

A COMPETITIVE STRATEGY OF ROCHE (THAILAND) COMPANY FOR
CALCIUM-D-REDOXON

A MASTER 'S PROJECT
BY
ARPAPAT NANTAVITAYAPORN

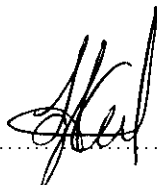
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Master of Arts Degree in Business English for International Communication
at Srinakharinwirot University

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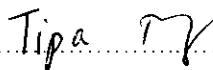
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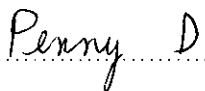
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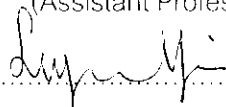
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CHAPTER 1

INTRODUCTION

Background

A competitive strategy is important for market advancement. A company must manage strategy effectively. The appropriate strategy addresses what the company needs to do in order to be successful. It maximizes competitive advantage and minimizes competitive disadvantage. All prosperous businesses are the result of successful competitive strategies.

Michael E. Porter, Hirotaka Takeuchi and Mariko Sakakibara (2000: 91) state that strategy is what sets high performers apart from low performers. Distinctive strategies are also much harder to imitate. Competition on strategy has an important benefit. A more positive sum form of competition is created in which customers gain real choice, rivals become superior in serving their chosen segments, and the overall market can expand. Industry structure often improves in the process.

Arthur A. Thompson. et al. (2004: 109) define a competitive strategy as a strategy used for competing with rival companies by doing a better job of providing what buyers are looking for.

They define the five generic competitive strategies as overall low cost provider, broad differentiation, best-cost provider, focused differentiation, and focused low-cost provider.

A competitive strategy is the reason behind the great successes of the leaders in the marketplace. Michael A. Hitt (2005: 111) quotes Michael E. Porter, in his text "Strategic Management- Competitiveness and Globalization", of 1991. p. 35 as saying, "to be successful, a company or business unit must achieve one of the competitive strategies. Otherwise, the company or business unit is stuck in the middle of the competitive marketplace with no competitive advantage and is doomed to below-average performance. Before selecting one of the generic competitive strategies for a company or business unit, management should assess its feasibility in terms of a company's or business unit's strengths, weaknesses, opportunities and threats."

Kenneth R. Andrews and C. Roland Christensen (1978: 50) state that strategy is the unifying idea that links together the functional areas in a company and relates its activities to its external environment. Formulating strategy in this approach involves a juxtaposition of the company's strengths and weaknesses, and the opportunities and threats presented by its environment.

Charles W. L. Hill and Gareth R. Jones (1995: 29) explain that the major components of the strategic management process include defining the mission and major goals of the organization, analyzing the external and internal environments of the organization, choosing

strategies that align, or fit, the organization's strengths and weaknesses with external environmental opportunities and threats, and adopting organizational structures and control systems to implement the organization's chosen strategy.

Thomas L. Wheelen and J. David Hunger (2000: 113) explain that competitive strategy focuses on improving the competitive position of a company's or business unit's products or services within the specific industry or market segment that the company or business unit serves.

Thomas L. Wheelen and J. David Hunger (2000) further explain that SWOT is an acronym standing for Strengths, Weaknesses, Opportunities and Threats that are strategic factors for a specific company. A SWOT analysis should not only result in the identification of a corporation's distinctive competencies--the particular capabilities and resources that a firm possesses and the superior way in which they are used--but also in the identification of opportunities that the firm is not currently able to take advantage of due to a lack of appropriate resources.

Michael A. Hitt. et al. (2004: 104) point out that, increasingly important to a firm's success, strategy is concerned with making choices among two or more alternatives. When choosing a strategy, a firm decides to pursue one course of action instead of others. Indeed, the main point of strategy is to help decision makers choose among competing priorities and alternatives. Competitive strategy is the choice a firm makes when deciding how to compete in individual product markets. The choices are important, as there is an established link between a firm's

strategies and its long-term performance. Competition in individual product markets is a question of competitive strategy. For all types of strategies, companies acquire the information and knowledge needed to make choices as they study external environmental opportunities and threats as well as identifying and evaluating their internal resources, capabilities and core competencies.

An example of a company that succeeded in achieving an effective competitive strategy and became the leader in the calcium supplement market is F. Hoffmann-La Roche Ltd. Headquartered in Basel, Switzerland; Roche Company is a leading manufacturer of vitamin and mineral substances with a unique competitive strategy. Roche succeeded in launching the calcium supplement product: Calcium-D-Redoxon in 1934 (Roche Company. 2004: Online).

Linda Houtkooper, Ph.D., Nutrition Specialist, remarks that calcium is an essential mineral found in great abundance in the body. Calcium plays important roles in nerve conduction, muscle contraction and blood clotting. If calcium levels in the blood drop below normal, calcium will be taken from bone and put into the blood in order to maintain adequate blood and bone calcium levels (Houtkooper. 2004: Online).

According to the World Health Organization (WHO), osteoporosis--disease of the bones due to deficiency of bone matrix--is second only to cardiovascular disease as a leading health care problem. World-wide, about one in three women and one in eight men over the age of 50 risk having an osteoporosis fracture--breaking bones during their lifetimes. Moreover, the

number of hip fractures is expected to increase from 1.7 million in 1990 to 6.3 million in 2050 because of the ageing of the world population. Annual direct medical costs to treat an estimated 2.3 million osteoporosis fractures in Europe and the United States together total about US\$ 27 billion. Osteoporosis is a disease affecting the bone which is characterized by a decrease in bone mass and density that increases the risk of broken bones, particularly in the spine, wrist, hip, pelvis and upper arm. This disease usually occurs in women after menopause. Unfortunately, most people do not know they have osteoporosis until they break a bone. Early detection of low bone density could significantly reduce the impact of osteoporosis (Roche Company. 2004: Online).

The National Osteoporosis Foundation in 1998 explained in their paper, "Osteoporosis Risk Populations Statistics" that more than 78 million people around the world have a high risk of osteoporosis. Information Medical Statistic Health in 2000 explained that Calcium supplement sales in Thailand were 290.096 million Baht. (Vasana Piyaboon. 2002: 15). Vasana Piyaboon also points out that Calcium-D-Redoxon is the leader in the calcium supplement market in Thailand (Vasana Piyaboon. 2002: 23).

People in Thailand, and throughout the world, are interested in calcium supplement products and the business of Calcium supplementation has become a major market in Thailand. These facts prompt the researcher to study the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

The researcher was unable to identify any research undertaken to determine competitive strategies used by manufacturers of calcium supplement products. Consequently, this study aims to examine and analyze the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

Objectives of the study

1. To examine and analyze the competitive strategy for Calcium-D-Redoxon used by Roche (Thailand) Company.
2. To analyze the strengths, weaknesses, opportunities and threats related to Roche (Thailand) Company's Calcium-D-Redoxon calcium supplement.

Research questions

1. Which generic competitive strategy is employed by Roche (Thailand) Company for Calcium-D-Redoxon in the Calcium supplement market?
2. What are the strengths, weaknesses, opportunities and threats of Calcium-D-Redoxon of Roche (Thailand) Company?

Significance of the study

This study revealed the generic competitive strategy used for Calcium-D-Redoxon by Roche (Thailand) company which is the leader in the Calcium supplement market in Thailand. The findings of this study will be beneficial for firms that are interested in doing business related to the Calcium supplement market in order to develop their own competitive strategies for calcium supplement products. Other readers of this study will benefit from a better understanding of the competitive strategy employed by the leader in the Calcium supplement market. Interested audiences will be able to use this study as a reference for further study.

Scope of the study

This study focused on the determination of a generic competitive strategy of Roche (Thailand) Company for its calcium supplement product. The researcher examined and analyzed the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon. Primary data were collected from in-depth interviews with the Manager of Roche (Thailand) Company who is responsible for Calcium-D-Redoxon. Secondary data were collected from the Thai Food and Drug Administration's documents, Roche Company's documents, business journals, business magazines, business newspapers, textbooks, the Internet, business databases, CD-ROMs and other business research papers.

Methodology of the study

A preliminary interview was conducted with Mrs. Siriporn Luenam, Company Pharmacist of Roche (Thailand) Company on the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon. She informed the researcher that Roche (Thailand) Company uses SWOT analysis as a tool in the strategy selection and planning process. She also provided the researcher with the name of, and introduction to, the Roche manager responsible for Calcium-D-Redoxon. This information permitted the researcher to focus on the research method to be employed in this study (In-depth Interview) and the procedure to follow.

The procedure for this study was divided into four steps. First, the researcher developed the necessary documents for in-depth interviews. Second, the researcher interviewed Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company who is responsible for Calcium-D-Redoxon. The SWOT analysis was used as the tool for selecting a competitive strategy from among the five strategy options: overall low cost provider, broad differentiation, best-cost provider, focused differentiation, or focused low-cost provider. The competitive strategy selection came from the discussion with Mrs. Krisana Winitthumkul. Third, the researcher gathered the primary data from the in-depth interview and the secondary data from documents. The primary data contributed to the selection of the generic competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon. The secondary data were employed to verify the information given by the Manager of Roche (Thailand) Company. Finally, the data

were analyzed and illustrated in the form of figures. Both primary and secondary data were explained by description and qualitative analysis. The researcher analyzed the external factors that help to identify the firm s' strategic options and internal factors in terms of marketing. The goal was to identify the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

After this was accomplished, the researcher analyzed why the identified strategy was the right choice.

Definition of terms

Calcium supplement product

A product taken orally that contains calcium supplementing the diet by increasing the daily dietary intake.

Osteoporosis

Disease of the bones due to deficiency of bone matrix; occurring most frequently in postmenopausal women.

Calcium-D-Redoxon

The calcium supplement product of Roche Company which contains 250 mg. of calcium, 1,000 mg. of Vitamin C, 15 mg. of Vitamin B6, 300 IU of Vitamin D and 1,350 mg. of Citric Acid per tablet.

Competitive strategy

Strategy used for competing with rival companies by doing a better job of providing what buyers are looking for.

Market share

Percentage of a total market which the sales of a company's product cover.

Primary data

Data gathered for research from the actual site of occurrence of events such as interviewing, observing events, and doing questionnaires.

Secondary data

Data gathered through existing sources such as statistical bulletins, government publications, information published or unpublished, data available from previous research, on-line data, web sites and the internet.

CHAPTER 2

REVIEW OF RELATED LITERATURE

The researcher has reviewed the following related literature in order to use concepts and theories as guidelines for this study:

1. Related literature on Competitive Strategy
2. Related literature on SWOT Analysis
3. Related research on Calcium Supplement Products and Competitive Strategy
4. Related literature on In-depth Interviews

The background of Roche Company and Calcium-D-Redoxon are also be briefly introduced in the final section of this chapter so that readers are familiar with the company's business and products. Roche (Thailand) Company uses Thompson's Competitive strategy and SWOT analysis for strategic planning. Thus, the researcher has focused largely on Thompson's theory for the review of related literature.

1) Related Literature on Competitive Strategy

A company competing in a particular industry or market has a varied menu of strategy options for seeking and securing a competitive advantage. The first and foremost strategic

choice is which of the five generic competitive strategies to employ: overall low cost provider, broad differentiation, best-cost provider, focused differentiation, or focused low-cost provider (Thompson; et al. 2004: 110) –see diagram below.

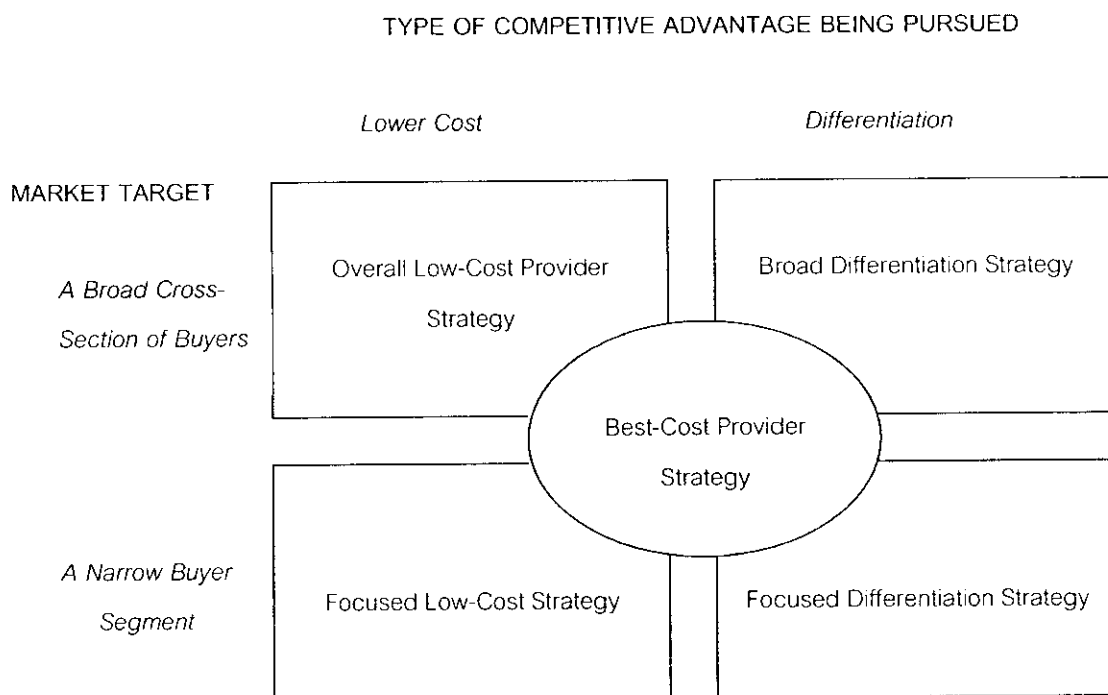


FIGURE 1 THE FIVE GENERIC COMPETITIVE STRATEGIES

Source: Arthur A. Thompson. et al. (2004). *Strategy: Winning in the Marketplace Core*

Concepts, Analytical Tools, Cases. p.112.

Each of these five generic competitive strategies stakes out a different market position, as shown in Figure 1. Each involves distinctively different approaches to competing and operating a business. The listing in Table 1 below highlights the contrasting features of these five competitive strategies. For simplicity, the two strains of focused strategies are combined under one heading since they differ fundamentally in only one feature—the basis of competitive advantage (Thompson; et al. 2004: 111-113). (See table below.)

TABLE 1 DISTINGUISHING FEATURES OF THE FIVE GENERIC COMPETITIVE STRATEGIES

Type of Feature	Overall Low-Cost Provider	Broad Differentiation	Best-Cost Provider	Focused Low-Cost and Focused Differentiation
Strategic target	A broad cross section of the market	A broad cross section of the market	Value-conscious buyers	A narrow market niche where buyer needs and preferences are distinctively different from the rest of the market

TABLE 1 (continued)

Type of Feature	Overall Low-Cost Provider	Broad Differentiation	Best-Cost Provider	Focused Low-Cost and Focused Differentiation
Basis of competitive advantage	Lower costs than competitors	An ability to offer buyers something different from competitors	More value for money	Lower cost in serving niche or special attributes that appear to the tastes or requirements of niche members
Product line	A good basic product with few frills (acceptable quality and limited)	Many product variations, wide selection, strong emphasis on differentiating features	Good-to-excellent attributes, several-to-many upscale features	Features and attributes that appeal to the tastes and/or special needs of the target segment

TABLE 1 (continued)

Type of Feature	Overall Low-Cost Provider	Broad Differentiation	Best-Cost Provider	Focused Low-Cost and Focused Differentiation
Production emphasis	A continuous search for cost reduction without sacrificing acceptable quality and essential features	Creation of value for buyers; strive for product superiority	Incorporation of upscale features and attributes at low cost	Tailor-made for the tastes and requirements of niche members
Marketing emphasis	Try to make a virtue out of product features that lead to low cost	Charge a premium price to cover the extra costs on differentiating features	Provide better features to build a reputation for delivering the best value	Communicate how the focuser's product attributes aim at catering to niche member tastes or specialized requirements

TABLE 1 (continued)

Type of Feature	Overall Low-Cost Provider	Broad Differentiation	Best-Cost Provider	Focused Low-Cost and Focused Differentiation
Sustaining the strategy	Aim at contributing to a sustainable cost advantage--the key is to manage costs down	Communicate the points of difference in credible ways	Develop unique expertise in simultaneously managing costs, down and up-scaling features and attributes	Remain totally dedicated to serving the niche better than competitors; no adding of other product categories to widen market appeal

Source: Arthur A. Thompson. et al. (2004). *Strategy: Winning in the Marketplace Core*

Concepts, Analytical Tools, Cases: 113.

A company's competitive strategy deals exclusively with its plans for competing successfully--its specific efforts to please customers, its responses to whatever market conditions prevail at the moment and its initiatives in conceiving competitive strategies to win customer favor. Five competitive strategy options are noted below (Thompson; et al. 2004: 111).

1. Overall low-cost provider strategy: appealing to a broad spectrum of customers by being the lowest cost provider of a product or service.
2. Broad-differentiation strategy: seeking to differentiate the company's product/service offering from rivals' in ways that will appeal to a broad spectrum of buyers.
3. Best-cost provider strategy: giving customers more value for their money by incorporating good-to-excellent product attributes at a lower cost than rivals; the target is to have the lowest (best) costs and prices compared to rivals offering products with comparable attributes.
4. Focused low-cost provider strategy: concentrating on a narrow buyer segment and out competing rivals by serving niche members at a lower cost than rivals.
5. Focused differentiation strategy: concentrating on a narrow buyer segment and out competing rivals by offering niche members customized attributes that meet their tastes and requirements better than rivals' products.

A low-cost provider strategy lowers overall costs more than competitors. Successful low-cost providers are exceptionally good at finding ways to drive costs out of their business. Successful low-cost providers usually achieve their cost advantages by persistently ferreting out cost savings throughout the value chain.

The essence of a broad differentiation strategy is to be unique in ways that are valuable to a wide range of customers. Successful differentiation is usually keyed to lowering the buyer's cost of using the item, raising the performance the buyer gets, or boosting a buyer's psychological satisfaction.

A best-cost provider strategy combines a strategic emphasis on low cost with a strategic emphasis on more than minimal quality, service, features, or performance. The aim is to create competitive advantage by giving buyers more value for their money; this is done by matching close rivals on key quality/service/features/performance attributes and beating them on costs of incorporating such attributes into the product or service. To be successful with a best-cost strategy, a company must be able to incorporate upscale product or service attributes at a lower cost than rivals.

A focused low-cost provider strategy aims at securing a competitive advantage by serving buyers in the target market niche at a lower cost and lower price than rival competitors. Successful use of a focused differentiation strategy depends on whether a firm can lower costs significantly by limiting its customer base to a well-defined buyer segment.

A focused differentiation strategy aims at securing a competitive advantage by offering niche members a product they perceive as well suited to their own unique tastes and preferences. Successful use of a focused differentiation strategy depends on the existence of a

buyer segment that is looking for special product attributes or seller capabilities and on a firm's ability to stand apart from rivals competing in the same target market niche.

Each of these five competitive strategy options stakes out a different market position--leader, challenger or follower--and different approaches to competing and operating the business. (Thompson; et al. 2004, 111, 120-129).

Michael E. Porter, Hirotaka Takeuchi and Mariko Sakakibara (2000: 91) state that strategy is what sets high performers apart from low performers. Distinctive strategies are also much harder to imitate. Competition on strategy has an important benefit. A more positive sum form of competition is created in which customers gain real choice, rivals become superior in serving their chosen segments, and the overall market can expand. Industry structure often improves in the process.

Arthur A. Thompson et al. (2004) explain that being able to tell a successful strategy from a losing strategy is a valuable skill. To qualify as successful, a strategy has to be well matched to the industry, market opportunities and threats. At the same time, it has to be tailored to a company's resource strengths and weaknesses. Unless a strategy tightly fits both the external and internal aspects of a company's overall situation, it is suspect and likely to produce less than the best possible business results. A successful strategy must fit the enterprise's external and internal situation, build sustainable competitive advantage, and improve company performance.

Robert S. Kaplan and David P. Norton (2004: 319) remark that the full set of internal factors and external factors of a company for a product are the foundation for any strategy. Also, the internal processes differ in priorities depending upon the strategy. For example, a company competing on product leadership should highlight innovation processes as the most important, while a company competing on low cost will emphasize operations management processes. But even beyond the relative emphasis on a particular set of internal processes for a particular strategy, all organizational processes should be aligned to deliver on the differentiating plan.

William O. Bearden. et al. (2001: 530) state that a company examines the current situation, evaluates trends in the marketing environment to identify potential threats and opportunities, sets objectives based on this analysis and develops strategies to achieve these objectives.

Charles W. L. Hill and Gareth R. Jones (1995: 29) mention that the major components of the strategic management process include defining the mission and major goals of the organization, analyzing the external and internal environments of the organization, choosing strategies that align, or fit, the organization's strengths and weaknesses with external environmental opportunities and threats, and adopting organizational structures and control systems to implement the organization's chosen strategy.

Thomas L. Wheelen and J. David Hunger (2000: 113) explain that competitive strategy focuses on improving the competitive position of a company's or business unit's products or services within the specific industry or market segment that the company or business unit serves.

2) Related literature on SWOT Analysis

All of the above mentioned literature underlines that a clear understanding of a firm's internal strengths and weaknesses, as well as the external opportunities and threats, is required prior to selecting one of the possible generic competitive strategies. A review of literature related to the analysis of strengths, weaknesses, opportunities and threats is presented below.

Andrew Pettigrew. et al. (2002) remark that marketers have developed many tools for the analysis of competitive strategies. These tools are used in strategic analysis, often for enhancing policy dialogue about appropriate strategies in competition. Thus, tools are useful in identifying the relevant variables and the questions which managers must answer in order to develop conclusions tailored to a particular industry and company.

Thomas L. Wheelen and J. David Hunger (2000) explain that SWOT is an acronym standing for the particular Strengths, Weaknesses, Opportunities and Threats that are strategic factors that affect a company.

Andrew Pettigrew. et al. (2002) further explain that the SWOT framework, among the earliest developed tools of strategic management, suggests that firms obtain sustained competitive advantages by implementing strategies that exploit their internal strengths, through responding to environmental opportunities, while neutralizing external threats, and avoiding internal weaknesses. Most research on sources of sustained competitive advantage has focused either on isolating a firm's opportunities and threats, describing its strengths and weaknesses, or analyzing how these are matched to choose strategies.

Strength is something a company is good at doing or a characteristic that gives it enhanced competitiveness. A strength can take any of several forms: low cost manufacturing, technological expertise, good customer service, unique advertising and promotion expertise, valuable physical assets, valuable human assets: an experienced and capable workforce, valuable organizational assets: a proven quality control system, key patents and manufacturing systems, valuable intangible assets: brand name image, company reputation and buyer's goodwill, competitive capabilities and having a better product (Thompson; et al. 2004: 81-85).

The signs of strength in a company's competitive position consist of: core competencies and competitive capabilities, a distinctive competence in a competitively important value chain activity, strong market share, a growing customer base and loyalty, well positioned in attractive market segments, strongly differentiated products, cost advantages, above-average profit margins, above-average technological and innovational capabilities, entrepreneurial alert

management, and in position to capitalize on emerging market opportunities (Thompson; et al. 2004: 81-85).

Weakness is something a company lacks or does poorly or a condition that puts it at a disadvantage. A weakness may or may not make a company competitively vulnerable, depending on how much the weakness matters in the marketplace and whether it can be overcome by the resources and strengths in the company's possession: no clear strategic direction, higher overall unit costs relative to key competitors, weaker brand image or reputation, weaker dealer or distribution network, lots of underutilized plant capacity, and short on financial resources to fund promising strategic initiatives (Thompson; et al. 2004: 81-85).

Market opportunity is a big factor in shaping a company's strategy. Managers can not properly tailor strategy to a company's situation without first identifying each company's opportunities, appraising the growth and profit potentials each one holds and crafting strategic initiatives to capture the most promising of the company's marketing opportunities. Depending on industrial conditions, a company's opportunities can be plentiful or scarce and can range from wildly attractive to marginally interesting (Thompson; et al. 2004: 81-85).

Threat is a certain factor in a company's external environment that poses dangers to its profitability and market standing. The management's job is to identify the threats to the company's future well-being and evaluate what strategic actions could be taken to neutralize or lessen their impact (Thompson; et al. 2004: 81-85).

One telling sign of whether a company's situation is strong or precarious is whether its prices and costs are competitive with industry rivals. Rival companies have to keep their cost in line and make sure that any added costs they incur create added buyer value and do not result in higher prices of products. For a company to be competitively successful, its costs must be in line with those of close rivals. Competitors usually do not incur the same costs in supplying their products to end-users (Thompson; et al. 2004, 146-147).

The way to determine how strongly a company holds its competitive position is to qualitatively assess whether the company is stronger or weaker than its close rivals in each of the industry's key success factors. Managers can begin the task of evaluating a company's competitive strength by comparing the company against the industry rivals not just on cost but also on such important measures as product quality, customer service, financial strength and technological skills (Thompson; et al. 2004, 146-147).

In summary, SWOT is an analysis done by companies or business units to identify relevant strengths, weaknesses, opportunities and threats which can then be used in the selection of an appropriate strategy.

3) Related research on calcium supplement products and competitive strategy

Dietary supplement products play an important role in health care. People throughout the world are interested in dietary supplement products. For instance, people use calcium supplementation for preventing osteoporosis. Joan K. Ransley, et al. (2001) explain that across the following five European countries: the U.K., Italy, Germany, Spain and France there has been an increased growth in sales of micronutrients (vitamins and minerals) and dietary supplements, between 1994-1998. This has ranged from 1.4% growth in Germany to 61% in Italy. Over the same period, growth in the U.K. market alone has been 55%. If this market is split into just two core categories--vitamins (including multivitamins) and dietary supplements (including mineral supplements, fish oils, tonics and others)--vitamins are more popular in Italy and the U.K., however in France, Germany and Spain the opposite is true. In Spain, calcium supplements lead the dietary supplement sector although due to the recent promotion of milk as the best source of dietary calcium, sales have suffered. Consumer interest in the U.K. in minerals such as calcium, iron, zinc and magnesium has increased by approximately 243% between 1994 and 1998. Market research has shown this interest has stemmed from an increased awareness of the role of calcium in the prevention of osteoporosis (Ransley; et al. 2001: 5).

Vasana Piyaboon points out that the growth of the calcium supplement market in Thailand has increased yearly between 1998-2000 with sales of 206.010, 237.932 and 290.096 million Baht respectively.

As companies examine their competitive strategies by analyzing internal factors and external factors, some research into calcium supplement products in the Thai market has been conducted. The following research papers are sources of data that can be used as inputs to the generic competitive strategy selection process.

Krit Termphiriyakij (2003) mentions that the Calcium supplement buying behaviors of consumers can be examined in four areas: product, price, place and promotion. Product, Place and Promotion strongly affect the consumer buying decision process. Price affects the consumer buying decision process less. There is no statistical significant difference for product usage related to consumer's age, status or degree of osteoporosis problems.

Parintara Charnchaleo (1999) states that Thai women have not taken calcium supplement products regularly, most of them favor it in effervescent form. Thai consumers do not have brand loyalty. Product brand names are unrecognized by Thai consumers. Almost all consumers purchase calcium supplement products from drugstores. They gain most information from published documents. Factors that consumers consider in their buying decision process are related to trust in product quality, recommendations from health experts and a reasonable price.

Vasana Piyaboon (2002) reveals that the target market of calcium supplement products in Thailand is married females between 21-60 years of age, with bachelor degrees, and working in privately owned enterprises. The incomes of the target groups range from 10,001-20,000 Baht/month. Consumers are satisfied with the appropriateness of calcium supplements in terms of product, price, place and promotion.

Warunee Mahachanok (2003) explains that the target market of Vitamin C supplement products in Thailand is single females between 31-40 years of age, with bachelor degrees, and employed by private companies. The incomes of the target group range from 5,001-15,000 Baht/month. Consumers are satisfied with the appropriateness of Vitamin C supplements in terms of product, price, place and promotion. Product users consume Vitamin C 3.63 times per week on average. The Vitamin C supplement product will be acquired in the average quantity of 86.5 tablets per purchase from a pharmacy. The consumers purchase the product approximately 4.5 times per year with an average purchase costing 324.13. The consumer's favorite brand is Bio C (Blackmores).

Thongchai Ekarrayachon (2003) notes that the consumers reasons for buying dietary supplement products are the benefit of nourishing the body and health followed by nourishing the skin and preventing diseases. Dietary supplements are usually purchased at a general pharmacy. Products which most of consumers buy are Vitamin C supplement products followed by fish oil products and calcium supplement products.

Pawinee Pibulpat (2004) states that the important factors in the consumer buying decision process for dietary supplement products are the famousness of the brand name compared to other brands, manufacturing and expiry dates, the approval by the Thai Food and Drug Administration, the convenience of consumption, natural materials, labels indicating the product's contents and benefits, health benefits, packaging and the variety of products available. The marketing communication factors which influence consumer's purchasing behaviors include: television advertising and promotion in the form of gift baskets given to patients.

The findings of the above research papers provide information on product preferences, the importance of price and quality, promotion channels, packaging and consumer behaviors. Such data are vital inputs to a SWOT analysis leading to the selection of the most appropriate competitive strategy.

4) Review literature on In-depth Interviews

In market research, in-depth interviews can be used for examining the competitive strategy of a company for its product. John M. Johnson (2002) explains that in-depth interviews tend to be of a relatively long duration. They commonly involve one-on-one, face to face interaction between an interviewer and an informant and seek to build the kind of intimacy that is common for mutual self-disclosure. In-depth interviews tend to involve a greater expression of the

interviewer's self than do some other types of interviews, as well as a personal commitment on the part of participants that spans several or many interview segments. A researcher who uses in-depth interviewing commonly seeks "deeper" information and knowledge than is sought in surveys, informal interviewing, or focus groups. As the research questions require in-depth knowledge about the competitive strategy of Roche (Thailand) Company for its Calcium-D-Redoxon calcium supplement, and as Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company, possesses this information, the in-depth interview method is the appropriate method to arrive at a purposive conclusion.

Background of Roche Company and Calcium-D-Redoxon

F. Hoffmann-La Roche Ltd. was established in 1920. Headquartered in Basel, Switzerland, Roche is one of the world's leading research-oriented healthcare groups. The company's two core businesses are pharmaceuticals and diagnostics, which provide innovative products and services that address prevention, diagnosis and treatment of diseases. The two core businesses achieved a turnover of 19.3 billion Swiss Francs (630.9 billion Baht) in the first quarter of 2002 and employed about 65,000 people in 150 countries. Roche has seen a steady growth of its international business. Roche Company was one of the first to synthesize Vitamin C and since 1983 vitamin and mineral supplements have become mainstay of the company.

Roche is one of the world's leading vitamin and mineral producers. (Roche Company. 2004: Online).

In 1934, the calcium supplement product: Calcium-D-Redoxon was launched. The product is in an effervescent form and contains 250 mg. of calcium with 1,000 mg of Vitamin C, 15 mg. of Vitamin B6, 300 IU of Vitamin D and 1,350 mg. of Citric Acid per tablet. Calcium-D-Redoxon is the leader in the Calcium Supplement Market in Thailand. (see Table 2)

TABLE 2 MARKET SHARE OF CALCIUM SUPPLEMENT PRODUCTS IN THAILAND (1998-2000)

(Unit: Million Baht)

	1998		1999		2000	
Product	Sales	Market share (%)	Sales	Market share (%)	Sales	Market Share (%)
Calcium-D- Redoxon	53.563	26.0	59.367	25.0	61.160	21.1
Chalk cap	22.661	11.1	27.639	11.6	39.595	13.6
Caltrate	16.985	8.2	20.189	8.5	36.319	12.5
Calcium sandoz forte	32.962	16.0	36.849	15.5	33.097	11.4
Calcium-C-1000	22.661	11.0	19.524	8.2	20.855	7.2
Others	57.178	27.7	74.364	31.2	99.070	34.2
Total	206.010	100.0	237.932	100.0	290.096	100.0

Source: Vasana Piyaboon. 2000:15

According to Table 2, the sales volume of Calcium-D-Redoxon is increasing yearly, and it remains the leader in the Calcium supplement market although its market share is dropping due to new entrants in the Calcium supplement market. Calcium-D-Redoxon remains the leader in

the calcium supplement market with a market share of 21.1%. Other major competitors of Calcium-D-Redoxon are Chalk cap, Caltrate, Calcium sandoz forte and Calcium-C-1000, each with significantly lower market shares.

To determine the appropriate generic competitive strategy using SWOT analysis is the focus of this study. The study will reveal the most suitable competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon. The research method will be detailed in the next chapter.

CHAPTER 3

METHODOLOGY

This chapter presents the research procedures. The research design of this study is based primarily on the qualitative approach because the research questions require an in-depth examination of strategic planning to determine the generic competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

The purposive sampling method was used for this research as it was necessary to obtain specific information from a specific person. This sampling method is employed when only certain people, or a certain person, can provide sought after information. The method involves the choice of a subject who is in the best position to provide the required information. This method is the only one useful for answering the research questions of this paper.

On August 10, 2004, the researcher conducted a preliminary interview with Mrs. Siriporn Luenam, Company Pharmacist of Roche (Thailand) Company. (Siriporn Luenam, 2004: Interview). She provided Roche specific information about their strategic planning procedure and tools used by Roche (Thailand) Company for selecting a competitive strategy. Mrs. Siriporn Luenam informed the researcher that Roche (Thailand) Company uses SWOT analysis as a tool for selecting a competitive strategy. The Company Pharmacist further informed the researcher

for selecting a competitive strategy. The Company Pharmacist further informed the researcher that Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company who is responsible for Calcium-D-Redoxon would be the right person with whom to conduct in-depth interviews based on her expertise on the subject investigated and her responsibilities within the Roche organization.

On December 22, 2004 written permission was obtained from Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company to conduct interviews and carry out this proposed research. (See Appendix B, page 95).

To perform this study on the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon, the researcher has divided the study procedure into four steps.

Step 1. Develop the specific documents for in-depth interviews.

A SWOT analysis format was prepared as a guide for the in-depth interviews. This SWOT analysis format was adapted from the format of Weravuth Makasiranont, author of "Writing A Marketing Plan" (Weravuth Makasiranont. 2003: 84-88). The SWOT analysis format for the in-depth interviews consists of two documents. (See Appendix A, page 90).

1. Document 1: SWOT analysis of Roche (Thailand) Company for Calcium-D-Redoxon. This document has two parts--Part 1: Internal Analysis in terms of Product, Marketing: competition, and Management: key success factors. Part 2:

External Analysis in terms of Society and Consumers, Marketing: competition, Economy and Finance, and Law and Technology.

2. Document 2: Selection of A Competitive Strategy

Step 2. Conduct in-depth interviews with the Manager of Roche (Thailand) Company

The researcher conducted in-depth interviews with Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company on March 1, 2005 and March 4, 2005 from 8-10 a.m. at the Thai Food and Drug Administration, Nonthaburi.

In the first in-depth interview, the researcher and Mrs. Krisana Winitthumkul analyzed internal factors and external factors of Calcium-D-Redoxon of Roche (Thailand) Company together. For the internal analysis, the researcher and Mrs. Krisana Winitthumkul discussed and examined each of the topics and categorized each as a Strength or Weakness. For the external analysis, the researcher and Mrs. Krisana Winitthumkul discussed and examined each of the topics and categorized each as an Opportunity or Threat. Document 1 was used for this step.

Before the second in-depth interview, the researcher analyzed and summarized the results of the first in-depth interview. All sets of strengths, weaknesses, opportunities and threats related to Calcium-D-Redoxon of Roche (Thailand) company were listed on Document 2.

In the second in-depth interview, the researcher and Mrs. Krisana Winitthumkul analyzed the marketing opportunities for each set of strengths, weaknesses, opportunities and threats.

Then, the researcher and Mrs. Krisana Winitthumkul selected a generic competitive strategy from the five strategy options: overall low-cost provider, broad differentiation, best-cost provider, focused low-cost provider and focused differentiation. Document 2 was used for this step.

The researcher used consensus-building techniques that promote interactions between the researcher and the expert. Consensus-building techniques that seek to combine the points of view of the researcher and Mrs. Krisana Winitthumkul improved the effectiveness and quality of the research. It encouraged a mutual interchange and helped the two participants in the interviews reach commonly agreed upon decisions.

Step 3. Gather the research data

In this step, the researcher organized the primary data from two in-depth interviews, and secondary data was collected to verify the information given by the Manager of Roche (Thailand) Company.

Step 4. Analyze the research data

The researcher analyzed the marketing opportunities that help to identify the firm's strategic options and internal factors in terms of marketing. The goal was to examine and analyze the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon. The data are

illustrated in the form of figures and presented in Chapter 4. The research data are explained by description and qualitative analysis. Related research and literature are used descriptively to describe the findings and are presented in Chapters 4. After this was accomplished, the researcher analyzed why the identified strategy was the right choice. Conclusions are drawn to close the study and recommendations are provided for further study.

CHAPTER 4

FINDINGS

In this chapter, the research findings are presented. Details of the findings are divided into four parts.

1. Findings of the SWOT analysis of Calcium-D-Redoxon of Roche (Thailand) Company.
2. Selection of the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.
3. Verification of Primary Data given by the Manager of Roche (Thailand) Company.
4. An analysis of why the identified strategy is the right choice.

1. Findings of the SWOT analysis of Calcium-D-Redoxon of Roche (Thailand) Company.

The researcher conducted the first in-depth interview with Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company on March 1, 2005 from 8-10 a.m. at Thai Food and Drug Administration, Nonthaburi. In the interview, the researcher and Mrs. Krisana Winitthumkul

analyzed internal factors and external factors of Calcium-D-Redoxon of Roche (Thailand) Company together. Document 1 was used for this step. (See Appendix A, page 91).

The SWOT analysis resulting from the discussion between the researcher and Mrs. Krisana Winitthumkul is divided into two parts--Internal Analysis and External Analysis and is presented below.

TABLE 3 INTERNAL ANALYSIS, PRODUCT

No.	Topics	Strengths	Weaknesses
1.	Product		
	● Price of Product		✓
	● Usefulness of Product	✓	
	● Quality of Product	✓	
	● Packaging	✓	
	● Product Range	✓	
	● Product Life Cycle		✓

During the discussion, the researcher and Mrs. Krisana Winitthumkul examined each of the topics related to the product. Usefulness of product, quality of product, packaging and product

range were categorized as strengths. Price of product and product life cycle were categorized as weaknesses.

TABLE 4 INTERNAL ANALYSIS, MARKETING: COMPETITION

No.	Topics	Strengths	Weaknesses
2.	Marketing: competition		
	● Advertising		√
	● Promotion		√
	● Retailers	√	
	● Brand Power	√	
	● Corporate Image	√	

After examining the topics related to marketing: competition, the researcher and Mrs. Krisana Winitthumkul categorized retailers, brand power and corporate image as strengths whereas advertising and promotion were categorized as weaknesses.

TABLE 5 INTERNAL ANALYSIS, MANAGEMENT: KEY SUCCESS FACTORS

No.	Topics	Strengths	Weaknesses
3.	Management: key success factors		
	● Pricing Policy	✓	
	● Logistics and Distribution		
	Management Systems	✓	
	● Inventory System	✓	
	● Marketing Research		✓
	● Product Profitability		✓
	● Customer Profitability	✓	
	● Production Technology	✓	

Based on the first in-depth interview with Mrs. Krisana Winitthumkul on the area of management: key success factors, pricing policy, logistics and distribution management systems, inventory system, customer profitability and production technology were classified as strengths, whereas marketing research and product profitability were classified as weaknesses.

TABLE 6 EXTERNAL ANALYSIS, SOCIETY AND CONSUMERS

No.	Topics	Opportunities	Threats
1.	Society and Consumers		
	• Requirement	✓	
	• Attitudes and Lifestyles	✓	
	• Consumer tastes and Trends	✓	
	• Society and Politics	✓	

In the review of society and consumers, requirement, attitudes and lifestyles, consumer tastes and trends, and society and politics were all categorized as opportunities.

TABLE 7 EXTERNAL ANALYSIS, MARKETING: COMPETITION

No.	Topics	Opportunities	Threats
2.	Marketing: competition		
	• Business size	✓	
	• Competition Intensive	✓	
	• Market Position	✓	
	• Number of competitors in the market		✓
	• Profit of business		✓

The researcher and Mrs. Krisana Winithumkul examined each of the topics related to marketing: competition. Business size, competition intensive, and market position were classified as opportunities. Number of competitors in the market and profit of business were classified as threats.

TABLE 8 EXTERNAL ANALYSIS, ECONOMY AND FINANCE

No.	Topics	Opportunities	Threats
3.	Economy and Finance		
	• Changes in economic factors	✓	
	• Downturn in economy		✓
	• Consumer index		✓
	• Unemployment rate		✓
	• National growth rate		✓

After examining the topics related to economy and finance, the researcher and Mrs. Krisana Winithumkul classified only changes in economic factors as opportunities. Downturn in economy, consumer index, unemployment rate and national growth rate were all classified as threats.

TABLE 9 EXTERNAL ANALYSIS, LAW AND TECHNOLOGY

No.	Topics	Opportunities	Threats
4.	Law and Technology • Law • Innovation • Changes in environment impact	 √ √	 √

According to the first in-depth interview with Mrs. Krisana Winitthumkul, innovation, and changes in environment impact were categorized as opportunities whereas law was categorized as a threat.

Figure 2, on the following page, summarize the findings of this SWOT analysis. A discussion is presented below the figure.

STRENGTHS Usefulness of Product Quality of Product Packaging Product Range Retailers Brand Power Corporate Image Pricing Policy Logistics and Distribution Management Systems Inventory System Customer Profitability Production Technology	WEAKNESSES Price of Product Product Life Cycle Advertising Promotion Market Research Product Profitability
OPPORTUNITIES Requirement Attitudes and Lifestyles Consumer Tastes and Trends Society and Politics Business Size Competition Intensive Market Position Changes in Economic Factors Innovation Changes in Environment Impact	THREATS Number of Competitors in the Market Profit of Business Downturn in Economy Consumer Index Unemployment Rate National Growth Rate Law

FIGURE 2 A SUMMARY OF THE SWOT ANALYSIS OF CALCIUM-D-REDOXON

Internal strengths of Calcium-D-Redoxon of Roche (Thailand) Company were defined by Mrs. Krisana Winitthumkul as follows. The calcium supplement product is in an effervescent form and has the highest solubility rate of any competing product. This increases the efficacy of the drug. Roche (Thailand) Company has a standard quality assurance system. Ten tablets per package are convenient to use. The product range of Calcium-D-Redoxon consists of Calcium-D-Redoxon, Berocca and Calcium-D-Vita. Calcium-D-Redoxon remains the leading brand in the Calcium supplement market. Good relationships with retailers such as Watsons are maintained. Calcium-D-Redoxon's major retailers are able to satisfy Thai consumers in terms of the variety and quality of pharmaceuticals. Consumers can access Calcium-D-Redoxon easily. Roche Company is known as one of the world's leading vitamin and mineral producers with a unique brand power and good corporate image. One standard price policy is an advantage of Calcium-D-Redoxon. The price of Calcium-D-Redoxon is the same everywhere in Thailand. Roche has good management: logistics and distribution management systems and an inventory system operate effectively. Customer profitability of Calcium-D-Redoxon is high. Consumers get a variety of vitamins and minerals: calcium, Vitamin D, Vitamin B6, and Vitamin C when taking the product. Calcium-D-Redoxon has advanced production technology resulting in high drug solubility and drug stability.

Mrs. Krisana Winitthumkul identified the internal weaknesses of Calcium-D-Redoxon of Roche (Thailand) Company as follows: The price of Calcium-D-Redoxon is more expensive than locally made drugs. Calcium-D-Redoxon falls into the mature product stage which means that the company is in a strong competitive position but with moderate market growth. Further, product patent protection has expired, and some features of the product are imitated by competitors. In Thailand, Calcium-D-Redoxon is categorized as a drug, not a dietary supplement, consequently, advertising and promotion of Calcium-D-Redoxon is controlled under strict regulations of the Thai Food and Drug Administration. The other weaknesses include reduced marketing research and product profitability.

The identified opportunities of Calcium-D-Redoxon of Roche (Thailand) Company are as follows: Nowadays, consumers are concerned about health and nutrition. They would like to prevent osteoporosis in the future. The business of Calcium supplementation has become a major market in Thailand. The Thai government encourages calcium supplement producers in their businesses. The business size of the Calcium supplement market is very large. Roche Company capitalizes on the resulting upsurge in demand for calcium supplement products and the growing trend toward health-consciousness. Roche's Calcium-D-Redoxon dominates the calcium supplement market and chooses specific target groups. Calcium-D-Redoxon is the leader in the calcium supplement market. The other opportunities are changes in economic

factors, innovation and changes in environment impact. These factors play important role in the purchasing behavior of consumers.

Mrs. Krisana Winitthumkul explained the threats to Calcium-D-Redoxon of Roche (Thailand) Company are as follows: The new entry of competitors, the competitive force of substitute products, the bargaining power of buyers and suppliers are all threats to Roche's Calcium-D-Redoxon. Other threats include the downturn in the economy, a rising consumer index, the high unemployment rate, the slow national growth rate and the law. Legal restrictions on drugs have a major negative effect on Roche's Calcium-D-Redoxon.

When asked for reasons for the company's success, Roche Manager cited the following key factors: expertise, innovation, willingness to invest and leadership.

2. Selection of the competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

Before the second in-depth interview, the researcher analyzed and summarized the results of the first in-depth interview. All sets of strengths, weaknesses, opportunities and threats related to Calcium-D-Redoxon of Roche (Thailand) company were listed on Document 2. (See Appendix A, page 94.)

The researcher conducted the second in-depth interview with Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company on March 4, 2005 from 8-10 a.m. at the Thai Food and Drug Administration, Nonthaburi. In the interview, the researcher and Mrs. Krisana Winitthumkul analyzed the marketing opportunities for each set of strengths, weaknesses, opportunities and threats. Then, the researcher and Mrs. Krisana Winitthumkul selected a generic competitive strategy from the five strategy options: overall low-cost provider, broad differentiation, best-cost provider, focused low-cost provider and focused differentiation. Document 2 was used for this step.

The analysis of marketing opportunities based on the discussions between the researcher and Mrs. Krisana Winitthumkul is presented below.

TABLE 10 MARKETING OPPORTUNITIES ANALYSIS, STRENGTHS

Topics	Marketing Opportunities
1. Strengths	
Usefulness of Product	- Create consumer's demand for calcium supplement product and high value added products
Quality of Product	
Packaging	- Widen product range
Product Range	- Utilize existing company skills and technological know-how to enter new product lines
Retailers	
Brand Power	- Extend cost and differentiation advantage
Corporate Image	- Apply brand name capital in new areas
Pricing Policy	
Logistics and Distribution	
Management Systems	
Inventory System	
Customer Profitability	
Production Technology	

During the second in-depth interview, the researcher and Mrs. Krisana Winitthumkul synthesized the marketing opportunities which match up well with the company's strengths. The identified marketing opportunities are:

- To create consumer's demand for the calcium supplement product and other high value added products.

- To widen the product range, i.e. to broaden the product line to close off marketing gaps and widen the selection of formula, dosage forms, colors, package sizes, models and features.
- To utilize existing company skills and technological know-how to launch new product lines.
- To extend cost and differentiation advantages to what the company does best.
- To apply brand name capital in new areas, i.e. to utilize and strengthen brand image and appeal in new market segments.

TABLE 11 MARKETING OPPORTUNITIES ANALYSIS, WEAKNESSES

Topics	Marketing Opportunities
2. Weaknesses	
Price of Product	- Expand core business
Product Life Cycle	- Online via the Internet
Advertising	
Promotion	
Market Research	
Product Profitability	
Price of Product	
Product Life Cycle	
Advertising	
Promotion	
Market Research	
Product Profitability	

The researcher and Mrs. Krisana Winitthumkul also synthesized the marketing opportunities which can be taken to reduce the company's weaknesses. The identified marketing opportunities are:

- To expand the core business, i.e. to widen the most important business which has valuable resources and capabilities that are better than other businesses.
- To go online via the Internet, i.e. to increase the use of the Internet and other emerging new communication technology applications.

TABLE 12 MARKETING OPPORTUNITIES ANALYSIS, OPPORTUNITIES

Topics	Marketing Opportunities
3. Opportunities	
Requirement	- Trend toward greater health consciousness
Attitudes and Lifestyles	- Diversify into new growth businesses
Consumer Tastes and Trends	- Take market share away from rivals
Society and Politics	- Seek fast market growth
Business Size	
Competition Intensive	
Market Position	
Changes in Economic Factors	
Innovation	
Changes in Environment Impact	

Mrs. Krisana Winitthumkul outlined how the output from the SWOT analysis identifies marketing opportunities which are good fits with the company's opportunities such as:

- The trend toward greater health consciousness, i.e. consumer concerns about health can lead to an enlarged consumer base.
- Diversification into new growth businesses, i.e. expand or change into new developing and blooming businesses.

- An opening to take market share away from rivals, i.e. to develop new businesses which encourage rival's customers to switch brands and thereby to create competitive successes.
- Fast market growth, i.e. to look for being in a position of rapid growth in the marketplace by launching new products.

TABLE 13 MARKETING OPPORTUNITIES ANALYSIS, THREATS

Topics	Marketing Opportunities
4. Threats	
Number of Competitors in the Market	- Exploit new market segments - Serving additional customer grounds
Profit of Business	- Overcome barrier to entry
Downturn in Economy	- Reduce rivalry among competitors
Consumer Index	- Entering into alliances or joint ventures to expand the firm's market coverage and boost its competitive capability
Unemployment Rate	
National Growth Rate	
Law	

During the second in-depth interview, the researcher and Mrs. Krisana Winitthumkul synthesized the marketing opportunities which can be seized to convert the company's threats to benefits. The identified marketing opportunities are:

- To exploit new market segments, i.e. take advantage from new market segments of the business by expanding the target market.
- To serve additional customer needs, i.e. create new buyers' needs or requirements and deliver the extra benefits by offering a premium product with additional beneficial drug formula.

- To overcome barriers to entry, i.e. utilize the competencies, expertise and resources to hurdle the obstacles in the marketplace, e.g. regulatory policies, tariffs and international trade restrictions such as slowing down important approvals.
- To reduce rivalry among competitors, i.e. create uncontested market space (a well differentiated product), make the competition less threatening, create and capture new demand, break the value/cost trade-off and align the whole system of a company's activities to best satisfy consumer needs at a reasonable price.
- To enter into alliances or joint ventures to expand the firm's market coverage and boost its competitive capability.

Using the outputs from the SWOT analysis—the marketing opportunities are the vital factors in selecting the generic competitive strategy.

To sum up, the defined marketing opportunities consist of: utilizing potential environmental opportunities such as the trend toward greater health consciousness, creating consumer's demand for calcium supplement product and high value added product, expanding core business, exploiting new market segments, serving additional customer groups, widening the product range, utilizing existing company skills and technological know-how to enter new product lines, extending cost and differentiation advantages, diversifying into new growth

businesses, overcoming barriers to entry, applying brand name capital in new areas, taking market share away from rivals, seeking fast market growths, going online via the Internet, reducing rivalry among competitors, and entering into alliances or joint ventures to expand the firm's market coverage and boost its competitive capability.

The SWOT analysis provided vital input for defining marketing opportunities which in turn led to the selection of the most appropriate competitive strategy.

The output from the SWOT process is the definition of marketing opportunities. This output leads to the selection of the generic competitive strategy. The strategy selection process can be seen as a system with internal and external factors as input, and the most appropriate competitive strategy as its outcome. (See figure below.)

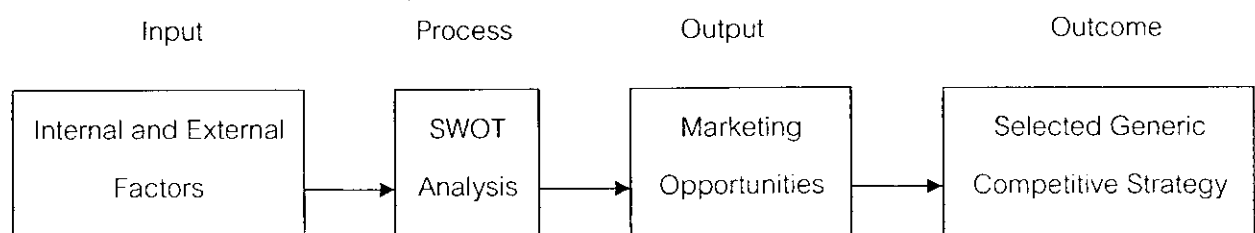


FIGURE 3 STRATEGY SELECTION PROCESS

The selection of the most appropriate competitive strategy for Roche was accomplished as described on the following page.

A company competing in a particular industry or market has a varied menu of strategy options for seeking and securing a competitive advantage. The strategic choice is based on which of the five generic competitive strategies to employ: overall low cost provider, broad differentiation, best-cost provider, focused differentiation, or focused low-cost provider.

Mrs. Krisana Winitthumkul, the Manager of Roche (Thailand) Company who is responsible for Calcium-D-Redoxon and the researcher, worked through and analyzed the research information. Mrs. Krisana Winitthumkul, who has done strategic thinking about the company's products and position in the marketplace for many years, selected the generic competitive strategy which works best in the market for Roche. The selected competitive strategy is the "best cost provider" strategy.

3. Verification of Primary Data given by the Manager of Roche (Thailand) Company for Calcium-D-Redoxon.

Secondary data are presented below in verification of the primary data provided by Mrs. Krisana Winitthumkul, Manager of Roche (Thailand) Company during the in-depth interviews. Sources outside of Roche are used whenever possible. When data provided by Mrs. Krisana Winitthumkul cannot be verified by external sources, internal Roche sources are employed. Internal Roche sources, such as their corporate web site, are open to public scrutiny and in as

much as these sources have not been the object of dispute or criticism should be considered reliable.

With regard to Table 3, Internal Analysis, Product (page 40), Mrs. Krisana Winitthumkul stated that one weakness of Calcium-D-Redoxon was that it was more expensive than locally made drugs.

Krit Termphiriyakij, author of "Survey the factors of consumer buying's calcium supplement in Bangkok" (Krit Termphiriyakij. 2003: 30) presents the following information.

Calcium supplement	Type of Calcium supplement	Price per tablet (Baht)
Calcium-D-Redoxon	Original	8
Caltrate	Original	5-7
CAC 1000	Original	8-10
Calcium Sadoz Forte	Original	8-10
Chalkcap	Locally made	1-2

Source: Krit Termphiriyakij. 2003:30

The companies which produce locally made calcium supplement products have substantially lower costs. They can sell their products below market price and cut their prices to unbelievably low levels. Calcium-D-Redoxon is a premium-quality product with a medium price but the price of Calcium-D-Redoxon is still competitive with its rivals.

With regard to Table 3, Internal Analysis, Product (page 40), in terms of Usefulness of Product, Mrs. Krisana Winithumkul stated that one strength of Calcium-D-Redoxon was that, the calcium supplement product in effervescent form has the highest solubility rate of any competing product. This increases the efficacy of the drug.

Michael E. Aulton, author of "Pharmaceutics: The Science of Dosage Form Design" explains in his text, "Several categories of tablet can be distinguished dependent on the mode of use. The commonest type is those intended to be swallowed whole. A less common type of tablet is that formulated to allow dissolution or dispersion in water prior to administration. Many tablets are formulated to be effervescent and have become increasingly wider used in recent years because of their more rapid release of medication and reduced chance of causing gastric irritation" (Aulton. 1988: 305). According to the literature review, Thai consumers prefer calcium supplement products in effervescent form. The high solubility rate of the drug enhances its efficacy in the human body.

With regard to Table 3, Internal Analysis, Product (page 40), Mrs. Krisana Winitthumkul stated that one strength of Calcium-D-Redoxon was that Roche has a standard quality assurance system.

Roche Company points out in its website (Roche Company. 2005: Online), "All of our activities are focused on the customers who use our products and services. These have to be safe, efficacious, of high quality and in regulatory compliance. Our quality systems meet all the international standards and are rapidly adapted in line with changes to internal workflows and processes. We respond rapidly to customer complaints. A well-documented issue management procedure is initiated should a product defect be reported anywhere in the world."

With regard to Table 3, Internal Analysis, Product (page 40), Mrs. Krisana Winitthumkul stated that one strength of Calcium-D-Redoxon was that the bundling of ten tablets per package of Calcium-D-Redoxon was convenient to use.

Krit Termphiriyakij, author of "Survey the factors of consumer buying's calcium supplement in Bangkok" (Krit Termphiriyakij. 2003: 30), presents the following information.

Calcium supplement	Package
Calcium-D-Redoxon	10 tablets per package
Caltrate	60 tablets per bottle
CAC 1000	10 tablets per package
Calcium Sadoz Forte	10 tablets per package
Chalkcap	10 tablets per package

Source: Krit Termphiriyakij. 2003:30

Fine packaging significantly improves the product appearance and makes an impression on the consumer. It is important that every aspect of the package can ensure rapid consumer perception. The Calcium-D-Redoxon package in a tube form is convenient to use and easy to remember for customers.

With regard to Table 3, Internal Analysis, Product (page 40), Mrs. Krisana Winitthumkul remarked that one strength of Calcium-D-Redoxon was that the product range of Calcium-D-Redoxon consists of Calcium-D-Redoxon, Berocca and Calcium-D-Vita.

Roche Company mentions in its website that major Roche Vitamin and Mineral supplements include Calcium-D-Redoxon, Berocca and Calcium-D-Vita (Roche Company. 2005: Online). All of these products are well-liked in the Thai market.

With regard to Table 3, Internal Analysis, Product (page 40), Mrs. Krisana Winitthumkul stated that one weakness of Calcium-D-Redoxon was that the product life cycle of Calcium-D-Redoxon was in the maturity stage.

Roche Company mentions in its website that over 70 years ago Roche was the first company to start producing vitamins on an industrial scale. Roche launched the Calcium-D-Redoxon Calcium supplement in 1934. Today, Calcium-D-Redoxon is in the maturity stage (Roche Company. 2005: Online). The maturity stage is a period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Profits stabilize because of increased marketing outlays to defend the product against competition. During this stage, Roche Company must protect its market share and encourage rivals' customers to switch brands.

With regard to Table 4, Internal Analysis, Marketing: competition (page 41), Mrs. Krisana Winitthumkul stated that another weakness of Calcium-D-Redoxon was that it is categorized as a drug, not a dietary supplement. Advertising and Promotion of Calcium-D-Redoxon is controlled under strict regulations of the Thai Food and Drug Administration.

The Calcium-D-Redoxon calcium supplement is categorized as a drug by the Thai Food and Drug Administration. Advertising and promotion controls of dietary supplements/food are less strict than for drugs. According to Drug Acts #89 and 90, it is prohibited to show an

improper presentation in drug advertisements and give drug samplings/premiums to consumers (Thai Food and Drug Administration. 2005: Online). The advertisers have had difficulty in discerning broad regulatory guidelines as to what is considered improper or deceptive advertising.

With regard to Table 4, Internal Analysis, Marketing: competition (page 41), Mrs. Krisana Winitthumkul stated that one strength of Calcium-D-Redoxon was the good relationship with the retailers such as Watsons. Calcium-D-Redoxon's major retailer can satisfy Thai consumers in terms of the variety and quality of pharmaceuticals.

Wimolmas Tansathaweerat, author of "Customers' satisfaction with Watsons located at the department store in Bangkok Metropolitan Area" (Wimolmas Tansathaweerat. 2002: 9, 49) explains in her research paper that the consumers are satisfied with Watsons in terms of the variety and quality of their pharmaceuticals. Watsons is a major retailer of Roche Products. She further explains that Watsons has a good relationship with its suppliers of pharmaceuticals. Thai consumers usually purchases calcium supplement products from chain drugstores.

With regard to Table 4, Internal Analysis, Marketing: competition (page 41), Mrs. Krisana Winitthumkul pointed out that another strength of Calcium-D-Redoxon was that Roche Company

is known as one of the world's leading vitamin and mineral producers with unique brand power and good corporate image.

Roche Company explains in its website (Roche Company, 2005: Online), "Roche's non-prescription brands are known because of its traditionally strong expertise and solid market positions in the non-prescription field. Roche is committed to all its stakeholders and strives to serve the diverse interests of customers, employees, shareholders and holders of Roche nonvoting equity securities in a balanced fashion. This commitment is reflected in the operating businesses' focus on value creation, in a management culture that conforms to modern standards of corporate governance and in the Group's policy of communicating transparently. Roche's well-established brand-name recognition gives it an important marketing advantage over rivals with lesser-known brands."

With regard to Table 5, Internal Analysis, Management: key success factors (page 42), Mrs. Krisana Winitthumkul noted that another strength of Calcium-D-Redoxon was that the one standard price policy is an advantage of Calcium-D-Redoxon.

Krit Termphiriyakij, author of "Survey the factors of consumer buying's calcium supplement in Bangkok" (Krit Termphiriyakij, 2003: 81), remarks in his research paper that according to the marketing survey about consumers' preference, the price of calcium supplement products in the same brand should be the same everywhere in Thailand. Roche sells its product at the

same price to different market segments. Other companies do not usually set a single price, but rather a pricing structure that reflects variations in geographical demand and cost, market segment requirements and other factors.

With regard to Table 5, Internal Analysis, Management: key success factors (page 42), Mrs. Krisana Winitthumkul mentioned that a strength of Calcium-D-Redoxon was that Roche has good management: Logistics and Distribution Management Systems and Inventory System.

Roche Company states in its website (Roche Company. 2005: Online), "We have made substantial investments in recent years in strengthening our marketing and distribution organizations. In 1999, we significantly expanded our market presence, increasing expenditures for marketing and distribution by roughly 1 billion Swiss Francs (32.7 billion Baht), to 7.8 billion Swiss Francs (255 billion Baht)." (Roche Company. 2005: Online). Technological developments of Roche Company produce competitively significant changes in logistics and distribution management and inventory systems. Roche Company improves its activities for faster delivery, by more accurate order filling, lower shipping costs, and fewer warehouse and on-the-shelf stock shortages.

With regard to Table 5 Internal Analysis, Management: key success factors (page 42) Mrs. Krisana Winitthumkul mentioned that one weakness of Calcium-D-Redoxon was that marketing research was a disadvantage of Calcium-D-Redoxon.

Roche's products actually consist of diagnostics, non-prescription and prescription pharmaceuticals. Calcium-D-Redoxon is categorized as a non-prescription pharmaceutical. According to Roche Chairman and CEO, Franz B. Humer, "We are proceeding with our long term strategy of focusing on our two research-driven, high margin businesses: diagnostics and prescription pharmaceuticals" (Roche Company. 2005: Online). As a result of this strategic choice, Calcium-D-Redoxon, a non-prescription pharmaceutical product, is not at the center of Roche's development plans and does not receive the corporate attention that other, more strategic products do. It is for this reason that market research is seen as a weakness for Calcium-D-Redoxon.

With regard to Table 5, Internal Analysis, Management: key success factors (page 42), Mrs. Krisana Winitthumkul mentioned that one weakness of Calcium-D-Redoxon was that product profitability is a disadvantage of Calcium-D-Redoxon.

Vasana Piyaboon, author of "Consumers' Opinion Toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 18) remarks in her research paper, "The market share of Calcium-D-Redoxon is dropping due to

new entrants in the Calcium supplement market." In a competitive market, Roche Company is subject to offensive challenges from rivals. New market entrants compete aggressively with lower prices. While Calcium-D-Redoxon remains the leader in the calcium supplement market, competition has cut into the profitability of the product.

With regard to Table 5, Internal Analysis, Management: key success factors (page 42), Mrs. Krisana Winitthumkul remarked that one strength of Calcium-D-Redoxon was that Customer Profitability of Calcium-D-Redoxon is high. Consumers get a variety of Vitamins and Minerals: Calcium, Vitamin D, Vitamin B6, and Vitamin C when taking calcium supplement product.

Roche Company specifies in its website (Roche Company. 2005: Online), "In 1934, Calcium-D-Redoxon was launched. The product contains 250 mg. of calcium, 1,000 mg. of Vitamin C, 15 mg. of Vitamin B6, 300 IU of Vitamin D and 1,350 mg. of Citric Acid per tablet." Roche Company has incorporated more quality features into its product than competitors. The value to customers of Roche's product is better than its rivals.

Regarding to Table 5 Internal Analysis, Management: key success factors (page 42), Mrs. Krisana Winitthumkul noted that another strength of Calcium-D-Redoxon was that Calcium-D-Redoxon has high production technology: high drug solubility and drug stability.

Roche Company states in its website (Roche Company. 2005: Online), "Roche is one of the world's leading innovation-driven healthcare groups. The pioneering approach to healthcare innovation enables us to deliver significant benefits to patients as well as to healthcare providers and systems. A new divisional management team has initiated the steps necessary to maintain Roche's global market in the long term—a position built on know-how and superior production technology." Roche Company uses advanced technology to produce new and better products at lower cost. These products can achieve a competitive advantage in the pharmaceutical industry.

During the discussion about External factors in the SWOT analysis, Mrs. Krisana Winitthumkul, Manager of Roche (Thailand) Company gave much additional information.

With regard to Table 6, External Analysis, Society and Consumers (page 43), Mrs. Krisana Winitthumkul mentioned that one opportunity of Calcium-D-Redoxon was that today, consumers are concerned about health and nutrition. They would like to prevent osteoporosis in the future.

Vasana Piyaboon, author of "Consumers' opinion toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 1-2) explains in her research paper that Thai consumers would like to prevent osteoporosis in the future. The business of Calcium supplementation has become a major market in Thailand. She further explains that the marketing growth of the Calcium supplement market was 15.5% and

21.9% in the years 1999 and 2000 respectively. This is a very high growth rate. Growing osteoporosis protection sentiment has emerged as a major driver of change in the calcium supplement industry. Shifting societal concerns, attitudes, and lifestyles alter the pattern of competition, usually favoring those companies that respond quickly and creatively with products targeted to the new trends and conditions.

With regard to Table 6 External Analysis, Society and Consumers (page 43), Mrs. Krisana Winitthumkul suggested that one opportunity of Calcium-D-Redoxon was that the Thai government encourages calcium supplement companies in doing their businesses.

The National Budget Bureau states in its website (National Budget Bureau. 2005: Online), that the Thai government supports sustainable economic expansion, encourages all business sectors in doing their business and enhances their competitive capabilities. The Thai government facilitates the nutritional supplement businesses without blocking the foreign companies from participating in the Thai market.

With regard to Table 7 External Analysis, Marketing: competition (page 43) Mrs. Krisana Winitthumkul mentioned that another opportunity of Calcium-D-Redoxon was that the size of the Calcium supplement market is very large.

Vasana Piyaboon, author of "Consumers' Opinion Toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 15) explains in her research paper that Calcium supplement sales in Thailand were 290.096 million Baht in the year 2000. People in Thailand, and throughout the world, are interested in calcium supplement products and the business of Calcium supplementation has become a major market in Thailand. The Calcium supplement market is big and growing fast enough to attract opportunity seeking new entrants.

With regard to Table 7, External Analysis, Marketing: competition (page 43), Mrs. Krisana Winitthumkul stated that one opportunity of Calcium-D-Redoxon was that Roche's Calcium-D-Redoxon dominates the calcium supplement market and chooses specific target groups.

Vasana Piyaboon, author of "Consumers' Opinion Toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 18, 23-25) explains in her research paper that Calcium-D-Redoxon dominates the calcium supplement market and targets specific consumer groups. She further explains that Roche Company pursues many promotional campaigns to protect its market share. The advertising budget of Roche Company for Calcium-D-Redoxon in the year 2000 was 13.496 million Baht—via television (12.832 million Baht), news papers (580,000 Baht) and magazines (84,000 Baht). These expenditures were significantly higher than Roche rivals.

Concerning Table 7, External Analysis, Marketing: competition (page 43), Mrs. Krisana Winitthumkul pointed out that one opportunity of Calcium-D-Redoxon was that Calcium-D-Redoxon is the leader in the calcium supplement market.

Vasana Piyaboon, author of "Consumers' Opinion Toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 18) states in her research paper that Calcium-D-Redoxon is the leader in the calcium supplement market. Calcium-D-Redoxon remains the leader in the calcium supplement market because the company offers buyers a significantly superior product with a medium price.

With regard to Table 7, External Analysis, Marketing: competition (page 43), Mrs. Krisana Winitthumkul mentioned that the threats of Calcium-D-Redoxon included profit of the business, the new entry of potential competitors, the competitive force of substitute products, the bargaining power of buyers and suppliers are the disadvantages of Roche's Calcium-D-Redoxon.

Vasana Piyaboon, author of "Consumers' Opinion Toward Caltrate Plus- Calcium supplements, Whitehall Thailand Co., Ltd. in Bangkok Area" (Vasana Piyaboon. 2002: 18, 23) states that the market share of Calcium-D-Redoxon is dropping due to new entrants in the Calcium supplement market. She further explains that in the year 2001, Caltrate Plus was launched and became known as a potential challenger to Calcium-D-Redoxon whereas the

competitive force of substitute products and the bargaining power of buyers and suppliers are also risks of Roche's Calcium-D-Redoxon. The calcium supplement market in Thailand is controlled by a few large companies.

With regard to Table 8, External Analysis, Economy and Finance (page 44), Mrs. Krisana Winitthumkul mentioned that one opportunity of Calcium-D-Redoxon was that Changes in economic factors is an opportunity of Calcium-D-Redoxon.

The National Economic and Social Advisory Council mentions that Gross Domestic Product (GDP) and the overall consumption value of Thai people is increasing yearly (National Economic and Social Advisory Council. 2005: Online).

Thongchai Ekarrayachon, author of "Effect of product perception towards consumers' behavior and satisfaction in buying dietary supplement products in Bangkok metropolitan area" states in his research paper that economic factors play an important role in the purchasing power of consumers (Thongchai Ekarrayachon. 2003: 30).

Concerning Table 8, External Analysis, Economy and Finance (page 44), Mrs. Krisana Winitthumkul stated that the threats of Calcium-D-Redoxon included the downturn in the economy, the consumer index, the unemployment rate and the national growth rate and were the disadvantages of Calcium-D-Redoxon.

The National Economic and Social Advisory Council remarks that the downturn in the economy, the consumer index, the unemployment rate and the national growth rate effect the macro economy of Thailand negatively. (National Economic and Social Advisory Council. 2005: Online).

Thongchai Ekarrayachon, author of "Effect of product perception towards consumers' behavior and satisfaction in buying dietary supplement products in Bangkok metropolitan area" explains in his research paper that economic factors play important roles in the purchasing power of consumers. Markets require purchasing power as well as people. The available purchasing power in an economy depends on income, prices, savings, debt, and credit availability. (Thongchai Ekarrayachon. 2003: 30).

With regard to Table 9, External Analysis, Law and Technology (page 45), Mrs. Krisana Winitthumkul suggested that one threat of Calcium-D-Redoxon was that legal restrictions on drugs have a major negative effect on Roche's Calcium-D-Redoxon.

Calcium-D-Redoxon calcium supplement is categorized as a drug by the Thai Food and Drug Administration. Advertising and promotion controls on dietary supplements/food are less strict than on drugs. According to Drug Acts #89 and 90, it is prohibited to show an inappropriate presentation in drug advertisements and give drug samplings/premiums to

consumers (Thai Food and Drug Administration, 2005: Online). Government regulatory actions can force significant changes in industry practices which make competition more intense.

With regard to Table 9 External Analysis, Law and Technology (page 45) Mrs. Krisana Winitthumkul noted that the opportunities of Calcium-D-Redoxon included that innovation and changes in environment impact which were advantages of Calcium-D-Redoxon.

Roche Company states in its website (Roche Company, 2005: Online), "Innovation across all aspects of our business is the key to our success. Being active in high-technology fields, we must recognize new trends at a very early stage and be open to unconventional ideas. We see changes as an opportunity and complacency as a threat. We therefore encourage everywhere in the company the curiosity needed to be open to the world and new ideas. As part of our commitment towards sustainable development we proactively seek to employ new, more sustainable technologies and processes and to minimize our impact on the environment." Successful new product introductions strengthen the market positions of the innovating companies. Innovation has been a key driving force in the pharmaceutical industry.

4. An analysis of why the identified strategy is the right choice.

In the calcium supplement market, where buyer diversity makes product differentiation the norm and many buyers are price and value sensitive, a best cost provider strategy is more advantageous than either a pure low cost provider strategy or a pure differentiation strategy keyed to produce superiority. This is because a best cost provider can position itself near the middle of the market with a very good product at a medium price. According to Thompson's theory, the majority of buyers often prefer a midrange product rather than a cheap, basic product of a low cost producer or the expensive product of a top of the line differentiator. (Thompson; et al. 2004: 126).

The key features of the appropriate generic competitive strategy for Calcium-D-Redoxon which make it fall into the "best cost provider" strategy in line with Thompson's theory are as follows: (See Table 1, page 14.)

- Strategic target: Value-conscious buyers
- Basis of competitive advantage: More value for money
- Product line: Good-to-excellent attributes and several-to-many upscale features
- Production emphasis: Incorporation of upscale features and attributes at low cost
- Marketing emphasis: Provide better features to build a reputation for delivering the best value

- Sustaining the strategy: Develop unique expertise in simultaneously managing costs, down and up-scaling features and attributes

The above criteria ensure that the identified generic strategy is appropriate and fits the situation identified in the SWOT analysis.

In addition, Calcium-D-Redoxon is in the maturity stage. During this stage, the competition strategy is limited to setting the price in sync with the market's willingness to pay, protecting valuable shelf space and encouraging rivals' customers to switch brands. To sustain leadership, the most appropriate generic competitive strategy choice is to pursue the best cost provider strategy.

CHAPTER 5

CONCLUSION AND DISCUSSION

The most important results of this study are the answers to the Research Questions:

1. Which generic competitive strategy is employed by Roche (Thailand) Company for Calcium-D-Redoxon in the Calcium supplement market?
2. What are the strengths, weaknesses, opportunities and threats of Calcium-D-Redoxon of Roche (Thailand) Company?

The researcher has divided this chapter into five sections: the first two sections answer the research questions in inverse order as stated above. These sections are followed by discussion, limitation of the study and suggestions for further studies.

1. The strengths, weaknesses, opportunities, and treats of Calcium-D-Redoxon of Roche (Thailand) Company.

SWOT analysis is a powerful tool for providing an overview of a firm's situation. It is an essential component of crafting a strategy tightly matched to the company's situation. SWOT

analysis of Calcium-D-Redoxon of Roche (Thailand) Company has been discussed in the findings of this study. SWOT analysis is a vital input to the marketing opportunities leading to the selection of the most appropriate competitive strategy. Conclusions concerning Roche Company's strengths, weaknesses, opportunities and threats are as follows:

- Roche Company's strengths: usefulness of product, product range, and customer profitability need to be strengthened immediately so as to add greater power to the company's strategy and boost sales and profitability.
- Roche Company's weaknesses: product life cycle, market research, and product profitability are in need of correction.
- Roche Company's opportunities: requirement, consumer tastes and trends, and market position should be high priorities in future strategic initiatives because they are good fits with the company's resource strengths and competitive capabilities, present attractive growth and profit prospects, and offer the best potential for securing competitive advantage.
- Roche Company should use company strengths to lessen the impact of important external threats: number of competitors in the market and profit of business.

2. The generic competitive strategy which is employed by Roche (Thailand)

Company for Calcium-D-Redoxon in the Calcium supplement market.

Roche (Thailand) Company employs the best cost provider generic strategy. The leading brand in the Calcium supplement market is Roche's Calcium-D-Redoxon which is known as a high quality product at an average price. Roche (Thailand) Company pursues a best cost provider strategy characterized by upscale product attributes at a competitive price. The company creates a superior value product and aims at giving customers more value for their money. Roche's competitive strategy stakes out a middle ground between pursuing a cost advantage and a differentiation advantage and between appealing to the broad market as a whole and a narrow market niche. The best cost provider strategy used by Roche (Thailand) Company enables Calcium-D-Redoxon to remain the leader in the calcium supplement market for a long time. Roche (Thailand) Company offers buyers significantly better product attributes in order to justify a price above what low-cost providers are charging whereas it can out compete high-end differentiators on the basis of an attractively lower price.

To sum up, successful management of a generic competitive strategy requires strategic managers to attend to the most important matters. First, management needs to ensure the company's distinctive competency is oriented toward one specific competitive strategy. Second, management needs to monitor the internal and external environment so that the firm's

sources of competitive advantage are continuously in line with changing opportunities and threats.

3. Discussion

The strategy of being a best cost provider aims at giving customers more value for their money. It combines a strategic emphasis on the best cost with a strategic emphasis on more than minimally acceptable quality, service, features, and performance. The idea is to create superior value by meeting or exceeding buyers' expectations on key quality, service, features, and performance attributes by beating buyers' expectations on the price. The aim is to become a best cost provider of a product with good to excellent attributes, rather than use the cost advantage to under-price brands with comparable attributes. A best cost provider strategy has great appeal from the stand point of competitive positioning. It produces superior customer value by balancing a strategic emphasis on low cost against emphasis on differentiation. In effect, a hybrid strategy allows a company to combine the competitive advantage of both low cost and differentiation to deliver superior buyer's value. To be the brand leader is difficult but to maintain the leading position is more difficult. Product line extensions of brand leaders such as new packaging, new sizes or new flavors can gain market share and secure shelf space in the retailers' facilities. To be successful with a best cost provider strategy, the company must

be able to incorporate upscale product attributes at a better cost than rivals. In addition, the company must look for new markets and market segments to stimulate increased usage; including repositioning of the brand and addressing the issues of quality improvement and product feature.

4. Limitation of the Study

The study has the following limitation: The Manager of Roche (Thailand) Company and the Company Pharmacist of Roche (Thailand) Company could not reveal confidential information which is competitively sensitive. Thus, this study is limited to the identification of a generic competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

5. Suggestions for Further Studies

As follow up to the present study, the researcher recommends the following studies:

1. A study about the competitive strategy of other challengers in the calcium supplement market.
2. A study about consumer behaviors in the calcium supplement market.

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APPENDIX

APPENDIX A

Documents for In-depth Interviews

Document 1: SWOT Analysis of Roche (Thailand) Company for Calcium-D-Redoxon

Part 1: Internal Analysis

No.	Topics	Strengths	Weaknesses
1.	Product • Price of Product • Usefulness of Product • Quality of Product • Packaging • Product Range • Product Life Cycle		
2.	Marketing: competition • Advertising • Promotion • Retailers • Brand Power • Corporate Image		

Document 1 (continued)

No.	Topics	Strengths	Weaknesses
3.	Management: key success factors ● Pricing Policy ● Logistics and Distribution - Management Systems ● Inventory System ● Marketing Research ● Product Profitability ● Customer Profitability ● Production Technology		

Part 2: External Analysis

No.	Topics	Opportunities	Threats
1.	Society and Consumers ● Requirement ● Attitudes and Lifestyles ● Consumer tastes and Trends ● Society and Politics		
2.	Marketing: competition ● Business size ● Competition Intensive ● Market Position ● Number of competitors in the market ● Profit of business		

Document 1 (continued)

No.	Topics	Opportunities	Threats
3.	Economy and Finance ● Changes in economic factors ● Downturn in economy ● Consumer index ● Unemployment rate ● National growth rate		
4.	Law and Technology ● Law ● Innovation ● Changes in Environment impact		

Source: Adapted from Weravuth Makasiranont. (2003). *Writing marketing plan*: 84-87.

Document 2: Selection of a Competitive Strategy

Topics	Marketing Opportunities	Competitive Strategy
1. Strengths		
2. Weaknesses		
3. Opportunities		
4. Threats		

Source: Adapted from Weravuth Makasiranont. (2003). *Writing marketing plan*: 88.

APPENDIX B

Permission Letter

MEMO

To: Krisana Winitthumkul
Manager, Roche (Thailand) Company

From: Arpapat Nantavilayaporn
Graduate student, Srinakharinwirot University

Date: 22 December, 2004

Subject: Permission to Conduct a Research on Competitive Strategy of Roche (Thailand)
Company for Calcium-D-Redoxon

This memo is written seeking your permission to serve as an interviewee for a Master's project entitled Competitive Strategy of Roche (Thailand) Company for Calcium-D-Redoxon.

The research will be conducted by analyzing strengths, weaknesses, opportunities and threats of Calcium-D-Redoxon of Roche (Thailand) Company and selecting a competitive strategy for Roche (Thailand) Company for Calcium-D-Redoxon. Roche (Thailand) Company can utilize the research for market advancement.

Approved by



Ms. Krisana Winitthumkul

Manager, Roche (Thailand) Company

VITAE

VITAE

Name: Mrs. Arpapat Nantavitayaporn

Date of Birth: 27 June 1973

Place of Birth: Bangsue, Bangkok

Address: 53 Soi Lat Phrao 65, Lat Phrao Road, Wangtonglang, Bangkok 10310

Educational Background:

- | | |
|------|--|
| 2005 | Master of Arts (Business English for International Communication),
Srinakarinwirot University |
| 1999 | Master of Business Administration, Kasetsart University |
| 1996 | Bachelor of Pharmacy, Silpakorn University |

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A COMPETITIVE STRATEGY OF ROCHE (THAILAND) COMPANY FOR
CALCIUM-D-REDOXON

AN ABSTRACT
OF
ARPAPAT NANTAVITAYAPORN

Presented in partial fulfillment of the requirements for the
Master of Arts Degree in Business English for International Communication
at Srinakharinwirot University
May 2005

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Arpapat Nantavitayaporn. (2005). *A competitive strategy of Roche (Thailand) Company for Calcium-D-Redoxon*. Master's Project, M.A. (Business English for International Communication). Bangkok: Graduate School, Srinakharinwirot University.

Project Advisor: Mr. Leroy A. Quick.

This study defines the appropriate competitive strategy of Roche (Thailand) Company for its Calcium-D-Redoxon product. Data in the research are derived from in-depth interviews with the Manager of Roche (Thailand) Company responsible for strategic planning and secondary data collection. By means of a SWOT analysis, it was determined that the most suitable competitive strategy for Roche (Thailand) Company was the "best-cost provider" strategy.

This strategy enables Calcium-D-Redoxon to remain the leader in the calcium supplement market. Roche (Thailand) Company offers buyers significantly better product attributes in order to justify a price above what low-cost providers are charging, and the product can out-compete high-end differentiators on the basis of an attractively lower price.

กลยุทธ์การแข่งขันของบริษัท โรช ไทยแลนด์ จำกัด สำหรับ แคลเซียม-ดี-เรดออกซอน

บทคัดย่อ
ของ
อภาภักทร นันทวิทย์ภรณ์

เสนอต่อบัณฑิตวิทยาลัย มหาวิทยาลัยศรีนครินทรวิโรฒ เพื่อเป็นส่วนหนึ่งของการศึกษาตาม
หลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต สาขาวิชาภาษาอังกฤษธุรกิจเพื่อการสื่อสารนานาชาติ
พฤษภาคม 2548

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กรุงเทพฯ: บัณฑิตวิทยาลัยมหาวิทยาลัยศรีนครินทรวิโรฒ. อาจารย์ที่ปรึกษาสารนิพนธ์:

มร. เลอรอย เอ ควิก.

การศึกษาวิจัยครั้งนี้ มีความมุ่งหมายเพื่อศึกษากลยุทธ์การแข่งขันของบริษัท โรช ไทยแลนด์ จำกัด สำหรับ แคลเซียม-ดี-เรดอกซอน ข้อมูลที่ใช้สำหรับการศึกษานี้ได้มาจากการสัมภาษณ์เชิงลึกผู้จัดการของบริษัท โรช ไทยแลนด์ จำกัด ซึ่งมีหน้าที่วางแผนกลยุทธ์ และการเก็บรวบรวมข้อมูลทุติยภูมิ ผู้วิจัยได้ทำการวิเคราะห์จุดแข็ง จุดอ่อน โอกาส และอุปสรรคของแคลเซียม-ดี-เรดอกซอน ซึ่งเป็นผลิตภัณฑ์ยาเสริมแคลเซียมของบริษัท โรช ไทยแลนด์ จำกัด พบว่ากลยุทธ์การแข่งขันที่มีความเหมาะสมมากที่สุดของบริษัท โรช ไทยแลนด์ จำกัด สำหรับ แคลเซียม-ดี-เรดอกซอน คือ กลยุทธ์การแสวงหาต้นทุนที่ดีที่สุด

การใช้กลยุทธ์การแสวงหาต้นทุนที่ดีที่สุด ของบริษัท โรช ไทยแลนด์ จำกัด ทำให้บริษัท สามารถรักษาความเป็นผู้นำตลาดผลิตภัณฑ์ยาเสริมแคลเซียมอย่างยาวนานจนถึงปัจจุบัน ทั้งนี้บริษัท โรช ไทยแลนด์ จำกัด เสนอผลิตภัณฑ์ที่มีคุณภาพดีกว่าอย่างชัดเจนและคุ้มค่างบเงินที่ผู้บริโภคจ่าย ซึ่งเหนือกว่าผลิตภัณฑ์ที่มีราคาถูกแต่คุณภาพด้อยกว่า นอกจากนี้ผลิตภัณฑ์ของบริษัท โรช ไทยแลนด์ จำกัด ยังชนะผลิตภัณฑ์ที่มีคุณภาพดีใกล้เคียงกัน แต่มีราคาที่แพงกว่าอีกด้วย