EVALUATION AND IMPROVEMENT OF MARKETING STRATEGY OF MODERN DRESSING “LEXIDERM” AT PT BIOFARMA

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Abstract—The decrease of sales in export sector, triggered with the development of private hospitals make PT. Biofarma starts focusing on private sector by cooperating with PT. Compose Element to distribute Hydrogel modern wound care dressing named Lexiderm. The obstacles such as poor socialization, lack of coordination between distributor and marketing division, lack of education and promotion make the marketing strategy becomes less effective and less efficient. However, VMI (Vendor Managed Inventory) and collaboration between the involved parties will facilitate the marketing strategy to become integrated and coordinated. The right promotion to achieve targeted goal needs to be formulated so that sales will increase and brand awareness will improve. Evaluation measures the sales target, service level and on time delivery service and possible to implement.

Keywords: Marketing a new product, marketing strategies, supply chain collaboration

1. Introduction

Over the last 14 years, the export sector had become the mainstay for Biofarma, but not in 2012, the year which occurred a decline in export sector sales. On the other hand, a few decades ago, especially the last two decades, medical world experienced continuous growth especially in the treatment of wounds (wound care), also coupled with the development of private hospitals in Indonesia. It began to be ogled by this vaccine manufacturer. Wound care latest developed technology has a principle balance of moisture, because it is more effective in terms of speed wound healing, where the conventional method uses gauze (bleached cotton cloth of plain weave used for bandages and dressings) and island dressings has some disadvantage that allows the secondary wounds and cause wound infiltration.

Wound care dressing with moisture balance principle is known as the advanced dressing. Advanced dressing becomes known and used in big cities like Jakarta, Bandung and Surabaya. But unfortunately, to a small town and sub-district level, advanced dressing is still rarely used. Local hospitals still tend to use gauze. It is caused by a lack of distribution to a small town and less prevalence spread of education on advanced dressing. Based on this case, PT Compose Element Ltd as manufacturer located in Taiwan intends to cooperate with Biofarma as the main distributor in Indonesia. They want to know how big the wound care dressing market potential in Indonesia, therefore, it is necessary to hold research of the market to see the potential of the market and know how many consumers demand and create the right marketing strategy.

Business Issues

Nowadays, Biofarma is the only manufacturer of vaccines and serum in Indonesia, so Biofarma dominates all vaccine markets in Indonesia and enters comfort zone for a long time. However, based on sales percentage, sales in domestic sector is smaller than export sector, especially sales in private sector. The largest percentage of sales is exports sector that is 62.59% of all sales (according to data
from year 2011), government sector that is 30% of all sales and the remaining for private sector that is 7%.

Biofarma has run into comfort zone and its sales have dependence on exports sector and don’t dominate the domestic market especially in private sector. This way will be a problem if it is ignored for too long. Export sales to other countries are done through international agencies since 1997 when it was the first time exporting. The International agent has the right to restrict some types of goods and restrict territory so Biofarma cannot regulate exports freely. Until now, Biofarma has ever experienced some problems with the agent about the contract and some other things so that there are concerns about the export sector, especially in 2012 when export decreases because of the problems.

Sales of the private sector is very small that is only 7% of all total sales and development of private hospitals becomes the reason why Biofarma starts focusing on the private sector, and tries to cooperate with PT Compose Element to distribute wound care dressing. In the first agreement, Biofarma wants to know how much the potential of wound care dressing market in Indonesia and estimate the demands. Judging from the business potential in Indonesia, wound care dressing market has a great potential, because private hospitals in Indonesia grow rapidly more than general hospitals also after this hydrogel dressing technology invented.

**Main Research Questions and Objectives**
Main research can be conclude into three questions:
1. How big wound care dressing market is demanded in Indonesia (Jakarta, Bandung, and Surabaya)?
2. What are the barriers to market Lexiderm?
3. What is the marketing strategy that will be implemented optimally?

Main research has objectives to:
1. To know market demands of wound care dressing in Indonesia (Jakarta, Bandung, Surabaya)
2. Search obstacle factors to market Lexiderm at distributor side and Biofarma side.
3. Make optimal marketing strategy that fit the most to be implemented with the company condition now

**2. Business Issues Exploration**

Many factors affect the business and lead to the emergence of the business issue. Business issues need to be studied in details to find out the root of the problem and establish marketing strategies. Factors which make up the business issues consist of the internal and external perspective that is consumers, suppliers, the company itself, even the outside world. Biofarma looks at this business issue as an opportunity to expand. Each company must have an element of sustainable competitiveness, one of many ways is developing new products. Companies must be carefully in measuring the market, selecting the target group, identifying their needs and defining the target market before the company is ready to expand by launching new products. Marketing management plays an important role in new product launching process. For more detail, these factors will be outlined in the conceptual framework chart for analysis.
**Medical World Development**

There is a research conducted by medical experts named Jones AM and San Miguel L in their book entitled "Are modern wound dressings a clinical and cost-effective alternative to the use of gauze?" (Jones & Miguel, 2006: 65-69) says that the ratio of these two ways of wound care, in terms of the frequency of dressing changes, effectiveness, nursing time required, and cost savings. The results are shown in Figure 2.5. The better a dressing absorbs the exudates, the less replacement done by the nurse, that will indirectly impact to both cost of nursing time and cost reduction because less dressing used by the nurse, which means productivity will increase.

“Reported frequencies for traditional dressings ranged from seven changes per week (once daily) to 28 per week, with a mean of 15.03 changes per week. Frequencies for modern dressings ranged from seven to 1.40 per week, with a mean of 2.5 per week

The reduction in nursing time spent on dressing changes with modern dressings versus gauze was captured in eight studies. With traditional dressings, the nursing time required to remove the old dressing and inspect, clean and dress the wound ranged from 75 minutes to 420 minutes per week,
with a mean of 218 minutes (SD 106.87). Reported nursing times required for modern dressings ranged from 9 minutes to 51 minutes per week, with a mean of 25 minutes. For more details, below is a wound care development during the last two decades:

![Wound care development diagram](image)

**Figure 2.6 Development of Wound care**

The development of this wound care is one of many considerations to do market research, with the hope that the coming decades, the spread of the use of modern dressings starts evenly to the district hospital level.

**Medical World Developments (Private Hospital)**

Private hospitals continue to grow in Indonesia, particularly in Java. Seen from the type of hospital, General Hospital increased 16.1% from 858 hospitals in 1996 to 995 hospitals in 2005. Overall the biggest development occurs in private hospitals that is 32.1% from 474 hospitals in 1996 to 626 hospitals in 2005 (Source: Health Department of Republic of Indonesia in 2005)

**Marketing Division Company**

**Export Sector**

This company has very large export sales that are about 63% of overall sales. The revenue generated from these exports could reach Rp. 750 billion of the total revenue of Rp 1.2 trillion. The exports of PT Biofarma decline because there are two major pharmaceutical companies in India whom delisted from WHO list because they are not eligible in audit in 2012. This companies’ delisting, make PT Biofarma cannot deliver their products (bulk).

So far, India has become one of the biggest markets from 110 countries export destination for raw material for vaccines and vaccines that Biofarma produce. This results that PT Biofarma must maintain his income by focusing on private sector to cover up the decreasing in export sales.

**Private Sector**

The private sector is the sector with revenues only about 7% of overall sales. This sector is the sector where wound care will be marketed. The private sector includes sales to hospitals, clinics, health centers, minimarket, supermarket, hypermarket, big pharmacy trader and etc through distributor.

From the interview with private sector, unfortunately, the coordination between the private sector with management product team is still poor which information is hampered because lack of transparency of data between the marketing department divisions whereas information about the private sector is very important. The lack of transparency caused by the lack of socialization of new products in the private sector.

**Government Sector**

This sector has a market share approach 30% of overall sales. The government is a captive market of Biofarma. This 30% market share, obtained through government programs such as massive immunization and distributes vaccine needed by general state hospital.
Management Product Team and Market Research
Market research is done at the distributor and end consumer. Market research is done by spreading the 30 servqual questionnaires and interviews to distributor, and spreading 100 questionnaires about perception and knowledge of the product and interviews for end consumer (surgeons and nurses). The three cities become the main target distribution that are Surabaya, Bandung and Jakarta, because based on the data of Persatuan Dokter Spesialis Bedah Umum Indonesia (PABI), distribution surgeons are concentrated in big cities such as Jakarta, Surabaya and Bandung. Sample obtained from the formula Slovin:

\[ n = \frac{N}{n \cdot e^2 + 1} = \frac{17432}{17432(0.1)^2 + 1} = 99.43 \approx 100 \]

Where: \( n \) = sample size (number of surgery doctors in Indonesia) ; \( N \) = population size ; \( e = 10\% \)

Product Substitution
This substitute product includes a similar product (hydrogel dressings), a conventional product (gauze, island dressing), advanced dressings (foam, alginate, hydrocolloid), as well as other types of substitute products. Each product substitution has functions and different advantages.

Supplier, Distributor and Consumer
Supplier is PT Compose Element, located in Taiwan which Biofarma has a contract agreement with the company. PT Compose Element is a new company that was founded in April 2011 so this product (Lexiderm) that they launch is also a new product. It has difficulties to search information about product like sales history, distribution channels, countries where product is distributed, respons market where product is launched because only few information are related to the product that their web provided. The lack of socialization products among the private sector Biofarma makes the process of data search become more difficult so that there are not many information is obtained.

PT Biofarma has 12 distributors in marketing their products that are PT Kimia Farma Trading and Distribution, PT Perusahaan Perdagangan Indonesia, PT Indofarma Global Medika, PT Rajawali Nusindo, PT Merapi Utama Pharma, Sasono Putra Utama, PT Sawah Besar Farma, PT Sagi Capri, PT Tiputra Utama Farmatical, PT Kertajaya Utama Farmatical, PT Carendo Putra Gama, PT Pamor Baru that scattered in several locations in major cities in Indonesia. The largest distributor of vaccine product is PT Merapi Utama Pharma with 20% of the total sales, PT Sagi Capri with 15% of the total sales and PT Rajawali Nusindo with 10% of the total sales, but the distributors that are working in the medical field is PT Kimia Farma. Biofarma does not have distributors that are specific in marketing their product because the distributors also distribute another product from another company.

Lack of coordination with distributors also become an obstacle in the search for data, when surveys and interviews conducted, distributors think the responsibility for marketing the product is Biofarma job, while Biofarma rely to distributors to market their products and think the distributors are the front line. Any information, strategies and evaluation of routine periodic meetings held by Biofarma to distributor previously, even it is not shared to all their distributors’ divisions.

End consumers of products are surgeons and their nurses, including general surgeons and specialists surgeon. The decision for selection of products that will be used in hospital is authorize by the head of pharmacy of hospitals, but based on doctor’s recommendations. The surgeon has a strong influence in selecting products in the hospital.

Competitor
For hydrogel dressing’s category, Lexiderm have some competitors like Flexigel, Nu-Gel, Vigilon, Carradres, and Cultimed Sorbact, but there are also competitors outside modern dressing like Sofrathulle and Daryantulle. Sofra-thulle and Daryantulle are still using conventional methods as wound care that is the use of gauze. However, both products above are already the deep root in the medicine
world and become the top mind products for doctors because they are cheap, Sofra-tulle and Daryantulle become the product that are most used by doctors, although it has many disadvantages particularly in the speed of healing, frequency of dressing replacement, and low exudates absorption. Because these conventional dressing products still become the top mind branding for doctors and nurses, it is a big challenge for companies to market their products particular in educate and give product awareness to change their mindset of using conventional dressing. There is also a product called Opsite, containing polyurethane layer, but polyurethane has a disadvantage compared to hydrogel that is the polyurethane coating is easily destroyed and cause the films left in the wound. From the comparison of many dressings, Lexiderm have advantages from other such as bacterial barrier property, supple, waterproof, effective adhesion, and high absorbency of exudates.

Market Research
From 100 servqual questionnaires distributed to end consumer, obtained the following results:
62% respondents are nurse
38% respondents are doctor
82% respondents ever use wound care dressings
18% respondents never use wound care dressings
59.7% respondents know Sofratulle
14.7% respondents know Daryantulle
11.6% respondents know Nu-Gel

67% respondents use Sofratulle
18% respondents use Daryantulle
15% respondents use Opsite
52% respondents use 5-20 sheets/day
20% respondents use 20-50 sheets/day
18% respondents use 50-75 sheets/day
13 respondents want easy to use dressing
8 respondents want affordable price dressing

67% respondents want to use Lexiderm
28% respondents don’t want to use Lexiderm

Servqual Method
Through data processing, it is obtained that the data is valid and reliable. Through the calculation of the gap, then obtain the first priority that must be improved in distribution like:
1. Company holds training programs for distributors (product knowledge, sales skills)
2. The company has facilities for dissemination of information.
3. Companies are always willing to help distributors.

Factor Analysis
This group has strongest influence and become the first priority to solve/improve, consist of:
• Already known / no,
  This component describes about how aware the doctors/nurses to recognize wound care dressing. This component tells us about product awareness of doctors/nurses so we will know that disadvantages such as lack of education, or lack of promotion or anything else in market this product.
• Effective / no,
  This component describes about doctors’/nurses’ experience who have ever used wound care dressing and how much educations that doctors/nurses already have about dressing effectiveness.
• Easy to use / no,
This component describes the doctors'/nurses’ experiences who have ever used wound care dressing and how much education that doctors/nurses already have about dressing using or how to handle the product.
• Safe / no
This component describes the doctors'/nurses’ experiences who have ever used wound care dressing and how much education that doctors/nurses already have about dressing using, like the side effect of dressing, and another disadvantage.

Problem Root Analysis
After analyzing all data that are obtained from the interview with the management product team, distributors (Head of Marketing and Head of purchasing), observations, questionnaires to end consumers and distributor. We come to formulate about root of problem. The marketing strategy is difficult to make because potential demand market is difficult to obtain. Based on interviews with distributors (Head of Marketing and Head of purchasing), market demand is difficult to estimate because the distributors only sell two kinds wound care dressing that are Sofratulle and Daryantulle and they do not represent overall market share and do not represent wound care dressing users. Second is because lack of information about the product, the product is a new product that produced by the suppliers which is a new company too. Because of that, the information about the product is difficult to obtain.

Lack of Socialization to Distributor
As explained in section 2.2.5, Biofarma doesn’t have distributors that are specific in marketing their product but distributors also market other products from other companies. Lexiderm product marketing has problems because of lack of socialization products to distributors. Management product team takes 2.5 months to ask for a survey letter to distributors (only PT Kimia Farma allowed). These problems make strategy making process become difficult considering distributors play important role in marketing their product. All this time, Biofarma distribute their products and give target, but those were for vaccine/serum product. Vaccine/serum that Biofarma produce are very well-known in medical world, so they do not need any promotion and marketing strategy because Biofarma is the only company that produce vaccine/serum in Indonesia, but Lexiderm is the first non-vaccine product and, of course requires socialization to distributors.

Poor Coordination with Distributor
As explained in section 2.2.5, lack of coordination with distributor becomes a barrier to seek the data. When surveys and interviews are conducted, distributors think the responsibility for marketing the product is Biofarma’s job, while Biofarma rely to distributors to market their products and think the distributors are their front line. Any information, strategies and evaluation of routine periodic meetings held by Biofarma to distributors previously, it is not even shared to all their distributor’ division, shown when management product team asks about another meeting results in previous meetings, the distributors say they do not get any information. This means this coordination is still weak. To know deeper about distributors, the servqual questionnaires distribute to get the information about role of Biofarma distribution, the results can be seen in section 2.4.2 that Biofarma seldom holds training programs for distributors like product knowledge and sales skills, Biofarma does have good enough facilities for dissemination of information, and Biofarma are not always willing to help distributors.

Poor Distributor Marketing Division
As explained in section 2.2.5, until this time, distributors only sell conventional wound care dressing. For conventional product sales, they admit that their marketing division is still weak so that the potential demand is hard to obtain and their sales cannot be used as references for market share, because until this time, they are just waiting for the request of wound care dressing for hospitals or another instance, and the amount is small, distributors seldom to attack wound care market to increase their sales.
Lack of Socialization Between Marketing Division Especially in Private Sector
As explained in section 2.2.2, the coordination between the private sector with management product team is still poor which the information is hampered because there is lack of transparency of data between the marketing department division whereas information about the private sector is very important, remember the product that is being marketed is private sector product. The information such as sales data to distributors and which distributors that have sales great record all this time, are hard to obtain/ The lack of transparency caused by the lack of socialization of new products in the private sector. From the interview with private sector, they said they do not know that the private sector will be marketing a new product so that they doubt this new product marketing plan.

Poor Information Sharing between Biofarma and Supplier
As explained in section 2.2.5, it has difficulties to search information about product like sales history, distribution channels, countries where product is distributed, market’s response where the product is launched because only few information is related to the product that the company’s website provide. Of course, this problem has impacts on the creation of marketing strategies but we can control this problem with some approach method, such as if we do not get the Lexiderm price, we can do some approach method with searching for average price of another hydrogel product.

Lack of Education and Promotion About Modern Dressing
The reason why many doctors are unaware of the importance of modern wound care dressing, and what types of wound care dressing used in Indonesia because of lack of education and promotion held by other company/health department of republic of Indonesia/another medical instance (section 2.4.1). In other words, if doctors do not get enough education about products, doctors will not use the products and it will affect the number of sales. It will need good promotion if we want to increase the product sales.

3. Business Solution
Any alternative solution must have advantages and disadvantages. Any advantages and disadvantages will be analyzed to find the best solution for the company current conditions so that the solution becomes the optimal solution to be implemented. Based on the market size (Table 2.5), the total nominal of market demand in West Java is Rp.7.189.961.922 per month and indeed this have a huge market potential so Lexiderm is concluded to be worthy to be marketed.

Segmenting, Targeting, Positioning (STP)
The market will be divided based on most influential factors for creating the appropriate strategy that are geographic, demographic, and psychological factors. Geographical factor has a goal to find cities which have a lot of number of surgeons in many big cities in Java. Demographic factor has a goal to aim the user’s primary wound care dressings and aim type of instance that appropriate as location where wound care dressing distributed. While psychologically factor has a goal to find the users criteria that is considered to be the most appropriate in selecting wound care dressing.

Targeting
1. Geographic
   • Area: Java
   • City: Jakarta, Surabaya, Bandung
2. Demographic
   • Occupation: Surgeons and nurses
   • Level of Industry (Hospital): Upper class hospital, Intermediate class hospital
3. Psychological
- End consumer characteristics: Choose a product because of its efficiency, choose a product because of its advantage, choose a product because of its features, choose a product based on the people opinions

**Positioning**
The most cost effective and efficient Hydrogel Wound Care Dressing

**Marketing Mix**

**Product**
This product is the product that is included into differentiation strategy categorization. Differences were created from this products should be able to provide high benefits for consumers viewpoints. Products claim to be different because they have uniqueness compared to other products and also gives different value than others. We need to figure the needs and wants of the market. The need of the market is that wound care dressing is able to heal the wound and wants of the market is that wound care dressing has high speed healing rate and many advantage features.

The products named Lexiderm. This product has several advantages compared to other products, particular in hydrogel using (named cozygel at figure 2.8) that has the ability to absorb the exudates extremely more than its weight, hydro balance technology (T Spread at figure 2.9) that has ability to spread hydrogel equally which has not owned by other modern wound care dressing. This advantage combined with other features like bacterial barrier properties, supple/flexibility, waterproof, and affective adhesion. In appendix 1, there are some researches about hydrogel compared to other modern dressings, and Lexiderm compared to other similar products. At section 2.3, it has been described about the product detail features and product comparison with competitor.

**Price**
Actually information about price is difficult to obtain, but through the average of price on similar products, that is hydrogel wound care dressing, the price obtained is Rp.60.000/sheet (2x2inch) and Rp.65.000/sheet (4x4inch). For conventional wound care dressing categories (Sofratulle and Daryantulle) have price range from Rp.17.000 to Rp.19.000/sheet. Indeed, modern wound care dressing have more expensive prices than conventional wound care dressing, but if it is seen from cost effectiveness, Lexiderm is actually cheaper.

**Place**
Biofarma attack market through distributors, and the distributors who have rights to pass it to hospitals, clinics, mini market, medical stores, supermarket, hypermarket and big trader pharmacy. Distributors that will be chosen are distributors that focus in medical world and have wide medical network along Indonesia, but for first time, Lexiderm will be marketed in Java which are Bandung, Jakarta, and Surabaya as priority, because Bandung, Jakarta, and Surabaya are the locations where there are lots of surgeons in Indonesia.

**Promotion**
Until this time, promotions are conducted through medical seminars that open widely for medical personnel but promotions can be conducted through internet marketing, healthcare magazine, and brochures to increase awareness and educate the doctors. For details about promotions, it will be explained in section 4.1.2. The distributor can also do promotions by cooperating and creating contract with hospital and can do personal selling to doctors.

**Choosing distributors that focus in medical world**
Not all Biofarma’s distributors focus in the medical sectors. All Biofarma’s distributors also distribute other products from other companies. Whereas Lexiderm is a health product which means distributors that will be chosen are the distributors that focus on medical sectors such as PT Kimia Farma. PT Kimia Farma has strong influence for medical instance in Indonesia like many hospitals in Indonesia, and has strong image in consumer eyes and has many distributors almost in every
province in Indonesia. This advantage makes PT Kimia Farma is chosen by Biofarma because networking with hospitals becomes easier if we choose Kimia Farma.

1. Strategic Partnership with distributors

**Collaborative Performance System**

Collaborative performance system consists of three things, they are information sharing, decision synchronization, and incentive alignment. Collaboration is not the easy things to implemented, the main obstacle is difficulties in keep the information secretly, and ability to do according to agreement. Biofarma must able to do good collaborate in internal side before collaborate with outside party. These three things will be applied for Biofarma like below:

**Information Sharing**

Information sharing is conducted between Biofarma and distributors. Information that is obtained by Biofarma must be shared to distributors, and information that is obtained by distributors must be shared to Biofarma. Because of this interdependency on supply chain, the interactive relation must happen, which decisions in one party also dependent to decision on other party. In this case, collaboration become relevant, to create value better than before. This information will be used by both parties to meet market’s demand faster and with faster cycle times. The purpose of information sharing is to create better performance in coordination to sell products, to fulfill the market’s demand and to minimize the risk of uncertainty demand. Information sharing will facilitate the decision-making process, and incentive systems. Certain criteria such as speed, accuracy, timeliness, and reliability can be used as evaluation to measure the success of information sharing. Some of data that must be shared is the demand forecasts, sales data, delivery schedules, inventory levels, inventory costs. It requires coordination of relevant units within Biofarma and distributors, the role of top management is needed to motivate, trigger, grow sense of trust between both parties, such as Biofarma’s marketing division including their distribution department and all department in distributors such as purchasing and marketing support from appointed distributors.

![Information Sharing Diagram]

Information sharing also includes periodic meetings to discuss the performance and also to evaluate the performance. The distributor requires practical techniques in marketing a new product, in this case, Biofarma has role to perform training and development (recommendations obtained from
servqual questionnaires in section 2.4.2) that is focused on products understanding and practical techniques such as how to make good presentation to hospital institutions, because distributors have less knowledge about products and competitors so they definitely will have trouble in marketing the new product. How can the distributors sell the products if they do not get the knowledge about the products? This information sharing requires internet facility to be able to deliver data and information on both parties.

**Decision Synchronization**
Decision Synchronization refers to decision of both parties in planning and operating. Some decisions are discussed, but some others are taken independently. If there are decisions outside the rules, it will be need approval from Biofarma first. These activities include goal setting, policies for development, and others, that are performed by top management such as marketing division head of Biofarma and distributors.

Incentives do not only share the profits but also sharing the cost, such as cost of data integration technology investment. The distributors will get incentives if their performance exceeds the target that they set before, such as sales target, on time delivery performance, increasing service levels and others. This can be done by contractual agreement like revenue sharing contract, contract are used to align incentives among supply chain members. The consideration to determine amount of incentive involve top management such as marketing division head of Biofarma, finance division of Biofarma and marketing division of distributor. Incentives can be given in addition such as money, gifts, discounts, awards, and other forms, based on their impact or performance in marketing the product.
The function of KPI is as indicators to monitor the efficiency and effectiveness of supply chain members. KPI assessment can be conducted through sales targets, on time delivery performance, increasing service levels. Distributors will be given sales targets in nominal terms or amount of products sold as an indicator of successful cooperation. Incentives will be given based on the success or failure of distributors in selling products. For example, if the distributors fail to meet the target, there will be penalties.

**VMI (Vendor Managed Inventory)**

In VMI, the supplier (Biofarma) decides distributor inventory levels, and any policies related to inventory. The most needed in VMI is:

- **Advanced information systems** between Biofarma and distributors such as electronic data interchange or internet base exchanges that are used to convey information about market’s demand to Biofarma and send information back to distributors so that the information about market’s demand will be easier to forecast.

- **The commitment of top management** to make this solution work because it will change ways of working by distributors, the information that had been kept in secret will be shared to Biofarma, so in this case, trust between partners is necessary to avoid fail coordination, on the other side, Biofarma must show that they can control and manage distributors’ inventory and also their inventory.

- **There will be good communication and cooperation** between members of the supply chain. When VMI is running, demand data in distributors will be transparent so that Biofarma could see the market by themselves so the expected strategy that will be made will become right on target, and forecast on uncertainty can be reduced.

First step in VMI is contractual agreement that includes policies in deciding the ownership of inventory, ordering procedures, performance measure such as inventory levels, then data integration among Biofarma and distributors using electronic data interchange or internet base exchanges that are easily accessible by both parties. The role of IT is required by both sides. Then the demand forecast made by Biofarma and another method to make VMI succeed.
2. Promotion through distributors, events and other media

Type of promotions that will be conducted is business to business (B2B) to medical instance through seminars, media, internet marketing and many other events. Promotion is also done by the distributors by cooperating and creating contracts with the head of pharmacy of the hospitals and it can also be done by personal selling to doctors. This promotion has the function to sharpen distributors’ marketing system that is still weak by focusing on education and awareness of products. The promotion will emphasize to psychological viewpoint of end consumers and create loyalty effect through product educations. This will create brand image about modern wound care dressing.

Based on previous studies, doctors get information about product from these sources like:

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<th>Sources of Information</th>
<th>Frequency</th>
<th>Percentage</th>
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<td>Health magazine</td>
<td>247</td>
<td>21.8%</td>
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<tr>
<td>Seminar</td>
<td>245</td>
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<td>Blog/Internet</td>
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<td>Total</td>
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