

# Current strategies and business model marketing essay



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This study is considered about the AstraZeneca Plc Company by applying more strategies to their business growth. In this review it considered the key opportunities and challenges of AstraZeneca Plc Company for business growth by using more strategies. This study is required to increase their research and quality conscious of medicines.

It analysis the internal organization to produce more quality and cost conscious of the product and also it analysis the strength and weakness of the company. It leads to more growth, sales and revenue of pharmaceutical industry.

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**Introduction:**

The pharmaceutical industries are leads to more growth in the new product development. Nowadays there are more new medicines and drugs are created by the biological researcher's. There is more business strategy and marketing strategies are used to develop their market and demand in the pharmaceutical industry. Here AstraZeneca Company has recommended to <https://assignbuster.com/current-strategies-and-business-model-marketing-essay/>

applying the more strategy to this study. In this study we are using descriptive research to this review. For this study, the reference has taken from various sources like journal, article, net links, magazines, textbooks etc.

### **About Astrazeneca:**

AstraZeneca is one of the leading pharmaceutical company in the world. The company has formed in the year 1999, after the merger of Sweden's Astra AB and UK's Zeneca Group plc. David Brennan is the CEO of the company. The head quarters of the company are in London, UK. The AstraZeneca has come across number of new product into the market. AstraZeneca is one of the Third largest pharmaceutical company in the world. There is largest Research & Development Centre has formed and it invested about 16 million for every day. The research and development has produced lot of new product for cancer, cardiovascular, gastrointestinal etc.. after the company has merged and it produces a lot of new products and medicines for the patients and doctors. It has aimed to produce a great quality medicine and to innovate more medicines for lot of diseases. And it have objective to improve corporate responsibility to the society and shareholder.

<http://www.astrazeneca.co.uk/about-us/> (date: 11-01-2010, time: 3. 15p. m)

There are 66000 employees are working in the AstraZeneca among Europe, Asia, US, Africa etc. The AstraZeneca has 29 manufacturing Sites among the 19 countries. In 2006 the company has achieved \$26. 5 billion of over all profit. In 2008 the company has achieved and improved \$31. 5 billion profit.

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<http://www.astrazeneca.co.uk/about-us/keyfacts?itemId=4142279&nav=yes> (date: 11-01-2010, time: 3. 35p. m)

## **TASK – I**

### **Challenges faced by the AstraZeneca:**

The AstraZeneca is a largest pharmaceutical company in the world. It works around 100 countries in the world. There are more competitor for pharmaceutical industry. The competitors are Johnson & Johnson, Merck & Co, Novartis, Pfizer etc.. the competitor are in world level. So the company has compete world wide, and it challenges to other competitor in new product and development and research. There is more challenges the company has faced by the other outer environment. So the AstraZeneca has develop new medicines for cancer and other diseases. It must aim to give pain relief to the society.

<http://www.computing.co.uk/computing/news/2255053/case-study-astrazeneca> (date: 11-01-2010, time: 4. 12p. m)

The AstraZeneca has innovate new products and it provide drug pipeline for cancer, cardiovascular and other diseases. So it aims to reduce the cost and it improve drug pipeline for challenging the competitor circle.

AstraZeneca has improved its challenges by the way of reducing the cost of medicines and improving the drug pipeline for various diseases. They increase their research and Development centre to the world and it increase product innovation in medical field. Their vision to increase their market to world wide and innovation of great medicines and it must increase the

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stakeholder value. Mostly AstraZeneca research & development is in Sweden, U. K and U. S. because there is more drugs and raw material has available in the particular place. And also they has more talented person in a biological fields.

### **Strategic Research and Development Issues for challenging competitor:**

The R&D manager is only the responsible for the suggesting and implementing the new medicines for the diseases and it must increase the drugs pipeline for the patients. They are improving their new product development by merging the R&D department and technologies.

The R&D manager's Job includes:

Choosing among alternative new technology to use within the AstraZeneca pharmaceutical company,

Development new methods of embodying the new technology in new products and processes and

It deploying resources so that the new technology and medicines can be successfully implemented.

### **Research & Development Intensity:**

The company must make available the resources necessary for effective research and development. The AstraZeneca has spend around \$3. 9 billion for its research and development. The AstraZeneca's R & D Intensity is a principal means of gaining market share in global competition. So the R & D department has focused the drug pipelines for different diseases and it give <https://assignbuster.com/current-strategies-and-business-model-marketing-essay/>

pain relief to the patients. The research and development has providing more innovative medicine for the patients to give more effective protection for the diseases.

### **Technology Competence:**

The technology competence is used for both development and technology development in the R & D department. The AstraZeneca has more technology to improve its each drugs pipeline to lead the pharmaceutical market. The R & D department has improve their technology development for the growth full product of Arimidex, Crestor, Nexium, Seroquel, Symbicort etc., the product which develop in R & D department for cancer, cardiovascular, gastreointestinal diseases, asthma and chronic obstructive pulmonary diseases etc., So it have the more technology competence for leading the market.

<http://www.astrazeneca.co.uk/about-us/keyfacts?itemId=4142279&nav=yes> (date: 11-01-2010, time: 6. 19p. m)

### **Technology Transfer:**

The Astra and Zeneca pharmaceutical company has merging together for improving its R & D department and innovation of medicines for disease. So it transfers the technologies to improve the research and development process of each company. The technology transfer has given more challenges towards competitor of other pharmaceutical industry.

## **Research and Development Mix:**

The R & D mix has includes everything that would help to sales, quality control, different medicines and technology development of the AstraZeneca pharmaceutical industry. The company has increase its growth of new product and at the same time it maintain quality control of the medicines. The AstraZeneca R & D development has got license to innovation of new medicines for the patients and it has intellectual property rights towards its new products. The R & D department has maintain more valuable quality control from biological lab with using effective technologies, sales growth, technical laboratories, development of biological labs and more research information of medicines etc..

## **Strategic Marketing Challenges:**

The AstraZeneca Company's marketing manager should be focus the customer wants and product cost. Here the marketing manager must introduce the market position and segmentation, marketing mix and the product life cycle for facing leading competition among the world.

## **Market position and Segmentation:**

This pharmaceutical industry has focus the hospital and patients who are really affected by the diseases, for new research development and it must increase the focused sales among competitors. The AstraZeneca has increased its sales in selected areas. The market has segmented by the new product and new medicines for the patients.



## **Marketing Mix:**

The marketing mix is like 4 P's. Promotion, Price, Place, Product are the marketing mix. The AstraZeneca product has more competition, and it have marketing mix to improve the quality and reducing the cost of medicines, which have the suitable place to sell the medicines to the customer.

## **Product life cycle:**

AstraZeneca has a product life cycle. In 1999 the Astra and Zeneca Pharmaceutical company has merging and it has a introduction stage of the medicine. In 2000 it has an effective growth towards its medicines especially the product of Arimidex, Crestor, Nexium, Seroquel, Symbicort are have efficient growth. After some period it reached the maturity period and in summer time it has a declining stage of the product. This pharmaceutical company has product life cycle, it depends upon the environment and competitor. If it have various new product development means it have more maturity period of this laboratory industry.

Source: Philip kotler & Gary Armstrong, “ Principle of Marketing”, Prentice Hall of India, 2007. (date: 10-01-2010, time: 7. 13p. m)

## **Key Opportunities of AstraZeneca:**

The Astra Zeneca has innovate more product and merging with other leading pharmaceutical company for developing more new product and medicines for leading future market among competitor. The AstraZeneca has developing its more valuable new product development and improve drugs pipelines. There is using more technologies and using developing more biological labs for developing its new medicines for the product.

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<http://www.independent.co.uk/news/business/the-player-tom-mckillop-chief-executive-of-astrazeneca-creating-the-right-chemistry-1130990.html>  
(date: 11-01-2010, time: 5. 33p. m)

## **Opportunities in Research and Development:**

There is more opportunities for providing new product and medicines to the customer from merging the pharmaceutical company and other biological labs. There are 22000 employees and they were expert in biological medicines are working research and development field. So they able to dedicate more new products and medicines to the rare diseases and it able increase its sales growth.

AstraZeneca has improved its new pharmaceutical product of its continuous process. It must build more biological and innovation activities towards its new medicines.

The AstraZeneca laboratories have more building capabilities towards its biological labs and build to research in new medicines from agri-chemical industries.

This pharmaceutical industry has very talented in biological laboratories and agricultural chemical business for new medicines. So it have more valuable resources and talented employees in biological industries for the process of future development.

This deliver that it develops more opportunities for its continuous growth in new product development and sales growth.

## **Sustainable development of AstraZeneca:**

AstraZeneca has focus to sustain the continuous new product development. AstraZeneca has improved its research and development centre to the world wide for it sustain to increase its new medicines and innovation activities in pharmacy industry.

**Economic:** The pharmaceutical industrial has impact on economic for increasing its economic value from its new products. So AstraZeneca Plc Company has more depended upon the economic and also in 2004 it increases its economic growth to the country. It has more opportunity to improve its economic development of the new product.

**Social:** AstraZeneca has more value in social responsibilities and to give effective and protected medicine to the patients. So it has a impact in social and other things among the pharmaceutical company.

**Environment:** The Company has environment impact towards its new medicines and research in biological industry. The environment should have the awareness about the diseases and new medicines of its protection. So the AstraZeneca has impact and opportunity in environment level of its new product development.

Krishnamoorthy, " Environmental Management", published by PHI, 2006.

(date: 10-01-2010, time: 8. 23p. m)

## **TASK – II**

### **Internal and Organizational Analysis of AstraZeneca Pharmaceutical Industries:**

It must look at the environment, which AstraZeneca has to face in the market and the opportunities and threats that arise from it. It has an analysis towards its internal and organizational factors to improving its efficiency among competitor in world wide. The organization is depending upon the strength weakness of organization and it turned as opportunity for future.

#### **Historical:**

The AstraZeneca company has more sales after the period of 1999. Because the two pharmaceutical company has merging together and it gave a lot of new products and researches to the society. In 2006 the sales growth is \$26.5 billion and in 2008 the sales growth has come around \$31.5 billion. The companies profit also increases and it beyond its growth level. After 2008 only it became a down in share market and share value of the product. In that summer time the demand has decreased and the profit has slightly down.

#### **Normative:**

This criterion make use of the judgment, “ what ought to be the level of performance to classify and element as a strength or a weakness?”. Based on industrial practices and personal opinion, ‘ norms’ for evaluation can be developed. The research and development has continuous growth of new product and in 2008 the revenue is \$31.5 billion. So if the process of new product stage is declining in the research, then it will be says as weakness.

The AstraZeneca company has continuous process of new product. It has a <https://assignbuster.com/current-strategies-and-business-model-marketing-essay/>

sustainable environment to market their product to the customer.

AstraZeneca has come across number of new products and medicines for the cancer, cardiovascular, intestine etc..

### **Competitive Parity:**

This criterion was the action of successful competitors or potential competitors. The new medicines are produced by the usage of drugs and some other agri-products. The drugs must used in a certain level. It should not go beyond of the level of drugs in to medicines. The new product will be in quality conscious.

### **Critical factor for Success:**

Each business is unique and has a set of minimum objectives (i. e) to improve their drugs pipeline and they can set minimum factors of medicine, which should give more effective to the patients. So they are the strength of the company.

The critical factors are considered in the pharmaceutical industry and it has able to give continuous growth to the society. This will consider to over all strength to the resources of this pharmacy industry.

Pearce, " Strategic Management", PHI, 2006 (date: 12-01-2010, time: 3. 15p. m)

## **Strength and Weakness of the AstraZeneca Plc.:**

### **Internal Factors:**

#### **Strength**

#### **Weakness**

**More research centre's are in various countries.**

#### **Brand Name**

**Having skill, experience and quality of their researchers and lab staffs.**

**Agricultural chemical industries are working towards it.**

**Efficient development of R & D investment.**

#### **Key product Development**

**Utilization of various technologies into the biological labs.**

Competitors are in world wide.

The shareholder value is less when compare to other competitor.

They invest \$16 million to R &D for every day to day work. They are dumping their investment to their research itself.

Major competitor are Johnson & Johnson, Pfize, Bayer, Abbot Laboratories etc..

In AstraZeneca Pharmaceutical industry has more strength of this company is, investment of research and development and continuous growth of new product development. The major weakness of AstraZeneca is a competitor. It has works over 100 countries around the world. so they are marketing their

products in the International market. this pharmaceutical industry has compete their compete their competitor by the way of merging their industry.

AstraZeneca is a largest pharmaceutical company in the world. The market has more competitors in pharmacy industry. The major competitor are Johnson & Johnson, Bayer, Pfizer, Novartis, Abbot Laboratories etc..

AstraZeneca has sustained their product by producing new product and medicines by the activity of research and development.

[http://www.ingentaconnect.](http://www.ingentaconnect.com/content/fm/pme/2006/00000003/00000002/art00009)

[com/content/fm/pme/2006/00000003/00000002/art00009](http://www.ingentaconnect.com/content/fm/pme/2006/00000003/00000002/art00009) (date: 12-01-2010, time: 3. 45p. m)

Research and Development is a strong basement to this AstraZeneca pharmaceutical industry. They are investing around \$ 5 billion in 2008, for the research and development activities. They are actively participated in improving drugs pipeline and they aim to achieve major great medicines in 2010. They are launches two new molecular Entity to the develop their new medicines.

### **Attribute measures of its strength and weakness:**

These refer to statements developed to identify or list a characteristic or quality, an organization possesses or likely to possess in the near future.

“ Our key strength is the having sustainable growth in new products development in the R & D department”.

“ Our key weakness is investing more money to research and Development”.

Here the strength is the research and development has a innovation of new product and development in a biological industry. But at the same time the weakness is to investing more money to the R & D. AstraZeneca has dumping their money to R & D centre rather than other department.

So it should balance the investment to other business and other factor. But at the same time, it should concentrate is R & D to improve new drug pipeline.

### **Implementing Porter’s competitive strategies:**

It should compete on the basis of low cost, or should us different our medicines on some basis other than cost, such as quality or service.

It should we compete head to head with our major competitors for the biggest but most sought – after share of the market.

The porter’s competitive strategies are based on the Lower cost strategy and Differentiation strategy.

Lower cost strategy is followed by this pharmaceutical company, it has an ability to design, produce, and market a comparable product more efficiently than its competitors.

Differentiation Strategy is focused the company, it ability to provide unique and superior value to the buyer in terms of product quality, special features, or after-sales service.



The competitive strategies are followed by different types by the way of competitive advantage and competitive scope of the pharmaceutical company.

The cost leadership is considered that the pharmaceutical company has aims to broad mass market and requires “ aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts, and cost minimizing areas like R & D, service, sales, force, advertising and so on”. These companies have done in a marketing department and achieve its goal among competitors.

Differentiation is aim to broad mass market and involves the creation of a product or service that is perceived throughout its industry as unique. This company has differentiated their product, medicines, its quality, technology, agri-products, and features of the medicines among other competitors.

Cost focus is considered to focus the primary buyer group or geographic market and attempts to serve only this niche, to the exclusion of others. This company has focus the cancer, cardiovascular, gastrointestinal, infection neuroscience and respiratory and inflammation patients. They founded by hospital and they improve their quality services at the same time low cost to the patients,

Differentiation Focus strategy is concentrates its particular buyer group, product line segment, or geographic market. AstraZeneca has manufacturing its different countries and it focus some diseases group, which cant get the

medicine easily for particular disease. So it focus differentiated among the competitor.

These are competitive strategies has adopting and implementing to the AstraZeneca Pharmaceutical industry.

Neil Ritson, " Strategic Management", PHI, 2006 (date: 12-01-2010, time: 4. 35p. m)

### **Analysis of AstraZeneca Plc:**

AstraZeneca has mostly focuses on their new medicines and their development. They are developing their new drugs pipeline for various diseases like cancer, cardiology etc.,

There are 19 research and Development centers are available at various countries also focuses in Social responsible activities and they are increases their stake holder value.

The future investment of research and development and new product development must balance each other.

From these analyses, this pharmaceutical company has more strength rather than the weakness. So the company has performed well in the past records.

More strategy has adopted in the review. It should used in a marketing department and it should develop these strategies for marketing department.

[http://www.healthlinks-events-bpc2009.co.uk/presentations/brent\\_vose%20tues%20th%2011.25%20Astra%20Zeneca%20Plenary%20-challenges%20and%20opportunities.pdf](http://www.healthlinks-events-bpc2009.co.uk/presentations/brent_vose%20tues%20th%2011.25%20Astra%20Zeneca%20Plenary%20-challenges%20and%20opportunities.pdf) (date: 12-01-2010, time: 5. 25p. m)

### **Recommendations:**

AstraZeneca the pharmaceutical industry has investing more money to research and development, it means to they are dumping their only to research itself. It must also consider the marketing department to improve their effective sales growth. The R & D department must come across more drug pipeline diseases like swine flue, cancer, cardiovascular, gastro intestinal, infection, neuroscience and respiratory and inflammation. The R & D must use more agri product rather than the chemicals. So it leads to more quality to the patients.

The company must also focus to the marketing department because there is more competitors to this industry. The company must use marketing strategy effectively which are considered into this review.

### **Conclusion:**

In this review we are concluded that the company has more strength rather than the weakness because of the research and development. In future market there is more medicines are all increased by the competitor. So it should consider improving the research and development by effective biological sciences, technologies and quality conscious of fit workers. The AstraZeneca has performing in social responsibilities to the society. In future it may increase the sustainable growth in new product development.