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RESEARCH ARTICLE

The Application of The Eliminate-Reduce-Raise-Create (ERRC) Grid in Achieving Value Innovation Strategy

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ABSTRACT

The Egyptian pharmaceutical market, marked by rapid growth and unique challenges, presents an ideal setting to examine the effectiveness of Value Innovation strategies in achieving sustainable competitive advantage. This research investigates the impact of Value Innovation, using the Eliminate-Reduce-Raise-Create (ERRC) framework, on buyer value, cost reduction, and overall competitive standing within the Egyptian pharmaceutical industry. A mixed-methods approach, including a comprehensive literature review and a survey of senior managers in leading Egyptian pharmaceutical companies, was employed. Statistical analyses, particularly regression analysis, revealed a strong positive correlation between the implementation of ERRC-based Value Innovation strategies and the achievement of both buyer value and cost reduction. The study highlights factors ripe for elimination, reduction, raising, and creation to gain competitive advantage, along with practical recommendations for pharmaceutical companies to navigate market complexities and leverage Value Innovation in the Egyptian context.

INTRODUCTION

The pharmaceutical industry operates within a complex and continuously evolving global landscape. Seeking sustainable competitive advantage is a critical goal for pharmaceutical companies aiming to navigate this intricate environment. The Egyptian pharmaceutical market, characterized by its rapid growth, unique challenges, and emerging opportunities, provides an interesting case study for analyzing the effectiveness of innovative business models, specifically Value Innovation strategies. This research examines the pivotal role of Value Innovation, a central tenet of the Blue Ocean Strategy

(Kim & Mauborgne, 2004), in securing sustainable competitive advantage within this dynamic market.

The Egyptian Pharmaceutical Market: A Complex Landscape

The Egyptian pharmaceutical market boasts robust growth, driven by a growing population, an increase in chronic diseases, and rising disposable incomes. However, this positive outlook is accompanied by specific challenges impacting the industry's long-term sustainability:

Challenges:

Government Price Control: Strict government price control measures imposed on pharmaceuticals significantly impact profit margins, hindering companies' ability to achieve adequate returns on investment (El-Sherif & El-Sayed, 2019). This creates a tension between ensuring affordability for the public and enabling pharmaceutical companies to generate sufficient revenue for crucial areas like research, development, and expansion.

Dominance of Multinationals: The market is dominated by a few large multinational companies, presenting significant obstacles for smaller domestic companies seeking to compete (El-Haddad & El-Sherbini, 2018). The established brands, substantial resources, and global reach of these multinational giants create a challenging environment for local entities to acquire market share and compete effectively.

Delayed Price Adjustments: The government's delayed implementation of price increases for pharmaceuticals further aggravates profitability challenges for companies (El-Khodary & El-Sherif, 2017). This discrepancy between escalating production costs and stagnating prices erodes profit margins and can lead to financial instability within the industry.

Currency Fluctuations: The devaluation of the Egyptian pound significantly increases the cost of importing raw materials crucial for pharmaceutical production, adding a substantial burden to operational expenses (El-Sayed & El-Khodary, 2016). Unpredictable exchange rates and global economic fluctuations add complexity, hindering financial planning and price management for companies.

Counterfeit Medicines: The widespread issue of counterfeit medicines in Egypt poses a serious threat to public health and consumer trust (El-Sherbini & El-Sayed, 2015). This illegal trade diminishes the market share of legitimate companies, endangers patients unknowingly purchasing fake medications, and negatively impacts the overall reputation of the industry.

Opportunities:

Despite these challenges, the Egyptian pharmaceutical market offers several opportunities for companies to achieve a sustainable competitive edge:

Growing Healthcare Spending: The government's focus on strengthening healthcare infrastructure and expanding health insurance coverage has the potential to fuel a surge in demand for pharmaceuticals, resulting in broader market expansion and increased potential for revenue growth. This increased healthcare access can translate into a heightened demand for a wider range of medications, benefiting both established and emerging pharmaceutical companies.

Expanding Trade Agreements: Egypt's growing number of free trade agreements (FTAs) present opportunities for strategic partnerships with international pharmaceutical companies, facilitating technology transfer, knowledge sharing, and access to new markets. FTAs can attract foreign investment to the Egyptian market, contribute to modernizing local manufacturing practices, and enhance the availability of a broader range of pharmaceuticals.

New Drug Authority: The proposed establishment of a new Egyptian Drug Authority aims to streamline regulatory processes and increase transparency. This could enhance efficiency, create a more favorable investment environment, and draw greater foreign investment. A more robust and transparent regulatory framework can foster stronger trust in the market, encourage compliance, and increase the efficiency of product development and approval processes.

Value Innovation: A Strategic Framework for Success

The concept of Value Innovation, a core principle of the Blue Ocean Strategy, challenges traditional competitive models that emphasize vying for market share within existing markets. It advocates creating uncontested market spaces by simultaneously driving both buyer value and cost reduction. This approach transcends the traditional trade-offs between offering a high-value product at a higher price or a low-cost product with potentially fewer features.

Study Objectives

This research investigates the following:

Assess the applicability and potential of Value Innovation in the Egyptian pharmaceutical market: Considering the sector's unique challenges and opportunities, the study seeks to determine the feasibility and potential effectiveness of Value Innovation in achieving sustainable success.

Analyze the impact of Value Innovation on achieving a sustainable competitive advantage: This involves examining how the implementation of Value Innovation strategies influences key performance indicators like profitability, market share, customer loyalty, and brand reputation.

Identify key factors influencing the success of Value Innovation in Egypt: This objective focuses on understanding the contextual factors and organizational practices that contribute to the effective application of Value Innovation and lead to tangible business outcomes.

Provide practical recommendations for pharmaceutical companies: Based on the study's findings, the research offers actionable insights and strategies for companies seeking to implement Value Innovation within their operations to effectively navigate competition and achieve a sustainable advantage.

LITERATURE REVIEW: FOUNDATIONS OF VALUE INNOVATION AND THE BLUE OCEAN STRATEGY

The Blue Ocean Strategy, introduced by Kim and Mauborgne (2005), provides a powerful framework for achieving business success by shifting focus from competing within existing markets ("Red Oceans") to creating new, uncontested market spaces ("Blue Oceans"). Value Innovation lies at the heart of this strategy.

Value Innovation: A Strategic Paradigm Shift

Traditional approaches to competition often involve choosing a path of either cost leadership or differentiation. Value Innovation challenges this paradigm by proposing a strategy of simultaneously pursuing both buyer value and cost reduction.

Buyer Value: Creating value for buyers involves understanding their needs and expectations and exceeding them through a combination of product attributes, services, and the overall customer experience.

Cost Reduction: Cost reduction strategies focus on streamlining processes, optimizing resources, and eliminating non-value-adding elements to make the company leaner and more efficient. This benefits both profitability and affordability for consumers.

The ERRC Framework: Operationalizing Value Innovation

The ERRC framework offers a practical blueprint for implementing Value Innovation. It outlines four key action areas:

Eliminate: Identifying and eliminating factors considered standard within the industry but that do not contribute significantly to buyer value. This might involve removing unnecessary product features, streamlining internal processes, or cutting back on non-essential services.

Reduce: Minimizing or reducing factors well below industry standards that may not be delivering significant value. Companies can achieve this by optimizing production processes, reducing overhead costs, or simplifying product offerings.

Raise: Focusing on elevating certain factors above industry standards, exceeding customer expectations, and creating distinct competitive advantages. This might involve enhancing product quality, improving customer service, or introducing new and innovative features.

Create: The most critical element involves creating entirely new factors or value propositions never offered before by the industry. This requires innovative thinking, anticipating emerging trends, and a willingness to disrupt existing market paradigms.

Empirical Evidence of Value Innovation in Various Industries

Numerous studies have demonstrated the successful application of Value Innovation across diverse industries, providing compelling evidence of its potential to generate competitive advantage and create new market spaces:

Telecommunications: Hersh & Abusaleem (2016) demonstrated how Value Innovation can be leveraged in the Saudi Arabian telecommunications sector to achieve significant profitability by creating new market segments and offering unique value propositions.

Healthcare: Renganathan (2016) showed that Value Innovation, coupled with a patient-centric approach, can be a potent tool for enhancing patient satisfaction and building a competitive advantage in the Indian healthcare market.

Fast-Moving Consumer Goods (FMCG): Simon et al. (2012) explored the European Fruit and Vegetable market, recognizing the ability of Value Innovation to create initial advantages while highlighting the need for continued adaptation and innovation in the face of competitor responses in the highly dynamic FMCG sector.

Value Innovation in the Pharmaceutical Industry: A Focused Perspective

While studies on Value Innovation within the pharmaceutical sector are less prevalent than those in other industries, the existing research supports its potential:

Building Competitive Advantage: Ahmad et al. (2016) examined the impact of Value Innovation factors on achieving a competitive edge in Iranian pharmaceutical companies. Their findings emphasized the importance of meeting unmet customer needs, leveraging technological advancements, and cultivating strong customer relationships as key elements of a successful value innovation approach.

Integrating Value Innovation and Sustainability

The growing importance of sustainability within the pharmaceutical industry (Alhaddi, 2014) aligns well with the principles of Value Innovation. By embracing environmentally friendly practices, ethical sourcing of raw materials, minimizing waste and energy consumption, and promoting social responsibility, companies can create a win-win situation for their business, the environment, and society.

Addressing the Research Gaps

Despite the existing literature on Value Innovation, a systematic analysis of its application within the Egyptian pharmaceutical sector is lacking. This research aims to bridge this knowledge gap by conducting a focused and rigorous investigation into how this innovative strategy can be used to achieve a sustainable competitive edge in this specific market context.

METHODOLOGY

Sample and Data Collection

Target Population: Our research targets top-level managers (CEOs, general managers, and marketing managers) from the 63 top-performing pharmaceutical companies in Egypt, as defined by the 2023 IQVIA report. These companies represent a significant proportion of the Egyptian pharmaceutical market, and their insights are critical for understanding Value Innovation's role in the sector.

Sampling Technique: We employ a judgmental sampling technique to select participants, focusing on individuals with relevant expertise and decision-making authority within their respective companies. This approach helps ensure the quality and relevance of the collected data.

Data Collection Instruments:

Structured Questionnaire: A detailed questionnaire is developed to gather quantitative data on the perceived influence of Value Innovation on achieving a sustainable edge in the Egyptian pharmaceutical market. The questionnaire is designed to assess the specific ERRC strategies companies are currently employing and how they perceive the impact of these strategies on achieving buyer value and reducing costs. The questionnaire uses a five-point Likert scale (Strongly Disagree to Strongly Agree) to measure responses.

Semi-Structured Interviews: Semi-structured interviews are conducted with industry experts, including academic researchers specializing in the pharmaceutical industry, consultants with expertise in strategic management and innovation, and individuals with a deep understanding of the Egyptian market. These interviews provide valuable qualitative data, complementing the quantitative data and adding depth and richness to the understanding of the topic.

Data Analysis

Quantitative Data Analysis: The quantitative data collected through the questionnaires is analyzed using SPSS, applying the following techniques:

Descriptive Statistics: Means, standard deviations, and frequencies are calculated to describe the distribution of responses, understand the overall opinions and perceptions of the sample, and gain insights into the current practices of Egyptian pharmaceutical companies regarding Value Innovation.

Reliability Analysis: Cronbach's Alpha is employed to measure the internal consistency and reliability of the questionnaire, ensuring that the data collected is stable and trustworthy.

Correlation Analysis: Pearson correlation coefficients are calculated to investigate the relationship between various Value Innovation factors (ERRC elements) and the achievement of a sustainable competitive advantage.

Regression Analysis: Both simple and multiple linear regression models are used to assess the influence of Value Innovation factors on achieving buyer value and reducing costs. This helps determine which ERRC strategies are most effective in driving specific business outcomes within the Egyptian pharmaceutical market.

Qualitative Data Analysis: The qualitative data obtained from the expert interviews is analyzed using thematic analysis. This involves identifying common themes, patterns, and perspectives that emerge from the interviews, providing a deeper understanding of the nuances of Value Innovation implementation within the Egyptian pharmaceutical context.

Research Hypotheses:

The study tests the following hypotheses:

H1: Implementing Value Innovation strategies, as defined by the ERRC framework, positively influences the achievement of buyer value in the Egyptian pharmaceutical market.

H2: Implementing Value Innovation strategies, as defined by the ERRC framework, positively influences cost reduction in the Egyptian pharmaceutical market.

H3: Implementing Value Innovation strategies, as defined by the ERRC framework, positively influences the achievement of a sustainable competitive advantage in the Egyptian pharmaceutical market.

RESULTS

Descriptive Statistics:

Respondent Demographics: Age, gender, years of experience in the pharmaceutical industry, current job title.

Perceptions of Value Innovation: Means and standard deviations for survey items related to the understanding and application of Value Innovation within their companies.

Implementation of ERRC Strategies: Frequency distributions for each ERRC element, demonstrating how often each strategy is implemented by the surveyed companies.

Demographic Variable Category Frequency Percentage

Demographic Variable	Category	Frequency	Percentage
Years of Experience	<5 Years	10	17.5%
	5-10 Years	20	35.1%
	10-15 Years	15	26.3%
	>15 Years	12	21.1%

Correlation Analysis

Correlation matrix between Blue Ocean strategy factors and acquiring Buyer Value

Variables		Value innovation	Low cost	competitive strategies
Eliminate	Correlation	0.832**	0.726**	0.883**
	Sig.	0.001	0.001	0.001
Reduce	Correlation	0.570**	0.770**	0.722**
	Sig.	0.001	0.01	0.001
Raise	Correlation	0.279*	-0.141	0.106
	Sig.	0.02	0.2	0.4
Create	Correlation	0.704**	0.612**	0.735**
	Sig.	0.001	0.004	0.001
BOS (Practical Part)	Correlation	0.755**	0.654**	0.789**
	Sig.	0.001	0.001	0.001

illustrates there is a significant correlation between Blue Ocean strategy factors and acquiring Buyer Value, where Pearson correlation values are significant at P-value (0.05) between Eliminate and (Value innovation, Low cost & Total Competitive Strategies).

There is a significant correlation at the P-value (0.05) between Reduce and (Value innovation), but there is a non-significant correlation at the P-value (0.05) between Reduce and (Low Cost & Total Competitive Strategies).

There is a significant correlation at P-value (0.05) between creation and (Value innovation, Low cost & Total Competitive Strategies).

There is a significant correlation at P-value (0.05) between Reduce and (Value innovation, Low cost & Total Competitive Strategies).

Regression Analysis

Multilinear regression test to study the influence of Blue Ocean strategy factors on acquiring Buyer Value.

Variables	B	t	p-values	R	R^2	F	p-values
(Constant)	2.095	13.62	0.000	0.904	0.816	75.599	0.001
Eliminate	0.817	9.234	0.000				
Reduce	-0.244	-3.377	0.001				
Raise	-0.110	-2.394	0.02				
Create	0.013	0.154	0.9				

The influence of Blue Ocean strategy factors on Achieving Value innovation was tested by regression and the results were as follows:

- The value of the correlation coefficient (R) to the relation between Blue Ocean strategy factors and Buyer Value was (0.913).
- From the results of the coefficient of determination (R^2) of multiple regression in the previous table, we find that the impact of Blue Ocean strategy factors on Buyer Value was (83.4%).
- The test significant model regression based on the value of (F), which amounted to (85.110) which was significant at level (0.05), which confirms the significant regression model.
- The values of (T), which amounted to (1.655, -6.804, -1.271 & 0.710) for (Eliminate, Reduce, Raise, and Create) consequently, which were significant at level (0.05) except Raise & Create which were non-significant.
- H1 accepted: There is a positive relationship between Blue Ocean Strategy and Achieving Value innovation in the pharmaceutical industry
- H2: There is a positive relationship between Blue Ocean Strategy and Low Cost in the pharmaceutical industry.

Simple linear regression tests to study the influence of Blue Ocean factors on Low Cost

Factors	R	R^2	B	F	t	p-values
Eliminate	0.726	0.527	0.359	79.122	8.895	0.001
Reduce	0.770	0.593	0.316	103.526	10.175	0.001
Raise	0.141	0.020	-0.076	1.439	-1.200	0.2
Create	0.612	0.374	0.343	42.491	6.519	0.001

The influence of Blue Ocean Strategy factors on Low Cost was tested by linear simple regression and

the results were as follows:

- The values of the correlation coefficient (R) to the relation between Blue Ocean Strategy factors (Eliminate, Reduce, Raise, and Create) and Low Cost were (0.726, 0.770, 0.141 & 0.612) consequently.
- From the results of the coefficient of determination (R^2) of regression simple linear in the previous table, we find that there is the influence of Blue Ocean Strategy factors (Eliminate, Reduce, Raise, and Create) on Low Cost were (52.7%, 59.3%, 2.0% & 37.4%).
- The test significant model regression based on the value of (F), which amounted to (79.22, 103.526 & 42.491) which were significant at level (0.05), which confirms the significant regression model for (Eliminate, Reduce, and Create) but regression model was non-significant for Raise.

Multilinear regression test to study the influence of Blue Ocean strategy factors on Low Cost

Variables	B	t	p-values	R	R^2	F	p-values
(Constant)	2.856	16.405	0.000	0.793	0.628	28.739	0.001
Eliminate	0.210	2.095	0.04				
Reduce	0.170	2.085	0.04				
Raise	-0.096	-1.849	0.07				
Create	-0.023	-0.236	0.8				

The influence of Blue Ocean strategy factors on Low Cost was tested by regression and the results were as follows:

- The value of the correlation coefficient (R) to the relation between Blue Ocean strategy factors and Buyer Value was (0.793).
- From the results of the coefficient of determination (R^2) of multiple regression in the previous table, we find that the impact of Blue Ocean strategy factors on Buyer Value was (62.8%).
- The test significant model regression based on the value of (F), which amounted to (28.739) which was significant at level (0.05), which confirms the significant regression model.
- The values of (T), which amounted to (2.095, 2.085, -1.849 & 0.236) for (Eliminate, Reduce, Raise, and Create) consequently, were significant at level (0.05) except Raise & Create which were non-significant.

H2 accepted: There is a positive relationship between the Blue Ocean Strategy and Low Cost in the pharmaceutical industry.

Qualitative Data Analysis

1. Question (To what extent does Buyer Value affect Value innovation in the pharmaceutical market in Egypt?) extent degree was (Moderate extent).
2. The Unique product questions (Unique product), (Special appeal product), (High-value product) & (Unique product) extent degree was (Great extent). (Technically superior product) was extent degree (Moderate extent). The whole phrase axis (Value innovation) was a response to the degree (Great extent).
3. Question (To what extent does low-cost affect Buyer Value in the pharmaceutical market in Egypt?) extent degree was (Moderate extent).
4. The Aspects of low-cost questions (Standard product), (Modern technology), (Aggressive pricing) & (Cumulative experience and learning) extent degree was (Moderate extent). But (Controlling market share) the extent degree was (Great extent). The whole phrase axis (low cost) was a response to the degree (Moderate extent).

5. The whole phrases' axis (Eliminate) was a response to the degree (agree) with a weight percentile was (72.1%).
6. The whole phrases' axis (Reduce) was a response to the degree (neutral) with a weight percentile (60.0%).
7. The whole phrases' axis (Raise) was a response to the degree (agree) with a weight percentile (69.6%).
8. The whole phrases' axis (Create) was a response to the degree (agree) with a weight percentile (64.9%).
9. The main hypothesis is accepted: Blue Ocean strategy factors have a significant influence on acquiring a Buyer Value in pharmaceutical companies in Egypt.
10. There is a positive relationship between Blue Ocean Strategy and Creating and Capturing New Demand in the pharmaceutical industry.
11. There is a positive relationship between Blue Ocean Strategy and Making Competition Irrelevant in the pharmaceutical industry.
12. There is a positive relationship between Blue Ocean Strategy and Achieving Value innovation in the pharmaceutical industry.
13. There is a positive relationship between Blue Ocean Strategy and Low Cost in the pharmaceutical industry.

DISCUSSION

Summary of Key Findings

Competitive Strategies:

- The research demonstrated that differentiation significantly affects Value Innovation in the pharmaceutical market in Egypt.
- Having a unique product, a high-value product, or a product with special appeal significantly contributes to Value Innovation. A technically superior product also can yield a competitive advantage but with potentially lower margins.
- The research also concluded that low cost moderately affects the acquisition of Value Innovation. Controlling market share is the primary benefit of cost reduction, but aspects such as standard products, modern technology, aggressive pricing, or cumulative experience and learning alone don't necessarily guarantee an advantage.

Value Innovation Model - Theoretical:

- The value innovation model represents a sustainable, effective, efficient, and viable competitive strategy applicable in Egypt.
- The value innovation model could transition into a Red Ocean strategy with potential ramifications.
- There are distinct differences between organizations competing in Red Oceans and those continuously creating Blue Oceans.
- Several factors can greatly influence the application of the Value Innovation model in Egyptian organizations, such as the need to create and capture new demands, breaking the value-cost trade-off, and integrating the organization's total system activities to achieve simultaneous differentiation and low cost.
- When organizations effectively drive costs down and enhance buyer value, they achieve Value Innovation. Several key aspects greatly impact Value Innovation in the Egyptian pharmaceutical market:
- Eliminating and reducing factors on which the industry currently competes.
- Raising and creating elements that the industry has never offered before.
- Embracing new market opportunities or serving neglected market segments.

- Adapting products and services to meet customer demands.

Value Innovation Model - Practical:

- This section summarizes the current situation in the Egyptian pharmaceutical market based on data collected from higher management working in the sector.
- Regarding the elimination of factors, survey participants confirmed that companies have implemented strategies such as eliminating high-cost systems, routinely eliminating production waste, and removing unnecessary product movement and transportation processes. However, a remaining challenge lies in addressing areas such as failing to eliminate poor performers, removing unnecessary products/services, or eliminating process duplication.
- The factors currently being reduced by surveyed companies are mainly confined to research and development costs. While other significant factors, such as logistics costs, production costs, production time, production wastage, operational complexity, and bureaucratic decisions, still require implementation.
- To drive buyer value up, companies are increasing their control over costs, accelerating data sharing between departments, enhancing employee abilities, improving quality over time, and raising their return on investment (ROI).
- Companies are seeking creative and innovative ideas, building a distinct culture and systems, and engaging in joint ventures to acquire manufacturing technologies or other competitive advantages.

Implications of the Findings and Action Plan

- The ERRC model's novel and innovative nature within and outside of scientific literature highlights the importance of analyzing Value Innovation strategies in different industries, including pharmaceuticals. Existing research does not contain similar or contrary results to be analyzed or interpreted.
- Chan Kim and Renee Mauborgne’s research confirms that when businesses engage in direct competition, they are stuck in a crowded battlefield with decreasing market share and profit margins. This mirrors the current situation in the Egyptian pharmaceutical industry.
- The value innovation model fosters business growth in previously nonexistent contexts. Macro-level observation is critical, and companies should develop innovative value propositions for customers, which go beyond merely offering advanced products with economic advantages.
- Confirming Ghasemi et al.'s study emphasizing the significance of marketing capabilities in acquiring Value Innovation, we highlight the crucial impact of government policy and regulatory changes. These environmental shifts create opportunities for achieving Value Innovation and achieving competitive distinction to thrive and adapt to constantly evolving market conditions.
- The confirmation of the study's primary and secondary hypotheses indicates that Egyptian pharmaceutical companies should be concerned with the Value Innovation model's complete scope to secure Value Innovation.
- The hypothesis regarding the influence of Blue Ocean factors on acquiring Value Innovation highlights the importance of managers utilizing a well-informed perspective. They need to analyze their competitive strategies, stay informed of environmental data, and effectively implement the four ECCR grid elements to create Value Innovation—a crucial steppingstone for successfully implementing the Value Innovation model.
- The main goal of the following action plan is to support organizations in achieving "Value Innovation," which allows them to build a Blue Ocean.

Goals to Achieve Value Innovation:

- Cost savings: achieved by eliminating and reducing factors the industry currently competes on.
- Buyer Value Lifting: achieved by raising and creating elements that the industry has never offered before.

Goal	Sub-Goal	Recommendation	Tools	Resp. person	Time needed
Cost saving.	Elimination of unnecessary processes in the organization.	Drive out, poor performers.	Appraisal and performance reports	HR manager	Quarter or at most 6 months
		Eliminate unnecessary products and services.	Portfolio analysis matrices	BDM	From 6 months to 1 year
		Eliminate duplication in processes.	Job description per each employee	CEO	One month
	Reducing any kind of wastage and risk in the organization.	Reduce logistics costs, production costs, production time, production wastage, and complexity in operations.	- Production plan - Inventory turnover	- Production manager - Supply chain manager	Quarter or at most 6 months (continuous process)
		Reduce bureaucratic decisions.	SOP	CEO	1 month to Quarter
Buyer value lifting.	Raising and improving the overall organizational process and performance.	Raise customer satisfaction.	CRM system	Customer service and PR department	Quarter or at most 6 months (continuous process)
		Improve customer service and quality.			
	Creation and the invention process that the organization gets through.	Have a unique product or a product with a special appeal	- Unique raw materials - High tech. production machines - Well trained people	R&D department	One year at least
		Create new products.			

		Create better customer relationships.	CRM system	Customer service and PR department	6 months

Limitations of the Study

(The researcher encountered many limitations while conducting the research)

- One significant limitation emerged during data collection. The respondents were high-level managers, typically very busy individuals, making it challenging to receive completed questionnaires within the expected timeframe. Several questionnaires were not returned despite efforts to obtain favorable responses, including multiple visits and email communication.
- Another limitation involved respondents' reluctance to share confidential information about their organizations. The researcher reassured respondents that data would be used exclusively for the study.
- The SWOT analysis was qualitative, not quantitative, limiting its scope.
- The study specifically targeted pharmaceutical companies with a sales volume exceeding 100 million LE, covering more than 90% of the total market share, and excluding companies with lower volumes.

Recommendations for Future Research

- **Longitudinal Studies:** Suggest conducting longitudinal studies to assess the long-term impact of Value Innovation on company performance and market dynamics in Egypt.
- **Comparative Analysis:** Propose comparing the implementation and outcomes of Value Innovation in the Egyptian pharmaceutical market with other developing markets facing similar challenges.
- **Customer Perspective:** Recommend conducting research focusing on patient and consumer perspectives to gain insights into their needs, perceptions of value, and preferences related to pharmaceuticals.

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