Entrepreneurial Strategy Analysis of Nanjing Medicine-Speed Technology Co., Ltd
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Abstract
With the continuous increase of customers' demand for pharmaceutical retail and the sudden demand of customers for medicines, the existing channels for purchasing traditional medicines such as hospitals and pharmacies are increasingly unable to meet their needs. In this paper, Nanjing Medicine-Speed Technology Co., Ltd. designed an intelligent unmanned medicine cabinet through analysis of the existing market, consumers and competitors, and was committed to solving people's long way to buy medicines, cumbersome medicine procedures, and pharmacies. Meanwhile, the company made marketing plans for the product business model, formulated STP strategies and marketing strategies, and finally evaluated market risks and propose countermeasures.

Keywords
Business Plan, Market Analysis; Business Model, Marketing Strategy; Marketing Strategy; Risk Analysis.

1. Introduction of project

1.1. Project background

With the continuous increase of customers' demand for pharmaceutical retail, the existing channels for purchasing traditional medicines such as hospitals and pharmacies are increasingly unable to meet their needs. The main reasons are as follows:

1.1.1. The customer's demand for medicines is sudden
Generally speaking, people's demand for medicine is sometimes sudden. When we go to the hospital, we often encounter many people queuing up. In the event of emergency medication, customers will be at a loss.

1.1.2. Night medicine sales are still blank in the market
Due to cost issues, there are few pharmacies open 24 hours a day. If a customer has a cold or fever at night and does not go to the hospital for emergency treatment, he will usually endure it until the next day. This will miss the best time for medication and cause the illness to worsen.

According to the new pharmaceutical retail model, the intelligent unmanned retail medicine cabinet can meet the needs of customers for medication.

1.2. Analysis of the application prospect of Medicine-Speed

With the continuous expansion of opening up, the traditional retail industry has developed into a situation where multiple methods such as retail pharmacies and chain pharmacies coexist, which greatly facilitates people's lives. At the same time, the intelligent unmanned retail medicine cabinet has the advantages of high technical content, new sales methods, great market potential, and genuine goods at a reasonable price, which determines its broad development prospects.
2. Company and product overview

2.1. Company introduction

Nanjing Medicine-Speed, Ltd. is a company that creates an intimate and convenient unmanned retail medicine cabinet system equipped with intelligent robots. The core concept is to create products that provide convenience for college students, community residents, office workers and other groups. This intelligent unmanned retail medicine cabinet pursues higher quality service and convenience. This is the uniqueness of this product!

2.1.1. Overall strategy

The company became a market leader in the field of medicine cabinets within one and a half years.

2.1.2. Company mission

"To be a conscience medicine cabinet, to build an honest brand"

2.2. Product introduction

2.2.1. Product overview

The intelligent unmanned retail medicine cabinet is a relatively cutting-edge, advanced and innovative measure in the market. With the help of chain pharmacy resources, it connects with Internet hospitals for remote consultations and electronic prescriptions, completes the "last mile" distribution of medicines, and realizes online prescription. The complete closed loop of reviewing prescriptions and taking medicines offline greatly improves the efficiency of medical services, making it more convenient for college students, community residents, and office workers.

2.2.2. Product advantages

(1) Intelligent robot: with the level of licensed pharmacist, can consult OTC conventional medicine and emergency medicine;

(2) Online consultation: follow the official WeChat account, Mini Programs, etc., enter symptom keywords, and recommend related OTC medicines;

(3) Voice intelligent broadcast: remind customers the time and dosage of taking medicine, etc.;

(4) Health consultation: professional health consultation, comprehensive health management services;

(5) Concentration of categories, direct contact with the target population: OTC common medicines, chronic disease medicines and free emergency medicines;

(6) Seasonal adjustment products: according to seasonal epidemics, high-incidence and other diseases, special diagnosis will be adjusted accordingly;

(7) Provide a variety of medicine cabinet shapes: customize medicine cabinets of different shapes for different occasions and areas;

(8) The medicine cabinet has little investment: the area is small, and there is almost no labor cost.

3. Market analysis

3.1. PEST analysis

3.1.1. Political and legal factors

In November 2020, the Comprehensive Department of the State Food and Medicine Administration publicly solicited opinions from the Measures for the Supervision and Administration of Online Medicine Sales (Draft for Comment): On the premise of ensuring the authenticity and reliability of electronic prescription sources, online sales of prescription
medicines are allowed; online sales of prescription medicines are allowed Conditional medicine retail companies display prescription medicine information to the public.

3.1.2. Economic factors
In 2019, the total health expenditure reached 6.5 trillion yuan, accounting for 6.6% of GDP. The Ministry of Health’s goal of “total health expenditure in GDP reaching 6.5%-7.0% by 2020” was achieved ahead of schedule, reflecting my country’s medical and health expenditure Its importance in the national economy has steadily increased.

3.1.3. Social and cultural factors
In 2019, the national per capita consumption expenditure of residents was 21,559 yuan, a nominal increase of 8.6% over the previous year, and a real increase of 5.5% after deducting price factors. Among them, the per capita medical and healthcare consumption expenditure was 1,902 yuan, an increase of 12.9%, accounting for 8.8% of the per capita consumption expenditure, which was the largest increase in consumption expenditure compared with other consumption expenditures.

3.1.4. Technical factors
(1) Big data has advantages in accurately grasping the needs of patients for medication and assisting pharmaceutical companies in R&D decisions;
(2) Artificial intelligence technology builds a pharmacy knowledge graph, which can provide services such as rational medicine use and smart prescription review;
(3) Blockchain technology ensures the uniqueness of the whole process of medicine information and realizes the whole process of medicine safety management;
(4) 5G communication technology can promote the application of artificial intelligence, cloud computing, big data and other technologies in medical services.

3.2. Market demand analysis
3.2.1. Market research
The proportion of retail pharmacy sales increased by 4.1 pcts from 22.5% in 2015 to 26.6% in 2020. In 2019, domestic retail medicine sales reached 419.6 billion yuan. Driven by the outflow of prescriptions, more pharmaceutical sales will flow from public hospitals to retail. In the next few years, retail sales growth is expected to increase significantly.

3.2.2. Trend analysis and forecast
In the past ten years or so, with the rapid development of my country's economy, the living standards of Chinese residents have been continuously improved, and the influence of domestic medical system reforms and other factors has been conducive to the rapid development of the domestic pharmaceutical market. In 2019, it has reached around 1.64 trillion yuan. The Chinese pharmaceutical market will continue to maintain a growth rate comparable to previous years, and will reach approximately 2.13 trillion yuan in 2023.

3.3. Competitive analysis
3.3.1. Competitors
(1) 24-hour pharmacy
There are 24-hour pharmacies in some areas, which can meet consumer demand for medicines. However, most pharmacies cannot sell medicines 24 hours a day. The main reasons are as follows: First, from the perspective of economic benefits, the nighttime turnover is far less than that during the day; secondly, for some remotely located and weak pharmacies, nighttime The operating cost of opening is too high; again, for the safety of corporate property and employees, pharmacies must consider the unpredictability of opening late at night.
Express delivery of medicines
A mobile app for home delivery of medicines. In the service activation area, users can place orders to buy medicines through the medicine delivery APP on their mobile phones. The user order will be assigned to a pharmacy close to the user, and the pharmacy will be responsible for delivering the medicine to the user within one hour, so that the required medicine can be obtained without leaving the house.

### 3.3.2. Competitive influence

Pharmacies and express delivery of medicines have a greater impact on our smart medicine cabinets.

1. Due to cost and other unpredictable factors, most pharmacies cannot sell medicines 24 hours a day.
2. At present, courier delivery of medicines is prohibited from entering campuses in many schools. Students still need to pick up medicines outside the campus, and the current popular places are only in some first-tier cities.

### 3.3.3. Competitive advantage

The company’s products combine with intelligent consultation robots, which can ask online doctors online, can be combined with face payment, can swipe medical insurance cards, video introductions to medicines, and voice intelligent broadcasts to solve customers’ medicine purchase questions. Our equipment is put on college campuses, residential quarters, parks, office buildings, etc. It has the characteristics of concentrated categories and direct contact with the target population. The remote control system can check the quantity of goods and can replenish them in time. The required shop area is small, the pharmacy does not need counters, cashiers and salespersons, it is extremely convenient to take care of, and the labor cost is almost zero.

### 3.4. SWOT analysis

#### 3.4.1. S (advantage)

1. Professional advantages-team members are familiar with relevant knowledge and skills, involve a wide range of areas, have a clear division of labor, and have high executive power
2. Profit advantage-the price is lower than ordinary stores
3. Industry advantages-great potential, and the scope of artificial intelligence applications is gradually expanding

#### 3.4.2. W (Disadvantage)

1. Low visibility-initial startup, low visibility
2. There is a shortage of management staff difficult.

#### 3.4.3. O (opportunity)

1. Market demand-with the improvement of living standards, people pay more and more attention to medical care
2. Adapt to the market-college students, office workers, community residents
3. Policy support-encouragement and support from government policies

#### 3.4.4. T (threat)

1. The number of competitor pharmacies is increasing year by year
2. Medicines express delivery is becoming more mature
4. Marketing strategy

4.1. Market characteristics
Consumers have become accustomed to the way to buy medicines in pharmacies without prescriptions. If relying on prescriptions means that they have to go through hospital procedures. In addition, the majority of consumers do not have a deep understanding of the harmfulness of prescription medicine abuse. It is natural for headaches and brain fever to take antibiotics and intravenous drips. They do not know that adverse medicine reactions and habitual medicine resistance may be life-threatening.

4.2. Market Segmentation
According to age segmentation, we divide the market into young people, middle-aged people, and old people.
According to business division, we divide the market into user and non-user situations.

4.3. Target market
As of 2020, there are 3,005 higher education institutions nationwide; 111,000 communities; 168 national high-tech zones.

4.4. Market Positioning
The main target groups are college students, community residents, office workers, etc.
We focus on college students, community residents, office workers, etc., who are short of time and have difficulty purchasing medicines in the middle of the night, and focus on people with sudden physical conditions and elderly people with chronic diseases.

4.5. Marketing goals
Initial goal: In the initial stage, our company will carry out product promotion and operation in Nanjing Jiangbei New Area, and establish cooperative relations with many universities and park manufacturers.
Mid-term goal: expand the business scope from Jiangbei New Area to the entire Nanjing, and then transfer to Beijing, Zhejiang and Shanghai. Continuously improve and upgrade the products, introduce new products from the old ones, and expand the construction of the database.
Long-term goal: Cover the country with products and services, draw resources from abroad, form our own team of medical experts, continuously evaluate product service quality, organize customer feedback information, and formulate and improve our company's medical service model based on specific conditions. Improve the company's position and increase consumer stickiness and loyalty.

5. Business model design

5.1. Customer value
In the early stage of the company's development, our target groups were college students, community residents, and office workers in some industrial parks. These groups have the characteristics of tight time and long journeys to purchase medicines. For these customers, we provide them with convenient, fast and time-saving services. The smart medicine cabinet helps them quickly buy the medicines they need, eliminating the need for them to go to the pharmacy.

5.2. Operation model
The company has developed the "Medicine-Speed" intelligent unmanned retail medicine cabinet, which has opened up a new way of purchasing medicine for college students,
community residents, and working people who are short on time and have a long way to buy medicine. We will cooperate with major universities, residential communities, parks, etc. to draw medicine resources into medicine cabinets, so that patients can purchase medicines based on electronic prescriptions; and cooperate with pharmaceutical manufacturers to store commonly used medicines in medicine cabinets for sale.

We will also make online appointments and offline self-pickup modes, acting as a self-pickup cabinet function. Consumers can make appointments (orders) in advance for medicine needs, especially for medicines with high storage requirements, which can avoid the phenomenon of medicine efficacy failure.

5.3. Profit model
The company profited from three aspects in the early stage:
Products: provide product services and charge service fees;
Advertising: Implant ads on the platform and charge advertising fees;
Cooperation: Cooperation with major universities, residential communities, parks, office buildings, etc.

6. Marketing strategy design

6.1. Product strategy
6.1.1. Product brand strategy
We adopt the company's unified brand strategy to reduce publicity costs and increase the company’s reputation in order to establish its own brand image in the competition, which will help enhance brand loyalty and establish a stable customer base.

6.1.2. Packaging strategy
The company uses the same pattern, similar color, the same packaging material and the same shape to package its products, so that customers can identify the company's products.

6.1.3. Service Strategy
Establish a complete sales and service network, and can cooperate with chain pharmacies to provide customers with sound and high-quality services.

(1) Pre-sale service:
Adopt publicity, training, communication and other means, as well as through the efforts of professional sales personnel, so that professional customers understand the characteristics and application of the product.

(2) In-sale service:
① Set unmanned retail medicine cabinet, by scanning the QR code on the medicine cabinet screen, the purchase interface will pop up, and patients can purchase medicines by themselves.
② Before the patient confirms the purchase of the medicine, there will be a short video introduction and instructions for the selected medicine, so that the patient can purchase it after confirmation to avoid the phenomenon of buying the wrong medicine.
③ It has a variety of characteristic functions such as symptom analysis, intelligent medicine selection, autonomous learning, face recognition, fingerprint recognition, etc. It is an artificial intelligence robot with the knowledge level of licensed pharmacists, which can effectively alleviate the medicine selection caused by lack of professional knowledge by sales staff. Difficulties or unreasonable medications appear.
④ Support face-payment function, you can print a small ticket, you can use the medical insurance function.
In the later stage, we will be equipped with high-quality licensed pharmacists, invite licensed pharmacists to register on the platform, use their mobile phone number to register and log in to the platform, enter information, doctor certification, and background personnel review.

After-sales service:
The medicine cabinet specially develops the official medicine "Medicine-Speed" Official App:
① You can make an appointment to purchase medicine in advance.
② Remind the time of taking medicine and the amount of medicine, and remind them of the contraindicated food, appropriate amount of exercise and other related information.
③ Establish information exchange and feedback channels, including feedback in sales channels and online feedback in e-commerce.

6.2. Price strategy
According to the characteristics of our products, we have adopted the following pricing methods:

6.2.1. Custom demand-oriented pricing
For the commonly used medicines sold in the medicine cabinet, a customary price has been formed in the market, and it is inconvenient to change the price.

6.2.2. Cost-oriented pricing
For customers who directly purchase our medicine cabinet, we set market prices according to the cost of making the medicine cabinet.

6.3. Promotion strategy

6.3.1. Advertising
Promote corporate image and product brands through online platforms such as Sina Microblog, WeChat, and Tiktok to effectively increase the conversion rate. By creating topics and events, and continuing to ferment with interactive behaviors such as forwarding, commenting, and liking, users can actively disseminate in a short period of time, and realize large-scale marketing content dissemination.

6.3.2. Sales promotion
Carry out free experience activities. For community residents, ten lucky customers will be selected at each placement point for experience. The trial period is half a month, and consumer feedback is recorded every day.

6.3.3. Keyword promotion
After the establishment of the company, the online micro-platform will comprehensively utilize various search engine platforms according to the current situation of the company, the characteristics of the medicine cabinet and the scope of application, and search for keywords such as "smart medicine cabinet" on the medical industry website through the search engine bidding ranking. You can search and view the company-related information, as well as the role of the product, and the field involved.

6.3.4. Public Relations
Started public relations work at the beginning of the establishment of the company. Jointly organize popular science programs with the media, open up popular science columns, and open a free consultation hotline; create a lively and friendly homepage, and launch online public relations.

6.4. Channel strategy
There are two types of sales channels to be adopted: self-built sales network; use of existing channels.
In the early stage, it will be piloted in Nanjing Jiangbei High-tech Zone, universities and other places to promote experiential promotion. The principle of establishing a sales network is to provide customers with the most efficient service; in the medium and long term, it will be promoted to high-tech zones, university towns, communities, etc. everywhere. The company is in its infancy and its sales network is gradually being built. The existing sales network in cooperation with chain pharmacies is used to make up for the lack of self-built sales network and expand the market.

7. Risks and countermeasures

7.1. Operational risk:
Due to the initial establishment of our company, during the operation process, the external environment cannot be accurately positioned. The complexity and variability of the external environment may lead to operation failure or make the company's operational activities fall short of the expected goals.

Countermeasures:
1. Countermeasures: prevent the threat of this risk by obtaining government support or policy support.
2. Internal optimization countermeasures: improve the management system and methods according to the company's internal business risks, as well as personnel adjustment and training, corporate culture remodeling, equipment technology reorganization, organizational changes, etc.

7.2. Risk management
Since we are a newly created company, compared with other companies, our rules and regulations are not perfect, the quality of management personnel is not high enough, the work between departments is not coordinated, the collective consciousness of employees is weak, and personal ideas will appear.

Countermeasures:
1. Managers: Strengthen the moral cultivation of the leaders themselves, thereby enhancing the cohesion and motivation of the enterprise.
2. Organizational structure: actively use multiple channels to communicate and communicate with social organizations; focus on the effective identification and accumulation of experience to strengthen corporate management; expand the degree of openness of the enterprise, use various social forces, and enhance the organization's grasp of the direction of innovation.

Acknowledgments
This paper is the student's curriculum project achievement of Jiangsu Provincial Vocational Education Ideological and Political Model Course (Marketing Fundamentals) and Jiangsu Provincial Excellent Foreign Students Course (Marketing Fundamentals).

References


