

CASE STUDY

PHARMA DIGITAL COMMERCE: CULTIVATING GROWTH IN CHINA

A top Japanese pharma player wanted to enter the fast-growing China pharma eCommerce market. China's pharma eCommerce market has been growing exponentially in recent years, averaging 136 percent CAGR 2013~2015.³⁷



This growth is largely policy-driven: looser regulations and lowered entry barriers have led to an influx of players. These amazing figures quickly attracted the attention of all the major pharma companies in China, where most companies have prioritized the development of eCommerce as a key component of their mid to long-term strategy.

HOW WE HELPED

While the client saw the market's great potential, they also understood that a "me too" approach would only lead to failure. Long-term success requires a comprehensive entry strategy, utilizing the client's specialties, as well as Accenture's specific knowledge of the Chinese market. To help the client meet their vision and objectives in China's pharma eCommerce market, an Accenture team developed a market entry strategy, which follows a comprehensive route-to-market framework.

A robust product pipeline, comprising of several cores, proven brands, was customized to suit the local environment. A pragmatic route-to-market setup was designed by selecting the optimal operating models for different eCommerce sub-channels, each with

different behaviors. In the short-term, a partnership model was recommended, as this enables quick access to the right markets, with maximum consumer reach. A direct model was recommended for core brand-building channels, while a distributor model is recommended for the longer-term, but only when the company is ready.

THE RESULT

To support the route-to-market setup, an agile organization which is "light" on entry, but also scalable in the mid to long-term, was required. In the short-term, we recommended an agile organization with limited headcount, that leverages partner capability as much as possible. In the long-term, we envision an organization that can grow in scale and capability.

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