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Title	EXPLORATION INTO STRATEGIC GROUPS AND THE PHARMACEUTICAL INDUSTRY: Do strategic groups exist in the biopharmaceutical industry? A study of the Finnish Pharma Cluster		
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**Abstract**

The Finnish Pharma Cluster is a national network of every company/organization involved in the pharmaceutical industry, which aims to improve the development of scientific findings into commercial products. On behalf of the Pharma Cluster this master's thesis set out to enlighten the future needs of the member organizations of the Cluster and their perceptions on how the Cluster should be developed using an electronic survey.

In order to group the diverse bunch of Cluster members and their answers in a meaningful way strategic group analysis was chosen as a tool to group and study the differing perceptions of the member organizations. However, through extensive reading on strategic group theory and the strategic aspects of the pharmaceutical industry it soon became evident that the use of strategic group analysis within the pharmaceutical industry needed to be refined to match the recent changes experienced in the industry. This is how the title of the thesis developed, and the research problem: *Do strategic groups exist in the biopharmaceutical industry?* Theoretical research findings did, however, indicated that the pharmaceutical industry value chain could act as a basis for the formation of strategic groups, but findings also anticipated that the biopharmaceutical industry as a whole could be too heterogeneous for the formation of meaningful groups. Despite this flaw this thesis aimed to group the members of Finnish Pharma Cluster into strategic groups along the industry value chain. And, in addition, this thesis also set out to discover does strategic group membership affect the way organizations perceive their environment. In line with recent strategic group theory this thesis took the pre-assumption that members of different strategic groups have different perception on what is strategically important in their environment.

The empirical study was conducted as follows. Each member of the Cluster received a questionnaire containing questions on what was strategically important for the development of the Cluster, how did they perceive the Cluster as an answer to their problems, and the strategic position occupied by the member organization along the industry value chain. The response rate to the questionnaire was 28%. The low response rate hindered the power of the empirical findings, but the findings were able to verify that the value chain can be used to form strategic groups. The group sizes were left too small for further analysis. After joining descriptive categories using cross-tabulation and the  $\chi^2$ -test the empirical findings were, however, able to indicate that there is a relationship between positioning along the value chain and some strategic aspects of the environment.

Key words	Pharmaceutical industry, strategic groups, the Finnish Pharma Cluster
Further information	