

Marketing strategies in healthcare business



**ASSIGN
BUSTER**

Current Marketing Strategy

Health, organized by two entrepreneurs who are expert in medicine supply market, is about to enter the mature health care market. Improve digest system, supplement nutrients are common need for personal, professional, and other people. Research shows that the United States has 262 millions spirulina subscribers, and 70 percent of the populations consume spirulina.

Our competitors, Elken is the spirulina leader, with 39 percent of the global market. The runner up is–Dongtai City Spirulina Bio Engineering Co., Ltd, with 25percent of the global market. In the U. S. market, – Dongtai City Spirulina Bio Engineering Co. Ltd. is the market leader. In order to gain market share in this marketing environment, we must fully concentrate to target specific market segments with features that can deliver benefits valued to each consumers.

Market Description

Health's market consists of consumer and business user who have strong awareness of health for health caring or living with the high standard life. Specific market segments being targeted during the launching phase which is include professional, organization, students, businessman, and medical users. Table below show how the Health addressed the needs of targeted consumer and business segments.

Consumers can select a suitable product among models based on several different health care product, including species from Elken, DongTai City, King Dnarmsa and other variation. Health licenses an organic species

because it bring more benefits to human body and enhance our immune system. Tablet and powder are popular spirulina options. Health is equipping organic, providing more nutrients, and more convenient to digest. This will allowed users to absorb nutrients at the simple way just from eating tablet of spirulina. Researching technology of spirulina costs are increasing as the capabilities of spirulina are increasing too, and it makes value-priced product more attract to consumers and business users with traditional way to gain all of the nutrients that body need.

Target Segment	Customer Need	Corresponding Features/benefits
Professionals (consumer market)	<ul style="list-style-type: none"> • Reduce the risk of various cancer • Supplement 48 nutrients • Strengthen immune system 	<ul style="list-style-type: none"> • Provide B-carotene, the nutrient that people really need to keep blood circulation successfully • Easy to capture 48 nutrients compare to eat more than 40

		types of vegetables
		<ul style="list-style-type: none"> • Provide B-carotene, let them always have good anti system and good spiritual to participate activity • More easy to absorb the food nutrients • Present health all of the period
Students (consumer market)	<ul style="list-style-type: none"> • Strengthen immune system • Improve digest system 	
Female or Ladies (consumer market)	<ul style="list-style-type: none"> • Beauty and weight-loss 	<ul style="list-style-type: none"> • Rich nutrients enhance skin in brightness

		status
		<ul style="list-style-type: none"> • Cell of spirulina help digest system process well
Corporate users (business market)	<ul style="list-style-type: none"> • Improve body constitution • Brain supplement • Eye-sighting 	<ul style="list-style-type: none"> • 48 nutrients are very useful to avoid easy to get disease • Improve the ability of sighting and prevent eye painful after using computer • Supplement your brain with rich nutrients to make them more

		intelligent
		<ul style="list-style-type: none"> • Provide patients have strong immune system and their disease will get cured soon
Medical users (business market)	<ul style="list-style-type: none"> • Reduce the risk of various cancer • Strengthen immune system • Improve digest system 	<ul style="list-style-type: none"> • Easily to absorb any nutrients that are eaten • Strong anti-system decline various cancer

Product review

Our main product, the Health Spirulina, it offers benefited features with organic species:

- Have total assurance of quality – all sic major processes are certified and recognized.
- Develop the spirulina to consist of forty eight nutrients that body really need, however body can't manufacture those nutrients.
- Harvested Health spirulina undergo a high-tech-spray-dry process.
- Health Spirulina's powder form are pressed into tablet form.
- Health Spirulina tablets are inserted into food-grade plastic containers before distribution.
- It contains high amount of carotenoids like beta carotene and yellow xanthophyll which consist of antioxidant properties.
- It also contains chlorophyll, fatty, nucleic acids, lipids, iron, magnesium and trace minerals and is easier to absorb than iron supplements
- It also an anti-aging food, which is concentrated nutrient value, and can be easily digested, it also loaded with antioxidants.
- Proves eating beta carotene rich vegetables and fruits given us cancer prevention.
- Achieved CERES organic certified, GMP food certification, Golden Award by Taiwan health Food Society, Certified Halal by Malaysia Islamic Development Apartment, Approved by Drug Control Authority, and Certified JHFA by Japan Health Food Association.

First-years sales revenues are forecasted to be \$75million. In the second year, we plan to introduce a new product Health Spirulina A, also with organic species, as a higher nutrients spirulina offering the following standard features:

- Contains 52 nutrients which are innovate from our strong R&B team.

- More suitable for the people who allergy to iodine.
- More convenient and creative packaging.

Competitive Review

The appearance of organic spirulina, including the Elken Spirulina, has increased competitive pressure. The Competition in specialize health care product for nutrients supplement, such as Taiwan Chlorella Manufacturing Company, King Dnarmsa Spirulina International Inc, Dongtai City Spirulina Bio Engeering Co. Ltd., Green Health Ltd, Ningbo Green-Health Pharmaceutical Co. Ltd, is major factor. Key competitors include the following:

- Taiwan Chlorella Manufacturing Company (TCMC) was established in 1964. TCMC is the world's largest and oldest Chlorella producer. The Chlorella is not so easy to be digested or absorbed even it contain higher nutrients than spirulina. It sell a bottle of chlorella (600 tablet) with \$158.
- Ningbo Green-Health Pharmaceutical Co., Ltd is a leading Manufacturer of food and drugs with CGMP and American NSF Certificates. They have great advantage in developing, manufacturing and marketing of Herb medicines, Botanic Extracts, Bulk Drugs of Pharmaceutical Chemicals, Preparations and Nutritional Supplements. The Company spend a lot of funds in research and the company try to innovate their product. However, the innovation less function. The company still produce spirulina with the old technology machine and it involve the spirulina is not too pure. Spirulina has stayed in the market for long moment. it sell a bottle of spirulina (500 tablet) with \$165.

- Elken Sdn Bhd as one of the leading selling companies in Malaysia, Elken has become a sterling example of a home grown success. It has also established a stronghold in six countries in the Asia Pacific region, namely Hong Kong, India, Thailand, Indonesia, Brunei and Singapore. The company achieve many international award. The company really emphasize on the quality of the spirulina. Therefore, they harvest the spirulina from their own cultivation pool, and it ensure quality and pure of the spirulina. It sell a bottle of spirulina(500 tablet) with \$168.

Competitor	Features	Price
Taiwan Chlorella Manufacturing Company	Chlorella is not so easy to be digested or absorbed, it contain higher nutrients than spirulina, 600 tablet a bottle	\$15 8.
Ningbo Green-Health Pharmaceutical Co., Ltd	spirulina is not too pure, produce spirulina with the old technology machine, 500 tablet a bottle.	\$16 5
Elken Sdn Bhd	Achieve many international award, good quality of the spirulina, spirulina from	\$16 8

their own cultivation

pool, 500 tablet a

bottle.

Competitors	Strengths	Weaknesses
Taiwan Chlorella Manufacturi ng Company	<ul style="list-style-type: none"> Taiwan Chlorella Manufacturing Company is known as the world's largest and oldest Chlorella producer. Their production techniques are updated and maintained. They have two big 	<ul style="list-style-type: none"> Chlorella in the past has been its limited digestibili ty A patented process for breaking down the cell wall has increased digestibili ty to 80 percent.

factories in
Chung Li
and Lung
Chun. They
have
achieve an
annual
output
capacity of
180 metric
tons

Ningbo
Green-
Health
Pharmaceut
ical Co., Ltd

- Advantages
in
Developing,
manufactur
ing and
marketing
- Has stayed
in the
market for
long
moment
- Main
products is
spirulina, it

- The
innovatio
n less
function.
The
company
still
produce
spirulina
with the
old
technolo
gy
machine

has many

product

about

spirulina

like

powder,

pills, food

of spirulina.

- the

spirulina

is not too

pure

Elken Sdn

Bhd

- It has a

strong

distributor

- It has a

wide area

of business

in Asia-

Pacific.

- Their

employees

are

cooperative

and well

disciplined

- There

might be

risks of

skin

rashes,

muscle

weakness

,

swelling.

- It can be

high in

fat and

dietary

cholester

ol.

- Some

people

have
trouble
digesting
lactose,
which are
the
natural
sugar
found in
the
products

Strength, Weakness, Opportunities, and Threat Analysis

Health acquired several strengths on which to build, but our fatal weakness is lack of brand recognition. Not only that, we have our major opportunity is the demand for health care product that deliver value benefits. We also face the threat of competition from consumer drug manufacturer such as pricing pressure. Below show summarizes Health's strength, weakness, opportunities, and threats.

Strengths

Spirulina can build on three important strengths:

1. Pure cultivation. Pure environment really play important roles in super food. Due to that, pure cultivation can ensure the best quality of the

spirulina, and make sure consumer are really safe to eat the nutrients super food.

2. Strong R & D team. Keep improve or innovate or product always better than the previous product. We will higher the nutrients value and decrease the allergy problem to whom allergic to iodine.

Weakness

By waiting to enter the spirulina market as a newcomer, Health has learned anything from others competitors. Nonetheless, we still have several weaknesses.

1. Lack of brand recognition. Health was a new company that does not have image, however other competitor already is old company and have strong brand recognition. We will handle this problem, we must keep aggressive promotion so that, the customer will only remember our company.

2. Drug sensitive. People who are allergic or sensitive to iodine should avoid taking the supplement. Besides that, seaweed or seafood may also want to avoid taking spirulina.

Opportunities

Health have the following advantage opportunities:

1. Cost-efficient improve. Good improve is available at a lower cost than before. Thus, Health can use advanced features at a value-added price to get a reasonable profits.

2. Increasing demand for health care product or super food. The market for health care product are increasing rapidly as the world development growing fast. People are too concentrate on their work and they might omit their health. We produce spirulina to enhance awareness of their health capabilities to more emphasize on health.

Threats

We are facing two threats with the beginning phase of the Spirulina.

1. Increasing competition.
2. The pressure of pricing.

Strengths

- Pure cultivation to cultivate high qualities and good species of spirulina.
- Strong R & D team to improve our species
- Value pricing

Weakness

- Lack of brand awareness cause our product are not known by public
- Drug sensitive especially some of the patients who allergic to iodine

Opportunities

- Cost-efficient

Threats

- Increased

- improve
- Increasing demand for health care product or super food
 - competition
 - Downward pressure on pricing

Objectives

We have created various objectives for early stage of market entry.

- Our first objectives is during the Health Spirulina first year on the market, we are aiming volume of 300, 000 bottle for unit sales.
- Our Second objectives is in the next year, we are able to sell a combined total of one million units of our two product.

Issue

During the product launching phase, our major issue is to build up a well-known brand name. We will put many efforts in marketing to make sure that we can make a creative, memorable and distinctive brand image.

Furthermore, we will keep collecting marketing data so we can manage our marketing strategy as soon as possible.

Marketing strategy

Health's marketing strategy is depends on product differentiation with a powerful positioning. We set our primary market target is middle to upper income experts who need rich nutrients tablet to bring improvement their health status and convenient to guarantee them strong in spirit. After that, our secondary school consumer target is students who want a universal

<https://assignbuster.com/marketing-strategies-in-healthcare-business/>

method to ensure their well-done performance in school or else. These segment can be categorize demographically by age (13-25).

Our primary business target is mid to large-sized organization that want to help their workers to gain superior welfare and to ensure them always in good mood to fight or work for company. This segments including companies with more than \$25millions in annual revenue and more than 50 employees. Not only that, we are also aiming other business target such as entrepreneurs and small business owners as well as medical users this especially suitable for who want to keep their body health from spending too much time on calculating the nutrients that still lack of.

Product Strategy

The Health Spirulina, will be sold with shown certificate of world safety food approval. We will introduce a more highly nutrients and innovative new species of spirulina-advance (Health spirulina A) in the next few years. Creating the Health brand is a part of our product strategy. In order to let consume recognize our brand, the product will be displayed with brand name and the logo and its packaging and with our introductory marketing campaign, the product can be reinforced by its prominence. Our product is belonging to consumer product which are the product is originally for personal consumption. Our product under convenience product that are daily usage and the customer usually buys frequently. We also have created creative and safety packing than our competitor. Test marketing is one of our product strategy too. Thus, we will spread out our testimony product to the market and let them have a try whether it are well acceptable by them

or not. Our company is the new company so there are a lot of preparation we need to consider. As we are in introduction part, we need to hire a great amount of people or worker. Besides that, we need to do a research whether our product are really super safe to the public. Other than that, we also need to spend a lot of fund to buy the machine and innovate the product.

Pricing strategy

Health Spirulina will be launched at \$210 wholesale /\$239 retail price per unit. We are expected to make a lower the price of the initial product when we expand the product line by launching the Health Spirulina A, wholesale price will be 225 per unit. According to major pricing strategies, cost-based pricing are more suitable to Health Spirulina. We will setting the prices according on the cost for every process that the product went through and plus a fair rate of return for return and risk. We might adds a mark-up to the cost of the product and it eventually will make a great deal of profits to our company. One of the cost is fixed cost which is include high rate interest from bank, executive salaries to workers. Variable cost include safety uses packaging and also the spirulina cultivation fee. In addition, we are selecting market-penetration as our pricing strategies. Due to the market-pricing strategies, we set a low price for three months as we want to penetrate the market as soon as possible and then attract deeply to a large number of buyers. Thus, most of the consumer can try our product, and they might continue to select our product if they are satisfying to our good quality product. If we didn't set a low initial price, then just less people will try our product, so the sales of our product are not so good. It means we create the value to the customer, however, we are not capturing the value from them.

We are planned to raise up the price after three months in order to help the company make huge markup in the future.

Promotion Strategy

Business firm always use advertisement to promote their product, so do to Health Sdn Bhd. We will create an attracting advertisement of spirulina and express the function that provided in spirulina. The advertisement have divided into two types, one is paper form which use to distribute to public and the other is video form which are used to play in television. Our company will also spread our product advertisement by the roadside, then most of the pedestrian can see and know about us. We will try to create creative TV and radio advertisement in order to make our product be well known or popular. Advertisement will show the super value of the spirulina and how it maintain people health in current busy world. In addition, Health Sdn Bhd will also organize a superior promotion for public to know this best product ever in the world. We will sell spirulina with 30%discount to the public at the first 3 month to let public more understanding on this product. Due to this, more public will know about our product as our promotion ongoing. They will be more confident to purchase our product compare to our competitor product it is just because our product really are the best product and have achieved many international certificate. In addition, we can be a sponsor and donate some funds to some non-profit organizer (school, orphanage) as charity. Then the society will know more about us. We are not only focus on our business, but also concern to the society. Undeniably, it is our product honour and it is the proof to show to public our product is safe to eat.

Place Strategy

Our strategy is selective placing, marketing Health Spirulina through popular pharmacy and online retailer. During the beginning phase, we will add distributor partners until we have coverage in all major market. In support of our distributor partners, they will be given demonstration products and detail specification hand-out by Health. Then, we will manage some special payments terms for retailers that place volume order. We also have provided the best delivery service to each consumer who have purchased more than 2000 tablet. Otherwise, we will charge much fees on the delivery product. In addition, we will distribute our product to retailer. Then, they will help to gather and distribute information. Besides that, they may also help us to promote our product when our new product new to the market. However, our delivery service is in good standard and ensure the product get destroyed or else.