

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



ABSTRACT OF DIPLOMA THESIS

**Economic Evaluation of Online Marketing For a
Selected Pharmaceutical Company**

Author: Bc. Žaneta Šupová

Supervisor: Ing. Petr Procházka, MSc, Ph. D.

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Summary

The aim of the diploma work is to economically evaluate marketing campaigns of two brands from the selected pharmaceutical company. In the first part, theoretical, there are main definitions of economic procedures that are used in the analytical part. Also, there are theoretically explained online marketing tools and marketing campaigns. The second part, analytical, is focused on the economic point of view of the marketing campaigns that were applied to the two undisclosed brands. Analysis of prices and costs of individual campaigns must be taken into account in the final economic evaluation and after that, the conclusion can be made. The conclusion must include the decision if the profit exceeds the cost and if an investment into these campaigns will pay off. Regression analysis must be included as well, so the significance of the campaigns for each of the brand can be stated.

Key Words: Marketing, Online, Digital, Campaign, Economic Evaluation, Pharmaceutical Industry, Cost, Revenue, Profit

Objectives

The aim of this diploma thesis is to identify various online marketing campaigns of two selected brands. Comparison of success of each of the campaigns must be done, so the design of visual content can be made. Evaluation of the profitability will be done as well.

The expected outcome of this diploma thesis is to answer the following research questions:

1. Did the online campaigns have an influence on profit, either positive or negative?
2. Which one of the online campaigns had the biggest impress on users?
3. Should the campaign be recommended to repeat in the future?

Methodology

Definition of used online marketing campaigns. The selection of data from online campaigns of two specific brands is needed. Then the analysis of each of the techniques must be made to make a graphical representation. On the base of the graphical content the economic evaluation of applied campaigns can be presented.

Conclusion

Marketing communication itself is in the pharmaceutical industry a subject with a large number of legislative constraints and restriction resulting from the international ethical code. These limitations do not intend to inhibit pharmaceutical companies to advertise their food supplement and medicinal products, but the communication should be transferred in a proper way. Marketing activities in the pharmaceutical industry are primarily informative and should provide an answer and knowledge. Of course, every producer of food supplements is trying to raise its product over the competition and so rise the final profit. Today, the easiest and the cheapest way to support the sales is the application of an appropriate online communication through digital channels.

The analytical part should have provided the answers to the research questions set up at the beginning of the diploma thesis and at the base of the results, the final conclusion can be done.

The first research question **“Did the online campaigns have an influence on profit, either positive or negative?”** has been analyzed and proven, and at the base of the type of a campaign the profit has risen or has slightly decreased, but the revenues exceeded the costs in case of both of the brands. Due to the results of a regression analysis, it can be stated that the campaigns had a positive significant influence on a profit. When the same period from the previous year 2016 has been compared with the campaign period of 2017 it was proved that the profit has risen, in case of a less successful campaign by 150% and more, and in case of the most successful campaign by almost 800%. It can be explained by an easy equation: higher campaign costs lead to higher revenues. Therefore, the power of

the higher costs on the revenues were also proven by the regression analysis, with higher costs and higher number of observation the variance in the dependent variable has risen and p-value was less than 0.05, so the significance of the model has been confirmed. Thus, it is proven that the online marketing campaigns are an effective tool not only for spreading the knowledge and getting a deeper awareness of a society but mainly for increasing the profit.

The second research question “**Which one of the online campaigns had the biggest impress on users?**” can be explained in two ways. The first one can be explained by the number of visitors on the brand’s website during the campaign period. In this case, the result is visible in the chart representing the number of visits on both brand’s websites. During the campaign period, the traffic on the websites was increasing and decreasing regarding the campaign type combination. The second way, how to express the intensity of impress on users, is the revenues. In both ways the result is similar – **the most successful campaign in the meaning of the website traffic and the revenues is the combination of Brand Y campaign: Pay per Click, Search Engine optimization, new video on YouTube and the Influencer**. During this campaign combination there was the highest number of visits on the brand’s websites that led to a high number of purchases on the company’s e-shop, and so the revenues were increasing.

The third research question to be answered is more a recommendation for the future steps in setting up the online campaigns “**Should the campaign be recommended to repeat in the future?**” Every campaign has to be set at the base of the given budget. When taking into consideration that the most successful campaign was also the most expensive one, the budget should reflect that and take it into account. The most successful campaign – Pay per Click, Search Engine Optimization, new video and the Influencer – was not just the most costly combination, but also the one combination with the best results. The most powerful tool to get new customers is through the influencer, who has the base of followers, and so the potency to sell more with unobtrusive manner. For the future campaign the influencer, one or more, is a building stone and should provide to their followers fun, yet educational, content. Then, in combination with the banner advertising, keywords optimization and new videos the campaign has a potential to be very successful and so bring the required profit.

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