

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

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

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

11 P3: Drug relevance. The drug has to solve the biological problem; Perceived drug behaviour.
12 If the drug reduces or heals the issue faster or more comfortably than a comparable drug then
13 preference is given to the first; Customer type. Customer perceives the problem as such and is
14 willing to take the drug; Customer buying power. The customer must be able to pay for the drug
15 (either through health care insurance or by personal assets); Timing. The first drug on the
16 market even with lower efficacy can collect more sales and is more present in the minds of the
17 customers; Customer mind share. How present the drug is in the customer's mind (doctor or
18 patient) as in classical marketing understanding (through advertisement or sales force etc.);
19 Accessibility. How well the drug is accessible i.e. in a respective territory or can the
20 production meet the demand. For a biotech this includes the right partnering with a larger
21 company; Product life cycle management. How well the overall product lifecycle is managed.
22 It can shorten the time to market and increase the revenues generated throughout the lifetime
23 of a product.

24 P4: Targeting: knowing who are the accessible potential clients; Sales Force Excellence: skills
25 of the sales force and implementation of the strategy (call number, frequency);

26 Implementation of an integrated call plan: number of calls, frequency, accompanying other
27 activities (mails, e-detailing, etc.)

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

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

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

43 P7: Develop a highly innovative and differentiated product (unethical Rx e.q. AIDS/Oncology
44 the product and corresponding "disease management" solution are keys); Strategic long-term
45 clinical development plan (only promotion if steady flow of clinical results); Strategic
46 positioning & messaging plan building on clinical plan (strategy avoid operational "missing
47 up"); Strong pre-launch activities (accelerates take-up); "Stable" marketing / sales / medical /
48 regulatory team (fluctuation leads to knowledge drain); Efficient marketing-mix (sounds like
49 common sense, but isn't due to high turn-over in marketing management)

50 P8: Well proven and documented efficacy; Low or tolerable side effects; Superiority over
51 competition drugs (efficacy, side effects, prize, pharmacokinetics)

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

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

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

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

60 P3: Put sand into the eyes of doctors

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

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

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

71 P7: Differentiation: - To be perceivable different and unique: no “me too” product concept;
72 Positioning: - To define a clear-cut positioning statement and market segmentation amongst
73 direct - Competitors; Time to Market: - Shortening the product development process from the

74 idea-finding stage to the marketable - Product phase; Product Convenience: - Work-out
75 consumer-friendly product conception, packaging and strong design. Avoid over-packaging.
76 Margins. - To maintain economically defendable margins. Get sufficient profit to generate
77 further research funds and thus assure the company's economic existence. - Margins under
78 pressure due to increased price control and pressure from governments, consumer protection
79 organisations, parallel imports and generic products.

80 P8: Human resources turn-over in marketing (every 1,5 - 2 years) can impact customer
81 interface and knowledge transfer - people business!; Continuous management of current and
82 future competitors; Promotion & sales in 100% compliance with stricter national,
83 international and internal guidelines; Efficacy, novelty (drugs and targets)

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

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

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

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

94 P3: Inappropriate expectations (usually too high because development fights for its project
95 and over estimates market potential); On a large scale the product is not so effective; On a
96 large scale the product shows undesired side effects which lead to image problems and

97 possible withdrawing from the market; Patent lifetime can not be used fully because of long
98 development phases, late market entry, problematic sales executions or others.

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

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

107 P6: Product efficacy: - Many products don't meet consumer expectations or create new
108 medical problems in the long term application. Sales fall back; Expiring patents lead to low
109 cost imitations and price pressure; "critical" volume: - The critical production volume is not
110 achieved, fixed product and general overheads not covered any more. No "economy of scale";
111 Insufficient Marketing Strategy and Concepts: - To ambitious objectives, underestimation of
112 time to market, lack of clear positioning, differentiation, segmentation, branding and sales
113 policy. Often insufficient, profound market and consumer patient insight = important
114 challenge in the future; Appearance of new product categories: - Alternative medicine
115 substitute the classical pharmaceutical market (no prescription by a doctor necessary) which
116 results in diminishing volumes.

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

121 P8: Most are “me too” preparations; No advantage over well known, accepted drugs; Success
122 by marketing has a short life time, after a few months the truth comes trough.

123 P9: Not the products struggle but ... are based on wrong assumptions, products are often not
124 understood or wrong positioned. The challenge is to understand the product, the environment
125 (political, economical, legal, etc. constraints), the company in its ... inter-connections.