

“Marketing is all about strengthening brand preference by customers”



How to get physicians prefer your brand?

A practical approach

“Smart Pharma – ESSEC Santé – ALK” Prize

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How to get physicians prefer your brand?

The most distinctive skill of marketers is their ability to create, maintain, enhance and protect brands over the long-term”

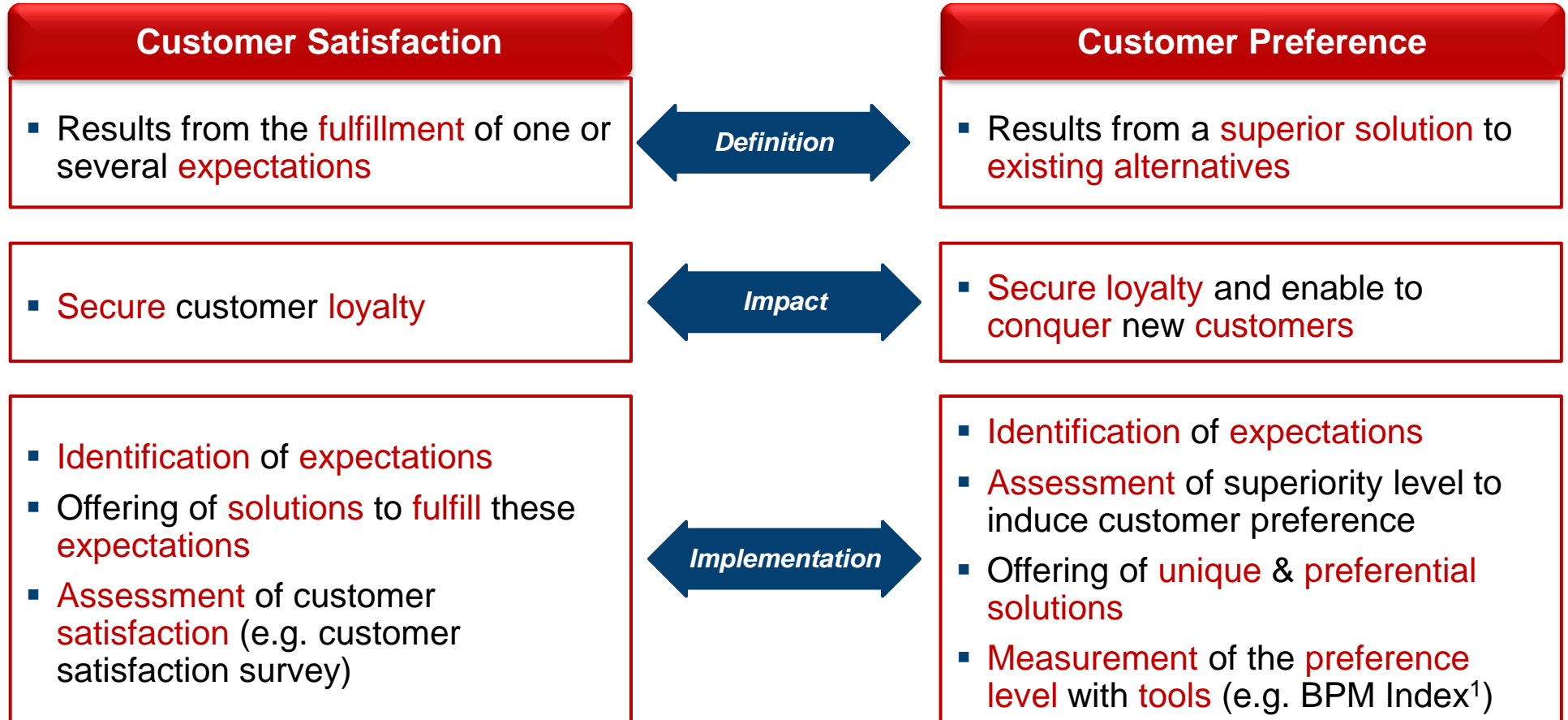
Fours rules

- **Rule #1:** Look for preference and not just for satisfaction
- **Rule #2:** Optimize the three components of the Brand Preference Mix
- **Rule #3:** Track the evolution of the brand preference by physician
- **Rule #4:** Build a preference-focused brand plan

Rule #1: Look for preference and not just for satisfaction

Unlike customer satisfaction, customer preference enables to gain market share, but for so doing, brands are required to offer unique and superior benefits

Why preference should supersede satisfaction?



Rule #2: Optimize the three components of the Brand Preference Mix

Preference of consumers for iPhone vs. BlackBerry is based on product attributes, quality of service and the reputation of the marketing company

Brand Preference Mix (1/3)



iPhone



BlackBerry



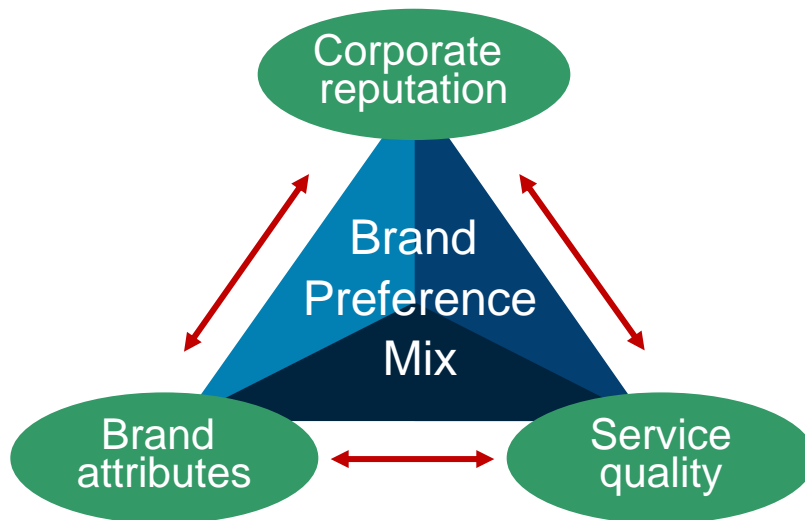
1. What are the main differences between an iPhone & a BlackBerry?
2. Does the corporate reputation (Apple vs. RIM¹) play a role?
3. Does the service offering attached to each product is significantly different ?

Rule #2: Optimize the three components of the Brand Preference Mix



The Brand Preference Mix is a framework that can be used to create superior customers preference and ensure maximum market share

Brand Preference Mix (2/3)



- As the great majority of prescribers use several brands for a given pathology:
 - The challenge for pharma companies is to increase the preference of prescribers for their brands to get a bigger share of their prescriptions (vs. competitors)
 - Strengthening the preference of a prescriber for a brand must go beyond securing brand loyalty only
- To reinforce brand preference, pharma companies should optimize their Brand Preference Mix:
 - The perceived value of their brand (product) attributes
 - The perceived quality of the services they offer and deliver to physicians
 - Their corporate reputation
- The links between the three components of the Brand Preference Mix should be well established in the minds of prescribers

Source: "Building prescriber loyalty", J.-M. Peny et al., SCRIP Magazine, September 1993 – Smart Pharma Consulting



Rule #2: Optimize the three components of the Brand Preference Mix

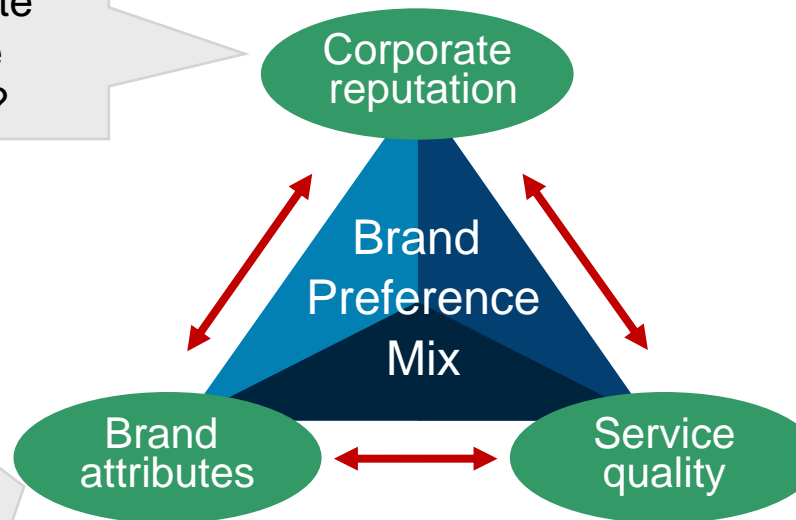
To boost the preference of physicians for their marketed brands, pharmaceutical companies should optimize the three components of their Brand Preference Mix

Brand Preference Mix (3/3)

Key issues to be addressed

- How to convey an appealing corporate identity?
- How to maintain a corporate reputation that induces the stakeholders¹ preference ?

- How to generate “preference” by highlighting attributes?
- How to create a feeling of uniqueness?
- How to leverage corporate reputation and service offering?



- How to deliver unique services...
- ... that are highly valued?
- How to select and design services that will lead to corporate and / or brand preference?
- How to make sure the service is related to the company and / or the brand?

Rule #2: Optimize the three components of the Brand Preference Mix



The strength of the brand depends on its image resulting from its identity (i.e. the sum of its objective and subjective characteristics) and on its degree of awareness

Brand strengths components (1/2)

AWARENESS

- Awareness rating:
 - Top of mind
 - Spontaneous
 - Assisted } vs. competitors
- The awareness rating depends on cumulated marketing investments dedicated to the brand since its launch, including:
 - Medical calls
 - Press ads
 - Scientific meetings
 - Clinical studies
 - Etc.

IMAGE

Tangible components

- Efficacy
 - Safety
 - Convenience
 - Price
 - Services
- } vs. competitors

Intangible components

- Appearance (e.g. packaging, color, form, taste, texture...)
- Personality (e.g. past history, positioning communication style...)
- Affectivity (e.g. feeling conveyed by the company and its collaborators...)

X

=

Brand strength

“The brand strength reflects its ability to create customer loyalty over time”

Rule #2: Optimize the three components of the Brand Preference Mix



Certain brands benefit from an extraordinary level of awareness and from an extremely strong image based on tangible and/or intangible components

Brand strengths components (2/2)

AWARENESS

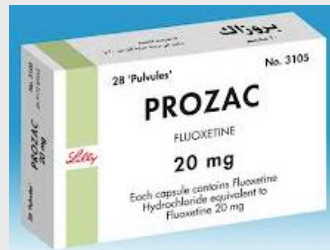
- Certain brands have reached such a widespread awareness that they have become an antonomasia:

- Scotch
- Frigidaire
- Klaxon
- Kleenex



- However, antonomasia is exceptional in the pharma market:

- Prozac
- Viagra
- Tagamet
- Advil



IMAGE

- Few brands have managed to build a very strong image based on a positive identity, combining tangible and intangible components:



Since the launch of Glivec, in 2001, patients do not die anymore from Chronic Myeloid Leukemia (CML)



Zantac (Glaxo), a me-too of Tagamet (SB) became the world top selling brand in the mid 90' thanks to an "aggressive" marketing strategy¹

X

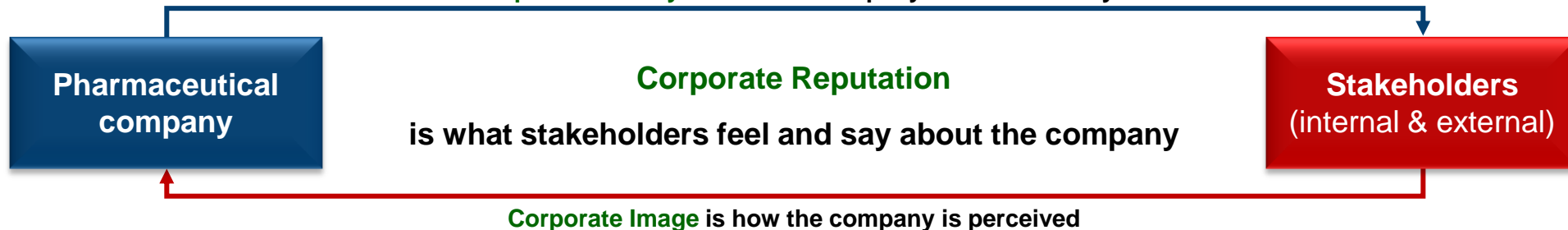
Rule #2: Optimize the three components of the Brand Preference Mix



Higher corporate reputation leads to increase operational efficacy and efficiency, which impact companies performance

Corporate reputation

Corporate Identity is what the company wants to convey



A good corporate reputation can power a company's success by:

- Generating more positive feedback from stakeholders
- Attracting capital resources and strategic business partners, thus expanding business opportunities
- Attracting, motivating and retaining talented employees, thus enhancing innovation capabilities and value
- Encouraging customers to buy (prescribe) products and services
- Resisting better in a crisis mode, investors giving the company the benefit of the doubt

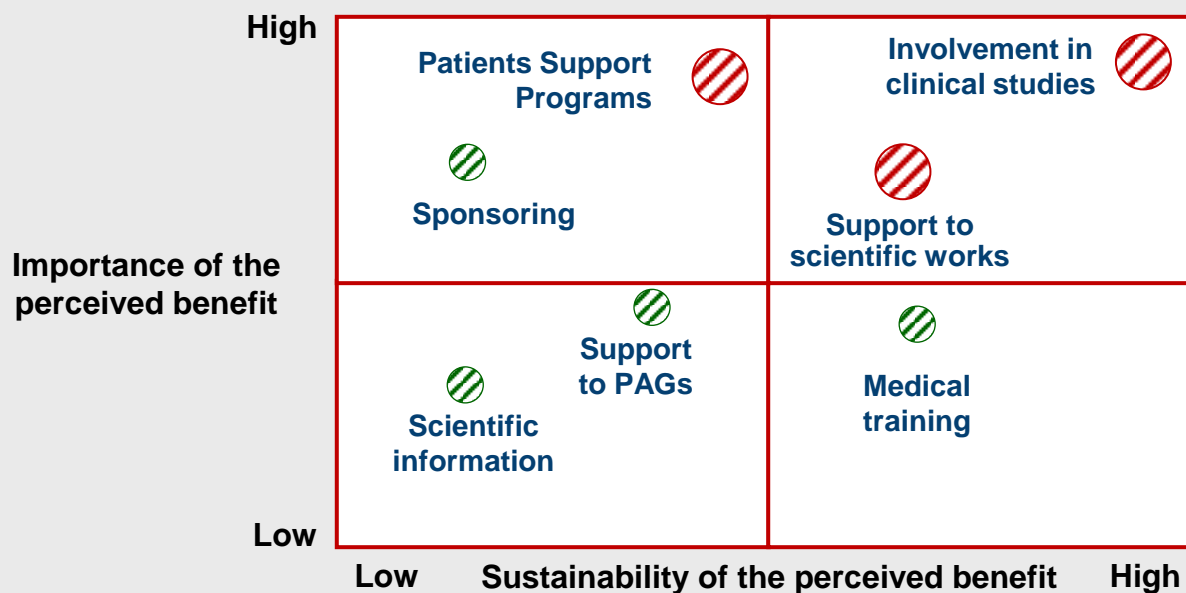
« It takes twenty years to build a reputation and five minutes to destroy it » Warren Buffet

Rule #2: Optimize the three components of the Brand Preference Mix



The importance and sustainability of the perceived benefits of services are relevant indicators of their contribution to enhance brand preference

Mapping of services contribution to preference



Illustrative

The **benefits of services**, as they are perceived by physicians depend on four key criteria



1. Interest
2. Utility
3. Practicality
4. Quality of execution

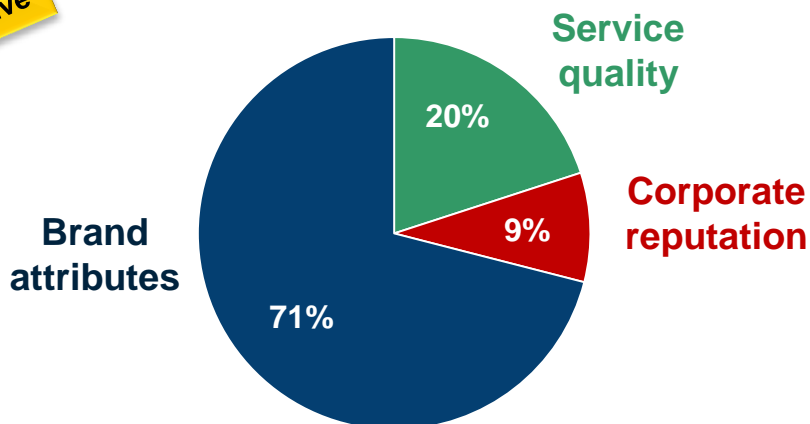
Rule #3: Track the evolution of the brand preference



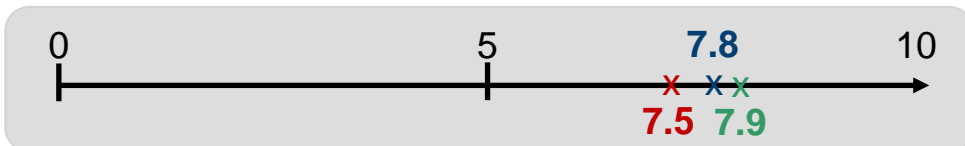
The Brand Preference Mix Index enables to evaluate the brand performance on each of its preference components, over time and compared to its competitors

Brand Preference Mix index (1/2)

Illustrative



Visual Analog Scale



BPM Index calculation

$$(71\% \times 7.8) + (20\% \times 7.9) + (9\% \times 7.5) = 7.8$$

- The Brand Preference Mix Index (BPM Index) is a measurement tool that takes into account:
 - The relative importance of the BPM components (i.e. corporate reputation, brand attributes and associated service quality) per brand
 - The score of the brand, on a 10-point scale, for each of its preference components
- The BPM Index can be defined per customer¹, per indication, per form, etc.
- The BPM Index scores the customer perception at a given point in time, making possible to track the evolution of this perception over time and to compare it to competitors, considering:
 - External events (i.e. related to health authorities, competitors and customers' behaviors)
 - Internal events (i.e. related to promotional activities, quality of services offered, new communication strategy, etc.)

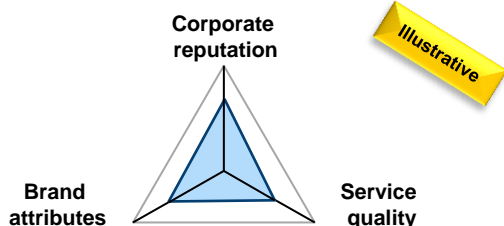
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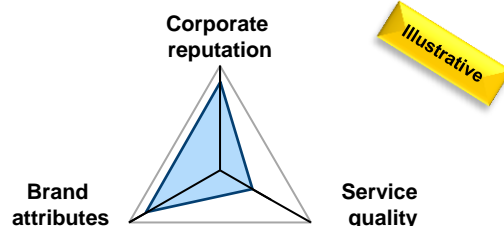
The Brand Preference Mix Index can be assessed at national level through market research studies and at hospital and individual levels through interviews by sales

Brand Preference Mix index (2/2)

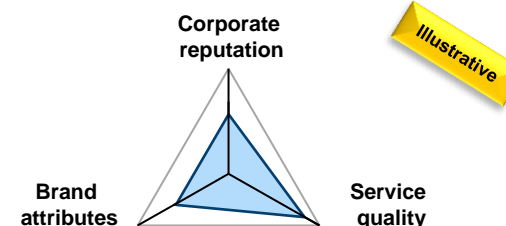
National level



Hospital/Department level



Prescriber level



- The Brand Preference Mix Index (BPM Index) should be measured, at the national level through face-to-face or phone interviews by an agency
- The number of interviewees should be approximately 50 for specialists and 100 for GPs, in medium to large markets such as France, Germany, Italy, UK, Spain, etc.
- The rationale behind the marks obtained for each dimension of the BPM Index must be investigated

- The BPM Index can also be measured at an hospital or hospital department level (i.e. cardiology, oncology, etc.) through interviews carried out by the field forces (i.e. medical reps, KAM, MSL, etc.) of pharmaceutical companies¹
- Interviews can be either concentrated on key institutions and/or departments or carried out on all those that have been targeted
- The reasons that support the evaluation should be captured

- The BPM Index should be measured at the level of each targeted prescriber through face-to-face interviews carried out by medical reps or other field force collaborators
- Prescribers should be interviewed, ideally twice a year, but at least once a year
- The medical reps should carefully and precisely identify the reasons that motivate the marks granted by the prescribers for their brands and those of their most important competitors

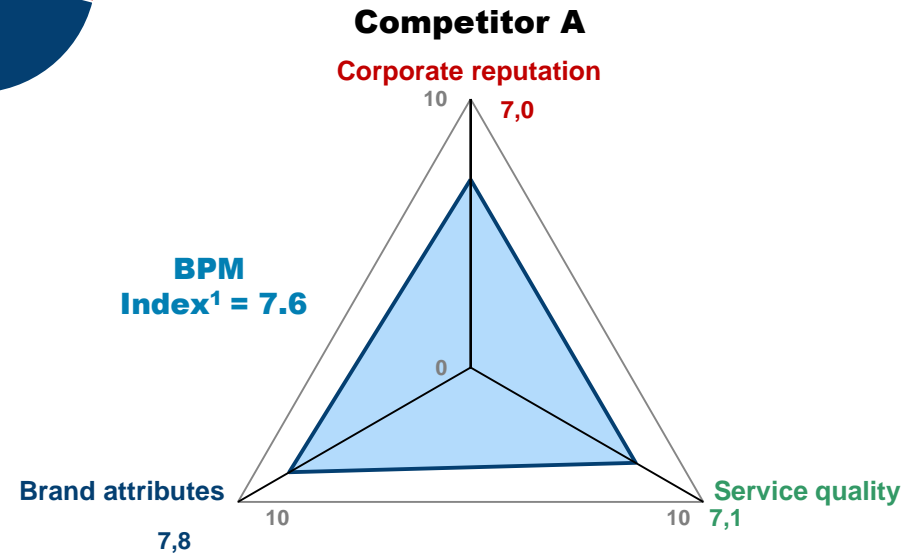
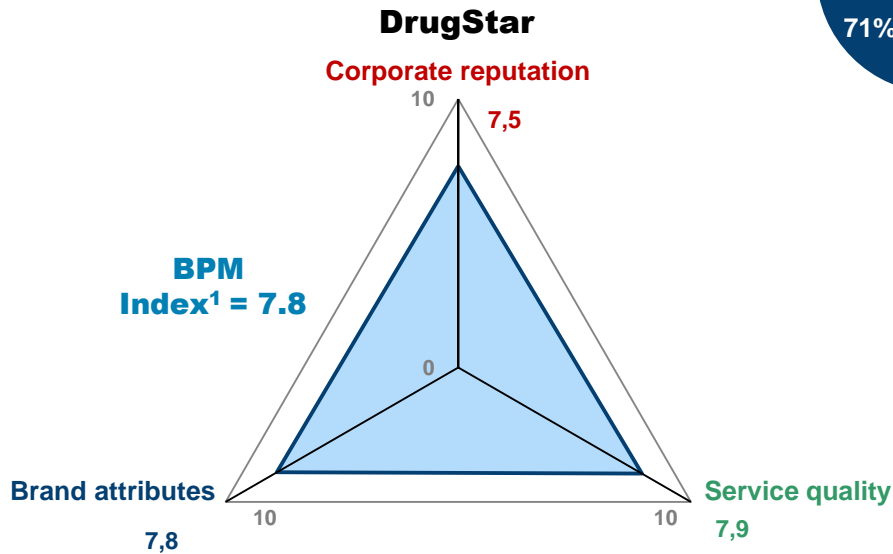
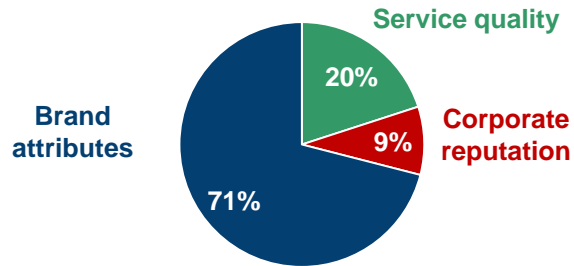


Rule #3: Track the evolution of the brand preference

The Brand Preference Mix Index of DrugStar is superior to that of the competitor A, thanks to a better perception of the service quality and of the corporate reputation

Brand Preference Map

Illustrative



BPM Index calculation $(71\% \times 7.8) + (20\% \times 7.9) + (9\% \times 7.5) = 7.8$

$(71\% \times 7.8) + (20\% \times 7.1) + (9\% \times 7.0) = 7.6$

Number of respondents: 31 hospital gastroenterologists



Rule #3: Track the evolution of the brand preference

Med Reps can monitor their performance with the “Brand Preference Mix Index” when they call upon their targeted physicians and thus fine tune their activities

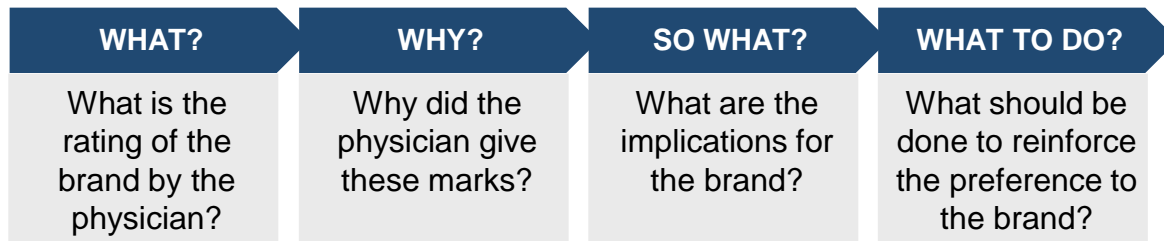
Brand Preference assessment & strengthening by Med Reps

Assessment guide for Med Reps

The form is titled 'PROGRAMME D'AMELIORATION DE LA QUALITE' and contains several sections for evaluation:

- QUALITE DU PRODUIT**: Section 5 asks about patient charge and disease importance. Section 6 asks for service evaluation (efficacy, tolerance, ease of use) on a 0-2 scale.
- SERVICE ASSOCIES AU PRODUIT**: Section 9 asks for service evaluation (quantity, interest, quality) on a 0-2 scale.
- IMAGE LABORATOIRE**: Section 10 asks for lab image evaluation (quantity, tolerance, ease of use) on a 0-2 scale. Section 11 asks for global recommendation. Section 12 asks for relative importance of lab image on a 0-10 scale.
- Other sections**: Section 7 asks for dimension evaluation. Section 8 asks for recommendations. Section 1 asks for lab image evaluation on a 0-10 scale. Section 2 asks for reasons. Section 3 asks for lab image estimation (Better, Identical, or Worse than others).

From observation to decision: The 4 Ws approach



- Recent experiences have shown that:
 - >96% of physicians accept to be questioned on the three components of the BPM
 - >80% of physicians consider that the BPM approach convey a positive image
 - >85% of Med Reps say that the BPM help improving their insight of physicians
- Once physicians have evaluated the BPM, Med Reps will ask them:
 - Why did they give these marks?
 - What should be done to raise their preference to this brand?
- Then, Med Reps can fine-tune their messages and actions, physician by physician, based on his feed-back
- The collected information can be shared with marketing people who will define specific initiatives to reinforce prescribers' preference to the brand

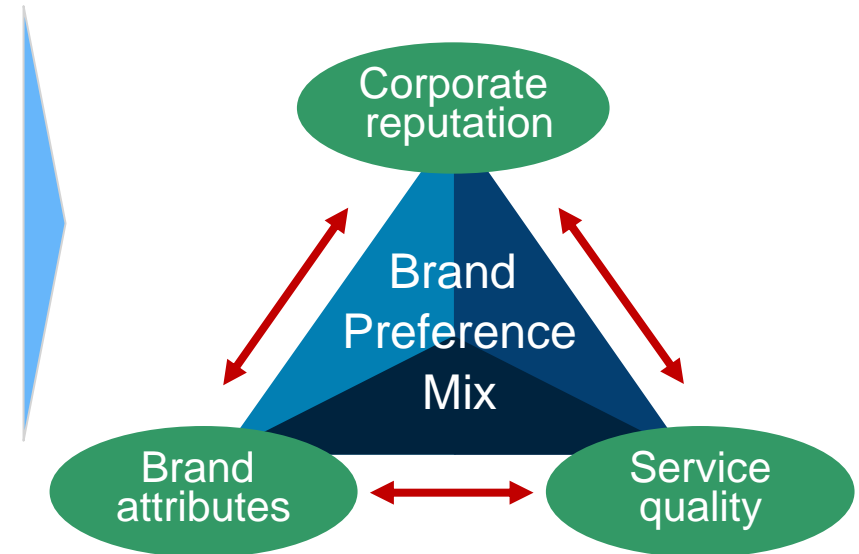
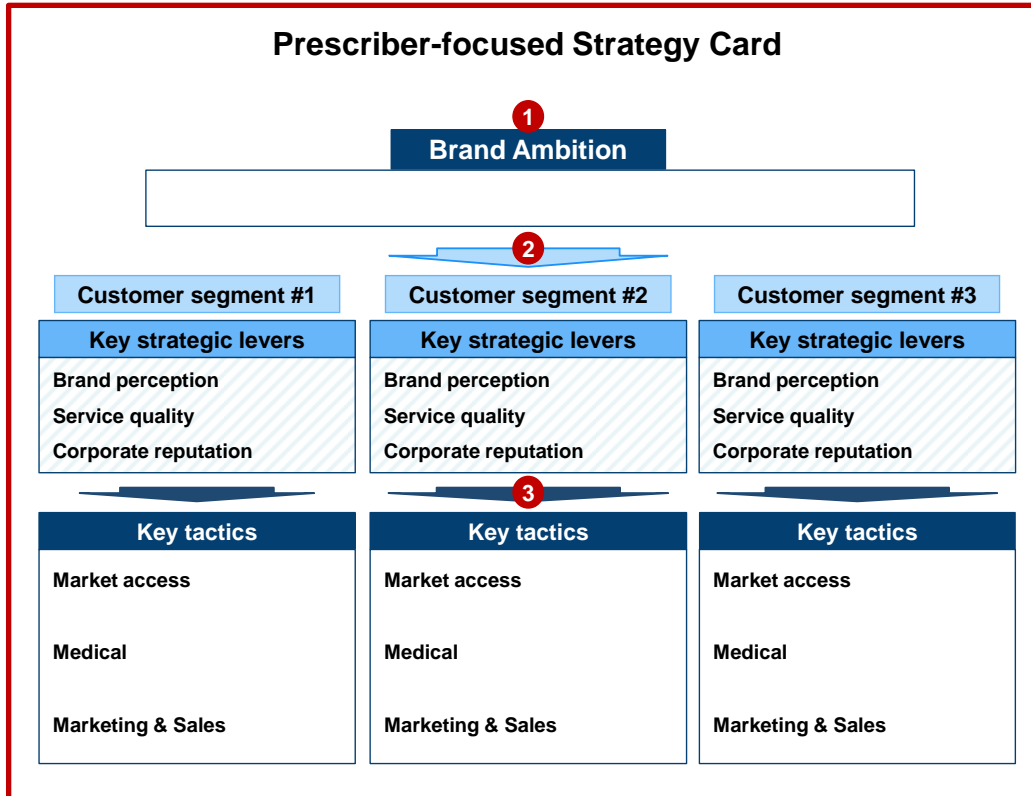
Source: Smart Pharma Consulting analyses



Rule #4: Build a preference-focused brand plan

The only way to gain market share is to set strategies and corresponding tactics likely to reinforce, one or several components of the Brand Preference Mix

Prescribers preference-based brand plan



The higher the customers' preference, the higher the probability to gain market share

Core capabilities

1 Strategy

- **Assessing the attractiveness of markets** (Hospital / retail innovative products - Vaccines - OTC - Generics)
- **Growth strategy**
 - Optimization of marketing / sales investments
 - Development of a company in the hospital market Business
 - Valuation for acquisition
 - Portfolio / franchise assessment
- **Extension of product life cycle performance**
 - Improvement mature products performance
 - Adaptation of price strategy
- **Defense strategies vs. new entrants**
- **Competitive strategies in the hospital market**
- **Strategic partnerships companies / pharmacies**

2 Management

- **Facilitation and structuring of strategic thinking for multidisciplinary product teams**
 - Key challenges identification
 - Strategic options formalization
 - Resource allocation optimization program
- **Training of marketing and market research teams to sales forecast techniques (modeling and scenarios development)**
- **Development and implementation of a "coaching program" for area managers**
 - Sales reps coaching
 - Regional action plans roll-out
- **Development and implementation of a "sales techniques program" for sales forces (STAR¹)**

¹ Sales Techniques Application for Results (training courser



3 Organization

- **Rethink of operational units organization**
- **Improvement of sales force effectiveness**
- **Improvement of the distribution channels covering the hospital and retail markets**
- **Development of a strategic planning process**