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WAYS AND METHODS TO INCREASE COMPETITIVE STRENGTH OF THE COMPANIES OPERATING IN THE PHARMACOLOGY MARKET

In terms of competition requirements existing in the Ukrainian market, competitive strength of any company is the key criterion for evaluating effectiveness of the company's production and management system. So, ensuring of stable competitive positions should lie at the heart of any successful market strategy of the companies operating in the pharmacology market. Growing competition forces the companies to search and create absolutely new patterns of development and vision of their existence in the variable system of the health services [1].

Analysis of business activity of the company RAS RUAN, Ltd., an owner of the drugstore net, helped the author to single out some principal factors which the Company applied in order to improve their competitive advantages. For example, in 2009, the Company introduced accumulative discount cards for their regular clients, in 2010 – free pharmacist's consultations on choosing right medicines (individual approach), and in 2011 – measuring the clients' blood pressure, by their wish, in the drugstores.

The authors designed a regressive model taking into account seasonal movements, and with the help of this model it is possible to see graphically how the chosen factors influence the sales volume in a certain period of time from 2006 till 2011. Below is a formula of the regressive model:

$$Y = (146{,}65 + 15{,}49 \quad d1 + 31{,}64 \quad d2 + 76{,}45 \quad d3)*It, \qquad (1)$$

where d1 – is a categorical variable for accounting effect from the accumulative discount cards;

d2 – is a categorical variable for accounting effect from the doctor's consultations;

d3 – is a categorical variable for accounting effect from the blood pressure measurements; and

It – is a seasonality index.

To calculate the seasonality index, the authors use monthly data for each year under the study. Coefficient of determination of the model is equal to 0.71, and this is a good evidence of proper accounting of all influencing factors and high level of the model adequacy. Fig. 1 shows diagram of actual and estimated sales volumes in the RAS RUAN Company's drugstore under the study. We can see that the model is well consistent with the actual data.
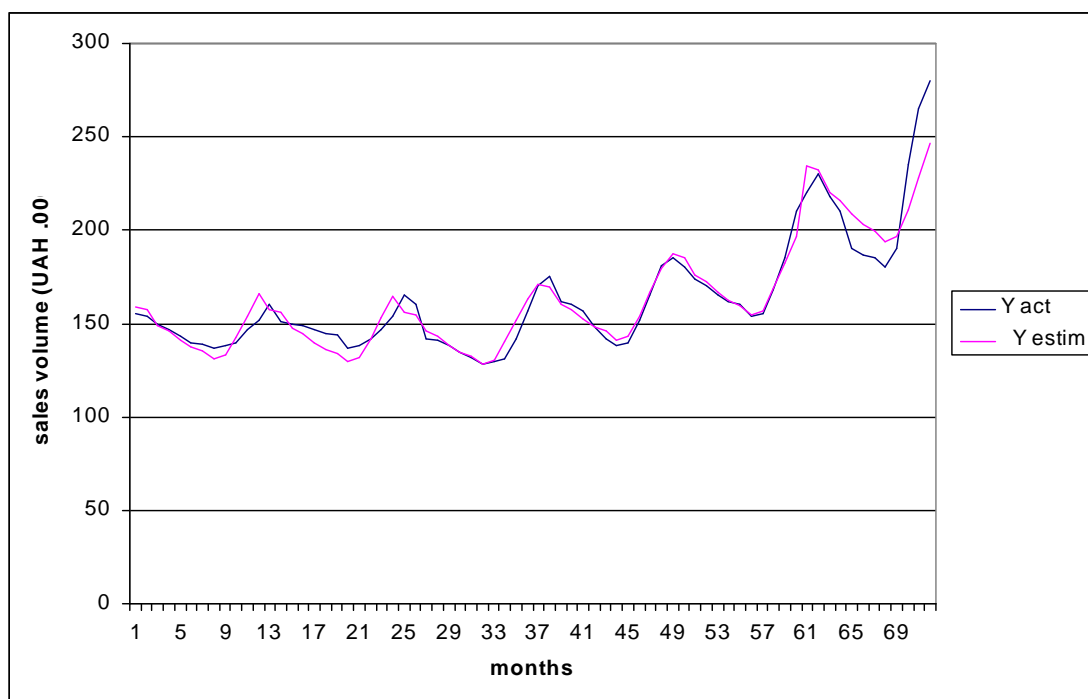
Fig. 1. Diagram of actual and estimated sales volumes in the RAS RUAN Company's drugstore

To analyze the factors' influence on the sales volume, the authors define assessed productivity of the sales volume by the factors taken into account:

$$PY(d1) = 15,49; PY(d2) = 31,64; PY(d3) = 76,45$$

Thus, usage of the accumulative discount cards for the regular clients increased sales volumes by UAH 15,490, and free pharmacist's consultations on choosing right medicines (individual approach) – by UAH 31,640. Such service as measuring the clients' blood pressure showed the best positive influence on the attracted quantity of the clients resulting in additional growth of the sales volume in amount of UAH 76,450. Such result can be explained by the fact that the most numerous group of the drugstore's buyers were elderly people who needed this service every day.

So, to be successful in the current competitive conditions existing in the pharmacology market, the companies shall: develop their own competitive advantages; and create new influence factors, which could attract more buyers and ensure ability of the companies to successfully compete with other participants of the market.

References:

1.   Eremenko S. Pharmacology Market Today // Provisor. – 2000. - 14. – p.17.