

CHAPTER 5

SUMMARY AND CONCLUSION

This chapter gives an overview of the study, summaries the research findings and discusses its implications on distributor selection process in Malaysia. The limitations of the study and suggestion for future research and study are also highlighted.

OVERVIEW OF THE STUDY

This study is based on Lambert's (1978) study with some modification. The main purpose is to find out the relative importance of distributor selection criteria. Few new criteria which are relevant to Malaysia market were added in order to get a clearer picture.

Data were collected by using mailed survey method. 52 questionnaires were mailed out to some of the members of MPTMA. Members who are distributors themselves were excluded. A total of 31 questionnaires were received (59.6% response rate).

SUMMARY OF RESEARCH RESULTS

A total of 38 questions or criteria were asked. The mean scores for each criteria were compared. All criteria having mean score more than 4.00. Which means all criteria were at least moderately important. Five criteria which is of very high importance are:

1. Fast product delivery.
2. Distributor can cover all key customers.
3. Coverage should include key customers.
4. Distributor has appropriate warehousing facility.
5. Distributor should have good reputation among current and past customers.

A comparison between company who use one distributor and more than one distributor

IMPLICATIONS OF THE STUDY

The result from this study have few implications, which would benefit those who wants to find a distributor and also for present distributors to use it as an guide to further improve the facility offered.

Firstly, distributors should make themselves attractive for foreign pharmaceutical companies. The result in this study shown the five most important criteria a distributor must pay

extra attention in are:

1. Fast product delivery.
2. Distributor can cover all key customers.
3. Coverage should include key customers and every related person.
4. Distributor has appropriate warehousing facility.
5. Distributor should have good reputation.

To make a distributor competitive in Malaysia market, the management should make sure the strategies working toward these few criteria. For example, if the distributor wants to provide fast product delivery, they can increase number of transportation, increase frequency of delivery per day or improve the efficiency of present logistic management.

LIMITATIONS OF THE STUDY

Due to the time and cost constraints, the sample frame was only from the member list of MPTMA. This sample frame do not represent the view of the whole pharmaceutical industry. As some of the local generic drugs manufacturers expand, they will eventually look forward for export market. Although these local manufacturers do not have research and development facility to market new discovery, they can be called international company too if they start to export to foreign countries. Their view will definitely add some valuable information to the process of

distributor selection.

Another limitation is that majority of the companies registered with MPTMA are not generic companies. This will also affect the result as the result will not represent some view from this important segment.

Most of the international pharmaceutical companies do not have a person designated in Malaysia. Their point of view can not be heard because questionnaire can not be sent to them. These companies are fully represented by the distributors. This study sampling frame do not include them. Unless we can specify in the questionnaire that they can represent one of the agency they represent.

RECOMMENDATIONS FOR FUTURE RESEARCH

The limitations mentioned in the previous section allows scope for future research in this area. First of all, a larger sample should be used. Future study can include foreign drugs companies, local generic manufacturers and distributors.

An interesting area of study will be on how a distributor will rate a principal company. Since the selection involve two parties and it works both ways, it will be of interest to see what criteria will be used by distributor to select a principal. Questions like 'Will distributor set certain important criteria when approach by foreign pharmaceutical company ?' and 'What are the

distributor strength that can be offered to principal company, such as sales force technical specialties, rapport with government officials and speedy delivery'. It will be interesting to see how these two way selection process and the link between them.