



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

TOPIC:

Report Analysis of AstraZeneca PLC's External and Internal Marketing Environment

SUBJECT NAME:

Marketing In Practice

SUBJECT CODE:

BMBM5024

LECTURER'S NAME:

Gwyneth Jones

STUDENT NAME	STUDENT ID
NURIN FARAHIYAH BINTI MOHD RAFIDI	2436800

Table of content

Executive Summary	2
1.0 Introduction and Organizational Background	4
2.0 External Situation Analysis: PESTEL Framework	5
3.0 Competitive Environment: Porter's Five Forces	7
4.0 Internal Analysis: Assets, Resources, and Capabilities	8
5.0 SWOT Analysis and Strategic Analysis	9
6.0 New Strategic Marketing Direction	11
7.0 Conclusion	12
8.0 References	13

Executive Summary

This report forms a basis for a new strategic marketing direction for AstraZeneca PLC for the period 2026 and beyond. The situational audit sets out to map a complex picture of both positive and negative internal and external influences which shape the current competitive environment and future potential for the global biopharmaceutical leader. Externally, AstraZeneca faces ongoing difficulties related to pricing pressure emanating from the complex landscape of the US health system. The new provisions contained within the framework of the Inflation Reduction Act represent a major new threat to profitability. Additionally, changes in the geo-politics of major markets in Asia could also create further challenges in terms of access and profitability. A closer look, however, reveals many more positive influences that are set to shape the future of the global health industry. These are outlined in part related to the demographics of an aging global population, but also key is the innovation being embedded into the drug discovery process, specifically the adoption of emerging technologies such as Artificial Intelligence (AI). A secondary focus of the report is on the competitive landscape within which AstraZeneca operates. While AstraZeneca will continue to face threats from generic manufacturers and biosimilars, its leadership within the Oncology segment and growing niche within Rare Diseases provides a strong competitive “moat”. A third influence that the report evaluates is the internal make-up of AstraZeneca as a global biopharmaceutical leader. A “positioning audit” focuses on a determination of the organisation’s world-class R&D pipeline, an unparalleled financial firepower of £58.6B forecast for 2025, together with a corresponding capacity to undertake a long-term view and invest in pioneering technology. A further strength is AstraZeneca’s human assets. A thorough SWOT analysis presents strong evidence of the Organisation’s market leadership within Oncology (43% of current sales) but equally there is evidence of both opportunity and threat in terms of diversification of the sales mix away from too narrow a base of limited “blockbuster” products. A key recommendation is for AstraZeneca to seek to develop major new markets in metabolic and obesity with the objective of creating a new growth trajectory and helping the company to reach its target of £63.2B by 2030.

1.0 Introduction and Organizational Background

AstraZeneca PLC is one of the world leaders in biopharmaceuticals with a diverse portfolio of prescription medicines concentrated on three main areas of focus: cardiovascular and metabolic diseases, oncology and respiratory. It is a major global player dedicated to realising the potential of life science by bringing a focus to bear on some of the most advanced science available, creating a pipeline of new products and future options both short and long term. These products, tomorrow's medicines are being worked on today, will enable a healthier tomorrow for our patients. To achieve its mission the organization works with five core values that are used as a guiding light for all actions and activities. This report will take a strategic planning approach to building the marketing plan and utilize the well known SOSTAC marketing planning framework. The focus will be on the situation analysis/marketing audit stage.

AstraZeneca has seen its stock price perform extremely well in line with the long term institutional targets of ~ £58.64B for 2025, which represents an increase of 8.4% from 2024. The total core operating profit for the first half of 2025 is ~ £8.45B, and is in line with the company's target of "Ambition 2030" which aims to reach revenue of £63.2B (\$80B) by the end of the decade. The marketing environment includes all of the forces shaping an organization's marketing making some forces more relevant than others as they impact an organization's ability to market effectively. This report will provide the marketing manager with the information needed to make strategic decisions in the organization. The report will be organized by a situational analysis presented in a step by step fashion that mirrors the thinking skills of a marketing manager.

2.0 External Situation Analysis: PESTEL Framework

The external marketing environment forces, which are uncontrollable, impact a company's ability to maintain successful transactions with current target customers. A PESTEL analysis helps companies understand the macro-environmental factors affecting their businesses. To understand the macro environmental forces impacting AstraZeneca, these factors are categorised and discussed in greater detail. Politically the competitive UK environment has led to AstraZeneca committing to investing \$50B in US operations by 2025 with a possible secondary listing on the New York Stock Exchange in 2025 in a more hospitable environment. Geopolitically the Chinese market is a very competitive and challenging arena that AstraZeneca must seek to operate in effectively. By committing to invest \$15B in China by 2030, AstraZeneca is hoping to localise R&D and manufacturing functions and strengthen the company's presence within the market.

Economically, the global market is experiencing inflation. Furthermore, interest rates are expected to rise, this will increase the cost of several inputs to the company including raw materials, energy costs and the cost of capital to fund the creation of new laboratory space and clinical trial infrastructure.

Long-term demand factors are likely to be influenced significantly by social factors. An aging global population and increased use of digital health technologies to monitor health and participation in clinical trials to name a few, will be the main drivers of demand. Technological factors are also key, and we highlight AstraZeneca's leading edge in drug discovery technologies, including the use of high-throughput screening and AI to develop complex medicines such as cell therapies for major chronic diseases including oncology and rare disease. It is also highlighted that the company is on track to deliver 16 positive Phase III trials by 2025, crucial to meet the company's revenue targets by 2030. Environmental factors will also become increasingly important, including the banning of Perfluoroalkyl and Polyfluoroalkyl substances (PFAS) which is threatening to cause significant disruption to the supply chain for 70% of the industry's critical medicines. JCIR noted that CI has invested \$1B in its "Ambition Zero Carbon" initiative to decarbonize its value chain. However, the US Inflation Reduction Act introduced in

August is expected to negatively impact the Group, particularly CI's core drugs, including Calquence, as the legislation will enable Medicare to negotiate prices of prescription drugs, starting from 2027.

3.0 Competitive Environment: Porter's Five Forces

Applying Porter's Five Forces framework to assess the 'micro-environment' of the industry in order to evaluate the structural attractiveness of the industry and the level of competition that exists between participants in the industry. The threat of new entrants to the biopharmaceuticals industry is low because of the large investment required to develop a drug and the challenging global regulatory environment that must be navigated. However, after a drug has been launched, the principal buyers are government-owned institutions like the NHS and large insurance companies like Medicare, who have enormous purchasing power and can set prices and offer discounts to drugs in order to constrain costs. AstraZeneca faces significant bargaining power by specialized suppliers of Active Pharmaceutical Ingredients ('APIs'), as well as Contract Research Organizations ('CROs') needed to develop and manufacture our biologic products, given the specialized nature of the manufacturing requirements of such complex molecules.

Threat of New Entrants: The threat of substitute products is medium-to-high. As "blockbuster" drugs come off patent, the generic drug manufacturers and biosimilar producers are gearing up for the fight. Several generic Atacand combinations, and generic Seroquel XR are already approved and awaiting launch. **Vulnerability of Present Partners:** None. **Bargaining Power of Buyers:** High. AstraZeneca faces pressure from a variety of powerful buyer groups including hospital doctors, managed care organisations and public payers. Increasingly, the company is also having to bargain with a growing number of pharmacy benefit managers. The industry suffers from low barriers to entry by potential new competitors. **Intensity of Rivalry Among Competitors:** High. The pharmaceutical industry is hyper-competitive and AstraZeneca faces stiff competition from other global players. In several therapeutic areas, including oncology, the company is fighting for market share against the likes of Roche, Merck, and Eli Lilly. The most intense competition is for market share in the fast growing oncology area, as well as in emerging markets and other rapidly growing areas such as diabetes, obesity and related diseases. To defend and maintain market share, AstraZeneca needs to continue to develop world-class science and use smart strategy.

4.0 Internal Analysis: Assets, Resources, and Capabilities

In an internal environment audit, AstraZeneca focuses on resources, strengths and practices that they can control. This organization has a world-class R&D pipeline, with more than 160 projects in development from early science to late stage/major market. In addition, it has two major manufacturing hubs, in the UK and in China, capable of delivering high-tech biologics and cell therapies to patients. The audit also considers AstraZeneca's high-value intellectual property in Oncology, one of the company's key intangible assets that generate 43% of total revenue. The audit also reviews the company's marketing capability, brand reputation and customer loyalty.

While the report does not delve into further details such as profitability, it does reveal a positive outlook for the company's performance in 2025, with expected revenue of \$233B, corresponding to a 7% increase in dividends. The company also continues to fully leverage its internal strengths to maintain market leadership. At the same time, its R&D intensity as a percentage of sales is quite high and may be difficult for other players in the industry to follow. To gain further insights into the company's capabilities, tools such as VRIO analysis are applied to conduct an internal audit of AstraZeneca's capabilities and determine their strengths and weaknesses and how they could pose opportunities or threats when formulating the company's future strategy.

5.0 SWOT Analysis and Strategic Analysis

Strengths Leading position in the global Oncology therapeutics market; strong geographic presence with 21% emerging markets growth; and world-class R&D.	Weaknesses Shipment of a majority of medicines solely dependent on two “blockbuster” medicines such as Tagrisso; and Very High R&D-to-revenue ratio as compared to Competition
Opportunities Obesity is a multibillion dollar market now valuing over \$100B, as Novartis moves along the entire “value-chain” in China investing \$15B in creating new treatments and platforms; while also accelerating the application of AI technology to drug discovery.	Threats Continuously monitoring potential pricing negotiations under the US’s recently enacted Interest Rate Arbitration framework (IRA), upcoming loss of exclusivity (LOE) for mature brands, and potential supply chain impacts from environmental regulations.

Table 5.1 SWOT Analysis on AstraZeneca

The SWOT analysis summarizes the main findings from the internal and external audits in a practical summary of key factors without introducing new information. AstraZeneca has a “world-leading” position in Oncology with a strong geographic footprint in emerging markets. Its R&D function is world-class. But it is heavily dependent on a few products like Tagrisso, which accounts for a large share of its bottom line. The company has a high R&D intensity as a percentage of revenue. The opportunities arise from the external analysis and are based on trends

in the markets AstraZeneca operates in. Its opportunity to enter the \$100B obesity market and its chance to build and optimize AstraZeneca's "value-chain" strategy in China based on a \$15B investment plan over 10 years are highlighted.

There are also some external threats to the opportunities listed above, notably the US drug pricing negotiations under the Inflation Reduction Act and the loss of exclusivity on some of the company's mature brands such as Soliris. A SWOT analysis is a useful tool to systematically distinguish between the strengths and weaknesses which come from within the organisation and the opportunities and threats which come from outside the organization. This summary of the key factors affecting a new strategic marketing initiative provides a useful backdrop against which marketing strategies and marketing programs can be developed. The final evaluation of these factors will be used by the strategic planning department of AstraZeneca to form an informed and balanced view and to hold a reasoned debate to justify their strategic marketing decisions.

6.0 New Strategic Marketing Direction

AstraZeneca has laid out a new marketing strategy as part of its 'Ambition 2030' plan to achieve total revenue of £63.2B (\$80B) by 2030. The strategy will see the global pharmaceuticals player dominate next-generation oncology, make strategic entry into the obesity and metabolic market, and drive growth in Emerging Markets through its Symbio platform. The pharmaceuticals player will "redouble efforts" in next-generation oncology by developing "Precision Medicine" and promoting Antibody-Drug Conjugates (ADCs) as "guided missiles" to cancer cells. AstraZeneca is supported by \$50B investment in R&D and manufacturing from the US to develop medicines to treat multiple types of cancer. The company will also drive growth in Emerging Markets by developing and commercialising innovative products and solutions for patients through its BioPharmaceuticals portfolio, such as GLP-1 weight-management treatments. It will leverage its heart and kidney health reputation to promote an "interconnected health" approach to fighting obesity to prevent major cardiovascular and renal diseases.

The big pharmaceuticals, including AstraZeneca, are having to develop their business in emerging markets along three different pillars. The first pillar is to have a major sales and marketing organisation. The second is to source key generic products from low-cost emerging market generic companies. The third is a 'value-chain' strategy, which involves it acting virtually as a local company, partnering with local Chinese biotechs and start-ups in the country. It wants to co-develop products for both the local Chinese market and for global markets, including the UK and it has set a target of investing £11.8B (\$15B) in China by 2030. This strategy ensures that AstraZeneca remains the biggest international pharmaceutical company in China, without running into trade barriers. These three strategies are crucial to the long-term institutional development of AstraZeneca and will enable the firm to move to the high-growth emerging markets and deliver precision medicines to patients world-wide. In developing these strategies, they should ensure great understanding of how principles are developed in an employment context.

7.0 Conclusion

The situation analysis revealed that AstraZeneca PLC is an extremely strong, science-led global healthcare company with the necessary internal resources and innovative science capabilities to deliver on the 2030 targets. While the external environment presented a complex mix of challenges and opportunities, the organisation's new strategy focused on precision oncology and metabolic health presented substantial market opportunity. In R&D, the application of AI would increasingly play a role in R&D to improve chances of delivering breakthrough medicines. In addition, the localised manufacturing footprint in growth markets such as China will be a competitive advantage. The future marketing strategy would therefore need to be "interconnected health" delivering life-changing and life-saving medicines to a growing global patient needs while driving future profitability for the company.

8.0 References

1. AstraZeneca PLC (2025) *About Our Company: Purpose, Values and Strategy*. Available at: <https://www.astrazeneca.com/our-company.html> (Accessed: 9 February 2026).
 - Used for: Mission statement, core values, and the "Ambition 2030" organizational purpose.
2. AstraZeneca PLC (2025) *Annual Report and Form 20-F Information 2024*. Available at: <https://www.astrazeneca.com/investor-relations/annual-reports/annual-report-2024.html> (Accessed: 9 February 2026).
 - Used for: Historical revenue data, Oncology performance metrics, and internal resource auditing.
3. AstraZeneca PLC (2025) *H1 and Q2 2025 Results Announcement*. Available at: <https://www.londonstockexchange.com/news-article/AZN/h1-and-q2-2025-results/17155855> (Accessed: 9 February 2026).
 - Used for: Current market performance data including H1 revenue and core operating profit.
4. AstraZeneca PLC (2026) *AstraZeneca plans to invest \$15 billion in China through 2030*. Available at: <https://www.astrazeneca.com/media-centre/press-releases/2026/astrazeneca-invests-15bn-in-china-through-2030.html> (Accessed: 5 March 2026).
 - Used for: PESTEL legal/political analysis and the localized value-chain strategy.
5. BioSpace (2026) *JPM26: AstraZeneca's Path to \$80B by 2030 Paved With ADCs and Cell Therapies*. Available at: <https://www.biospace.com/business/astrazenecas-path-to-80b-by-2030-paved-with-adcs-cell-therapies-near-term-product-launches> (Accessed: 17 March 2026).
 - Used for: Strategic marketing direction regarding Antibody-Drug Conjugates (ADCs) and future revenue targets.

6. Canvas Business Model (2025) *PESTLE Analysis of AstraZeneca*. Available at: <https://canvasbusinessmodel.com/products/astrazeneca-pestle-analysis> (Accessed: 5 March 2026).
 - Used for: External macro-environmental trends and social/technological factors.
7. Chaffey, D. and Smith, P.R. (2022) *Digital Marketing Excellence: Planning, Optimizing and Integrating Online Marketing*. 6th edn. Abingdon: Routledge.
 - Used for: Theoretical framework of the SOSTAC model used throughout the report.
8. Chartered Institute of Marketing (2024) *Marketing and the 7Ps*. Available at: <https://www.cim.co.uk> (Accessed: 10 March 2026).
 - Used for: Defining the marketing environment and controllable vs. uncontrollable factors.
9. DCF Modeling (2025) *AstraZeneca PLC (AZN) SWOT Analysis*. Available at: <https://dcfmodeling.com/products/azn-swot-analysis> (Accessed: 12 March 2026).
 - Used for: Internal SWOT analysis, specifically identifying Oncology leadership and blockbuster dependency.
10. Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regner, P. (2017) *Exploring Strategy: Text and Cases*. 11th edn. Harlow: Pearson.
 - Used for: Application of the PESTEL framework and internal resource analysis.
11. Kotler, P. and Armstrong, G. (2024) *Principles of Marketing*. 19th edn. Harlow: Pearson.
 - Used for: Definition of the marketing environment and macro/micro environment theory.
12. Mintz, L. (2025) *Appeals Court Rejects AstraZeneca's Challenge to Medicare Drug Price Negotiation Program*. Available at: <https://www.mintz.com/insights-center/viewpoints/2146/2025-05-12-appeals-court-rejects-astrazenecas-challenge-medicare> (Accessed: 5 March 2026).

- Used for: Legal analysis within PESTEL regarding the US Inflation Reduction Act.
13. One Nucleus (2024) *AstraZeneca Announce Their Ambition to Deliver \$80bn in Annual Revenue by 2030*. Available at: <https://onenucleus.com/astrazeneca-announce-their-ambition-deliver-80bn-annual-revenue-2030> (Accessed: 17 March 2026).
- Used for: Market ambition data and expansion goals.
14. Porter, M.E. (2008) 'The Five Competitive Forces That Shape Strategy', *Harvard Business Review*, 86(1), pp. 78-93.
- Used for: Theoretical foundation of the Five Forces framework applied to the pharmaceutical industry.
15. SEMRush (2024) *How to Do a SWOT Analysis*. Available at: <https://www.semrush.com/blog/swot-analysis/> (Accessed: 17 March 2026).
- Used for: Methodological guidance on linking internal/external analysis to SWOT.
16. SWOT Template (2025) *What are the Porter's Five Forces of AstraZeneca*. Available at: <https://swottemplate.com/products/astrazeneca-five-forces-analysis> (Accessed: 12 March 2026).
- Used for: Competitive environment analysis and supplier/buyer power assessment.
17. Barney, J.B. (1991) 'Firm Resources and Sustained Competitive Advantage', *Journal of Management*, 17(1), pp. 99-120.
- Used for: Theoretical grounding of the VRIO framework used in internal analysis.
18. World Health Organization (2025) *Global Report on the Obesity Epidemic*. Geneva: WHO.
- Used for: Supporting data for the "Social" section of PESTEL regarding obesity market growth.
19. Reed, P. (2020) *Strategic Marketing: Decision Making and Planning*. 5th edn.

Melbourne: Cengage Learning.

- Used for: Evaluating implications of situational analysis for strategic direction.

20. Statista (2026) *Projected Market Size of Global Oncology Drugs 2025-2030*.

Available at: <https://www.statista.com> (Accessed: 12 March 2026).

- Used for: Market performance data and external market condition assessment.