

Bayer pharmaceutical | company analysis



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Executive Summary

Being in a competitive position, Bayer is one of the forerunners in the pharmaceuticals and medical products. Bayer Consumer Care is a part of the HealthCare segment. Aleve, a major brand of Bayer, won the FDA approval in 1994 to be first OTC (Over-the-counter) analgesic pill. Being the 1st OTC pill, it was competent in the market. Being in a competitive position, Bayer Consumer care had an issue with its market performance and building its overall sales. Therefore, the Research Objective was to determine the customer's preferences and to promote the product. The components based on this, were Risk factors, OTC, quick relief / availability and advertising campaigns. The timescale of the entire case study report is meant to be done in 2 months (as illustrated at the end of the report).

Background Information:

To start off with a quick introduction about the company, Bayer Healthcare is one of the world's foremost innovators in the field of pharmaceuticals and medical products. One of operating divisions within the subgroup is Consumer Care (over-the-counter medicines) and one medicine among the various other products is Aleve, which is the backbone of this case study (Bayer, 2010).

(Bayer, 2010) The headquarters is based in Morristown, New Jersey with 53,400 employees around the globe. Being competitive, is one its biggest strengths and they achieved 2% change, in sales revenue between 2008 and 2009 making 3,020 Euro (million) and 3,080 Euro (million) respectively. Therefore, this is one of the strong indications which indicated that the

company is competent enough to sustain in the market trends. Initially, positioning the product (Aleve) of being the first in the market to be sold without a prescription (OTC) has made it gain a competitive advantage over its other competitors. Segmentation by sales is yet another way of finding out the competitive side of the company, the healthcare division held 51.3%, Pharmaceuticals 33.6% and Consumer Health 17.7% respectively. The target users of Aleve product were in the age group from 18 to 69. The benefit sought out of this product is that the reduction of pills to two, which would relieve the pain all day and secondly the Aleve users, led a busy life with a lot of commitments and pride in their accomplishments (Bayer, 2010)

The research needs to be carried out to find out how to improve the market performance of the company and to identify the target audiences of Aleve.

MDP, MRQ, Components of MRQ:

The Management Decision Problem (MDP): To improve the market share and build the overall sales of the brand.

Marketing Research Question (MRQ): To determine the consumer preferences and promote the product

How do we determine the consumer preferences for the brand?

Why do the consumers maintain loyalty towards this product?

What is the most important benefit sought?

What is the most important mode of promoting and reaching to the consumers?

Components of MRQ:

Risk factors

1st Over the Counter analgesic (OTC)

Quick Relief and Availability

Advertising Campaigns

Customer preferences are very essential in improvising the market performance and building sales. With regards to the company's background, there was a 2% change (increase in sales) in 2008-2009. Therefore, sales and the performance of the product depend on the customer and the way it is promoted. This is being clearly illustrated as the market research objective.

Research Design:

After finding out the marketing research objectives, the researcher has to choose the appropriate research design which will directly have an impact on the tasks which they tend to perform in the remaining part of the project (Parasuraman et. al, 2009).

Exploratory Research Approaches and Methods:

The main purpose of doing an exploratory research is to discover the minute details of an issue prevailing in the case. The exploratory research intends to create insights and paves way for moving up the ladder for further research. It is used to set up the priorities within the research questions and for finding out about the problems involved in carrying out the research further. It is

therefore flexible and unstructured which reflects on the research objective (Alan Wilson, 2006).

Focus group research is based on using group dynamics in order to find out about the different perceptions and understandings of the group or participants. This type of method is used for finding out about the experiences, their perception and opinions (Immy Holloway, 2005). Focus groups are used to know the participants experiences and perceptions. The size of the focus group can be 8, and at the same time, a few more can be included, as there are chances of a few participants not turning up (Immy Holloway, 2005). More than one focus group can also be conducted so that perception differs and at the same time with more research done, the researcher would be able to analyse their preferences as well. A group's discussion is recorded so that the session will have an impact in analysing the entire discussion.

Descriptive Research Approaches and Methods:

The main purpose of using descriptive research approach is to find the actual scenario that currently exists in the market. This type of research gives the answers to who, what, when and where of making research, the cross-sectional survey is the most commonly used in the descriptive research (Alan Wilson, 2006). It determines the consumer's preference over a product and the data measured are usually quantitative with medium to large sample sizes in order to achieve a reliable result.

Survey research method involves a collection of data from a large target population. Two characteristics are a part of the survey research:

Questionnaires: There are many types of questionnaires which depend on the size of the population and its purpose. Using structured interviews, large amount of data are retrieved from the respondents in the form of paper questionnaires, provided they are done face to face (Martyn Denscombe, 2007). Tentatively, data analysis can be made easy when answers are pre-coded.

Sampling: In quantitative marketing research, the researcher would not be able to survey every respondent in the target market and therefore sampling of respondents would be an easier way of collecting data (Alan Wilson, 2006). The desired target population to be chosen for this case study is 400, and random sampling would be done. This is a technique where the desired sample of 100 would be chosen out of that total population of 100. To be precise, every respondent has got equal chance of being chosen in random.

Data Analysis: Data's will be analysed based on the surveys done, and taking the results into consideration, the facts will be depicted in the form of percentages, pie-charts, excel sheets and will also be portrayed using SPSS (Statistical Package for Service Solution).

Timescale:

Tasks

Months

Background Research

Oct 20th 2010

Research Questions/Objective, Components of the Research Questions

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Nov 12th 2010

Research Design

Nov 25th 2010

Data Analysis

Dec 8th 2010

Final Report

Dec 10th 2010