

The Development Strategies for BtoC E-commerce in China's Pharmaceutical Industry

by

Geng Fan, Franny

Master of Science

2008



**Institute of Chinese Medical Sciences
University of Macau**

Table of Content

Acknowledgement.....	i
Abstract	ii
Table of Content.....	iv
List of Tables	vi
List of Figures	vi
1. Introduction	1
1.1. Research Background and Value.....	1
1.2. Definition and Research Scope	2
1.3. Methodology.....	2
2. Pharmaceutical BtoC E-commerce in the Developed Countries	4
2.1. The Development and Current Situation in US	4
2.1.1. Online Pharmacy in US.....	4
Table 1: Top Pharmacy Sites Ranked by Visits, U.S. October 2003.....	5
2.1.2. Consumer's Attitudes towards Online Pharmacies	5
2.1.3. Related Industry Policies.....	6
2.2. The Development and Current Situation in EU.....	9
2.2.1. Online Pharmacy in EU	9
Table 2: Is the selling via the Internet allowed?	10
2.2.2. Consumer's Attitudes towards Online Pharmacies	11
2.2.3. Related Industry Policies.....	11
2.3. A Glance at CVS.com	12
2.3.1. Company Profile	12
2.3.2. Navigation—Find a Product	12
2.3.3. Privacy Policy.....	13
2.3.4. Online Pharmacy Services	13
2.3.5. Customer Benefits.....	14
2.4. Summary	15
3. BtoC E-commerce in China's Pharmaceutical Industry	16
3.1. An overview of Internet Use in China.....	16
3.2. BtoC E-commerce in China	17
3.3. Pharmaceutical BtoC E-commerce in China.....	19
3.4. Comparative Study: Approved Online Pharmacy Websites	21
3.4.1. Website Overview	21
3.4.2. Information Provision	22
3.4.3. Consumer Services.....	24
3.5. SWOT Analysis	29
3.5.1. Strengths	29
3.5.2. Weaknesses	30
3.5.3. Opportunities	31
Figure 1: The evolution of Total Number of Outpatient Visits in China 1980-2003	33
Figure 2: The evolution of Top100 Community Pharmacies in China 2002-2005	33
Table 3: The evolution of top 100 pharmacy Chains in China in 2002-2005.....	34
3.5.4. Threats.....	35
3.6. Summary	37
4. Discussion	39
4.1. Political Strategies.....	39
4.1.1. Building Regulation Mechanism	39
4.1.2. Supervising by Combined Efforts	39
4.1.3. Building a Certification System	39
4.1.4. Promoting Electronic Prescribing	40
4.2. Marketing Strategies	40
4.2.1. Refining the Search Function	40

4.2.2.	Building Brand Awareness	40
4.2.3.	Keeping in touch with Customer	41
4.2.4.	Pricing.....	42
4.2.5.	Enhancing Brand Reputation through Public Relations Activities	43
4.2.6.	Promoting through Short Message.....	43
4.2.7.	Finding Target Market	44
4.3.	Technical Strategies	44
4.3.1.	Making your Website Easy to Use.....	44
4.3.2.	Protecting Consumers' Privacy	45
4.3.3.	Streamlining Business Processes with Information System	46
4.3.4.	Listing on a Search Engine.....	47
4.4.	Research Limitation	50
Reference		51
Publication		56