

JARDINE HOUSEHOLD VENTILATOR AGENT SALES

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ABSTRACT

This paper intends to analyze the existing problems and solutions in the marketing of the company's home ventilator products, and formulate a marketing strategy suitable for the company's home ventilator by combining the current situation of the company's home ventilator marketing management and comprehensively using the theoretical knowledge of marketing. At the same time, it also provides some ideas for other home medical device companies to explore marketing strategies that are in line with their own development. The financial and feasibility analysis shows that, the present value of the working capital of the project from the first year to the fifth year is 3.95 million yuan, 4.23 million yuan, 5.27 million yuan, 5.62 million yuan, 7.56 million yuan, and the NPV of the project is 21.07 million yuan. it can be seen that a total of 5.56 million yuan was invested in the initial stage of the project, and the time for the project to recover these investments is 1.3 years.

INTRODUCTION & COMPANY DESCRIPTION

In recent years, I have been engaged in the pharmaceutical and medical device industry. I have worked for many companies such as Buchang, Ted, and Bayer. I am noticeably clear about the medical industry in China, especially in Shaanxi. With the enhancement of people's awareness of health care and the rapid development of the medical device industry, the sales of home ventilators in the domestic market have grown rapidly. Especially in the past two years, the epidemic situation has had a more positive effect on the home ventilator market, and the market demand for home ventilators has further increased. Therefore, this project aims at the home ventilator industry, develops the home ventilator sales market of Company D, and we are trying to explore a new way of home ventilator sales.

The corporate vision is to develop into the preferred platform for national respiratory health management. While providing customers with professional and high-quality services, the company helps patients' families cope with chronic respiratory diseases with a positive and caring attitude, and wins long-term trust and cooperation from customers with sincerity and integrity.

The whole process of ventilator sales requires professional sales staff to provide services to customers. Starting from the concept of service marketing, it is more in line with the product characteristics and the company's service concept to study the marketing of ventilator chain stores. The company mainly deals in various advanced sleep diagnosis and treatment products, including polysomnography monitoring and imported ventilators of various brands. The company has more than 50 employees. The company plans to promote the home ventilator this year to realize the further development of the company.

INDUSTRY ANALYSIS

In 2015, the total volume of the global medical device market was US\$371 billion, and it showed a trend of steady expansion. By 2021, the total volume is expected to exceed \$500 billion. From the regional level analysis, the medical enterprises in developed regions and countries (such as Europe, the United States, Japan, etc.) started earlier, and their medical device products have relatively high quality and technical level. Therefore, the market demand is more inclined to the replacement of products, which has a large market scale and can maintain steady growth.

In the past three years, the domestic home ventilator market has maintained an average growth rate of about 28%, and its trend is relatively stable. In 2017, the domestic sales volume exceeded 170,000 units¹. With the disease more and more snoring patients. Correct understanding, coupled with the impact of rigid market demand, the domestic home ventilator market must have room for rapid development. At the same time, the industry presents the following characteristics:

1 From the Yangtze River Delta and the Pearl River Delta to the inland development

Due to the unequal characteristics of Chinese economic development level in regions, it is mainly concentrated in the coastal areas, and the domestic layout is also mainly concentrated in the Yangtze River Delta and the Pearl River Delta. The proportions are inseparable.

2 Domestic brands gradually replace foreign imported products

In the early stage, the ventilator medical device market mainly relied on foreign imported products, but with the continuous improvement and development of the domestic manufacturing level, domestic production costs have greater advantages compared with international ones, and consumers are more inclined to buy domestic manufacturers' products.

3 Internationally seize market competitiveness and strengthen

Due to the rising labor costs and raw material prices in China, the competitive advantage in the international market has gradually disappeared, and it has been gradually replaced by products from India, Brazil, Southeast Asia and other countries.

MARKET ANALYSIS & MARKETING PLAN

The target market of the ventilator is OSAHS patients and people who have been plagued by snoring for a long time. This group of people accounts for 2%-4% of the total population, about 62 million, and the penetration rate of ventilators in this group is less than 2%. According to the patient's condition, these potential customers can be subdivided into: the first category, customers whose apnea has affected their health and who have been in the hospital for sleep monitoring. The second category is customers who have found sub-health problems, but cannot find the root cause and do not know much about snoring. The third category is customers who do not have any symptoms, but snoring seriously. The main target of the physical ventilator store is the second group of people. Through the promotion of health knowledge, customers can discover their own causes - and take the initiative to treat them. And through excellent service, guide the second group of people to influence the third group of people through word-of-mouth marketing. Considering the price of the ventilator, the price of

the ventilator ranges from several thousand yuan to tens of thousands of yuan. The company hopes to cover the low-end market through physical operation, so that the ventilator can enter more people's homes.

The people who need a ventilator are mostly: sleep snoring (sleep apnea hypopnea syndrome), patients with cardiopulmonary insufficiency, respiratory dysfunction (heart failure, respiratory failure, sleep apnea combined with respiratory failure, patients with motor nervous system diseases) Wait). As an effective means to artificially replace the function of spontaneous ventilation, the ventilator occupies a very important position in the field of modern medicine. A ventilator is a vital medical device that can prevent and treat respiratory failure, reduce complications, and save and prolong patients' lives. With the emergence of more and more fully functional, well-synchronized, affordable and portable home non-invasive ventilators, patients with respiratory diseases can receive mechanical ventilation at home, which not only reduces the pressure on hospitals, but also saves household expenses. Therefore, it is very necessary for specific buyers to communicate with the purchase of ventilators.

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MANAGEMENT TEAM AND COMPANY STRUCTURE

The overall management team of the home ventilator business project continues the existing D company, so let's make a brief introduction to the development of D company first.

Company D (hereinafter referred to as the Company) was established in 2019 and is a private enterprise in nature. Since its establishment, the company has mainly engaged in the consignment business of various advanced medical devices. The company takes the pursuit of relieving human pain as its own corporate philosophy, and adheres to the spirit of "focus, deep cultivation, integrity, and struggle". The company implements the general manager responsibility system under the leadership of the board of directors, and implements a management method combining budget management and project management. In daily organizational management, the company implements a traditional tree-like organizational structure to obtain information communication, as shown in the following figure:

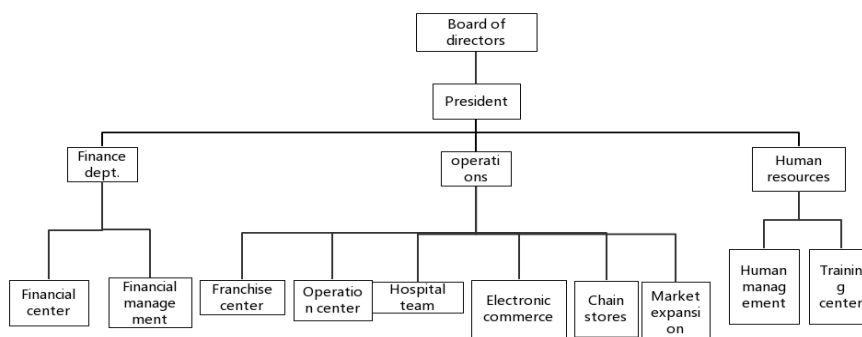


Figure 1 Organizational structure to obtain information communication

In the early stage of establishment, the general manager directly coordinated the work of various departments, with clear rights and responsibilities, which is conducive to internal communication, strong execution, and relatively high management efficiency. With the continuous development and expansion of the company, the organizational structure of the company will be reformed, and the organizational structure of the division system will be gradually adopted.

OPERATIONS & PRODUCTION PLAN

To clarify the market, we prefer to segment the market, and customers in different markets adopt different strategies. Customers are segmented into primary, secondary and tertiary consumers by income level and health-conscious structure. Primary consumers have strong health awareness and economic foundation, and they are the most important consumers. Some secondary consumers choose other alternative products for economic reasons, and some are not aware that snoring is harmful to their health. For such consumers, we need to increase publicity efforts and continue to introduce lower-priced domestic ventilators. The third-level consumers have poor health awareness and no purchasing power. We temporarily gave up this part of the market due to the high development cost in the early stage of the project.

The company screened large OTC pharmacies in major prefecture-level cities in Shaanxi, and analyzed their location, market reputation, business quota, and number of consumers, and at least ensured that each prefecture-level city had more than one OTC pharmacy. cooperate. Through the training of "shop-in-shop" employees, the company replicates the model and operating experience of the ventilator experience center, and takes "shop-in-shop" as a breakthrough to form an experience and sales network covering the whole of Shaanxi.

In order to strengthen the brand building of the company's home ventilator and increase public awareness, the company intends to start with its brand to create a reliable, warm and safe warm family awareness, but it must also adapt to the current communication through various network terminals. Accurately locate consumers of different age groups, establish a reliable and gentle service image, and win a good online reputation. In addition to standardized perception, create unique and personalized brand characteristics to better complement marketing activities.

The ultimate goal of Jardine Co., Ltd.'s home ventilator operation is to realize the sleep health management of customers through the combination of tradition and high technology. The physical store is our "base station", and the network and informatization are the lines to contact customers. In terms of service mode, the traditional development to informatization, from storefront experiential sales to the final sleep health management. In the department, we start from the correlation, and together people pay attention to sleep and breathing, and bring ventilator treatment to each department. Geographically, we start from Xi'an and continue to spread to the surrounding areas to achieve the goal of major cities in Xi'an and even Shaanxi.

FINANCIAL ANALYSIS & FEASIBILITY ANALYSIS

Project cost and rate of return analysis refers to the estimation and measurement of a company's inputs and outputs. The specific method is to first predict the sales revenue of company in the next 5 years and the cost of each year, and then prepare a cost-benefit statement on the basis of the sales revenue and cost forecast results. Below are the Pro forma Income Statements, Pro forma Balance Sheet, and Pro forma Cash Flow that make predictions.

Table 1 Income Statement for the Year Ending December 31, 2026

Unit: ten thousand yuan					
Item	2022	2023	2024	2025	2026
Sales (all on credit)	1000	1200	1600	2000	2500
Operating cost					
Labor cost	300	340	460	530	640
Equipment cost	350	450	660	890	1012
Cost of sales	25	34	54	65	73
Depreciation	5	10	22	35	40
Total operating expenses	680	834	1196	1520	1765
Operating income	320	366	404	480	735
Interest expense	0	0	0	0	0
Income before taxes	320	366	404	480	735
Income tax expense	42	48	53	63	96
Net income after taxes	278	318	351	417	639
Earnings per share(100,000 shares)	0.00165	0.00316	0.00615	0.00417	0.00639

Table 2 Pro forma Balance Sheet

Unit: ten thousand yuan					
Item	2022	2023	2024	2025	2026
Assets					
Current assets					
Cash	720	930	1260	1490	2005
Accounts receivable	120	130	240	260	350
Total current assets	840	1060	1500	1750	2355
Fixed Assets					
Equipment	51	60	69	85	105
Depreciation	15	18	25	31	36
Total fixed assets	36	42	44	54	69
Total	876	1102	1544	1804	2424

Item	2022	2023	2024	2025	2026
Liabilities and Owner's Equity					
Liabilities					
Accounts payable	105	160	210	230	260
Bills payable	85	115	145	168	270
Total current liabilities	190	275	355	398	530
Owners' equity					
Corporate partner equity	658	791	1130	1344	1829
Unallocated equity	28	36	59	62	65
Total owner's equity	686	827	1189	1406	1894
Total	876	1102	1544	1804	2424

Table 3 Pro forma Cash Flows Ended December 31,2026

Unit: ten thousand yuan					
Item	2022	2023	2024	2025	2026
Operating Activities					
Net income	278	318	351	417	639
Increase in accounts receivable	120	130	240	260	350
Increase in inventory	0	0	0	0	0
Operating Net cash	398	448	591	677	989
Investing Activities					
Investing Activities	0	0	0	0	0
Financing Activities					
Investment by owner	24	36	54	59	71
Net increase in cash	422	484	645	736	1,060
Cash at the beginning of year	0	0	0	0	0
Cash at the end of year	422	484	645	736	1060

After calculation, the present value of the working capital of the project from the first year to the fifth year is: 3.95 million yuan, 4.23 million yuan, 5.27 million yuan, 5.62 million yuan, 7.56 million yuan, and the NPV of the project is 21.07 million yuan. In the first part of this chapter, it can be seen that a total of 5.56 million yuan was invested in the initial stage of the project, and the time for the project to recover these investments is 1 year and 3 months. Judging from the above indicators, the profitability and payback period of this project are very impressive, and it is a project worthy of investment.

CONCLUSION AND FUTURE WORK

This paper uses the marketing theory, combined with the current development of the household medical device and household ventilator industry, and finds its target customer group through market research. And in-depth analysis of the characteristics and preferences of

the target customer groups, so as to put forward suggestions for the development of the company's home ventilator product market strategy. This paper suggests that in the development of home ventilator projects, fully understand the needs of target customers, increase the convenience of product use and portability; improve product packaging; adjust product pricing; set up a promotion mechanism that directly hits consumer psychology; improve offline OTC sales channels; Sales network; supplemented by the establishment of experience centers and other means for experience marketing; build a remote management system for products; to meet the needs of target customers, reduce the cost of target customers to obtain products and information; and increase their experience and purchasing convenience.

The strategy adjustment suggestions made in this article are also applicable to other companies engaged in the marketing of home ventilator products. I hope to provide some ideas for home medical device companies to explore marketing strategies that are in line with their own development.

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