

## Research on Marketing Strategy of Sanbe Pharmaceutical Company in Indonesia Based on Qspm Matrix

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### Abstract

In recent coming years, there's a lot of challenging moment for many company. The growing business world at this time, pharmaceutical companies are required to produce medicinal products that can meet consumer needs. To maintain or increase the rate of business growth, the company needs to direct its business development towards future market needs and opportunities. One of them is a business engaged in the pharmaceutical field that is able to compete with other pharmaceutical companies. Today the business world is faced with increasingly difficult times on the other hand. Free trade agreement which also means increasingly fierce competition we must inevitably face. Not to mention the market situation that is so fast changing, therefore it can have an impact on the survival of the company. It is undeniable that the success of a business depends on how much the company's ability to compete for the market. In other words, only companies that are responsive and able to understand consumers who can dominate the market to survive in the arena of competition. It was also experienced by many pharmaceutical companies in Indonesia. One of them is Sanbe Company. It can be seen from the position of the company as the largest market share holder is now threatened by other companies. So, to help Sanbe Company survive in the fierce competition, they need new strategies. So this paper will use IFE, EFE, IE, and SWOT to obtain a comprehensive strategy on each component of the Sanbe Company's internal and external factor. Meanwhile, AHP and method is required to analyze the strategic priorities of component of Sanbe Company. Key factors of marketing strategic were obtained from the discussion of experts, the management of Sanbe Company and the community. The results are a priority of strategies which are dominated by the opportunity factors to solve the problem of weakness and threats as well as maximizing the strengths.

### Keywords

Pharmaceutical Company, IFE, EFE, IE, SWOT, AHP, QSPM, Marketing Strategy.

## 1. INTRODUCTION

In recent years, with the development of economy, people's awareness of health care and medicine has been constantly improved. The best medical care is necessary, and the drugs must be dealt with strictly. In order to have moral and social responsibility, pharmaceutical enterprises must constantly produce high-quality drugs and ensure that these drugs can be correctly put into the hands of consumers, while at the same time achieving the business objectives of enterprises.

Now, the world is facing more and more difficulties. Free trade also means that we have to face more and more fierce competition. Similarly, the market situation changes rapidly, so it will have an impact on the survival of the company. And undeniably, the success of an enterprise depends on its ability to compete in the market. Therefore, enterprises must keep vigilance and

be able to understand the needs of consumers, so that companies can survive in the fierce competition. In addition, companies must understand the advantages and disadvantages of their internal and external factors in order to provide a basis for choosing marketing strategies. On the one hand, pharmaceutical enterprises should compete with a large number of other pharmaceutical enterprises at home and abroad, on the other hand, they should try to meet the needs of consumers. At present, the number of Indonesian pharmaceutical enterprises is quite large. According to the government's data, the market share of each Indonesian pharmaceutical enterprise is not very different, but the annual change is relatively large. So it can be seen that in recent years, the competition among Indonesian pharmaceutical enterprises has become more and more fierce.

## 2. RESEARCH OBJECT

Sanbe Pharmaceutical Company is the largest pharmaceutical company in Indonesia. Sanbe Company was founded in 1975 in Bandung, West Java. Sanbe Company's market coverage in Indonesia includes more than 37000 doctors, 1000 medical representatives, 1100 sales personnel, 35 warehouses, 60 sub warehouses and 8000 employees. [1] Sanbe Company has sales departments in Southeast Asia (Vietnam, Myanmar, Thailand, Singapore, etc.) and some African regions. [2]

Sanbe Company produces many kind of medicine and medical devices. For example: non-penicillin drugs, non-cephalosporin drugs, hormone drugs, veterinary drugs, non-penicillin products, non-cephalosporins, hormone drugs and veterinary drugs, penicillin drugs, lactate  $\beta$ , etc. The above drugs and medical devices are all high-quality

Sanbe Farma is composed of 11 departments, namely: prescription drugs, over-the-counter drugs (OTC), veterinary medicine, ophthalmology, infusion, skin care, Sanbe Nutrition, medical diagnosis, biotechnology and research center. Sanbe also has alliances with international pharmaceutical companies, such as, Menarini International, Dr. Winzer Pharma GmbH, Zambaletti / Eudorug.

Sanbe has 22 distribution centers throughout Indonesia. All Sanbe products are sold through its exclusive distributor Bina San Prima. Therefore, the distribution of all products can be better coordinated. In order to increase participation in community medical services, Sanbe also established Santosa Bandung International Hospital in Bandung, West Java.

All operations of Sanbe are carried out in three factories. The first factory is to produce solid, semi-solid and liquid medicines (non-antibiotic). The second plant produces lactate  $\beta$  and cephalosporin. The third factory produces infusions, injections, eye drops, eye ointments, dry injections and hemodialysis.

## 3. RESEARCH METHOD

In order to select the most effective marketing strategy for Sanbe Pharmaceutical Company, this article uses internal-external matrix (IE matrix) theory, SWOT analysis, AHP analysis, and quantitative strategic planning matrix.

### 3.1. Literature Research

This article analyzes and summarizes the previous research results by reading the literature on the medical market and marketing related theories, identifying the advantages and disadvantages, and sorting out the research ideas of this article, so as to choose the appropriate research method.

### 3.2. Questionnaire

The author randomly distributed blank questionnaires to some senior managers and some middle-level employees of Sanbe Company, and explained in detail to the respondents of the questionnaire how to fill in, clarifying the meaning of the value of each entry, and finally obtained a reference value Questionnaire data. From this questionnaire, the scores of internal factor evaluation (IFE), external factor evaluation (EFE) and quantitative planning strategy matrix (QSPM) variables can be obtained.

### 3.3. Internal-External Matrix (IE Matrix)

In the abscissa of the IE matrix, the IFE weighted score of 1.0 to 1.99 represents the disadvantageous position within the enterprise, 2.0 to 2.99 represents the medium position within the enterprise, and 3.0 to 4.0 represents the dominant position within the enterprise. Correspondingly, on the ordinate, the EFE weighting is divided into 1.0 ~ 1.99, which means that the enterprise is facing a serious external threat, while 2.0 ~ 2.99 means that the enterprise is facing a moderate external threat, and 3.0 ~ 3.99 means that the enterprise can better treat Adverse effects are reduced to a minimum.

The IE matrix can be divided into three intervals with different strategic significance. First, the IE matrix diagonal lines III, V, and VII; second, the IE matrix diagonal line I, II, and IV; upper left corner of the IE matrix diagonal line VI, VIII, IX grid. [5]

### 3.4. SWOT Analysis

Through SWOT analysis, analyze the advantages and disadvantages of Sanbe Company's internal factor evaluation (IFE) and external factors evaluation (EFE) opportunities and threats. The analysis of advantages and disadvantages mainly focuses on the strength of the enterprise and its comparison with competitors, while the analysis of opportunities and threats focuses on changes in the external environment and the possible impact on the enterprise. In the analysis, all internal factors (that is, advantages and disadvantages) should be concentrated together, and then these factors should be evaluated by external forces. [5]

### 3.5. AHP Analysis

In the input phase, AHP analysis prioritizes the EFE matrix and IFE matrix. The application of the analytic hierarchy process is a priority SWOT factor, and priority is given to the strategic choice relative to the elements in the process of evaluation and basic strategic planning. AHP analysis to determine the weight has certain objectivity. The steps of AHP analysis to determine the weight are as follows:

1. Define the problem and decide the type of knowledge sought.
2. A comparison matrix based on AHP structure. Each factor in the upper layer is used to compare the factors in the level immediately below. Calculate the weight of each indicator
3. The maximum eigenvalue of the matrix is  $\lambda_{max} = \sum_{i=1}^n \frac{(AW)_i}{nW_i}$
4. Weight consistency test.

### 3.6. Quantitative Strategic Planning Matrix (QSPM Matrix)

Zhou Xingzhou's paper in his paper pointed out that the quantitative strategic planning matrix (QSPM matrix) is an important analysis tool in the strategic decision-making stage. This analysis tool can objectively indicate which strategy is most appropriate for the company. QSPM uses the analysis results of the first and second stages for strategic evaluation. [3]

Based on the results of the second stage (SWOT analysis, AHP analysis and IE matrix), the third stage uses the QSPM matrix for strategic assessment and selection. [6]

## 4. RESULT AND ANALYSIS

### 4.1. Sanbe Company's External Factor Evaluation (EFE)

The author choose 10 interviewee of senior managers and middle-level employees of Sanbe Company as survey and interview subjects. And also distribute the EFE questionnaires to the interviewee while explain how to set the weight: the value of the key external factors that have been selected above must account for more than 0 and less than 1 in all external factors, which means the value of the weight The closer it is to 1, the more important this factor is. After the weight setting is completed, the weight value needs to be verified, and the sum of the filled weight proportions equals 1. After setting the weights, each key external factor needs to be scored. There are four options available to the respondents, namely 1, 2, 3, and 4, with 1 point representing Sanbe Company's adaptation to this key external factor The ability is very poor, 4 points represents Sanbe Company's ability to adapt to this external key factor is very strong. [7]

**Table 1.** External Factor Evaluation (EFE)

| External Factor  | Weight | Score | Weighted Score |
|--|--------|-------|----------------|
| <b>Opportunities</b>   |        |       |                |
| (A) Indonesia has a large population                                   | 0.091  | 3.9   | 0.3549         |
| (B) Indonesia's economy continues to grow                              | 0.079  | 3.8   | 0.3002         |
| (C) Chronic degenerative diseases are on the rise                      | 0.07   | 3.7   | 0.2590         |
| (D) The company has international business                             | 0.058  | 3.1   | 0.1798         |
| (E) Potential new users after ASEAN coordination                       | 0.063  | 3.6   | 0.2268         |
| (F) Per capita drug consumption in Indonesia is very low               | 0.082  | 3.9   | 0.3198         |
| (G) Great opportunities for development in the non-prescription market | 0.073  | 3.6   | 0.2628         |
| <b>Threats</b>   |        |       |                |
| (A) Many people are turning to use herbal medicine                     | 0.058  | 3     | 0.1740         |
| (B) The exchange rate of the Indonesian rupiah to the US dollar rises  | 0.09   | 3.9   | 0.3510         |
| (C) The emergence of many new companies                                | 0.072  | 3.8   | 0.2736         |
| (D) Competitors focus on marketing products (medical representatives)  | 0.051  | 2.7   | 0.1377         |
| (E) Increasing competition in the pharmaceutical industry              | 0.086  | 3.8   | 0.3268         |
| (F) A large number of imported drugs enter the Indonesian market       | 0.061  | 3     | 0.1830         |
| (G) Many alternative medicines (generic drugs)                         | 0.066  | 3.7   | 0.2442         |

Through the final Sanbe Company's EFE matrix, we obtain a combined weighted score of Sanbe Company's key external factors of 3.5936, which is higher than the average of 2.50.

According to the analysis of Sanbe Company's EFE matrix, we can find that Sanbe Company's current strategic measures are still above average for dealing with the external environment.

### 4.2. Sanbe Company's Internal Factor Evaluation (IFE)

With the same person that fill in the EFE questionnaires, the author also distribute them the IFE questionnaires while explain how to set the weight: the value of the key internal factors that have been selected above in all internal factors must be greater than 0 and less than 1, that is, the closer the weight value is to , The more important this factor is, after the weight setting is completed, the weight value needs to be verified, and the sum of the filled weight proportions equals 1. [7] After determining the weight of each internal key factor, the respondent is

required to fill in the score of each key internal factor. This part of the score is quite different from the external key factor. The details are as follows: 3 points, or 4 points, 4 points means that the advantage is very important for Sanbe Company, and 3 points means that the advantage is generally important to Sanbe; the disadvantaged items in the internal key factors can choose to evaluate 1 point, or 2 points, 2 points This means that the disadvantage has a general impact on Sanbe Company, and 1 point means that the disadvantage has a very serious negative impact on Sanbe Company.

**Table 2.** Internal Factor Evaluation (IFE)

| Internal Factor   | Weight | Score | Weighted Score |
|---|--------|-------|----------------|
| <b>Strength</b>   |        |       |                |
| (A) High-quality products   | 0.118  | 3.9   | 0.4602         |
| (B) The company continues to innovate products                              | 0.094  | 3.3   | 0.3102         |
| (C) The company's products have been understood by doctors                  | 0.081  | 3.8   | 0.3078         |
| (D) Pioneer and leader of product marketing in the prescription drug market | 0.074  | 3.3   | 0.2442         |
| (E) The company can control product distribution                            | 0.093  | 3.8   | 0.3534         |
| (F) Strong financial resources  | 0.077  | 3.7   | 0.2849         |
| <b>Weakness</b>   |        |       |                |
| (A) The human resources system is not yet perfected                         | 0.088  | 1.9   | 0.1672         |
| (B) 20% of sales representative's negotiation ability is still weak         | 0.095  | 1.2   | 0.1140         |
| (D) The raw materials of most medicines are still imported from abroad      | 0.091  | 1.4   | 0.1274         |
| (E) The style of company leadership is still traditional                    | 0.083  | 1.7   | 0.1411         |
| (F) The company's medicines are more expensive                              | 0.106  | 1.2   | 0.114          |

From the table above, we can see that the combined weighted score of Sanbe Company's internal factors is 2.6244 points, which is 0.1244 points higher than the average 2.5 points and 5% higher. Explain that Sanbe Company's internal management level should be fully recognized.

### 4.3. Internal – External (IE) Matrix Analysis

For the analysis of the internal-external matrix, the results of the external factor evaluation matrix and the internal factor evaluation matrix are used.

|                                  |                      | <b>IFE</b> |            |            |
|----------------------------------|----------------------|------------|------------|------------|
|                                  |                      | Strong     | Average    | Weak       |
|                                  |                      | 3.0 to 4.0 | 2.0 to 3.0 | 1.0 to 2.0 |
| <b>E</b><br><b>F</b><br><b>E</b> | High<br>3.0 to 4.0   | I          | II         | III        |
|                                  | Medium<br>2.0 to 3.0 | IV         | V          | VI         |
|                                  | Weak<br>1.0 to 2.0   | VII        | VIII       | IX         |

**Figure 1.** IE Matrix

Through the IE matrix, we can find that the combined weighted score based on Sanbe Company's external factors is 3.5936 and the combined weighted score based on Sanbe Company's internal factors is 2.6244. as the result, Sanbe Company's position is in the second quadrant. Explain that Sanbe Company's business should be regarded as growth and build (grow and build) business. Therefore, an enhanced strategy (market penetration, market

development and product development) or integration strategy (forward integration, backward integration and horizontal integration) or investment / expansion strategy should be adopted.

#### 4.4. SWOT Analysis

**Table 3. SWOT Matrix**

|  | Strength(S)  | Weakness(W)   |
|--|--|---|
|  | <ol style="list-style-type: none"> <li>1. High-quality products</li> <li>2. The company continues to innovate products</li> <li>3. The company's products have been understood by doctors</li> <li>4. Pioneer and leader of product marketing in the prescription drug market</li> <li>5. The company can control product distribution</li> <li>6. Strong financial resources</li> </ol> | <ol style="list-style-type: none"> <li>1. The human resources system is not yet perfect</li> <li>2. 20% of sales representative's negotiation ability is still weak</li> <li>3. The raw materials of most medicines are still imported from abroad</li> <li>4. The style of company leadership is still traditional</li> <li>5. The price of the company's medicines is relatively expensive</li> </ol> |
| <p>Opportunities(O)</p> <ol style="list-style-type: none"> <li>1. Indonesia has a large population</li> <li>2. Indonesia's economy continues to grow</li> <li>3. Chronic degenerative diseases are on the rise</li> <li>4. There are many sales people</li> <li>5. Potential new users after ASEAN coordination</li> <li>6. Per capita drug consumption in Indonesia is very low</li> <li>7. There are great opportunities for development in the non-prescription market</li> </ol>   | <ol style="list-style-type: none"> <li>1. Dispose of marketing personnel who meet the conditions of medical business development</li> <li>2. Accelerate the development of new products, especially non-prescription drugs, high-quality herbal medicine products and chronic degenerative diseases products</li> </ol>  | <ol style="list-style-type: none"> <li>1. Promote joint promotion and cooperation with other pharmaceutical companies and increase the product portfolio.</li> <li>2. Backward integration to obtain cheaper raw materials or efficient production processes.</li> </ol>  |
| <p>Threats(T)</p> <ol style="list-style-type: none"> <li>1. Many people are turning to herbal medicine</li> <li>2. The exchange rate of the Indonesian rupiah to the US dollar rises</li> <li>3. The emergence of many new companies</li> <li>4. Competitors focus on marketing products (medical representatives)</li> <li>5. The competition in the pharmaceutical industry is becoming increasingly fierce</li> <li>6. A large number of imported drugs enter the Indonesian market</li> <li>7. Many alternative medicines (generic drugs)</li> </ol> | <ol style="list-style-type: none"> <li>1. Maintain and improve product quality to gain customer trust.</li> <li>2. Carry out scientific research on APIs to reduce production costs.</li> </ol>  | <ol style="list-style-type: none"> <li>1. Improve product knowledge and negotiation ability of sales department employees.</li> <li>2. Lower sales profit margins and make medicine prices more competitive.</li> <li>3. Create an integrated SIM to improve the effectiveness and efficiency of business processes.</li> </ol>   |

According to the results of the internal-external matrix, Sanbe Company's position is in the second quadrant (growth and establishment). Using SWOT matrix analysis, Sanbe Company can formulate a feasible marketing strategy. SWOT analysis is based on a process that maximizes strengths and opportunities while also minimizing weaknesses and threats. SWOT analysis is divided into 4 strategies, namely S-O, S-T, W-O and WT.

#### 4.5. AHP Analysis

##### 1. Design expert scoring questionnaire and data collection

The data analyzed by AHP comes from SWOT analysis results and questionnaire survey. The questionnaire form analyzed by AHP has been unified in one questionnaire. Invite respondents to fill out the form. In the questionnaire, there are three (three) inter-interest weights, namely the weight of interest between each criterion and other criteria, the weight of interest between each sub-criteria and other sub-criteria in their respective criteria, and each sub-criteria The weight of interest between each alternative in the plan and other alternatives. In the analytic hierarchy process, according to the 1-9 scale method proposed by American operations researcher Professor T.L. satty, the decision judgment is quantified. [4]

**Table 4.** Random Consistensi Index (RI)

| Order | 1    | 2    | 3    | 4    | 5    | 6    | 7    | 8    | 9    |
|-------|------|------|------|------|------|------|------|------|------|
| RI    | 0.00 | 0.00 | 0.58 | 0.90 | 1.12 | 1.24 | 1.32 | 1.14 | 1.45 |

##### 2. Construction of judgment matrix and consistency test

According to the analytic hierarchy process "1-9" scale method, the first-level indicators are compared and discussed in pairs, and the comparison results are shown in the table below.

**Table 5.** Comparison of First-Level Indicators

|   | S    | W   | O   | T |
|---|------|-----|-----|---|
| S | 1    | 3   | 1   | 3 |
| W | 0.33 | 1   | 1   | 5 |
| O | 1    | 1   | 1   | 5 |
| T | 0.33 | 0.3 | 0.2 | 1 |

##### 3. Comprehensive treatment

This article uses the paired matrix to calculate the priority of the standard according to the importance of each standard for achieving the general goal of "Sanbe Company's marketing Strategy". The processing steps are as follows: Calculate each value written in the pairwise comparison matrix: Divide each item in the pairwise matrix by the sum of its columns. The resulting matrix is a standard pair matrix. Calculate the arithmetic mean of each row in a pairwise matrix, that is, the priority of these standards. Follow the above steps

**Table 6.** Aired Comparison Matrix of First-Level Indicators

|   | S     | W     | O     | T     | Weight |
|---|-------|-------|-------|-------|--------|
| S | 0.375 | 0.566 | 0.312 | 0.214 | 0.367  |
| W | 0.124 | 0.188 | 0.312 | 0.357 | 0.245  |
| O | 0.375 | 0.188 | 0.312 | 0.357 | 0.308  |
| T | 0.124 | 0.056 | 0.062 | 0.071 | 0.078  |

#### 4. Consistency test (A)

After obtaining the judgment matrix of the second layer of indicators and the weight of each indicator, the consistency of the matrix can be judged according to the CR test method proposed by Satty.

The method of measuring the consistency of a pair is to calculate the consistency index. If the index is greater than 0.10, it indicates that the pairwise comparison is inconsistent. If the index is less than or equal to 0.10, the consistency design of the paired comparison is more reasonable, and the comprehensive calculation of AHP can be continued.

In the first step, you want to multiply each column in the pairwise comparison matrix with the corresponding priority of the column, and then add them together to obtain a vector "weighted value", which is calculated as follows.

$$\begin{aligned}
 A &= 0.367 \begin{bmatrix} 1 \\ 0.33 \\ 1 \\ 0.33 \end{bmatrix} + 0.245 \begin{bmatrix} 3 \\ 1 \\ 1 \\ 0.33 \end{bmatrix} + 0.308 \begin{bmatrix} 1 \\ 1 \\ 1 \\ 0.2 \end{bmatrix} + 0.0786 \begin{bmatrix} 3 \\ 5 \\ 5 \\ 1 \end{bmatrix} \\
 &= \begin{bmatrix} 0.367 \\ 0.121 \\ 0.367 \\ 0.121 \end{bmatrix} + \begin{bmatrix} 0.736 \\ 0.245 \\ 0.245 \\ 0.081 \end{bmatrix} + \begin{bmatrix} 0.308 \\ 0.308 \\ 0.308 \\ 0.061 \end{bmatrix} + \begin{bmatrix} 0.235 \\ 0.393 \\ 0.393 \\ 0.078 \end{bmatrix} = \begin{bmatrix} 1.648 \\ 1.068 \\ 1.314 \\ 0.342 \end{bmatrix}
 \end{aligned}$$

In the second step, the weighted value vector obtained in the first step is divided by the priority of each criterion. (CV)

Strength :  $1.6484 / 0.3672 = 4.489$

Weakness :  $1.0685 / 0.2456 = 4.350$

Opportunities:  $1.3145 / 0.3085 = 4.260$

Threats :  $0.3425 / 0.07865 = 4.354$

In the third step, the average value of the values obtained in the second step is calculated and expressed as  $\lambda_{max}$ .

$$\lambda_{max} = \frac{4.489 + 4.350 + 4.260 + 4.354}{4} = 4.363$$

The fourth step is to calculate the consistency indicators CI and CR, the calculation formulas are respectively, where n is the number of comparison items.

$$CI = \frac{4.363 - 4}{4 - 1} = 0.08075$$

$CR = \frac{CI}{RI}$ , Where RI is the average random consistency index of any pairwise comparison matrix.

The value of RI depends on the number of comparison items. Referring to Table 4.2, the average random consistency index RI value, since  $n = 4$ , the available  $RI = 0.90$ , then  $CR = 0.08075 / 0.90 = 0.0897$ .

And after count every criteria, alternative, criteria-alternative comparative using steps above, the results are the priorities of every alternatives, based on every criteria. The result can be seen in Table 7

**Table 7. AHP Analysis Result Table**

|      | O1   | O2   | O3   | O4   | O5   | O6   | O7   | T1   | T2   | T3   | T4   | T5   | T6   | T7   | S1   | S2   | S3   | S4   | S5   | S6   | W1   | W2   | W3   | W4   | W5   | TOTAL |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|
| SO 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.09  |
| SO 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.14  |
| WT 1 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.02 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.02 | 0.10  |
| WT 2 | 0.00 | 0.01 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.02 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.02 | 0.12  |
| WT 3 | 0.01 | 0.02 | 0.01 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.09  |
| WO 1 | 0.01 | 0.02 | 0.01 | 0.02 | 0.00 | 0.01 | 0.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.05 | 0.01 | 0.00 | 0.16  |
| WO 2 | 0.00 | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.11  |
| ST 1 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.09  |
| ST 2 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 | 0.01 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.01 | 0.09  |

According to the criteria and the priority results of the alternative, the author can choose the best alternative. Among them, the author chose the 4 alternatives with the highest priority (> 10%), namely:

- WO 1: Promote joint promotion and cooperation with other pharmaceutical companies to increase product portfolio (16%)
- SO 2: Accelerate the development of new products, especially over-the-counter medicines, high-quality Chinese herbal medicine products and drugs for chronic degenerative diseases (14%)
- WT 2: Reduce the profit margin of sales and make the price of medicines more competitive (12%)
- WO 2: Backward integration to obtain cheaper raw materials or efficient production processes. (11%)

#### 4.6. QSPM Matrix

According to the results of AHP analysis, this paper got 4 alternatives. This stage will use the Quantitative Strategic Planning Matrix (QSPM) to comprehensively evaluate and identify the four strategic plans selected in the previous stage. In this stage, the four strategic plans will be scored quantitatively, so as to rationalize the strategic plan adopted by Sanbe Company.

According to the introduction of the quantitative matrix rules above, we first made the QSPM matrix, listing the key external and internal factors at the far left of the table, and listing the four alternative strategies screened at the top of the table. Then, according to different key factors, the impact of different strategic choices is scored. 1 point means nothing attractive, 4 points means very attractive, and 2 points and 3 points are recursive according to different degrees. After completing the above scoring work, multiply the average weight AS attractiveness score of each key factor to calculate the total TAS attractiveness score, and find the total number of TAS attractiveness scores for each key factor corresponding to each strategy, That is the final score of the strategy. After calculating the final score of each strategy, we can use the strategy with the highest score as Sanbe Company's most suitable strategy choice. The entire evaluation process adopts scientific and objective methods and first-hand data, which is highly convincing, and a research method combining qualitative and quantitative methods is adopted throughout the evaluation process, which greatly improves the objectivity and rationality of the conclusion. The result can be seen in Table 8 And Table 9.

**Table 8.** QSPM Matrix ( 1 )

| Internal - External Factor  | Weight | Alternative Strategy                          |       |  |       |
|---|--------|---|-------|--|-------|
|   |        | Cooperating with other pharmaceutical company |       | Accelerate the development of new products |       |
|   |        | AS  | TAS   | AS   | TAS   |
| <b>Opportunities</b>  |        |   |       |  |       |
| (A) Indonesia has a large population  | 0.091  | 4   | 0.364 | 3  | 0.273 |
| (B) Indonesia's economy continues to grow                                   | 0.079  | 4   | 0.316 | 2  | 0.158 |
| (C) Chronic degenerative diseases are on the rise                           | 0.07   | 3   | 0.21  | 2  | 0.14  |
| (D) The company has international business                                  | 0.058  | 4   | 0.232 | 2  | 0.116 |
| (E) Potential new users after ASEAN coordination                            | 0.063  | 2   | 0.126 | 3  | 0.189 |
| (F) Per capita drug consumption in Indonesia is very low                    | 0.082  | 2   | 0.164 | 2  | 0.164 |
| (G) Great opportunities for development in the non-prescription market      | 0.073  | 2   | 0.146 | 3  | 0.219 |
| <b>Threats</b>  |        |   |       |  |       |
| (A) Many people are turning to use herbal medicine                          | 0.058  | 4   | 0.232 | 4  | 0.232 |
| (B) The exchange rate of the Indonesian rupiah to the US dollar rises       | 0.09   | 3   | 0.27  | 2  | 0.18  |
| (C) The emergence of many new companies                                     | 0.072  | 3   | 0.216 | 2  | 0.144 |
| (D) Competitors focus on marketing products (medical representatives)       | 0.051  | 3   | 0.153 | 2  | 0.102 |
| (E) Increasing competition in the pharmaceutical industry                   | 0.086  | 4   | 0.344 | 3  | 0.258 |
| (F) A large number of imported drugs enter the Indonesian market            | 0.061  | 3   | 0.183 | 4  | 0.244 |
| (G) Many alternative medicines (generic drugs)                              | 0.066  | 2   | 0.132 | 2  | 0.132 |
| <b>Strength</b>   |        |   |       |  |       |
| (A) High-quality products   | 0.118  | 2   | 0.236 | 2  | 0.236 |
| (B) The company continues to innovate products                              | 0.094  | 2   | 0.188 | 2  | 0.188 |
| (C) The company's products have been understood by doctors                  | 0.081  | 2   | 0.162 | 4  | 0.324 |
| (D) Pioneer and leader of product marketing in the prescription drug market | 0.074  | 3   | 0.222 | 4  | 0.296 |
| (E) The company can control product distribution                            | 0.093  | 3   | 0.279 | 3  | 0.279 |
| (F) Strong financial resources  | 0.077  | 3   | 0.231 | 3  | 0.231 |
| <b>Weakness</b>   |        |   |       |  |       |
| (A) The human resources system is not yet perfected                         | 0.088  | 2   | 0.176 | 2  | 0.176 |
| (B) 20% of sales representative's negotiation ability is still weak         | 0.095  | 2   | 0.19  | 3  | 0.285 |
| (D) The raw materials of most medicines are still imported from abroad      | 0.091  | 4   | 0.364 | 2  | 0.182 |
| (E) The style of company leadership is still traditional                    | 0.083  | 2   | 0.166 | 2  | 0.166 |
| (F) The company's medicines are more expensive                              | 0.106  | 3   | 0.318 | 2  | 0.212 |
| <b>Total</b>  |        |   | 5.62  |  | 5.126 |

**Table 9. QSPM Matrix ( 2 )**

| Internal - External Factor  | Weight | Alternative Strategy                |       |                      |       |
|---|--------|-------------------------------------|-------|----------------------|-------|
|   |        | : Reduce the profit margin of sales |       | Backward integration |       |
|   |        | AS                                  | TAS   | AS                   | TAS   |
| <b>Opportunities</b>  |        |                                     |       |                      |       |
| (A) Indonesia has a large population  | 0.091  | 3                                   | 0.273 | 4                    | 0.364 |
| (B) Indonesia's economy continues to grow                                   | 0.079  | 4                                   | 0.316 | 3                    | 0.237 |
| (C) Chronic degenerative diseases are on the rise                           | 0.07   | 2                                   | 0.14  | 2                    | 0.14  |
| (D) The company has international business                                  | 0.058  | 4                                   | 0.232 | 4                    | 0.232 |
| (E) Potential new users after ASEAN coordination                            | 0.063  | 3                                   | 0.189 | 4                    | 0.252 |
| (F) Per capita drug consumption in Indonesia is very low                    | 0.082  | 4                                   | 0.328 | 3                    | 0.246 |
| (G) Great opportunities for development in the non-prescription market      | 0.073  | 3                                   | 0.219 | 3                    | 0.219 |
| <b>Threats</b>  |        |                                     |       |                      |       |
| (A) Many people are turning to use herbal medicine                          | 0.058  | 2                                   | 0.116 | 3                    | 0.174 |
| (B) The exchange rate of the Indonesian rupiah to the US dollar rises       | 0.09   | 4                                   | 0.36  | 4                    | 0.36  |
| (C) The emergence of many new companies                                     | 0.072  | 2                                   | 0.144 | 2                    | 0.144 |
| (D) Competitors focus on marketing products (medical representatives)       | 0.051  | 2                                   | 0.102 | 2                    | 0.102 |
| (E) Increasing competition in the pharmaceutical industry                   | 0.086  | 2                                   | 0.172 | 3                    | 0.258 |
| (F) A large number of imported drugs enter the Indonesian market            | 0.061  | 3                                   | 0.183 | 4                    | 0.244 |
| (G) Many alternative medicines (generic drugs)                              | 0.066  | 2                                   | 0.132 | 4                    | 0.264 |
| <b>Strength</b>   |        |                                     |       |                      |       |
| (A) High-quality products   | 0.118  | 2                                   | 0.236 | 3                    | 0.354 |
| (B) The company continues to innovate products                              | 0.094  | 3                                   | 0.282 | 3                    | 0.282 |
| (C) The company's products have been understood by doctors                  | 0.081  | 3                                   | 0.243 | 2                    | 0.162 |
| (D) Pioneer and leader of product marketing in the prescription drug market | 0.074  | 2                                   | 0.148 | 4                    | 0.296 |
| (E) The company can control product distribution                            | 0.093  | 3                                   | 0.279 | 2                    | 0.186 |
| (F) Strong financial resources  | 0.077  | 3                                   | 0.231 | 3                    | 0.231 |
| <b>Weakness</b>   |        |                                     |       |                      |       |
| (A) The human resources system is not yet perfected                         | 0.088  | 3                                   | 0.264 | 3                    | 0.264 |
| (B) 20% of sales representative's negotiation ability is still weak         | 0.095  | 3                                   | 0.285 | 3                    | 0.285 |
| (D) The raw materials of most medicines are still imported from abroad      | 0.091  | 2                                   | 0.182 | 4                    | 0.364 |
| (E) The style of company leadership is still traditional                    | 0.083  | 3                                   | 0.249 | 4                    | 0.332 |
| (F) The company's medicines are more expensive                              | 0.106  | 2                                   | 0.212 | 2                    | 0.212 |
| <b>Total</b>  |        |                                     | 5.517 |                      | 6.204 |

The AS values in Table 8 and Table 9 are given by the author after comprehensively considering the internal and external environment of Sanbe Company and fully communicating with the relevant strategy makers and decision makers of Sanbe Company. Not completely subjective assumptions, but rather a fairly convincing basis. The weights are calculated from Table 1 and Table 2 Sanbe Company's key external-internal factor weight calculation table.

## 5. Suggestions

According to the results of SWOT analysis, AHP analysis and QSPM, this article selected 4 best marketing strategies for Sanbe Company. The execution of these 4 marketing strategies is based on the results of the QSPM matrix, which is:

- Backward integration to obtain cheaper raw materials or efficient production processes (6.204)

The raw materials of most medicines are still imported from abroad (about 90%), which increases the production cost and affects the sales price. Therefore, Sanbe Company can become a pioneer in producing its own raw materials for Indonesian pharmaceutical companies. This will require no small investment. But the prospects are very broad. In addition, the government will strive to increase the investment of upstream pharmaceutical companies. In addition to reducing the cost of producing finished medicines, Sanbe Company can also sell the raw materials of these medicines to other pharmaceutical companies and become the largest raw material supplier in Indonesia and even ASEAN.

- Accelerate the development of new products, especially over-the-counter medicines, high-quality herbal medicines and chronic degenerative diseases medicines (variety) (5.62)

Many people are now turning to the use of herbal medicines, because herbal medicines do not contain many chemicals, and most of them are cheaper than Western medicines. This situation will affect the drug sales of pharmaceutical companies. But this will also become an opportunity if Sanbe Company can produce herbal medicines.

Chronic degenerative diseases have already occurred in many countries. Chronic disease promotion is not a specific disease, but a kind of hidden disease, long course of disease and persistent disease, lack of accurate evidence of infectious biological etiology, complex etiology, and generalization of some diseases that have not been fully confirmed. Collectively. Common chronic diseases mainly include cardiovascular and cerebrovascular diseases, cancer, diabetes, and chronic respiratory diseases. The central cerebrovascular diseases include hypertension, stroke, and coronary heart disease.

According to a report by the Ministry of Health of Indonesia, obesity cases among adults over 18 years of age have risen from 14.8% (2013) to 21.8% (2018), accounting for about a quarter of the adult population. In 2030, about 15% or 45 million people in Indonesia are elderly. These two are the biggest causes of chronic degenerative diseases. Therefore, if Sanbe Company can develop and produce drugs for chronic degenerative diseases, this will be a huge opportunity for Sanbe Company to develop.

- Promote joint promotion and cooperation with other pharmaceutical companies to increase product portfolio (5.517)

Sanbe Company cooperates with several international pharmaceutical companies, such as Marini International, Dr. Winzer Pharma GmbH and Zambaletti. But the last cooperation was in 1996. Sanbe Company can cooperate with American companies in order to improve Sanbe Company's production technology and R & D. In addition to working with international pharmaceutical companies, Sanbe Company can cooperate with domestic pharmaceutical companies, such as Kalbe and SakaFarma, in order to increase Kalbe's over-the-counter sales.

- Reduce sales profit margins and make medicine prices more competitive (5.126)

Many people think that Sanbe Company's medicines are more expensive than other companies. This is because the sales price of Sanbe Company's medicines is not competitive. In order to make medicine prices more competitive, Sanbe Company can reduce the profit margin of sales. Therefore, with a more competitive selling price, sales will increase, thereby increasing Sanbe Company's overall revenue.

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