

Abstract

This dissertation intend to fill a gap in the literature and study the filed of Business-to-Consumer (BtoC) e-commerce in China's pharmaceutical industry in a comprehensive way. The aim of this dissertation is to make a contribution to the development of BtoC e-commerce in China's pharmaceutical industry, especially to put forward some strategic recommendations from the aspects of policy, marketing, and technology, respectively.

After having a broad view in the development of pharmaceutical BtoC e-commerce in the developed countries with an emphasis on online pharmacy issues, i.e. U.S., EU, the case study conducted for the purpose of exploring the operation of one leading online pharmacy CVS.com in U.S. In such in-depth analysis, the experiences worth referencing in China could be addressed. To make a summary for developed countries in doing online pharmacy business, highly acceptance of shopping online by consumers laid the basic foundation for the development of online pharmacies. The related industry policies provide guidance to regulate the practices of online pharmacies from a legal perspective. As an accelerator, electronic prescription facilitates the transaction in a virtual context. Meanwhile, the customer-friendly interface and customer-focused services offer a pleasant online shopping experience.

After conducted a review of BtoC pharmaceutical e-commerce in China, coupled with an independent part for comparing the existing four legal online pharmacies' website, the SWOT analysis carried out to examine the strengths, weaknesses, opportunities, and threats existing in research area. In general, the development of the online pharmacy market in China is still in an early stage. There is no doubt that Imperfect regulation mechanism and Chinese consumers' negative attitudes toward online shopping pose as a hurdle to the development of online pharmacy in China. In the meantime, however, the larger OTC market and the trend of self-medication coupled with the rapid Internet development in China bring hope to the industry.

In order to cope with the problems in research area and provide feasible development strategies for healthy growth of BtoC pharmaceutical e-commerce in China, the tactics from policy, marketing and technology aspects are stated in the Discussion part.

First of all, build a regulation mechanism from legal perspective is urgent. The operation of online pharmacy should be supervised by combined governmental efforts, meantime a certification system for industry is necessary for verifying purpose, like VIPPS seal. In marketing side, pharmacy retailers could think about using the interface of QQ and MSN messenger as a platform to gain the brand awareness. Besides, E-mail and SMS marketing could also be effective ways to keep in touch with consumers. The brand reputation could be enhanced through public relations activities. Regarding with the technical strategies, the privacy policy and SSL certificate are two ways to increase the consumers' confidence on sharing personal information online. The business process of online pharmacy could be streamlined with the using of information systems, such as Supply Chain Management (SCM), Enterprise Resource Planning (ERP), and Consumer Relationship Management (CRM). Finally, as the cheapest methods of online promotion, the technique for getting a listing on a major search engine is introduced.

Key words: E-commerce; Business-to-Consumer; Pharmaceutical Industry; Strategy Studies