

Competitive Advantage Analysis in Pharmacy Companies

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Abstract

Article analyzes competitive advantage theoretical aspects and also competitive advantage in pharmacy sector in Lithuania. Competitive advantage is what all (competing) business strategies are directed to. Many factors can provide a competitive advantage; it can be more efficient production, available patents, good advertising, good management and good customer relations.

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1. Introduction

The pharmacy sector in Lithuania is profitable. The pharmacies are most appreciated by the residents of the country because of the attractive offers, special offers, additional services, convenient location, long hours of work, professional consultations, pleasant service, a wide range, cosy environment and self-service department services. Pharmacies provide a host of additional services. Some of them are for health improvement (blood pressure measurement, blood glucose testing, etc.), others for beauty and self-care (skin-type and problem-solving tests, hair condition tests, cosmetic testing, etc.). Competitive advantage in pharmacy sector gives the company a preference over its competitors and the opportunity to gain greater benefits for the company and its shareholders. The stronger the competitive advantage, the more difficult it is for competitors to neutralize it.

2. Competitive advantage definition






Preferred Competitive advantage has different definitions. Table 1 show different definition of competitive advantage. Rybakovas (2015) stated that competitive advantage in dealing with number of domestic and foreign business competitors, their number and peculiarities the competitive pressure of customers, suppliers, domestic and international competitors. While Dash (2013) define competitive advantage is explained by many interrelated concepts, such as (a) higher results, b) strategy, c) key competencies, d) innovation, e) configuration, f) coordination. Urbancová (2013) stated that competitive advantage is employees' knowledge, experience, creative activity and qualification. Mickevičienė (2011) define the company's


competitive advantage is created by using its own resources, while Hosseini, & Soltani, Mehdizadeh (2018) define competitive advantage valuable for customers, which is not easily imitated and copied by competitors, and which provides competence and competitiveness for the organization. Wen-Cheng, Chien-Hung, & Ying-Chien. (2011) state that competitive advantage creates high-quality goods to sell at high prices in the market. de Conto, Júnior, & Vaccaro (2016) define that competitive advantage can create value in a product or in a process.

3. Competitive advantage indicators in pharmacy companies in Lithuania








The competitive advantage in the pharmaceutical sector must be such that it can be used as long as possible. This advantage allows you to earn more than the average in the industry, and to secure strong market positions. It is important to note that it is not acquired once and for all. It is almost always lost after a certain period of time. Competitive advantage indicators in pharmacy sector can be: organizational human resources, innovation deployment rate, knowledge and information, international strategic alliances or coalitions, relations with the client, customer service, organization training, organizational culture, operating costs of a small enterprise, local utility, image, brand management, marketing, strategic goals and objectives, product price and exclusivity, time-based competition, ability to work fast, opportunity to upgrade new products or market, add new products, importance of fast response to customer needs, flexibility, higher quality, owning a network, customer loyalty, production capacity. Table 2 show competitive advantages indicators in pharmacy companies. As stated Bačiūnaitė, S. (2018) currently there are 1303 pharmacies in Lithuania, of which 1064 belong to pharmacy networks. UAB “Nemuno vaistinė” owns 295 pharmacies (22.64 per cent of pharmacies), Eurovaistinė - 285 (21.87 per cent), UAB “Gintarinė vaistinė” - 230 (17.65 per cent), Norfos Pharmacy - 96 (7,37%), Benu - 83 pharmacies (6,37%). In February of 2016, the market research company “Spinter tyrimai” carried out a survey of Lithuanian residents, during which the habits of consumers' visits to pharmacies were assessed. A representative study revealed that 65 percent of respondents bought drugs at "Camelia" pharmacies; 63 percent at Eurovaistinė, 19 percent – UAB “Gintarinė vaistinė”. The analysis of the study showed that the population usually chooses the pharmacy that is associated with low drug prices and professional advice, according to a press release. The survey shows that the strongest link with the lowest prices is maintained by the Camelia pharmacy - 44 percent. In the opinion of the respondents, this pharmacy has the lowest prices.

Table 1. Competitive advantage indicators in Lithuanian pharmacy companies

Indicator	UAB „Nemuno vaistinė“	UAB „Eurovaistinė“	UAB „Gintarinė vaistinė“	UAB „Norfos Vaistinė“	UAB „Benu vaistinė“
Logo					
Employee	1224	1542	874	382	430
Income	Over 100 000 000	Over 100 000 000	Over 100 000 000	30 000 000 – 50 000 000	30 000 000 – 50 000 000
Average salary (Euro per month)	1081	1169	982	900	930

Branch	There are currently 331 Camelia pharmacies in Lithuania.	285 Eurovaistinė pharmacists serve patients throughout Lithuania.	The pharmacy network of Gintarinė consists of 230 pharmacies.	There are currently 96 Norfos vaistinė in Lithuania.	There are currently 83 Benu vaistinė in Lithuania.
Location	We find the Camelia pharmacy in a non-traditional place at Kaunas bus station, Vilnius airport, other shopping centres in IKI, outpatient clinics and hospitals.	Eurovaistinė has established the largest pharmacies in the Acropolis of Vilnius, Kaunas and Klaipėda, it is strategically excellent places, many of these pharmacies are located at Maxima stores.	Gintarinė pharmacies have been established in convenient locations: supermarkets in IKI, medical institutions, city centres and sleeping areas.	Norfos vaistinė are located in Norfa shops.	Benu vaistinė are located in Rimi shops.
On-call pharmacies	Camelia pharmacies do not have on-call pharmacies.	Eurovaistinė has two pharmacies in Vilnius, which are open 24 hours a day. One of them is the Eurovaistinė drive - a pharmacy on duty, where customers are served 24 hours a day even without leaving the car.	„Gintarinė” pharmacy has a watch pharmacy: Varnių str. 39-9, Kaunas	Norfa pharmacies do not have on-call pharmacies.	Benu has on call pharmacies.
Discount magazine	„Camelia“ pharmacy has discount magazine:	Eurovaistinė publish monthly discount magazine:	„Gintarinė“ pharmacy discount magazine:	Norfos vaistinė has discount magazine: 	Benu vaistinė has discount magazine:

					
<p>Discount card</p>	<p>In Camelia Pharmacy with Camelia Small Price Card, it is possible to buy goods at a lower price, make great discounts, and receive an SMS with a birthday discount. Have a small price card at Camelia pharmacies every day from 13-15. discounts up to 30%</p> 	<p>Eurovaistinė best price and offer guarantee and even more useful health and beauty products only for cardholders:</p>  <p>Seniors are always loved and welcome by Eurovaistinė. The first card in Lithuania for seniors is a network of pharmacies. Buying 3 or more items gives you an instant discount of up to 30%</p>	<p>UAB Gintarinė vaistinė offers special discounts and offers upon presentation of Gintarinė vaistinė card in pharmacies. Holders of Ginatinė Card will receive up to 5% A discount on the amount of the final paid amount accrued in loyalty euro on a special AMBER card account opened during Card activation. Tuesday senior's day discounts up to 25%.</p>	<p>Norfos vaistinė also has a discount card.</p> 	<p>Benu vaistinė has discount card:</p> 

					
Pharmacy range	Camelia's pharmacy range includes a private line of VivaVit food supplements. 	EUROVAISTIN ĖS Iwell's line of food supplements is in the range of pharmaceuticals : 	„Gintarinė“ pharmacy assortment has its own line of food supplements Ambio: 	Norfos vaistinė has one touchline. 	Benu vaistinė has vitamin line. 
Free service	„Camelia“ You can also take advantage of the free services provided: check your eyesight, check your blood pressure, set your skin type or consult your doctors.	Eurovaistinėse many additional services are provided. These include blood pressure measurement, blood glucose testing, etc., as well as beauty and self-care (skin-type and problem-solving tests, hair condition tests, cosmetic testing, etc.).	Gintarinėse“ pharmaceutical diagnostics of leg veins, blood and bone density are performed in pharmacies.	Norfos vaistinė has Optika.	Benu vaistinė has an academy.

4. Conclusion

The competitive advantage in pharmacy sector in Lithuania requires analysis of consumers and competitors and the search for unsatisfied users. Only knowing unsatisfied customer needs and weak competitors can lead to a long-term competitive advantage by better utilizing the company's resources and competencies. The pharmaceutical sector is stable enough due to the high costs of entry into this business, strict government control mechanisms and long enough

procedures to register new products. The fastest developing is the branch of generic manufacturers because, in countries where the prices of generic medicines are relatively low compared to patented versions, the penetration of such products is quite high.

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