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Case Study of CVS Health

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CVS Health has offered its services in the healthcare industry for more than fifty years now; therefore, they have learned through experience and transform their operation. Although the company was started in the United States as the CVS Pharmacy, they have provided innovative, community-based solutions that ensure the healthcare industry is unpretentious, within individuals' means, and accessible. The company has expanded to other states across the United States, then moved to Guam, Puerto Rico, Virginia Island, and Brazil, providing them with more benefits of working globally. Technology plays a vital role in CVS Health businesses because of the vast utilization of smartphones, and people need personalized health services. However, this comes with security challenges that make CVS Health keen on protecting their customers' data. Improving market share and retention is also a critical thing that has advanced the use of technology; this comprises making every service as simple as possible and will drive customers to feel they can get quality service and products efficiently.

Benefits of CVS Health in Operating Globally

CVS Health expanded its operations to other countries, and the first one was Brazil. Moving their operations to Brazil was significant because it provided financial benefits and was the global drug store space. According to Meyer (2017), globalization allows businesses or other companies to create international inspiration or begin operating on a worldwide scale. Therefore, this allows an open stream of information, products, and technology from one nation to another. The company's presence in several countries worldwide provides several benefits, such as access to new customers. Alexander (2013) claims that before the acquisition of Onofre in Brazil in 2013, CVS Health realized that Pharma sales in Brazil had increased tremendously between 1996 to 2012 by nearly 12.5 percent in CAGR and 25 percent generics.

CVS Health benefits from getting new markets by operating globally. Alexander (2013) emphasized that all the countries CVS Health have their operations, which was encouraged by extensive research into the market and available opportunities. For instance, in Brazil, the company realized that there were nearly 3760 drug stores. The best five chains had approximately thirty percent of the sales, while the best ten chains held thirty-four percent, and independents had forty-eight percent of the sales. Market growth in Brazil is driven by deteriorating unemployment, increased actual incomes, and population aging. Furthermore, there is an enhancement in patients covered under the insurance plans, improving the needed insurance services. Consequently, companies such as CVS Health have a new way of increasing their revenue stream through utilizing simple and innovative methods to develop their business in foreign countries.

Another way CVS Health benefits from operating globally is to gain less technological cost overseas and innovation. CVS Health has already implemented super technology in their operations; therefore, moving to other countries will ensure they utilize these technologies, improving customer service delivery. This provides them with a competitive advantage. Although acquiring Onofre in Brazil allowed CVS Health to benefit because it already had a good reputation in the market and had gross revenue of 1.2 billion Brazilian reais in 2011 Mari (, 2018), CVS Health still implemented strategies to improve service delivery to customers. Since nations are continually connected, they make it easier for scientific advances made in one country to be taken to another nation. A company like CSV Health faces stiff competition from companies such as Express Scripts and Avella Specialty Pharmacy; through globalizing their operations, they can easily access new talents and utilize them to increase the capacity to satisfy their customers effectively. For instance, when CVS Health expanded to Puerto Rico, they set up

a fulfillment center to support online operations, which improved customer experience. Furthermore, CVS Health benefited from the cost-effective technological products in other countries. For instance, technology cost in the United States is higher than in Brazil; therefore, CVS Health uses technical products and services in Brazil because they are cheaper.

Technology Used to Support Global Position

CVS Health has utilized technology in all aspects of its operations to enhance service delivery. For example, the company has a website and a mobile application that allows consumers to shop and fill prescriptions anywhere. Therefore, CVS Health has utilized online growth to enhance its market and reduce the procedures customers should follow to attain its products. Mari (2018) stated that CVS Health has concentrated on developing its sales online through website technologies to improve its e-commerce and phone-based strategies. Also, the company uses CVS mobile App to provide customers with a modest and suitable way of filling and refilling their medicines (CVS Health, n.d). Through the mobile software application, which saves all the prescriptions, customers will not need to carry paper prescriptions because of the risks of getting lost. CVS Health also uses the ScriptSync in the mobile App to coordinate their refills to ensure they can pick all of them in one day.

Also, CVS Health uses next-generation firewalls to protect its systems from cyber-attacks. The organization uses several technological devices that support its global position; therefore, they must be covered efficiently. While network allows CVS Health systems to work and maintains its international standing, it needs to be protected from malicious or unnecessary network traffic. Ct gov (n.d) stated that a firewall is a vital network security system that checks and controls arriving and departing network traffic according to prearranged security procedures. Similarly, in CVS Health, a recognized firewall and perimeter network is organization ideals is

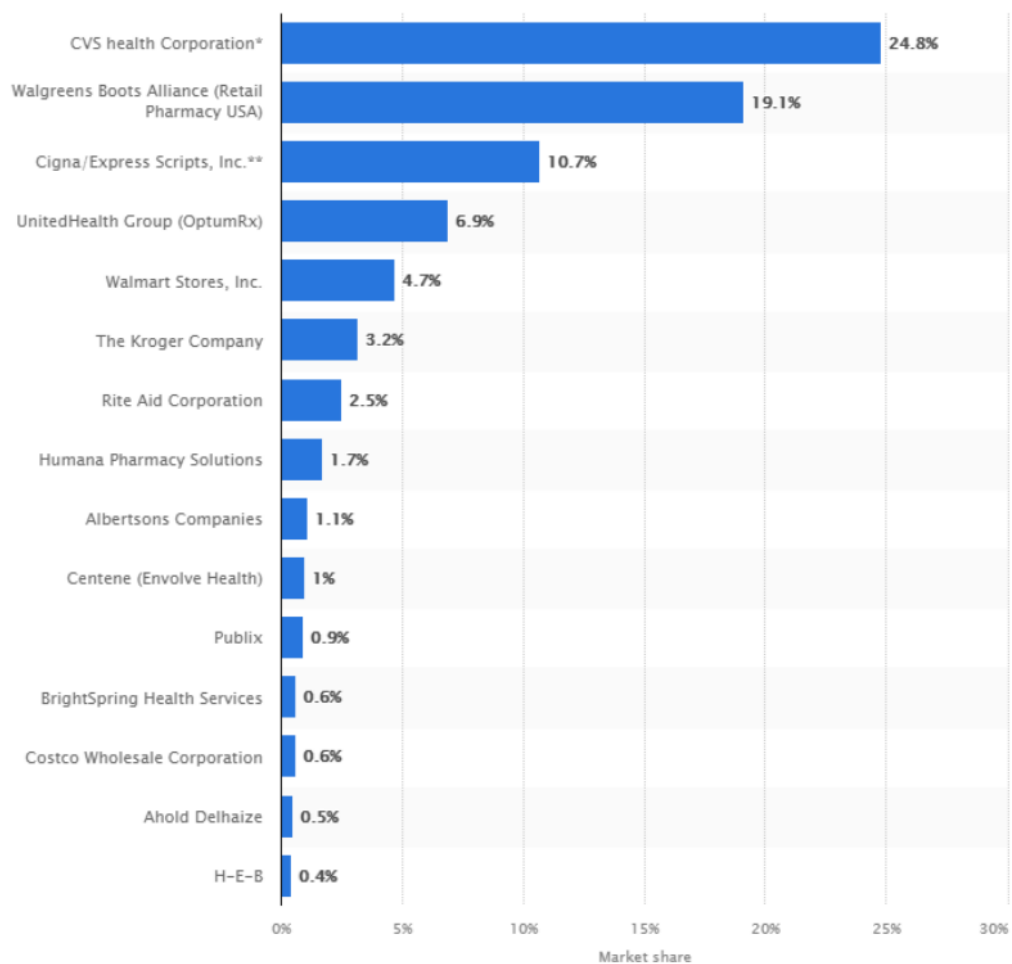
developed, executed, and preserved for assessment, control, and decrease the risks of cyber-attacks. Moreover, all the stores use computers to run their operations; however, they are subject to threats. Ct gov (n.d) stated that CVS Health supports their computers from virus attacks through antivirus software. The same source says that all windows computers have a standard antivirus managed by CVS. There is a plan developed to download the antivirus from the seller's website to virtual delivery servers.

IT Strategy to Gain Market Share and Retention

CVS Health has implemented several methods to obtain the largest market share against their competitors; however, to retain customers, the company continues innovating on new ways to make their customers continue to come and seek their services. Customer retention is a critical element in any business's success (Hofman-Kohlmeyer, 2016). CVS Health enhances its customer retention by studying its customer's behavior and trends. Furthermore, the best way to get customers' attention is by bringing them where they are because technological advancement has made them always be on their phones, shopping, communicating, or browsing.

Moreover, CVS Health has concentrated on improving its customer service operations. For instance, through the implementation of the online customer service platform in their service delivery. Customer service is crucial in every business because it will ensure the company saves customers' time. Technology is vital in customer service because companies can use the inline help desk to address all customer issues on time. Gaur et al. (2019) stated that CVS Health is implementing Epic software to enhance customer service in MinuteClinics. They provide individuals with health advice and help on minor diseases and injuries. The Epic software will help reduce the amount of time a patient will use to wait because there will be no need to fill out forms. This makes them enjoy a consistent healthcare experience. The diagram below indicates

the market share of CVS Health and its competitors. The chart shows that CVS Health has the highest market share, followed by Walgreens Boots Alliance's most significant competitor. The high market share is supported by the CVS Health strategy of creating a web set-up and enhancing back-end procedures supporting digital sales. The information technology strategy allows CVS Health to incorporate e-commerce, phone application, and physical locations.



Source: Mikulic (2021).

One of the best strategies is to utilize mobile marketing strategies to improve customer satisfaction. One way of doing this is through optimization of the website for mobile. Hofman-Kohlmeyer (2016) claimed that many businesses are shifting their operations to mobile sites; therefore, more customers will be on the website because it is optimized for mobile utilization. CVS Health can optimize its website to fit mobile usage and avoid losing it to competitors to retain customers. Also, CVS Health has reduced the website loading time by using the oracle e-commerce platform to enhance online customer experience and performance. Another strategy is to send deals through mobile. Many customers can be maintained when the company can provide discounts and coupons to their mobile phones. Hofman-Kohlmeyer (2016) emphasized that sending notifications to the customer's mobile phones in case of discounts and offers is becoming more common and erudite because the organization can quickly know the client's location and what they purchase most through their purchase history.

Another way of retaining customers is through using mobile payment in CVS Health. Mobile payment has become one of the most common payment methods because people have easily forgotten their wallets than their phones. Gaur et al. (2019) stated that through the CVS Health mobile App, customers could get loyalty schemes, coupons, and discount codes. Also, the same mobile application has a CVS pay that allows customers to make payments through their mobile devices.

Finally, online service is critical in CVS in ensuring they reduce the strenuous process customers use to access services in the company. For example, consumers can update their insurance information using the mobile application. Alexander (2013) stated that customers could take a photo of their insurance card then CVS Health will update their knowledge and share it with any other CVS the consumer wants. Another strategy is implemented in the mobile

application MedRemind used to remind consumers of their medication and track the prescription. Therefore, consumers can take their medicine at the right time.

Social media plays a vital role in the retention of customers. Social media connects individuals across the world where CVS Health is operating. The company can use social media and create groups for wellness, making people live like a community. Also, another source by Hofman-Kohlmeier (2016) stated that the easier one makes purchasing experience for their customers, the more chances they will retain them. Therefore, CVS Health can use buttons on social media to indicate the buy it now messages to allow customers to purchase the products when they need them without going to other pages to fill out forms.

Recommendations on Type of Technology to Benefit CVS Health

CVS Health has a significant role in the healthcare industry because it ensures all individuals live healthy life. Furthermore, the organization needs to ensure they implement customer-centric technologies to get more consumers hence increased revenues. Also, this technology will aid in creating an improvement in patient experience and establish proper and comprehensive patient care. The recommended technology is a secure messaging program and a vending machine. The vending machine is vital in ensuring the customers can easily access products when they are out of the products. Furthermore, CVS Health can install the vending machines in locations that have high traffic, such as at hotels, and malls to provide the passing traders to purchase products such as snacks and other health products.

On the other hand, the secure messaging program is a vital technology that will allow CVS Health customers to get an individualized message alert to their mobile devices with data concerning the manageable symptoms, probable side effects, and management of the condition.

Moreover, this technology will aid a physician as close as possible to the patient. The information provided to the patient is obtained from the clinical trial data, other individuals' responses, and drugs tag; however, the message is sent when there is a possibility of experiencing certain situations. Also, the technology should include a commend feature to allow the patient to ask other therapeutic associated questions.

Methods the technology will support decision Making

CVS Health needs to ensure the technologies they implement can help them make effective decisions that will impact their health and wellness. Although patients always have detailed requirements that will necessitate complex resolutions to control the health problems, technology, and data incorporation have made significant progress in the healthcare industry. Patient relations with CVS Health to better manage their illness. For instance, the secure messaging program can help make important decisions that allow all-inclusive patient care and enable enhanced observance. A safe messaging program will provide efficient information such as patient history information. Also, when the program is linked with the electronic health record system, the physician can obtain the patient's health information and make decisions about the patient's treatment that will enhance their experience. Moreover, through secure messaging, the physician can decide when the patient should begin therapy, preventing severe health conditions.

On the other hand, the vending machine is benefitting CVS Health customers. Therefore, the company can help in more sales and revenues. However, the vending machine can make crucial decisions for the company, especially when they need to make significant community development or research choices. Since CVS Health is among the fortune 500, it also gives back to the community by researching its customers, primarily based on the products they use the most.

Challenges of Operating Globally

CVS moving their operations globally is also associated with more challenges because they are going to countries with differences in regulations or technology advancement. One of the challenges is the legal operations and considerations. Ruggie (2018) stated that the business would need to pay attention to regulations on how they should do business and importing products to another country where they want to trade. CVS Health has operated in the United States, allowing them to follow the regulations provided by all the states they operate in; however, moving to other countries poses a significant challenge on regulations adherence. For instance, when CVS Health moved to Brazil, they faced regulatory variations, which resulted in increased complexity related to duplicating some projects, including e-prescription. However, other ingenuities from America could apply in Brazil, such as the walk-in healthcare and integrated with the business unit created by the Brazilian technology team.

Another challenge CVS Health is facing in operating globally is the currency difference. Since CVS Health is an American company doing business with other countries will lead to price variation. Mefford (2017) stated that a weak currency allows the export company to stay competitive in global market; on the contrary, a strong currency can decrease export competitiveness, making the imports cheaper and increasing the trade deficit. Another challenge CVS Health is facing is local telecommunication infrastructure. Many countries do not have the best infrastructure to allow CVS Health to implement their technologies to support their service delivery; this makes the company incur more costs associated with SD-WAS set-ups to handle the issue.

Suggestions on Improving the CVS Health Standing

CVS Health has worked to provide the best customer experience and improve their health and wellness. However, although all the technology implemented makes it simple for customers to access the services, more work needs to be improved, including cost and quality. Technology innovation is vital to healthcare delivery; therefore, CVS Health should implement technologies that reduce patient costs. For instance, implementing the vending machine in locations such as airports and colleges where customers can access health products easily can help reduce the cost to the customers. Another way is to reduce the cost by focusing on patients with chronic conditions. On the other hand, quality of care delivery should be enhanced through the Secure Messaging program because physicians can make upfront decisions based on patients' health information, minimizing the cost to treat severe conditions and improving patients' quality of health and wellness.

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