Boots entering china analysis

Business

BOOTS ENTERING CHINA ANALYSIS al Affiliation) Boots as a company uses different strategies that ensure its pharmaceutical products gain new markets. It provides leadership on how to improve its products to become commercially viable. The company gives priority to its customers for all its pharmaceutical products, with the provision of quality products and services at fair costs. This helps the company to achieve good profitable margins that are competitive in the global market. Through market penetration, the company promotes its products through an emphasis on quality (Lamont, 2002). It makes use of market development to enable its pharmaceutical products to gain markets in new geographical locations. The company is dedicated to the provision of quality healthcare and pharmaceutical products to the local community. The company manages its operation through synergies with other companies for the creation of wider opportunities (Bennett, 1988).

The company introduces new packaging for its products regularly. Boots focuses on research and development that creates more channels of distribution. For instance, the company introduced online sales through mail orders and electronic commerce. The strategy is unique as it seeks to target new markets (Bradford & Lawrence, 2004). Product development creates a unique avenue for the company to make an introduction of new products into international markets. The strategy focuses on ensuring that the pharmaceutical products gain a greater international market share (Barell, 1990). The strategy involves the development of new methods in product improvement for the new markets. The company uses market diversification, in order, to branch with ease to other international markets. The company seeks to enter the Chinese market for diversification and the creation of new opportunities and pharmaceutical products (Managi & Kaneko, 2008).

In the United Kingdom, pharmaceutical companies have led to the improvement of the health status. The country has invested in research and development of pharmaceutical products. This enables pharmaceutical firms, such as Boots, to rely on the reports of the research in the development of their products. The country also poses strict regulations that companies must adhere to before providing their products for either local or international consumption. The government has to test and approve that the products of Boots are fit for consumption. Most companies are in favor of less government influence on their activities. However, it is important for the firms to understand that the government instills proper measures for the benefit of both the producer and the consumer (Cavuslig, Knight, & Riesenberger, 2012). The plan of Boots to enter the Chinese market is no exception to the requirements of the government.

The market share of most of the products exported from the United Kingdom has declined in the recent years. The policies of the country regarding the prices of the commodities could influence Boot’s move to enter the Chinese market. Demand and supply forces have led to the determination of prices in the international market (Porter, 1980). The UK does not act as a price setter in the global markets. This means that Boots pharmaceutical could end up relying on the prices set by other foreign pharmaceutical companies in the Chines market. Production in the UK is capital intensive due to the cost of raw materials. Following the argument, the Chinese firms could pose major competition to Boots due to their low cost of production. This means that in order for Boots to thrive in the Chinese market it has to create a production plant in the target market. The aim of any business is to make maximum profit with minimal cost (Marshall, 2003). Boots needs to carry out a Cost Benefit Analysis before entering the Chines market.

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