

## **Abstract of Doctoral Thesis**

# **Research on global integration and local adaptation in the pharmaceutical industry: Perspective of sustainable growth for pharmaceutical companies**

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It is said that pharmaceutical companies face the difficulty to maintain their business cycles due to the increase in R&D expenditures and the decrease in the probability of R&D success, and one of the solutions is to expand their markets from their home region to other regions. The handling of diversity is a fundamental question in international management that deals with multiple regions. There are many theoretical researches on this question from the perspective of global integration and local adaptation while there are few empirical researches, especially focusing on the pharmaceutical industry. Therefore, we aimed to find out what kind of international strategy and what kind of R&D innovation activities are desirable for pharmaceutical companies by analyzing the relationship among international strategies, R&D innovation strategies and sustainable growth in the world's leading pharmaceutical companies as well as the lifecycle characteristics of the top-selling drugs that support growth of pharmaceutical companies. As for international strategies, we found that home-region-oriented strategy contributed to the sustainable growth although the pharmaceutical companies seem to shift to global strategy. As for R&D innovation strategies, we found that strategic transactions under home-region-oriented strategy did not contribute to the growth in total sales. The reason would be the lack of proper transactions due to home-country bias. We also found differences in the selection of therapeutic areas between global strategy and home-region-oriented strategy. Furthermore, most of the top-selling drugs are home-region-oriented and their lifecycle patterns varies by therapeutic area. In summary, local adaptation was considered to provide commercial success although the trend of choosing global integration was observed. In the practice of local adaptation, scientific innovation is strongly required for the value of drugs to be economically evaluated, and therefore, it was considered necessary to keep in mind home-country bias in strategic transactions and to explore innovation globally.