, pharmaceutical industry enterprises above designated size achieved a main business income of 2863.5 billion yuan, an increase of 9.92% year-on-year (Chang, 2013). Since the beginning of the new century, China's pharmaceutical industry has achieved significant development, but compared to developed pharmaceutical countries internationally, there are significant gaps in the scale, profits, research capabilities, and research and development technology of pharmaceutical enterprises. At present, the vast majority of China's 4300

pharmaceutical enterprises are small and medium-sized enterprises, with sales revenue of less than 100 million yuan accounting for over 80%. The enterprises are numerous and scattered, with low concentration. Johnson&Johnson's revenue in 2017 was \$76.5 billion, while Pfizer's revenue was \$52.5 billion. The operating revenue of a company is equivalent to several thousand in China, and the scale difference is clear at a glance. Due to its small scale, enterprises are limited in research and development, production, and marketing, lacking economies of scale, and severely lacking product innovation capabilities. Genetics account for 96% (Chang, 2013). Similar products and malicious pricing practices are common. The lack of innovation in the domestic market has led to a decline in competitiveness and the inability of the pharmaceutical industry to achieve sustainable development. It will only shrink in a corner under the pressure of international pharmaceutical giants and survive (Scherer, 2000).

The world's pharmaceutical manufacturing industry is showing a clear trend towards specialization and intelligence, with increasing industrial concentration and a trend of large-scale and cluster development (Goodman, 2020 ). With the cross-border flow of funds and talents, the process of a few pharmaceutical enterprises in China participating in international cooperation and competition has begun. Has played an important role in individual professional fields. However, overall, the demand scale of China's drug market is still on the rise.

### **2.2.2 Aolida Pharmaceutical Group Profile**

Established in December 1993, Aolida Pharmaceutical Group is a leading Sino-foreign joint venture pharmaceutical company located in Qing'an County, Suihua City, Heilongjiang Province, China. Aolida Pharmaceutical Group is committed to the development, manufacture and distribution of high quality pharmaceutical products to meet the needs of the global market for healthcare products. Aolida Pharmaceutical Group operates in a wide range of areas, including the development and manufacture of a variety of pharmaceutical products, including prescription drugs, over-the-counter medicines, biologics, and healthcare products, etc. Aolida Pharmaceutical Group's products are used in a wide range of clinical therapeutic, preventive, and healthcare applications, and are made available to consumers through its global distribution network.

Aolida Pharmaceutical Group focuses on technological innovation and investment in research and development, with a professional research team and advanced manufacturing facilities. The company is constantly exploring new treatments and drug therapies to meet the ever-changing medical needs. At the same time, Aolida Pharmaceutical Group is committed to improving people's health and promoting the progress of global healthcare. The company has established a perfect quality assurance system and organises production in strict accordance with GMP. The management system of the company is basically complete, covering scientific research, technical registration, production planning, production process, quality supervision and inspection, procurement of raw and auxiliary packaging materials and equipment spare

parts, equipment measurement, engineering renovation, product marketing planning and sales, warehousing and transport, financial credit management, general affairs and personnel, etc., which is in line with GMP, ISO9001, ISO14001, OHS18000 and other quality management systems, OHS18000 and other quality management system requirements.

In conclusion, Aolida Pharmaceutical Group is an important player in the pharmaceutical industry and has earned a good reputation for its quality products, technological innovation and social responsibility. Through continuous development and innovation, the company is committed to providing better healthcare solutions to consumers worldwide and contributing to the sustainable development of the industry.

### **2.2.3 Analysis of the Organisational Structure of Aolida Pharmaceutical Group**

#### **Human Resources Department**

The company currently has 2865 employees, of which over 75% are highly educated, highly educated, specialized, and skilled employees, with over 620 professional and technical personnel. There are 42 senior professional titles, 1 academician, 16 doctoral degrees, 44 master's degrees, 7 chief pharmacists, and 8 licensed pharmacists. Employees with doctoral and master's degrees account for a large proportion in senior management institutions, forming a high-quality management team. The personnel structure of the company tends to be younger, with 70% of middle level and above management personnel from the 80s generation. The company implements a talent strategy of "attracting and cultivating talents simultaneously". In recent years, it has attracted more than 60 graduates from China Pharmaceutical University, Shenyang Pharmaceutical University, and Harbin Medical University, 8 overseas returnees with work experience in the United States and Canada, and 7 EMBA professional management personnel graduated from Peking University and Harbin Institute of Technology. More than a hundred professional and technical personnel participate in external training annually, and the internal training of the enterprise is systematic, institutionalized, and professional. We attach great importance to the interests and needs of employees, optimize performance evaluation and salary design, and create a talent growth environment that is "able to recruit, retain, utilize, and fully utilize talents".

#### **Financial Resources Department**

At the end of 2018, the total assets of the company were 1.8 billion yuan, with current assets of 1.08 billion yuan, including receivable debts of 400 million yuan, monetary funds of 450 million yuan, finished products of 120 million yuan, and raw materials of 90 million yuan; The company has strong operational capabilities, with an inventory turnover rate of 3.2, an accounts receivable turnover rate of 7.5, and a total asset turnover rate of 1.67. The company's asset turnover speed is fast, and there are more opportunities for asset utilization, resulting in higher efficiency in fund utilization.

At the end of 2018, the company's liabilities were 320 million yuan; The company has a strong short-term debt repayment ability, with a current ratio of 4. The company

has a high current ratio and is able to repay its debts at any time, but the company also loses more investment opportunities; The company has a strong long-term debt paying ability, with an asset liability ratio of 17% and a low debt ratio. The company's financial costs are relatively low, and from the current financial situation, the company's resource allocation is not reasonable enough; The equity ratio is 21.6%, which is relatively small and the company's operations are relatively conservative. It may lose many opportunities for profitability and expansion of production.

The owner's equity is 1.48 billion yuan, of which 1.349 billion yuan is retained earnings. The retained earnings are relatively high, and the company has accumulated a large amount of its own funds. The company leverages the advantages of its own funds to increase investment in product research and development, and improve the competitiveness of product brands in the market. The company has strong financing capabilities and adopts various financing channels to establish business relationships with Far East Hongxin Leasing Company, as well as credit relationships with multiple financial institutions such as Industrial and Commercial Bank of China and Longjiang Bank, with a high credit rating in the bank; The company is preparing for equity financing, introducing strategic investors, integrating existing resources, and providing support in channels, management, technology, and other aspects for the company's development.

#### Technical Resources Department

The sustained-release pellets technology is a key core technology of the company. The company has a sustained-release pellets technology platform, and its research and development and technical capabilities are at a leading level in China, filling multiple domestic gaps. There is an essential difference between skeletal and membrane controlled sustained-release formulations. Each sustained-release pellet is an independent drug release unit, which avoids the occurrence of dose dumping, has high safety, precise efficacy, and is of great significance for drugs with significant time dependence and adverse reactions. Powder coating technology is a new direction for the development of oral solid formulations. Currently, the company is the only enterprise in China that applies this technology to the production of traditional Chinese medicine formulations. The application of hospholipase remelting technology and high-pressure homogenization technology effectively solved the technical bottleneck in the company's exclusive product scale-up production process. As of now, the company has 7 technological invention patents and 12 new drug certificates. In 2018, the enterprise was certified as the National Enterprise Technology Center.

#### **2.2.4 Aolida Pharmaceutical Group's Enterprise Operation Situation**

The operational capability of an enterprise mainly refers to the efficiency and efficiency of its operational assets. There are many indicators that reflect the operational capacity of enterprises. The following mainly analyzes the total asset turnover rate, current asset turnover rate, and fixed asset income rate of the enterprise.

Total asset turnover rate= $\text{business income}/\text{average total assets}=20/18=1.1$  (times)  
Current asset turnover rate= $\text{business income}/\text{average current assets}=20/10=2$  (times)  
Fixed asset income rate= $\text{business income}/\text{average net fixed asset value}=20/6.6=3.03$  (times)  
The company's total asset turnover rate is 1.1 times per year, which should be said to be not high, reflecting that the company also occupies more funds per 100 yuan of business income, 90 yuan per 100 yuan of business income (average total assets/total business income X 100%), higher than the average level of capital occupation in the domestic industry.

The main factors affecting the total asset turnover rate are the current asset turnover rate and fixed asset income rate, as well as the proportion of current assets and fixed assets to all assets, respectively.

The turnover rate of the company's working capital is twice a year, and there is still significant room for improvement. The proportion of working capital to total capital is 55.6%, which is relatively high, affecting the improvement of the company's total asset turnover rate. There are many factors that affect the turnover rate of a company's working capital, mainly including inventory turnover rate and accounts receivable turnover rate, as well as the proportion of inventory and accounts receivable to working capital,

Inventory turnover rate (revenue calculation)= $\text{business income}/\text{average inventory}=20/3.2=6.25$  (times) Accounts receivable turnover rate= $\text{business income}/\text{average accounts receivable}=20/4.9=4.1$  (times) The company's inventory turnover rate is 6.3 times per year, turnover every 58 days, faster than the industry average. The company's accounts receivable turnover rate is 4.1 times a year, with turnover occurring once in the past three months, which is close to the industry average. Reasonably occupying inventory funds and minimizing accounts receivable funds is an effective way to improve capital turnover. The company's fixed asset income rate is 3.03 times per year, which is relatively good and better than the industry average.

From the comparison of the main indicators of the company's operational capability, most of the indicators are better than or close to the industry average, indicating that the company's operational capability is strong. In the future, we should further optimize the asset structure, occupy less funds, achieve higher business income, and create better economic benefits.

## **2.3 Marketing Strategies**

Marketing strategy research has always been driven by a fundamental desire to help marketing managers make better decisions (Reibstein et al., 2009; Varadarajan, 2010). Managerial relevance can be defined as the level to which academic knowledge can be leveraged by managers to improve his or her job-related thoughts and actions in the pursuit of organizational goals (Jaworski, 2011). The focus on managerial relevance and real-world implications could set marketing strategy research apart from the other academic marketing domains (Houston, 2016). However, there is an increasing tension between this core trait of managerial relevance and methods focus in a progressively

more technical world. Prominent marketing strategy researchers have argued that a heavy focus on methodological rigor for its own sake can lead to work that is irrelevant and atheoretical (Lehmann et al., 2011), which could hamper influence in managerial circles. Conversely, Houston (2016) points out that some marketing strategy researchers Bcontinue to ask interesting questions but have failed to keep up with methodological advances in the field.

## **2.4 4Ps Marketing Theory**

Marketing theory is a product of market economy conditions, which means that some traditional, classic, and mainstream marketing theories originated from scholars in highly developed market economy countries in the West. In the 1960s, American scholar Jerome McCarthy proposed the concept of 4P, which refers to the practical or service provided by a company to its target market, mainly including utility, benefits, packaging, specifications, brand, etc; Price refers to the price at which consumers receive a product, including discounts, payment terms, etc; Place refers to various activities of products entering the market or reaching the target market, including regions, venues, etc; Promotion refers to the advertising, publicity, public relations, personnel promotion, and promotional activities carried out by a company to promote its products and persuade consumers to purchase its products and services (Anderson & Taylor, 1995).

In 1990, the 4C combination marketing theory was proposed by American marketing management scholar Lauterburn. It takes the interests of consumers as the starting point and goal of marketing, and sets marketing elements from four dimensions: consumer, cost, convenience, and communication (Maoheng, 2018). It is believed that marketing must first clarify what consumers' interests are and how to achieve them, while reducing consumers' purchasing expenses. Evaluate and understand consumers' purchasing power and ensure their convenience in purchasing and using, and finally engage in effective two-way communication with consumers.

## **2.5 STP Analysis Theory**

In modern marketing theory, market segmentation, target market, and market positioning are the core three elements of marketing strategy, known as STP marketing. In the 1950s, American marketing scholar Wended Smith proposed the concept of market segmentation. Its essence is that marketing entities, based on market research and evaluation, divide the overall market of products according to different standards based on differences in customer interests, behavioral habits, purchasing purposes, payment capabilities, and other aspects (DeSarbo, Blanchard & Atalay, 2017). McCarthy (2002) proposed that the target market refers to a specific consumer group. The purpose of market segmentation is to identify and clarify the consumer group, i.e. the target market, and develop market strategies that meet the needs of the target market. American scholar Al Rice proposed the concept of market positioning in the 1970s, with the aim of enabling target consumers to identify with the unique value of products

and form purchasing and usage motivations (Arvidsson, 2006).

With the continuous deepening of China's reform and opening up, international exchanges are increasing, and the research and exploration of drug marketing theory has been in line with international standards. Regarding the research on drug marketing strategies, Small RJ (1898) proposed that drug marketing should take addressing the interests of doctors and patients as the starting point and foothold. The products provided should serve to relieve patients' pain and physical and mental health, and their core value should be more prominent compared to other commodities (Bala, 2009). Japanese scholar Moorioka Kazuki (2017) pointed out in an article that the distribution model of Japanese drug wholesalers is dominant, accounting for over 98% of the drug distribution market. The government promotes the policy of pharmaceutical separation, plays the professional role of pharmacists, and ensures the rational and safe use of drugs. In terms of pharmaceutical marketing management, some experts and scholars in China adhere to problem oriented approach and have achieved many innovative research results in development strategies, business concepts, marketing strategies, and other aspects. Scholar Wei Rongxin believes that drug marketing in pharmaceutical enterprises has its own uniqueness. Scientific market segmentation, correct market selection, and clear market positioning are highly related to improving product share and business performance, and are crucial for enterprises to achieve sustainable development. Scholar Yang Fanyi proposed that pharmaceutical companies should enhance their brand's core competitiveness, highlight product specificity, and improve doctor-patient satisfaction in an increasingly competitive market environment. This study believe that cooperative marketing, emotional marketing, and online marketing are the three "enlightening lights" that light up the marketing path in the pharmaceutical industry.

## **2.6 SWOT Analysis Theory**

Business strategy is equated widely with crafting and maintaining a profitable fit between a commercial venture and its environment. SWOT analysis, which inquires into strengths, weaknesses, opportunities, and threats is the traditional means of searching for insights into ways of realizing the desired alignment (Ansoff 1965; Andrews 1987; Porter 1991; Mintzberg, Ahlstrand, and Lampel 1998).

SWOT analysis is a systematic evaluation of various factors of internal conditions and external environment to choose the best business strategy. In the SWOT analysis model, S(Strength) represents the internal analysis of the enterprise. In the SWOT analysis model, S(Strength) represents the strengths of the enterprise, w(Weakness) represents the weaknesses of the enterprise, O(Opportunity) represents the opportunities that the environmental development and change can bring to the enterprise's development, and T(Threat) refers to the threats that the future environmental development and change will bring to the enterprise (Yuan,2008). Through SWOT analysis to make a systematic evaluation of the selected strategic options, through the SWOT matrix to reflect the strategic panorama of the enterprise.

There are four areas of strategy that can be derived from the SWOT analysis. Firstly, SO strategy. Refers to the fact that organisations have both opportunities for growth and their own strengths, and that firms want to use their strengths and resources to maximise the opportunities of the external environment to develop themselves. Second, ST strategy. This refers to the fact that companies should use their strengths to deal with threats in the external environment, to exploit the strengths and reduce the threats. Third, WO strategy. This refers to the fact that there are opportunities outside the enterprise, but the enterprise itself has weaknesses that limit the use of these opportunities. At this point, the enterprise should try to improve its own conditions in order to maximise the use of this opportunity in the external environment. Fourth, WT strategy. The firm should reduce internal disadvantages to avoid external threats (Yuan,2008).





## **Chapter 3 Research Methodology**

### **3.1 Introduction**

This chapter provides an in-depth look at the research methodology used in this study, which is qualitative research methodology. Qualitative research is ideally suited to delve into complex phenomena such as marketing strategies to gain a nuanced understanding of the subject of the study (Creswell & Poth, 2017). By using qualitative methods, we can capture the rich details and context-specific factors that influence marketing decisions and consumer experiences.

The purpose of this study is to provide a comprehensive understanding of the marketing strategies employed by Aolida Pharmaceutical Group using the 4P theory, a well-established concept in the marketing literature for examining the key elements of a marketing strategy. The 4P marketing mix framework consisting of Product, Price, Place and Promotion is the cornerstone of marketing theory (Kotler et al., 2017). Each P represents an essential element of marketing strategy. Using this framework, we can systematically study the marketing strategy of Aolida Pharmaceutical Group. This theoretical framework provides a guiding structure for our study and helps us to ask relevant questions, identify key issues and analyse the findings.

### **3.2 Research Design**

This study employed a variety of analytical approaches in order to comprehensively assess the marketing strategies of Aolida Pharmaceutical Group. In terms of literature review, the study sorted out the research findings and theoretical frameworks of relevant scholars in the field of marketing to further explore the latest developments and future trends in the field. Meanwhile, the research focused on the market situation and trends in the pharmaceutical industry at home and abroad to understand the major competitors and potential market opportunities.

In terms of SWOT analysis, the study will focus on Aolida Pharmaceutical Group's strengths and weaknesses in the competitive market, identify potential market opportunities and threats faced. And on this basis, the current state of marketing is analysed. These solutions will include adjusting product positioning, improving channel strategies, optimising promotional activities, etc. to help the company further improve its market competitiveness and promote innovation.

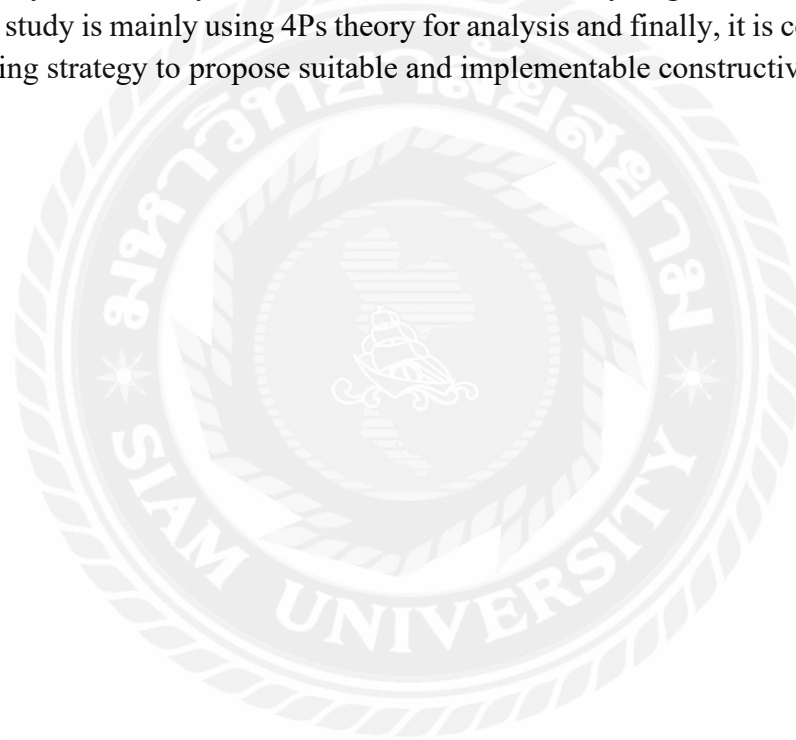
In terms of 4P theory and STP theory, the research will deeply analyse Aolida Pharmaceutical Group's product strategy, pricing strategy, channel strategy and promotional strategy, and evaluate the strategies of different market segments in order to determine whether the company's marketing strategy is adapted to the current market environment and whether it has competitive advantages.

Through the above analyses and assessments, this study will be designed to provide a comprehensive understanding of Aolida Pharmaceutical Group's marketing strategy, help the company identify possible problems and challenges, and provide feasible solutions and recommendations to help the company enhance its market

competitiveness and promote innovative development. At the same time, these analyses and recommendations will also provide lessons and references for other pharmaceutical companies to promote the development and progress of the industry as a whole.

### **3.3 Data Analysis**

Aolida Pharmaceutical Group is the subject of this study, during the research and design process, the main ideas and theory based literature used in this study are from several well-known literature platforms, in terms of literature screening, the core journals of each platform are mainly used, which have high credibility. Meanwhile, the famous marketing theories and viewpoints mentioned in this study, such as "marketing strategy", 4Ps theory, STP theory and SWOT theory are widely recognised theories. The reliability of the analytical methods used in this study is good and the analytical tool of this study is mainly using 4Ps theory for analysis and finally, it is combined with the marketing strategy to propose suitable and implementable constructive strategies.



## **Chapter 4 Findings and Conclusions**

### **4.1 Introduction**

This chapter analyses the 4P, STP and SWOT theories mentioned earlier in conjunction with a literature research approach. The chapter states that Aolida Pharmaceutical Group's 4P strategy specifically includes product design based on portfolio strategy, price strategy based on differentiated pricing, channel strategy based on distribution channel model, and promotion strategy; as well as Aolida Pharmaceutical Group's market segmentation, target market and market positioning; and Aolida Pharmaceutical Group's strengths, weaknesses, opportunities and threats.

### **4.2 Current Situation of Marketing of Aolida Pharmaceutical Group Based on SWOT Analysis**

SWOT analysis is a systematic evaluation to choose the best business strategy by considering various factors of internal conditions and external environment when choosing strategy. In the SWOT analysis model, S (Strength) represents the advantages possessed by the enterprise, such as production advantages, technological advantages, brand advantages, etc. W (Weakness) represents the disadvantages of the enterprise, such as the disadvantages of the management system, the disadvantages of the marketing mode, etc. These two are analyses of the enterprise's internal. These two are the internal analysis of the enterprise. O (Opportunity) represents the opportunities that the environmental development and change can bring to the enterprise development, such as the national political stability, industrial structure adjustment, etc. T (Threat) refers to the threat that the future environmental development and change will bring to the enterprise, such as the economic downturn, the national policy, etc., which are the analyses of the external environment of the enterprise. The SWOT analysis is used to make a systematic evaluation of the selected strategic options, and the SWOT matrix diagram is used to reflect the strategic panorama of the company. The SWOT matrix of Aolida Pharmaceutical Group is established, including: the analysis of strategic factors and strategic options of Aolida Pharmaceutical Group, as follows SWOT matrix, see Table 4.1. The SWOT analysis model can also lead to four basic strategic directions: ① SO strategy: it is a combination of opportunities and strengths. It is the combination of the most favourable external environment and the advantages of internal capabilities, which is the best opportunity for business development. ② WO strategy: business opportunities are larger, reducing internal disadvantages and benefiting from opportunities. ③ ST strategy: the enterprise has obvious advantages, but there are threats in the environment, the enterprise should use its advantages to establish long-term opportunities in its products and markets, and use the enterprise's advantages to overcome the threats in the environment. ④ WT strategy: at this time the enterprise is in the internal capacity disadvantage and environmental threats, the enterprise should try to adopt austerity-type strategy, reduce or change the product input strategy.

Table 4.1 SWOT Analysis Matrix for Aolida Pharmaceutical Group Internal and External Factors

Strategic Internal External	S	W	
	<ol style="list-style-type: none"> <li>1. Brand awareness and influence</li> <li>2. Strong sales network resources</li> <li>3. Strong R&amp;D and technical capabilities</li> <li>4. Management system and international certification capacity</li> <li>5. Production capacity, scale and product quality level</li> </ol>	<ol style="list-style-type: none"> <li>1. The burden of the enterprise is relatively large, and the company's system has yet to be transformed</li> <li>2. The company's sales network model needs to be improved</li> <li>3. The product structure is still not perfect</li> <li>4. The enthusiasm of the enterprise staff has not been played out</li> </ol>	
	O	SO	WO
<ol style="list-style-type: none"> <li>1. Good macroeconomic form</li> <li>2. Pharmaceutical market with policy support</li> <li>3. Continuous growth and gradual standardisation of the pharmaceutical market</li> <li>4. Healthcare system reform continues to progress and improve</li> </ol>	<p>Positive development strategy:</p> <ol style="list-style-type: none"> <li>1. Give full play to the technological advantage and make high-quality brands</li> <li>2. Accelerate technology leadership, do product differences</li> <li>3. Seek low cost, increase production scale</li> <li>4. With policy support, seek to establish strategic alliances</li> </ol>	<p>Reducing disadvantage strategy:</p> <ol style="list-style-type: none"> <li>1. strengthening management and transforming the company system</li> <li>2. Introduce new product lines, establish scientific product portfolio and efficient sales network model</li> <li>3. Establish a reasonable performance appraisal management system to</li> </ol>	

		stimulate the enthusiasm of employees
T	ST	WT
<p>1. More similar enterprises, fierce competition</p> <p>2. The pace of foreign pharmaceutical companies entering China is accelerating, and the mergers and acquisitions of domestic pharmaceutical companies are on the rise</p> <p>3. Uncertainty of national regulatory policies and high medical costs are in the spotlight</p>	<p>Threat-avoidance strategy:</p> <p>1. developing new market segments</p> <p>2. Product differentiation and technological leadership</p> <p>3. Integration strategy</p> <p>4. Strengthen corporate brand marketing, improve risk prevention awareness</p>	<p>Defensive strategies:</p> <p>1. change products or markets, diversify</p> <p>2. reducing costs and maintaining some product market share</p> <p>3. Develop new technologies and strengthen corporate brand marketing</p>

As can be seen from Table 4.1, whether it is SO strategy, WO strategy, ST strategy or WT strategy, each strategy only chooses to consider two aspects of SWOT, and mainly lists the relatively major strategies and more general strategy options. In the strategy consideration, we only use two aspects of the four main factors in the SWOT analysis, but in practice, we must take into account the four aspects of the overall consideration, not only to seize the opportunity to give full play to the advantages, but also to avoid the threats and make up for their own weaknesses in a timely manner, and the final strategy should be an optimal combination of the four factors. Generally speaking, Aolida Pharmaceutical Group's core competence now focuses on strong R&D capability, high quality production level, rich product stock, and good organisational culture construction, which should be used in SO strategy. However, its ability in service and channel management needs to be improved. The main strategic issues faced by Aolida Pharmaceutical Group are the enhancement of product portfolio, brand management and marketing network, and the ST strategy should be applied. Aolida Pharmaceutical Group's development strategy should be an optimal combination of the

four factors, namely, how to strengthen the control of channels and how to plan the interests of the channels scientifically, so as to realise the "multi-win" goal of mutual satisfaction of the company, distributors and consumers.

Based on the above SWOT analysis, there are some challenges and opportunities in the current marketing situation of Aolida Pharmaceutical Group. The company's marketing strengths lie in its brand strength, product quality and R&D capabilities, but it needs to improve its service and channel management. The company should focus on improving its product portfolio, brand management and marketing network to proactively address market opportunities and competitive challenges under the guidance of ST strategy. In addition, as consumer awareness and trust in pharmaceutical brands increases, Aolida Pharmaceutical Group can further strengthen its branding and promotion to increase its brand influence. In addition, as China's aging population accelerates and the demand for healthcare continues to grow, Aolida Pharmaceutical Group can consider exploring new areas, such as geriatric healthcare products, to meet the growing market demand.

### **4.3 Market Segmentation, Target Market and Market Positioning of Aolida Pharmaceutical Group Based on STP Analysis**

Through the strategies of market segmentation, target market and market positioning, this study, based on STP theory, concludes that Aolida Pharmaceutical Group can better meet the needs of different markets and consumers, and that Aolida Pharmaceutical Group should improve the market adaptability of its products and enhance brand recognition in the target market and competitiveness. It will also help to build long-term customer relationships and lay the foundation for sustainable development of the organisation. The following are the proposed marketing strategies for Aolida Pharmaceutical Group based on the STP theory.

*Market Segmentation:*

1. Based on different disease areas: the Aolida Pharmaceutical Group can segment the market into different disease areas such as cardiovascular diseases, neurological diseases, respiratory diseases and so on. Develop specialised pharmaceutical products and provide related medical services according to the characteristics and needs of each field.

2. According to consumer characteristics: Consider consumers' age, gender, income level, educational background and other factors to segment the market into different consumer groups. For example, the market can be divided according to age, such as the elderly market, children's market and so on.

*Target Market:*

3. Identify key target markets: Aolida Pharmaceutical Group may select one or more target markets that have potential and room for growth. For example, it may choose a market that focuses on the health of the elderly, or a market that caters to patients with specific diseases.

4. Evaluate the potential of the target market: Understand the size of the target

market, growth trends, level of competition, and other factors to evaluate the market potential and opportunities in order to decide on the best market entry strategy.

*Market Positioning:*

5. Identify differentiating advantages: based on the company's core competencies and product characteristics, Aolida Pharmaceutical Group should identify a market positioning that is different and attractive from its competitors. For example, it can emphasise the advantages of high product quality, innovative technology and brand reputation.

- Emphasise patient care: Position Aolida Pharmaceutical Group as a brand that cares about the health and quality of life of patients by providing comprehensive healthcare solutions and support, 21ynthesizin patient care and concern.

#### **4.4 Marketing Strategy of Aolida Pharmaceutical Group Based on 4Ps Theory**

Combining the 4Ps theory and 21ynthesizing the above four aspects of product, price, channel and promotion, this study concludes that Aolida Pharmaceutical Group should focus on product quality and innovation, reasonable pricing, expanding diversified sales channels, as well as strengthening brand building and digital marketing. This will improve the market competitiveness of the product, expand market share, and establish a good relationship with consumers, laying the foundation for the sustainable development of the company, as shown in Table 4.2. The following are specific marketing strategy recommendations for Aolida Pharmaceutical Group.

*Product Strategy:*

1. Enhance R&D capability: Aolida Pharmaceutical Group should continue to increase its investment in R&D, recruit a high-quality research team, and introduce advanced technology and equipment in order to improve the R&D capability and innovation of its products. At the same time, quality control should be strengthened to ensure product safety, efficacy and compliance with relevant regulatory requirements.

2. Product portfolio 21ptimization: Based on market demand and consumer preferences, Aolida Pharmaceutical Group should adjust and improve existing products and add new product lines. For example, in the cardiovascular field, pharmaceutical products for lowering blood pressure and treating heart disease can be developed; in the neurological field, pharmaceutical products for relieving neuropathic pain and treating Parkinson's disease can be developed. This will satisfy the needs of different consumer groups.

*Promotion Strategy:*

1. Strengthen brand building: Aolida Pharmaceutical Group can enhance the company's brand awareness and image through advertising, publicity and public relations. It can co-operate with medical associations and hospitals to organise academic lectures and health activities to increase brand exposure.

2. Education and publicity: Aolida Pharmaceutical Group can conduct regular medical education activities, health lectures, etc. to enhance consumers' knowledge and

understanding of medicines. Traditional media and social media platforms can be used to disseminate health knowledge and medication guidance, establishing the company's professional image in the medical field.

3. Digital Marketing: With the help of the Internet and digital technology, Aolida Pharmaceutical Group can increase online exposure through social media, search engine optimization, content marketing, etc. to attract target audiences and promote product sales.

Pricing Strategy:

1. Pricing based on the market : Aolida Pharmaceutical Group should price its products reasonably taking into account the uniqueness of the product, its quality and the pricing of its competitors. Market research and pricing strategy analysis can be used to understand the price sensitivity and ability to pay of the target market, and to develop appropriate pricing strategies.

2. Introducing differentiated pricing: Aolida Pharmaceutical Group can consider differentiated pricing strategies for different product characteristics and target market needs. For example, for high-end innovative drugs, higher pricing can be adopted to reflect their uniqueness and value.

Place Strategy:

1. Establish a strong distribution network: Aolida Pharmaceutical Group should establish partnerships with speciality pharmacies, hospitals and other healthcare providers to ensure that its products reach a wider range of consumers. By establishing a good supply chain management and logistics system, we can achieve fast delivery of products and reasonable control of inventory.

2. Developing e-commerce channels: With the development of the Internet, Aolida Pharmaceutical Group can establish an online sales platform to provide a convenient way to purchase. Attract consumers and enhance brand awareness through online marketing and search engine optimisation.

Table 4.2 The 4Ps Marketing Strategy of Aolida Pharmaceuticals Group

Product	Promotion
1.Enhance R&D capability 2.Product portfolio optimisation	1.Strengthen brand building 2.Education and publicity 3.Digital Marketing
Price	Place
1.Pricing based on the market 2.Introducing differentiated pricing	1.Establish a strong distribution network 2.Establish a strong distribution network



## 4.5 Conclusion

Through SWOT analysis, we can find that there are some opportunities for Aolida Pharmaceutical Group, such as increasing demand in the domestic market and strengthening government support for the pharmaceutical industry; and there are also some threats, such as fierce market competition and uncertain policy environment. In terms of advantages, Aolida Pharmaceutical Group has a professional pharmaceutical research and development team, rich market experience and good brand reputation; in terms of disadvantages, the company is relatively small and lacks a certain amount of financial and resource support.

Through the 4Ps and STP theories, Aolida Pharmaceutical Group should focus on product development and innovation, strengthen quality control, and adjust and improve its product portfolio in accordance with market demand and consumer preferences. In terms of pricing strategy, Aolida Pharmaceutical Group should consider differentiated pricing based on market pricing, and establish a strong distribution network and develop e-commerce channels to enhance product coverage and convenience. In terms of promotion strategy, brand building, education and awareness should be strengthened and digital marketing tools should be utilised to increase online exposure.

Therefore, in order to make full use of the opportunities, avoid the threats, and maximise the company's strengths and make up for its weaknesses, Aolida Pharmaceutical Group should focus on product innovation and quality control to improve its market adaptability, as well as strengthen its cooperation with distributors and medical institutions to expand its product sales channels. In terms of brand building, it can enhance consumers' knowledge and understanding of pharmaceuticals through education and publicity, and strengthen digital marketing tools to increase online exposure. There is also a need to strengthen internal management and improve the efficiency and production capacity of enterprises to cope with market competition and changes in the policy environment.

## **Chapter 5 Recommendations**

### **5.1 Introduction**

Product strategy is the cornerstone of pharmaceutical marketing strategy. The therapeutic effect and safety of drugs are the essential structure. People buy drugs in order to get rid of certain diseases and recover their health. Therefore, when formulating marketing strategies for pharmaceutical products, we should be good at finding the core interests that customers pursue when purchasing products, and truly meet customer needs from the perspective of efficacy and safety. The following are recommendations for Aolida Pharmaceutical Group based on 4Ps theory, STP theory and SWOT theory.

### **5.2 Brand and Market Alignment**

Brand building and market positioning is one of the key elements for Aolida Pharmaceutical Group to successfully compete in the market. By strengthening brand building and accurately positioning in the target market, Aolida Pharmaceutical Group can better connect with consumers and enhance brand recognition and loyalty. At the same time, based on the results of market research to formulate marketing strategies, targeted marketing activities to enhance the competitiveness of the product and market share.

Strengthen brand building:

In addition to traditional advertising and promotional tools, Aolida Pharmaceutical Group can actively utilise digital media platforms such as social media and online advertising to expand brand exposure. Attracting the attention of potential consumers through interesting and creative content and interactive activities, Aolida Pharmaceutical Group can also create a unique brand image through customised brand story, logo and visual identity. At the same time, focus on product quality and customer service to build a brand image of trustworthiness and dependability.

Identify target markets:

Aolida Pharmaceutical Group can leverage professional market research agencies to gather data on consumer needs, competitor intelligence, and industry trends. By gaining an in-depth understanding of the market situation, market opportunities and challenges are grasped. Based on the results of market research, Aolida Pharmaceutical Group can identify the target audience for its products, including specific age groups, gender, geographic location and other groups. Develop appropriate marketing strategies for different target audiences.

Establish marketing direction and rationale:

Based on the target market and brand positioning, develop a marketing plan, including selecting appropriate media channels, producing effective advertising and promotional materials, and conducting marketing promotions. These activities should be consistent with the brand image and target audience to enhance market awareness and appeal. Define Aolida Pharmaceutical Group's position in the market by identifying the core values and competitive advantages of the product. For example, by

emphasising the high quality of the product, its innovative technology or its specialisation in relation to a specific disease.

### **5.3 Product Strategy Adjustment**

Optimize product portfolio:

When introducing the current situation of the enterprise's product strategy, this article mentioned that the enterprise has more than 50 drug production approvals, and there are many product lines and dosage forms. After the marketing practice and market analysis in recent years, the product line should be compressed, focusing on the digestion product line, respiratory product line and sustained-release pellets product line. The dosage forms mainly focus on sustained-release pellets and injections.

Accelerate the research and development of new products:

The progress of new product development is related to the market opportunities and subsequent development of enterprises. For the 18 varieties included in the development plan, highlight the key points, focus on the company's existing resources, and promote the development of related new products. Implement the R&D project responsibility system, establish an incentive mechanism, and mobilize the enthusiasm of R&D personnel.

Promoting the consistency evaluation of generic drugs:

Consistency evaluation is essentially a forced upgrade of generic drugs by the state, and a secondary development of products by enterprises. The state has the priority to enter public medical institutions by marking the LOGO on the outer packaging of drugs that have passed the consistency evaluation, and will also enjoy special policies if they are included in the medical reimbursement directory and negotiated through bidding.

### **5.4 Promotion Strategy Adjustment**

As an important part of the drug marketing mix, drug promotion is rich in content and diverse in form, and plays an extremely important role in drug marketing. The essence of promotion is to convey information, arouse demand, highlight characteristics, and promote sales. The selection of promotion strategies should consider the nature of products, market conditions, and promotion objectives, especially the determination of target audience. When carrying out promotional activities, it is necessary to clearly define the target audience, what type of consumers the target audience is, whether they are new customers or old customers, whether they are loyal customers of the brand, etc. On this basis, design and determine the communication information and communication channels, and evaluate according to the comparison of promotion objectives and implementation.

### **5.5 Price Strategy Adjustment**

At present, the drug price is a very sensitive topic, which is highly concerned by the state and the public. After the price control of drugs has been released, the state adopts the centralized bidding procurement method to control the drug price of public medical institutions, and at the same time, GPO and 4+7 mode are used. However, no

matter which model, the guiding ideology is to reduce drug prices, which is the general trend. The formation and change of the price of pharmaceutical products is relatively complex. In addition to the cost, tax rate and corporate profits, it is also affected and restricted by other factors.

Moderate pricing strategy:

Cost factors, demand factors and competition factors determine the fluctuation range of drug prices. The drug market is a completely competitive market environment. Cost factors and demand factors have a weak influence on the formation of drug prices. Competition factors become the most uncertain variables in the price strategy. When the company's new products came into the market, most varieties adopted skimming pricing. One reason is the actual effect of disease prevention and treatment, that is, the therapeutic value. Second, the R&D cost of products. Most of the company's new products are patented drugs or exclusive production. The research and development of an innovative drug takes a long time, has high costs and is risky. The pressure of enterprises to recover their investment will ultimately be reflected in the listing price of new products. The third is the high promotion cost. If a new product is to be recognized and used by doctors and patients, there are many links and processes that need to be invested. This is a significant feature of the medical field, and it is also one of the main factors that cause the continuous rise of drug prices.

Price fluctuation strategy:

The price of products is not static. Facing the dynamic market environment, enterprises need to adjust the price in order to survive and develop, especially for drugs. The floating price includes raising and lowering the price. The specific situation should be considered as a whole on the basis of fully analyzing the internal and external factors of the enterprise. In particular, the price changes of competitors in the product market and the customer feedback after the price changes. Under the current market conditions, pharmaceutical enterprises often face the price challenges of competitors. Timely and correct response to the price changes of competitors is also one of the important contents of the enterprise's price strategy. Both price increases and price reductions will have a certain impact on consumers and lower prices for pharmaceutical enterprises, Customers and consumers will judge whether the sales of the products are bad, the products are overstocked, or they are eager to seize the market share under the pressure of competitors. Customers and consumers generally have some resistance to the enterprise's price increase. At the same time, it may also be concluded that the product is popular in the market, the supply exceeds the demand, or the quality of the product has been improved and the production cost of the product has risen. However, it is important for the enterprise itself to be clear about the purpose of price increase or price reduction and the possible market expectations.

## **5.6 Place Strategy Adjustment**

With the implementation of the two vote system, drug distribution channels have been simplified and compressed, and intermediate links have been greatly reduced. This

is the inevitable result of economic development, especially the rapid development of transportation and information communication technology. This makes marketing pay more attention to channel terminals, that is to say, where the drugs should be placed to make it easier for consumers to purchase. Historically, public medical institutions have become the targets and bridgeheads. With the social development and the adjustment of national policies, the drug distribution of public medical institutions has been gradually diverted and transferred, and new business forms and business opportunities have emerged. According to the fact that most of the company's products are solid preparations, it was decided that we should abandon the distribution thinking of sticking to public medical institutions and expand distribution channels.

Medical Internet Place:

With the continuous promotion of Internet plus policy and the maturity of technology, it has a profound impact on the pharmaceutical industry, providing a new platform and opportunity for pharmaceutical marketing innovation. The deep integration of Internet technology and the pharmaceutical industry has injected new vitality into the development of the pharmaceutical industry. The pharmaceutical Internet channel platform has become the focus of many pharmaceutical enterprises. In recent years, while online pharmacies and pharmaceutical e-commerce platforms have developed rapidly, they have also shown many problems and loopholes. The state has further tightened its supervision over the operation of pharmaceutical e-commerce platforms and the approval of online pharmacies. The number of online pharmacies has maintained a relative growth trend, but the growth trend has slowed down. By 2018, there were 712 online pharmacies in China. According to statistics, the total sales of pharmaceutical e-commerce enterprises in 2018 reached 161 billion yuan. In the past six years, the average annual compound growth rate of the scale of Chinese pharmaceutical e-commerce reached 55.5%, and the proportion of pharmaceutical e-commerce in the pharmaceutical terminal market reached 37.6%. In 2018, the guidance on "Internet plus Health" issued by the State Council loosened the prescription drugs sold online, and the newly passed Drug Administration Law also deleted the provision that prescription drugs should not be sold online. China's pharmaceutical e-commerce will usher in a new stage of rapid development.

## **5.7 Conclusion**

The continuous deepening of pharmaceutical reform has a profound impact on the marketing strategy of enterprises. The marketing strategy of Aolida Pharmaceutical Group is also facing optimization and adjustment. Through the research on the marketing strategy of Aolida Pharmaceutical Group, the following conclusions are drawn:

The macro environment that Australia is facing is undergoing profound changes. The legal system construction is constantly strengthened. The legislative and law enforcement environment is constantly optimized. The downward pressure of the economy has little impact on the pharmaceutical industry. The rapid development of

science and technology has provided a strong support for the pharmaceutical industry. The accelerated aging of the population and the increase of chronic diseases have a rigid demand for drugs. In the industry environment, various medical reform policies have been vigorously promoted, the growth of the pharmaceutical manufacturing industry has slowed down, drug quality supervision has been tightened, and the intensified competition has led to a significant downward trend in drug purchase prices, and the innovation ability of drug R&D and production has improved. The company's human, technical and financial resources are good, and its resources and operational capabilities can provide a good guarantee for the growth of the company's sales performance.

According to product and market conditions, Australia has adopted demand oriented pricing strategy, skimming pricing strategy, cost oriented pricing strategy and penetration pricing strategy respectively. Sales channels are divided into direct channels and indirect channels. Direct channels are mainly used in the provincial market, and indirect channels are mainly used in the market outside the province. The promotion mode is divided into self-operation, agency and distribution. Promotion strategy mainly adopts personnel promotion and public relations, while business promotion and advertising strategy are applied less and not systematically. The market was subdivided according to disease spectrum, geographical environment and drug terminal, and the target selection and market positioning were put forward accordingly.

Based on the current research and STP analysis, SWOT analysis and the 4Ps marketing strategy was adjusted and optimized. In terms of products, suggestions were put forward to optimize the product portfolio, accelerate the research and development of new products, and promote the consistency evaluation of generic drugs. In terms of price strategy, respond to social concerns, adopt a moderate pricing strategy, and implement a price floating strategy according to the product market environment. In terms of channels, expand distribution channels, develop private hospital terminals and retail pharmacy terminals, and focus on online pharmacies and e-commerce platforms. In terms of promotion strategies, we carried out professional chemical promotion, business promotion and advertising mix, and relationship marketing with the help of the Internet to improve the popularity and reputation of our products and cultivate our brands.

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