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# **Completing Product Policy at HOA LINH Pharmaceutical Responsibility Company**

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## **ABSTRACT**

Currently, the production and trading of counterfeit products, poor quality goods, and unknown origin greatly affects consumers, causing harm to people's health and great losses to the state. Products are considered an indispensable part of production and business activities of any enterprise. That's why product policy is also considered a key factor and partly determines the success of a business. Hoa Linh Pharmaceutical Company is constantly changing to bring customers the best experience and the most standard products. The problem for the company is how to attract customers to the company. Recognizing the importance of product policy in attracting customers, using qualitative research methods, the author has proposed solutions to improve product policy for the company.

*Keywords: products, product policies, customers, Hoa Linh Pharmaceutical Company...*

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## **1. INTRODUCTION**

The already difficult process of world economic integration is now more difficult than ever as the Covid pandemic has left serious consequences for the Vietnamese economy in particular and the world economy in general. Integration brings Vietnamese businesses many development opportunities but is also a big challenge. Vietnamese businesses not only compete with domestic businesses but now also have to face foreign businesses. Therefore, businesses need to be agile, require good adaptability, and need to create products and services that best meet the increasing needs of consumers.

Hoa Linh Pharmaceutical Company is headquartered in Group 12, Vi Xuyen town, Vi Xuyen district, Ha Giang province with nearly 500 employees, more than 100 large distributors in provinces and cities nationwide. Built on an area of more than 60,000 m<sup>2</sup> with subdivisions: Canned and bottled beverage factory, pharmaceutical preliminary processing factory, health care food factory, cosmetic factory. .. Factories are equipped with modern machinery lines according to GMP standards, ensuring the supply of safe and quality raw materials and products.

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## **2. THEORETICAL BASIS**

Product policy is one of four Marketing policies.

Factors affecting a business's product policy include:

Factors in the macro environment: The macro environment is the forces on a broader social level that affect the micro environment, such as demographic, economic, natural, and technical factors. , politics and culture, ...

Macro environment factors: Micro environment are forces that have a direct relationship with the company itself. Micro-environment factors include: Customers, Competitors, Suppliers, Public, Marketing intermediaries, and the business itself.

The content of product policy includes decisions:

Product portfolio decisions: A business's product portfolio can be described by: its width, length, depth and consistency. Administrators can expand the product portfolio by adding new product lines. During the process of doing business in the market, businesses must determine the breadth and depth of their product lines and decide to expand or narrow their existing product lines.

Deciding on product packaging: Marketing managers must pass a series of successive decisions such as: Developing a packaging concept; decide on aspects; decisions on packaging testing; Consider social benefit aspects...

Deciding on a product brand: According to the definition of the American Marketing Association: A product brand is a name, term, sign, symbol or design...

Including decisions on brand naming and decisions on brand expansion strategies

signal.

Deciding on product quality: Depending on the type of product, the quality standards

Product quality is reflected by different parameters. The general ideology of Marketing is: Quality must comply with the customer's perception. Quality decisions are strategic decisions of businesses to gain competitive advantage.

New product development: New product development allows businesses to diversify their product portfolio and expand their business areas. New products help businesses satisfy emerging customer needs.

### 3. RESEARCH METHODS

The project mainly uses qualitative research methods. Specifically, the comparative method, the dialectical materialist method, and the synthetic analysis method.

Techniques used: Analysis and synthesis methods, descriptive statistics techniques and data processing.

Data collection methods:

– Collect and analyze documents and secondary data from many information sources, including articles, previous domestic and foreign research articles and reports at the Pharmaceutical Liability Company Group Joint Stock Company Hoa Linh product.

### 4. RESEARCH RESULTS AND DISCUSSION

#### 4.1 Research results

##### Product catalog structure

The company's products are quite diverse and are shown through:

Width: The company's product portfolio has 4 product types including: beverages, functional foods, cosmetics and chemicals.

Length: The beverage product group has 5 product lines, the functional food group has 11 product lines, the cosmetics group has 12 product lines, the chemical product group has 2 product lines.

Depth: For each product category, the company has separate product types. There are two types of CASSAN orange juice and apple juice: bottled water and canned water with different designs and capacities. For cans with a capacity of 330ml and bottles of 500ml. There are 8 types of dishwashing liquid corresponding to 4 different scents: orange scent, lemongrass scent, aloe vera green tea, cinnamon scent, and 2 different capacities: 3.8 liter can and bottle. small 0.8 liter. For the functional food product line, each product has two types corresponding to two packaging specifications: blister packs of 10 tablets, each box has 3 blisters and jars, each bottle has 60 tablets.

Regarding revenue of each product group:

The beverage group is the product group that brings the largest source of revenue for the company in the period 2019-2021. It can be seen that although the beverage group's revenue has fluctuated over the years, it is still the leading product group in terms of sales revenue of the company.

Ranked second in sales revenue is the dietary supplement product group with 11 different product types. Revenue in 2021 reaches 65 billion 487 million VND, accounting for 27.49%

**Table 1: Revenue of each product group of the Company**

(Unit: million dong)

Product Groups	2019		2020		2021	
	Revenue	%	Revenue	%	Revenue	%
Beverage	188.854	82,49	136.170	58,45	147.492	61,93
Functional foods	18.670	8,15	81.446	34,96	65.487	27,49
Cosmetics	8.310	3,63	6.550	2,81	12.025	5,04
Chemical product	13.110	5,73	8.820	3,79	13.150	5,52
Total	228.944	100	232.986	100	238.154	100

(Source: Accounting and Finance Department)

Similar to the chemical product group, revenue also decreased in 2020 when revenue reached 13 billion 110 million VND in 2019. It can be seen that the product group has an increase in revenue but still accounts for a small proportion of total revenue. revenue for the entire industry.

The reason is that the company focuses and focuses on the production and trading of beverages and functional foods. The company's cosmetic and chemical product lines still do not have a place in the market, and many people still do not know about these product lines of the company.

Current status of the company's product brands

CHARTS SHOWING PRODUCT BRAND STRUCTURE

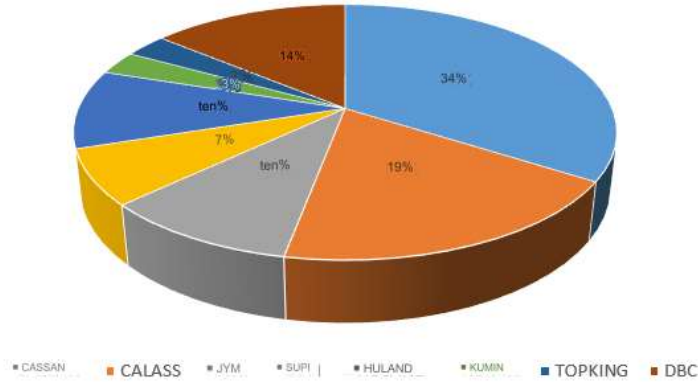


Figure 1: Graph showing product brand structure in 2021

(Source: Sales Department)

From the chart above we can see that CASSAN is the brand that accounts for the largest proportion (34%) in the total product brand structure.

Occupying the second proportion after CASSAN is CALASS - passion fruit juice. Although it is a new product launched in 2020, it already has a certain position.

Ranked fourth is the DBC brand. The brand name is the abbreviation of Hoa Linh Pharmaceutical Company. With 3 types of products: hand sanitizer, laundry detergent and dishwashing liquid.

Next is HULAND. This is the trademark of most cosmetic products. Including products: facial cleanser, makeup remover, exfoliator, feminine hygiene gel...

Revenue of each product brand of the Company

It can be seen that CASSAN brand products are the products with the largest revenue over the years from 2019 to 2021. Revenue is 75 billion 250 million VND in 2019, 54 billion 025 million VND respectively in 2019.

VND in 2020 and VND 58 billion 454 million in 2021.

Next is the CALASS brand of passion fruit juice. In 2020, CALASS's revenue reached 30 billion 152 million VND, accounting for 24.73% of total revenue. In 2021, it will increase by more than 8 billion and reach 38 billion 652 million VND

Table 2: Revenue by each product brand of the Company

(Unit: million VND)

Brand name	Revenue			Percentage (%)		
	2019	2020	2021	2019	2020	2021
CASSAN	75.250	54.025	58.454	58,67	44,31	39,68
CALASS	-	30.152	38.652	-	24,73	26,24
JYM	18.345	12.425	15.235	14,30	10,19	10,34
SUPI	13.254	10.126	10.155	10,33	8,31	6,89
DBC	13.110	8.930	13.245	10,22	7,32	8,99
HULAND	6.010	4.245	8.952	4,69	3,48	6,08
TOPKING	1.252	1.056	1.355	0,97	0,87	0,92
KUMIN	1.023	955	1.256	0,80	0,78	0,85

(Source: finance – accounting)

The seventh and eighth positions are two brands belonging to the functional food product line.

Current status of product packaging

Each different product type has a different packaging design.

For beverage group: includes 2 different packaging formats: bottle and can. Each specification has 2 types of capacity.

The functional food product group has two packaging styles: box and form blister.

Cosmetics group: the packaging of each different product type is designed in a different style.

The chemical group includes products such as harvest water and dishwashing liquid with 2 capacities: 3.8l can and 800ml bottle.

The outer packaging layer is also designed to be identical to the contact packaging layer. The brand name is printed on each package.

The company selects and cooperates with printing companies and packaging manufacturing companies with modern techniques to create impressive packaging with a variety of styles and designs, contributing to promoting the company's image. to the customers.

However, for chemical products, the packaging of laundry detergent and dishwashing liquid is not really certain. Many customers complain because the lid is not sturdy enough to easily spill the product inside. The company needs to research to redesign the can lid and package the goods carefully and thoroughly before delivering to customers.

**Current status of product quality**

The company also focuses on preserving raw materials to avoid causing mold and reducing nutritional value, affecting the quality of output products.

The company also focuses on regularly upgrading and investing in the construction of fruit and medicinal pressing lines, contributing to creating the highest quality products for consumers.

The company's products all have food hygiene and safety certificates issued by the Food Safety Department of the Ministry of Health..



**Figure 2: The company's beverage production process**

*(Source: Information about Hoa Linh Pharmaceutical Company)*

During the production and consumption of products, a quality assurance system is installed from preparation, storage to packaging and transportation to ensure that raw materials always meet quality requirements.

To ensure objectivity in quality testing. The company has established a Scientific Council that meets qualifications standards and includes skilled and experienced professional staff to provide honest and reliable analytical testing results.

**Current status of new product development**

The Company's new products are launched based on the following basic process:

Market research => Understanding customer needs => Monitoring competitors => SWOT analysis => Producing new products.

The company has recruited key talents and selected candidates with highly appreciated expertise in the field of medicinal herbs and functional foods research, including Professors, Doctors, and former Head of the Department. Traditional medicine Mr. Pham Hung Cung. In addition, the company also signed with partners from the US, Japan, and Korea to cooperate in developing cosmetic product lines..

**Table 3: New products in the product catalog**

Product type	Product's name	Year
Beverage	CALASS passion fruit juice	2020
Cosmetics	DBC dry hand sanitizer gel	2020
	Harci herbal hair growth spray	2021

*(Source: Research Department)*

The company's beverage product line is quite popular. After a period of launch, passion fruit juice has also been well received by consumers.

The Covid epidemic situation is quite tense and shows no signs of abating. The demand for hand sanitizer is increasing day by day. Realizing that need, the product research department has implemented a plan to launch a washing gel product. Dry hands with high antibacterial level to protect consumers' health.

## 4.2. Discuss

### Solutions to diversify product portfolio

Consumer demands today are increasing day by day and becoming more and more diverse. The company needs to continue to promote development and expansion of product categories, products that bring high revenue to the Company.

- 4.1.1. Regarding category breadth: The company can research other product lines of existing competitors, customer demand for that product group is high and has characteristics similar to current product groups. to take advantage of production capacity. For example, medicine, food...
- 4.1.2. Regarding depth: The volume of the bottle is not diverse. Additional 350ml bottles are needed for orange juice, passion fruit juice and green tea. The chemical product group also does not have many product types. The company should add different scents with different capacities to create a variety of choices for customers.
- 4.1.3. The density of products in the Company's product portfolio is not evenly distributed. The company needs to expand its beverage product group by increasing production capacity and adding new product categories. The cosmetics group has not brought in expected revenue but has the second highest number of product types. The company should cut down on some products that no longer bring business efficiency..

### Complete solution for product packaging

The company needs to implement all three layers of packaging well: the layer in direct contact with the goods, the outer layer and the transport layer.

With the Company's cosmetics group, the product packaging is not really outstanding, compared to other competitors in the market, it is quite lackluster. The company should redesign the packaging or can look for partners with extensive experience in the industry and new creativity to create packaging that makes a strong impression on customers.

Regarding the material of this packaging, the company should use cardboard or other types of paper with high hardness to create sturdy packaging for the product. At the same time, this packaging also helps the product become more elegant and luxurious.

Regarding color, appropriate decisions can be made depending on the characteristics of the type of goods. Companies should learn and choose colors that are elegant but no less eye-catching.

In addition, the Company needs to ensure that the information recorded on the packaging is truthful and complete so that customers are not confused.

The company needs to conduct testing of the packaging after it has been designed to evaluate whether it is durable and secure to ensure the safety of the goods.

### Product brand extension solutions

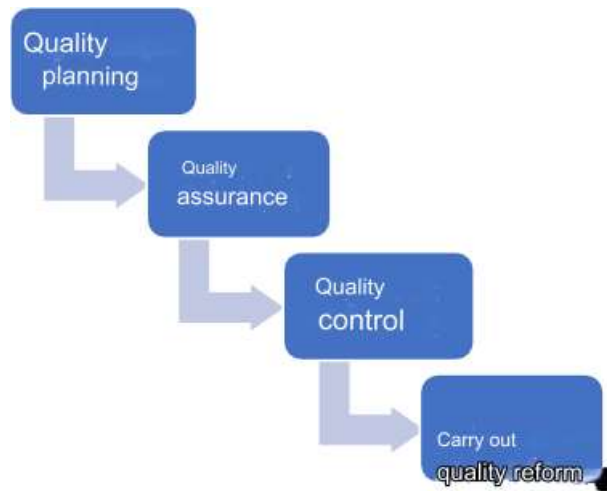
A company can use a successful brand to launch a new product category. Currently, the Company has the Cassan orange juice brand that is popular with many customers. Taking advantage of this, the Company can add another product of the same type such as soda orange juice (carbonated), low-sugar orange juice for people. diet... With the chemical product line, the Company can add products of the same type such as laundry detergent with many different scents or add new products such as floor cleaner, glass cleaner...

In order for the Company's brand to make a mark on the market, the Company needs to make decisions: decision on brand name, decision on logo, decision on color, slogan...

### Solutions to improve product quality

To produce good quality products, the Company needs a systematic process.

The company can follow the following process:



**Figure 3: Product quality management process**

*Source: Product quality management textbook - author Do Duc Phu)*

The company needs to pay attention to the application of modern technology and equipment in the production process. Society is developing more and more, new machines are being born more and more, the company also needs to invest more capital to have the latest lines and modern machines to promote the production process and create high productivity for the business. Karma.

Synchronization and consistency in all stages of the production process contribute to easier management, saving time while still bringing high productivity.

#### **Innovative solutions for new product development processes**

The company has also been interested in developing new products, but still does not have a specific process and strategy. Launching a new product requires an entire investment process, consuming a lot of time, money and effort. Developing new products helps the Company satisfy many new customer needs, contributing to increasing the competitiveness of the business.

Companies can refer to the process below:



**Figure 4: New product development process**

*(Source: Set of slides for Marketing Management lecture at Banking Academy)*

Ideas are taken from market research, assessing changing consumer needs, referencing competitors' products, to form ideas from which to analyze the advantages to Consider adding new product lines to the Company's existing product portfolio. New products also need to satisfy the criteria for differentiation and satisfy customer needs.

After forming an idea for a new product, the Company needs to plan marketing strategies.

The final step in the process is bringing the product to market.

## **5. CONCLUDE**

Nowadays, more and more companies are born, not only having to compete with domestic companies but now also facing businesses from abroad. These companies have more experience, more diverse resources and more advantages than Vietnamese businesses.

Since its establishment in 2014, Hoa Linh Pharmaceutical Joint Stock Company has created certain impressions in the market and won noble awards awarded by the state. With the guiding principle from the first days of operation being "For the quality of life", the Company has been doing well its set tasks, bringing quality products to customers. However, in order to achieve even better results and recover after a prolonged epidemic period, which brought about quite large losses, the Company needs to have long-term strategies in the future and conduct market research. market, customer needs and behavior, constantly innovating and applying new technologies to our production and business fields.

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