

## Case study: Increasing profitability of insulin products of Abbott

### Interviewer:

Our client, Abbott, has been experiencing a decline in the usage of its insulin products, particularly in Asian countries. The primary reason appears to be increased competition from AstraZeneca, possibly influenced by dietary habits, as sweet consumption is high in these regions. As part of the consulting team, what key areas would you want to explore to understand the factors contributing to the decline in product usage and recommend strategies to increase profitability?

### Candidate:

To address the decline in insulin product usage, I would explore several key areas:

#### 1. Market Analysis:

- Examine the competitive landscape, especially AstraZeneca's market penetration and strategies.
- Analyze regional variations in sweet consumption trends and their impact on diabetes rates.

#### 2. Customer Behavior and Preferences:

- Conduct surveys and interviews to understand customer preferences and reasons behind choosing one insulin product over another.
- Investigate if cultural factors influence perceptions and choices related to insulin brands.

#### 3. Product Differentiation:

- Evaluate the features and benefits of Abbott's insulin products compared to AstraZeneca's offerings.
- Identify opportunities for product differentiation and innovation to meet changing customer needs.

#### 4. Pricing Strategies:

- Assess the pricing strategies of both Abbott and AstraZeneca.
- Explore the possibility of adjusting pricing models to make Abbott's products more competitive.

#### 5. Marketing and Awareness Campaigns:

- Develop targeted marketing campaigns to raise awareness about the benefits of Abbott's insulin products.
- Consider educational initiatives to address misconceptions and build trust among consumers.

### Interviewer:

The team discovers that AstraZeneca's insulin products have gained popularity due to perceived better taste and ease of use. How would you approach this information to develop strategies for Abbott's insulin products?

### Candidate:

Given the insights into AstraZeneca's perceived advantages, I would propose the following strategies:

#### 1. Product Reformulation:

- Explore opportunities to improve the taste and overall palatability of Abbott's insulin products.
- Consider collaborations with flavor experts or conducting sensory analysis to enhance product appeal.

#### 2. User-Friendly Packaging and Administration:

- Redesign packaging to make it more user-friendly and appealing.
- Invest in technology or innovations that simplify the administration process for patients.

#### 3. Marketing Emphasis on Taste and Convenience:

- Develop marketing campaigns that highlight the improved taste and ease of use of Abbott's insulin products.
- Leverage social media and influencers to reach target audiences effectively.

**Interviewer:**

Abbott's CEO is concerned about the profitability of the insulin product line. How would you propose strategies to increase profitability while addressing the decline in usage?

**Candidate:**

To enhance profitability, I would recommend a multifaceted approach:

**1. Diversification of Product Portfolio:**

- Explore opportunities to expand the insulin product line with variations that cater to specific market segments.
- Consider developing combination therapies or complementary products.

**2. Strategic Partnerships:**

- Identify potential partnerships with healthcare providers, organizations, or governments to increase the distribution and adoption of Abbott's insulin products.
- Negotiate favorable terms to reduce distribution costs and enhance market reach.

**3. Cost Optimization:**

- Conduct a thorough cost analysis to identify areas for optimization in the production and distribution processes.
- Negotiate with suppliers to secure better pricing for raw materials.

**4. Customer Loyalty Programs:**

- Introduce customer loyalty programs or discounts for consistent users of Abbott's insulin products.
- Establish long-term relationships with healthcare providers for continuous prescription recommendations.

**5. Investment in Research and Development:**

- Allocate resources to research and development to stay ahead of the competition by introducing innovative features or formulations.
- Obtain regulatory approvals for new product offerings.

**Interviewer:**

The team has identified a significant cultural influence on insulin product choices in Asian countries. How would you recommend adapting Abbott's marketing strategy to align with cultural preferences and improve product acceptance?

**Candidate:**

To align with cultural preferences, I would recommend the following strategies:

**1. Cultural Sensitivity in Marketing:**

- Tailor marketing messages to resonate with cultural values and beliefs related to health and well-being.
- Utilize culturally relevant visuals and language in promotional materials.

**2. Local Partnerships:**

- Establish partnerships with local influencers, healthcare professionals, or organizations to build trust within the community.
- Sponsor or participate in cultural events to demonstrate commitment and understanding of local customs.

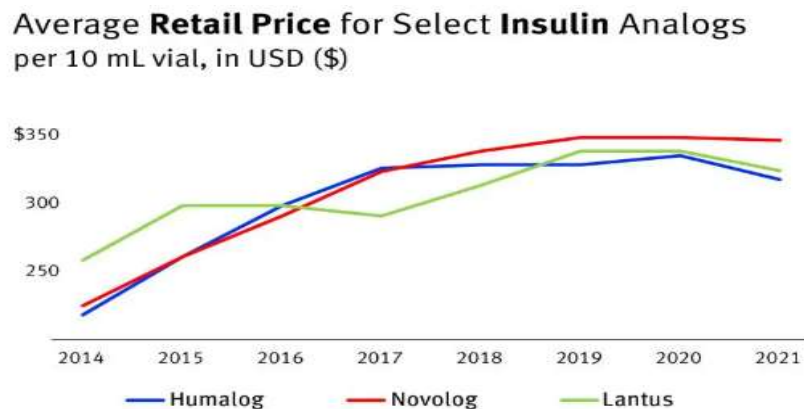
**3. Customized Educational Initiatives:**

- Develop educational materials that address specific cultural concerns or misconceptions about insulin usage.

- Conduct workshops or seminars in collaboration with local healthcare providers to increase awareness.

**Interviewer:**

During the market analysis, it's found that online sales of insulin products have been steadily increasing, especially among younger demographics. How would you recommend Abbott adapt its distribution strategy as shown below to capitalize on this trend and reach a wider audience?



**Candidate:**

To capitalize on the trend of increasing online sales, I would suggest the following strategies:

1. E-commerce Platform Integration:

- Strengthen Abbott's presence on e-commerce platforms, making insulin products easily accessible to online shoppers.
- Implement user-friendly interfaces and mobile applications to enhance the online purchasing experience.

2. Digital Marketing Campaigns:

- Invest in targeted digital marketing campaigns to reach the younger demographic through social media platforms and online forums.
- Leverage data analytics to identify online trends and optimize marketing strategies accordingly.

3. Subscription Services:

- Introduce subscription services for insulin products, providing convenience and ensuring a steady customer base.
- Offer exclusive online promotions and discounts to encourage subscription sign-ups.

**Interviewer:**

Given the competitive landscape, how would you recommend Abbott differentiate its insulin products beyond taste and convenience to create a sustainable competitive advantage?

**Candidate:**

To establish a sustainable competitive advantage, I would recommend the following differentiation strategies:

1. Health and Wellness Ecosystem:

- Integrate Abbott's insulin products into a broader health and wellness ecosystem, offering additional services such as personalized health monitoring apps or consultation services.
- Position the products as part of a comprehensive solution for managing diabetes.

## 2. Environmental Sustainability:

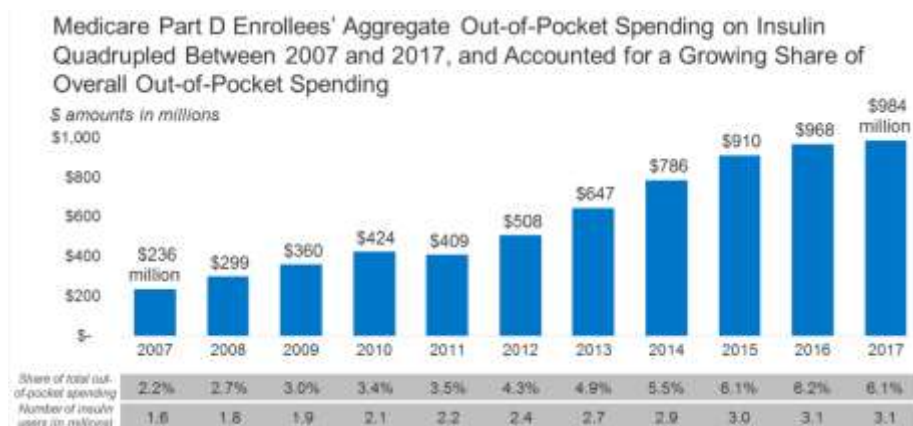
- Emphasize environmentally friendly practices in the production and packaging of insulin products.
- Highlight Abbott's commitment to sustainability, appealing to environmentally conscious consumers.

## 3. Continuous Innovation:

- Establish a dedicated innovation team to regularly update and enhance insulin product features.
- Stay ahead of emerging trends in diabetes management and incorporate cutting-edge technologies.

### Interviewer:

Considering the potential impact of regulatory changes on the pharmaceutical industry, how would you advise Abbott to navigate and adapt its insulin product strategy to comply with evolving regulations as shown below ?



### Candidate:

To navigate regulatory changes, I would recommend the following strategies:

#### 1. Proactive Regulatory Compliance:

- Establish a regulatory affairs team to stay informed about changes in regional and international regulations.
- Proactively adapt product formulations and marketing strategies to comply with new requirements.

#### 2. Engagement with Regulatory Authorities:

- Foster open communication and collaboration with regulatory authorities to understand upcoming changes and provide input from Abbott's perspective.
- Participate in industry forums and discussions to stay ahead of regulatory developments.

#### 3. Global Standardization:

- Standardize product specifications and manufacturing processes to comply with a global set of regulations.
- Invest in training programs for employees to ensure a thorough understanding of evolving regulatory standards.

### Recommendations:

#### 1. Taste and Convenience Enhancement:

- Reformulate Abbott's insulin products to improve taste and overall palatability.
- Redesign packaging and explore innovations to simplify product administration for users.

## 2. Marketing Strategies:

- Develop marketing campaigns emphasizing improved taste, ease of use, and cultural sensitivity.
- Utilize social media, influencers, and local partnerships to effectively reach target audiences.

## 3. Product Differentiation:

- Continuously innovate to differentiate Abbott's insulin products beyond taste and convenience.
- Integrate products into a broader health and wellness ecosystem for a competitive advantage.

## 4. Distribution Strategy:

- Capitalize on the trend of increasing online sales by strengthening the presence on e-commerce platforms.
- Implement subscription services and targeted digital marketing to reach younger demographics.

## 5. Profitability Enhancement:

- Diversify the insulin product portfolio to cater to specific market segments.
- Establish strategic partnerships to optimize distribution costs and increase market reach.
- Implement cost optimization measures and explore customer loyalty programs.

## 6. Adaptation to Regulatory Changes:

- Proactively monitor and comply with evolving regional and international regulations.
- Engage with regulatory authorities to stay informed and provide input on industry standards.
- Standardize product specifications and manufacturing processes globally.

## Conclusion:

In conclusion, addressing the decline in insulin product usage for Abbott requires a multifaceted approach that encompasses product enhancement, strategic marketing, differentiation, and adaptation to changing market dynamics. By understanding the competition, cultural influences, and the preferences of the target demographic, Abbott can formulate strategies to not only regain market share but also enhance profitability. Continuous innovation, a customer-centric approach, and proactive engagement with regulatory changes will be crucial for long-term success in the dynamic pharmaceutical industry. The proposed recommendations aim to position Abbott's insulin products as not only effective solutions for diabetes management but also as preferred choices in the competitive market landscape.