

Analysis of Market Environment of Xi'an Janssen Company

Mei Wang, Yujie Wang, Yi Liang*

School of International Pharmaceutical Business, China Pharmaceutical University, Nanjing, Jiang Su, 211198, China

E-mail:15022647628@163.com

**Corresponding Author*

Keywords: Xi'an janssen company, Otc, Marketing strategy

Abstract: With the vigorous development of the over-the-counter (OTC) industry, Xi'an Janssen is far ahead with advanced production technology and excellent marketing team. For the further expansion of the future pharmaceutical market, my country's pharmaceutical industry has successively introduced a number of policies," 4+7 volume procurement" , Online sales of prescription drugs, etc. The implementation of these medical reform policies has undoubtedly caused intensified competition among similar products. While companies have better growth opportunities, they also face the risk of increased industry competition. This article analyzes the current situation of Xi'an Janssen Company and the internal and external environment faced by the company, and helps companies develop OTC drug marketing strategies that are in line with the current market conditions by discussing the survival crisis of brand-name drugs.

1. Introduction

At present, the development potential of pharmaceutical industry is endless. China have introduced a number of policies, such as 4+7 volume purchases, and online sales of prescription drugs. The implementation of these medical reform policies has undoubtedly caused intensified competition among similar products, and the pharmaceutical industry has gradually entered an era of full competition [1]. Companies in China are faced with the ever-changing pharmaceutical environment and customer needs. It is particularly important for the survival and development of companies to formulate correct development strategies.

1.1 Introduction of Xi'an Janssen Company

Xi'an Janssen Company is the largest subsidiary of American drug maker Johnson & Johnson in China. It is the product of a cooperation agreement between Chinese and foreign parties after three years of negotiations [1]. Xi'an Janssen Company has a wide range of production fields, including many well-known varieties including OTC and prescribed medicine Among them, OTC top-selling products such as Daktarin, Pevison and Motihium have been widely recognized by the society and

trusted by consumers. At the same time, the company is also committed to the research and development of prescribed medicine and the rich product line has enabled Xi'an Janssen Company to grow rapidly.

1.2 Product Introduction of Xi'an Janssen Company

Xi'an Janssen Company has a wide range of production fields, including many well-known varieties including OTC and prescribed medicine, mainly involved in enterology, neurology, hematology, solid tumors, colds and coughs, fever/digestion, immunology, infectious diseases and many other disease fields [2]. Among them, OTC first-line best-selling products have been widely recognized by the society and trusted by consumers. However, these old-brand best-selling products have been on the market for many years and have gradually entered a period of decline. Due to the high prices, many domestic manufacturers have produced a variety of homogeneous generic drugs at lower prices, resulting in an increasing market share of these products. Less. In recent years, the company has also increased the research and development of prescription drugs. Although it has continuously introduced new patented products from American drug maker Johnson & Johnson, the development of other multinational pharmaceutical companies in my country has been slower than that of other multinational pharmaceutical companies. Since the listing, the market has stagnated and even experienced negative sales growth.

2. Analysis of Marketing Strategy

2.1 Advantages of Xi'an Janssen

2.1.1 Excellent Corporate Culture

Xi'an Janssen Company symbolizes the company's culture with "eagles" and "gooses", and aims to cultivate the "Eagle Goose Spirit" of hard work, solidarity and mutual assistance among the company's employees. "As a core value that the company has always pursued, it requires companies to innovate independently and pursues the harmonious development of the company, customers, and society [3]. Excellent corporate culture has also become the key to successfully building the Xi'an Janssen Company brand, and a powerful driving force for the company to continue to grow and become stronger.

2.1.2 Perfect Quality Assurance System

In 1997, it became the first batch of pharmaceutical companies in China to pass the GMP certification, and subsequently passed the EU GMP certification. The company's production and management standards have been approved by American drug maker Johnson & Johnson to ensure that the products produced reach the international advanced level. Xi'an Janssen Company teaches its employees to regard product quality as life, which is inseparable from the fact that many of its OTC and prescription drug best-selling products become first-line brand drugs as soon as they go on the market.

2.2 Weakness Of Xi'an Janssen Company

2.2.1 The Aging of the Product Cycle and Insufficient Investment in New Products

Xi'an Janssen's core OTC products, Daktarin, Pevison and Motihium accounted for almost half of the company's annual total OTC sales. Later, Xi'an Janssen Company began to develop new

products. For example, for the treatment of systemic fungal infections, sipirennuo injections and analgesic Fentanyl Transdermal Patches etc., due to lack of market competitiveness, more and more products of the same effect have led to a sharp decline in market competitiveness.

2.2.2 Ignoring the Control of Otc Retail Terminals, Counterfeit Medicines Emerge Endlessly

The retail terminal is the last link in the market for OTC drugs from production to circulation, and to the consumer. It can be said that whoever masters the terminal will control the market [4]. With the rise of retail pharmacies and chain pharmacies, brand-name drugs are competing against each other, and the low profit rate of drugs has led to a “brand crisis” for Xi'an Xi'an Janssen Company OTC products in the retail terminal. The company has not proposed an improved marketing strategy. At the same time, many unscrupulous pharmaceutical companies violated the explicit provisions of the Trademark Law and misappropriated company trademarks, but the company did not respond to the threat of infringement of intellectual property rights by competitors[5].

3. Strategic Analysis

3.1 Strengthen Strategic Cooperation with Distributors, and Tilt Resources to Retail Terminals

According to the current market consumer demand for products, establish a complete channel management system, open up market terminals, increase the profit margins of intermediate distributors and retail stores, and integrate the actual situation of the company to choose suitable distributors and retailers to increase their sales enthusiasm to get higher quality and more support.

3.2 Improve Employee Benefits and Increase Research and Development of New Products

The development of an enterprise is inseparable from an elite team. Talents are the most critical resource of an enterprise. A reasonable salary and welfare policy is used to safeguard the interests of employees, mobilize the enthusiasm of employees to promote the research and development of new drugs, enrich the product line, and increase the research and development of new products. Make correct pricing policies for products to enhance the company's competitive advantage.

3.3 Intensify Efforts to Crack Down on Illegal Drugs and Protect Intellectual Property Rights

Drugs are different from ordinary commodities. They are critical to the life and death of patients, public health and national security. We must severely crack down on illegal activities that violate the order of drug production and management, and the production and sale of counterfeit drugs. Maintain brand image, standardize drug management order, and expand Market share, using legal weapons to increase penalties for unhealthy pharmaceutical companies that infringe on intellectual property rights and damage the interests of the company, and safeguard consumer rights [6].

4. Conclusion

As a leader in the OTC industry, Xi'an Janssen Company has such a glorious past, but with a series of challenges, distributors' turnover and aging product structure have greatly affected the company's development. This article analyzes the development of Xi'an Janssen Company. According to the analysis results, Xi'an Janssen Company should be well aware of the difficulties it faces, strengthen cooperation with distributors, expand sales channels, and increase research and

development of new drugs, so as to grasp the trend of changes and formulate reasonable mid-to-long-term marketing strategies for OTC drugs. .

References

- [1] He Qing. *Analysis of the development status and reform trends of the pharmaceutical industry*[J]. *Market Research*, 2017(03): 16-17.
- [2] Su Hang. *Research on the marketing strategy of Xi'an Yangsenpu Pharmaceutical*[D]. Jilin University, 2016.
- [3] Tian Shu. *Xi'an Yang Sen: Corporate Culture represented by "Eagle"* [J]. *Oriental Corporate Culture*, 2011(19): 38-39.
- [4] Deng Lanlan. *Research on the Optimization of Terminal Outlets of Pharmaceutical Retail Enterprises* [D]. Anhui University of Science and Technology, 2019. Dai Zhichen,
- [5] Zhang Rui. *Research on Xi'an Yangsen Cooperative Distribution Channel Management Mode*[D]. Beijing Jiaotong University, 2011.
- [6] Xia Yuan. *Judgment on the substantial illegality of the production and sale of fake drugs* [D]. Southwest University of Political Science and Law, 2019.