DOCTOR OF PHILOSOPHY

The influence of marketing factors and substance characteristics on pharmaceutical sales in a state-controlled prescriptions pharmaceuticals market

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1. What are the most important key factors leading to successful sales?

P1: Awareness at a) med. Doc. b) pharmacies, c) patient - generally at the prescriber; The product itself: the better all key driving factors the easier; Promotion, if allowed, may support above statements and develop to a broad acceptance; Product + Marketing + Sales have to fit fully for the given market segment. (Focus)

P2: The product itself: -high efficacy, less side effects - justifiable price (competitive); Professional sales force: - high/top product knowledge, -enthusiastic, emotional, highly motivated sales rep; Targeting: see the right doctor (high potential physician); Frequency: high number of sales force contracts / marketing mix: mailings, journal ads, congresses; Put sand into the eyes of doctors

P3: Drug relevance. The drug has to solve the biological problem; Perceived drug behaviour. If the drug reduces or heals the issue faster or more comfortably then a comparable drug then preference is given to the first; Customer type. Customer perceives the problem as such and is willing to take the drug; Customer buying power. The customer must able to pay for the drug (either through health care insurance or by personal assets); Timing. The first drug on the market even with lower efficacy can collect more sales and is more present in the minds of the customers; Customer mind share. How present the drug is in the customer’s mind (doctor or patient) as in classical marketing understanding (through advertisement or sales force etc.);

Accessibility. How well the drug is accessible i.e. in a respective territory or can the production meet the demand. For a biotech this includes the right partnering with a larger company; Product life cycle management. How well the overall product lifecycle is managed. It can shorten the time to market and increase the revenues generated throughout the lifetime of a product.

P4: Targeting: knowing who are the accessible potential clients; Sales Force Excellence: skills of the sales force and implementation of the strategy (call number, frequency);
Implementation of an integrated call plan: number of calls, frequency, accompanying other activities (mails, e-detailing, etc.)

P5: A good drug (efficacy, side effect, medications); a good story / business logic to sell the drug > business strategy > activities for target; prelaunch activities / launch activities in strong line with the strategy (levers / indicators); dedicated team / sales force incentives

P6: Product quality: - Achievement of high therapeutic efficacy for the patients. - The quality performance has to be maintained in the long run on a constantly high level; Scientific documentation: - The producer has to document the scientific outcomes and proven evidence of seriously conducted medical trials, particularly for the medical "milieus"; Communication: - Public relations aimed at doctors. specialised trade and potential end-users to call early high interest. - Establish Customer Relationship Management in an early stage. Establish cooperation concepts with pharmacies, drugstores etc. - Transparent, understandable and complete patient information; Selling: - Fast and complete distribution, availability and visibility at the sales channels. Fast and high penetration among the target audience;

Corporate Culture / Branding: - The producing company stands with its company name and culture responsible for the product and thus creates general public trust. - To achieve quickly a high product brand awareness and image. To become "top of mind".

P7: Develop a highly innovative and differentiated product (unethical Rx e.q. AIDS/Oncology the product and corresponding “disease management” solution are keys); Strategic long-term clinical development plan (only promotion if steady flow of clinical results); Strategic positioning & messaging plan building on clinical plan (strategy avoid operational “missing up”); Strong pre-launch activities (accelerates take-up); “Stable” marketing / sales / medical / regulatory team (fluctuation leads to knowledge drain); Efficient marketing-mix (sounds like common sense, but isn’t due to high turn-over in marketing management)
P8: Well proven and documented efficacy; Low or tolerable side effects; Superiority over competition drugs (efficacy, side effects, prize, pharmacokinetics)

P9: Know your customers needs; Have convincing arguments / products to cover these needs; Targeting model, 20/80; Know your competitors well; Implement a strategy according to ...

2. What are the greatest challenges for you in the “product” area?

P1: Agree with above – As mentioned, the product efficacy must convince; Price will become the most important issue in future; Are there USP’s to the product?; Marketing, starting with the colour of the secondary packaging …

P2: A high efficacy perception of your product is a must; To get a high number of appointments is another challenge

P3: Put sand into the eyes of doctors

P4: In principle the negation of the points in question 1 above. In addition: - Having the ‘right’ drug at the right time. Research comes up with something useful. - Handling of real or possible side effects. - Long FDA approval times which shorten the relevant product lifetime. - Packaging and labelling. 30-40% of drug recalls are due to this issue.

P5: Allocation of needed resources, no over- or under spending; Marketing excellence: differentiation to competitors basing on really relevant parameters; Getting doctors doors open for the REPs (by offering services besides the product itself, for expl ….)

P6: Simple, logic, story > advantages for patients and doctors in focus > easy to tell; emotional branding, different from others; me too products are not even worth to launch - portfolio; brain, brain, brain

P7: Differentiation: - To be perceivable different and unique: no “me too” product concept;
Positioning: - To define a clear-cut positioning statement and market segmentation amongst direct - Competitors; Time to Market: - Shortening the product development process from the
idea-finding stage to the marketable - Product phase; Product Convenience: - Work-out consumer-friendly product conception, packaging and strong design. Avoid over-packaging.

Margins. - To maintain economically defendable margins. Get sufficient profit to generate further research funds and thus assure the company’s economic existence. - Margins under pressure due to increased price control and pressure from governments, consumer protection organisations, parallel imports and generic products.

P8: Human resources turn-over in marketing (every 1.5 - 2 years) can impact customer interface and knowledge transfer - people business!; Continuous management of current and future competitors; Promotion & sales in 100% compliance with stricter national, international and internal guidelines; Efficacy, novelty (drugs and targets)

P9: To accurate, uncensored data; To get Dr. appointments for your reps; To be in line with regulatory / legal laws; To overcome regulatory bureaucracy - pricing - registration

3. Why do many products struggle to reach their financial expectations?

P1: Depending on prescribed or OTC for the first in row baseline data, starting at R&D, may not have pined down in the proper way; FDA approval therefore obviously does not guarantee success; Whole market (totals market) instead of segments are taken as baseline for projection; And, not least, all mistakes in marketing which can / were made; Big process made - some (few) disappointments - it’s like a bushfire

P2: No obvious advantage (USP) in comparison to competition; less investment than competition - less noise - less prescriptions, Not enough sand

P3: Inappropriate expectations (usually too high because development fights for its project and over estimates market potential); On a large scale the product is not so effective; On a large scale the product shows undesired side effects which lead to image problems and
possible withdrawing from the market; Patent lifetime can not be used fully because of long development phases, late market entry, problematic sales executions or others.

P4: Bad targeting (allocation of investment as calls etc.); Lack of information; No professional estimate of potential; Process weakness (no relevant data in ETMS, or too much, for expl.); Lack of differentiation to competitors; Wrong investment level; Lack of real customer focus; Lack of creativity and the will to find new innovative ways to sell;

Conservative attitude to sales & marketing methodology

P5: Nuclear strategy, does not fit to target group; young, inexperienced team not dedicated sales force and management (top management); time parameters are under estimated; not every product is worth to launch; focus on launch product

P6: Product efficacy: - Many products don't meet consumer expectations or create new medical problems in the long term application. Sales fall back; Expiring patents lead to low cost imitations and price pressure; "critical" volume: - The critical production volume is not achieved, fixed product and general overheads not covered any more. No "economy of scale";

Insufficient Marketing Strategy and Concepts: - To ambitious objectives, underestimation of time to market, lack of clear positioning, differentiation, segmentation, branding and sales policy. Often insufficient, profound market and consumer patient insight = important challenge in the future; Appearance of new product categories: - Alternative medicine substitute the classical pharmaceutical market (no prescription by a doctor necessary) which results in diminishing volumes.

P7: Sub-optimal (pre-) launch - hard to regain momentum; High turnover of national / international business teams (HR!) - risk for customer interface, strategic consistency, knowledge transfer; What about: ... simply to high sales expectations from top-management?

(top-down budgeting)
Most are “me too” preparations; No advantage over well known, accepted drugs; Success by marketing has a short life time, after a few months the truth comes through.

Not the products struggle but … are based on wrong assumptions, products are often not understood or wrong positioned. The challenge is to understand the product, the environment (political, economical, legal, etc. constraints), the company in its … inter-connections.