

Merck inc – shareholders report

Business



High quality analyzing of past market trends and forecasting future market trends are the corporate skills that differentiates Merck from its main market competitors, which are: Pfizer Inc., Silhouetting pals and Innovations GAG. It is necessary to add that corporate policy realized by Merck brings to a high level of client satisfaction rate by supplying high-quality products all over the world.

Merck does its best to develop a strategy of penetration to the Middle-East, Africa, Latin America and Pacific-Asia region.

Permanent keeping our technology, research and developing of new products up-to-date is the key factor bringing us to the position of market challenger with notable market share. Numbers for September 2012 were the following: Merck reached the level of \$125 billion in market capitalization and return equity of 11%. In order to keep our market challenger place on the market Merck developed and applied three managing strategies cost advantage, innovation and corporate governance policy.

First of all, cost advantage policy brought us to the abovementioned position of market challenger and does its best during penetrating to new markets as Merck increases its sales and profit level reducing the price of its products.

This strategy brought Merck to success during entering market in Asian, particularly in China. Furthermore, developing a better supply chain will definitely help the tendency of expanding to new markets. Secondly comes Innovation strategy that Merck applies worldwide brings us to the diversification of our customers in the name of serving them in a better manner. Many invests an enormous amount of its financial resources in order

to improve its innovative capabilities – R&D. One of the greatest examples in favor of this strategy is increasing level of Chinese employees professional skills and up-to-date information regarding the brand-new high technologies.

Finally, third and, perhaps, the most significant management strategy implemented by Merck is applicable corporate governance strategy.

Implementing this particular strategy the company solved the conflict problem between its' managers and shareholders.

Merck did its best in the field of finding a compromise and achieving the highest possible level of satisfaction of managers and shareholders of the company. In order to keep our position of market challenger and upgrade it in to market leader position we shall apply a few more management strategies. First, I would personally suggest, that Merck would implement a corporate strategy of increasing public awareness of our brand and products.

The company is doing great when it comes to developing of new products, but, actually, is not that good in selling the products that it have had developed.

It looks like Merck is considered as an innovator in the market and its main competitors (including Pfizer and Silhouetting) are the “ marketing managers” of the products developed by the company. Public awareness, in my opinion, shall be increased via a list of innovative racketing skills and techniques so that Marks' products would be more recognizable to our customers.

Secondly, I would like to add that Merck is in real need of implementing the differentiation strategy taking into consideration the fact that its' products are not really differentiated from its' competitors products. Currently, Merck is not paying that much attention on corporate branding of products and only develops new type of products which is not that bad though. However, Merck fails in differentiating of its' products versus the products of our main competitors.