

The Brand Preference Mix Strategy in practice

Evaluation of GPs perception in France

May 2010



Smart Pharma Consulting

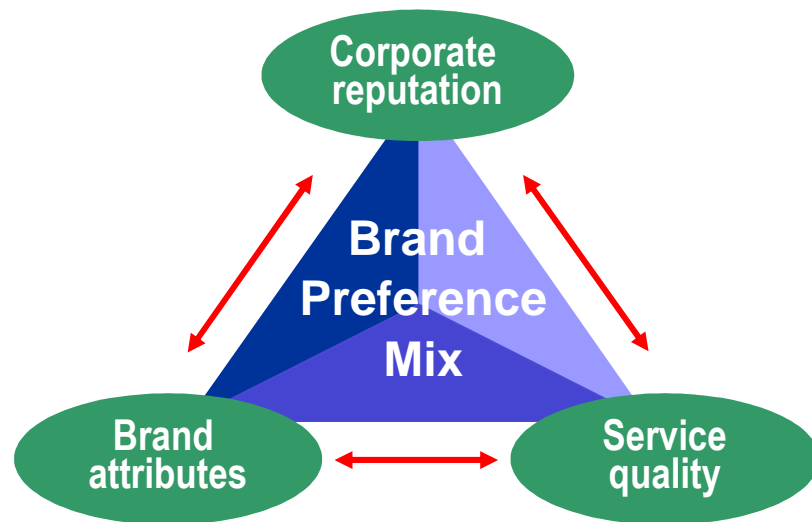
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1. Introduction

Smart Pharma Consulting has carried out a pilot study to back up the concept of Brand Preference Mix as a means to create superior customer preference to brands

Study context

The Brand Preference Mix*



* Concept developed by Smart Pharma Consulting

- The objective of this study was to understand how the Brand Preference Mix can be optimized to obtain GPs preference on a given brand
- The following key issues have been addressed:
 - What is the **weight** of **each component** of the Brand Preference Mix and **how to best leverage them**?
 - What are the most important **brand attributes**?
 - What are the **key services** pharma companies should develop?
 - What are the most impacting actions to increase **corporate reputation**?
- The study was conducted by phone interviews with 60 GPs in France in April 2010 and focused on 3 therapeutic areas: diabetes, hypertension and allergy

Source: Smart Pharma Consulting

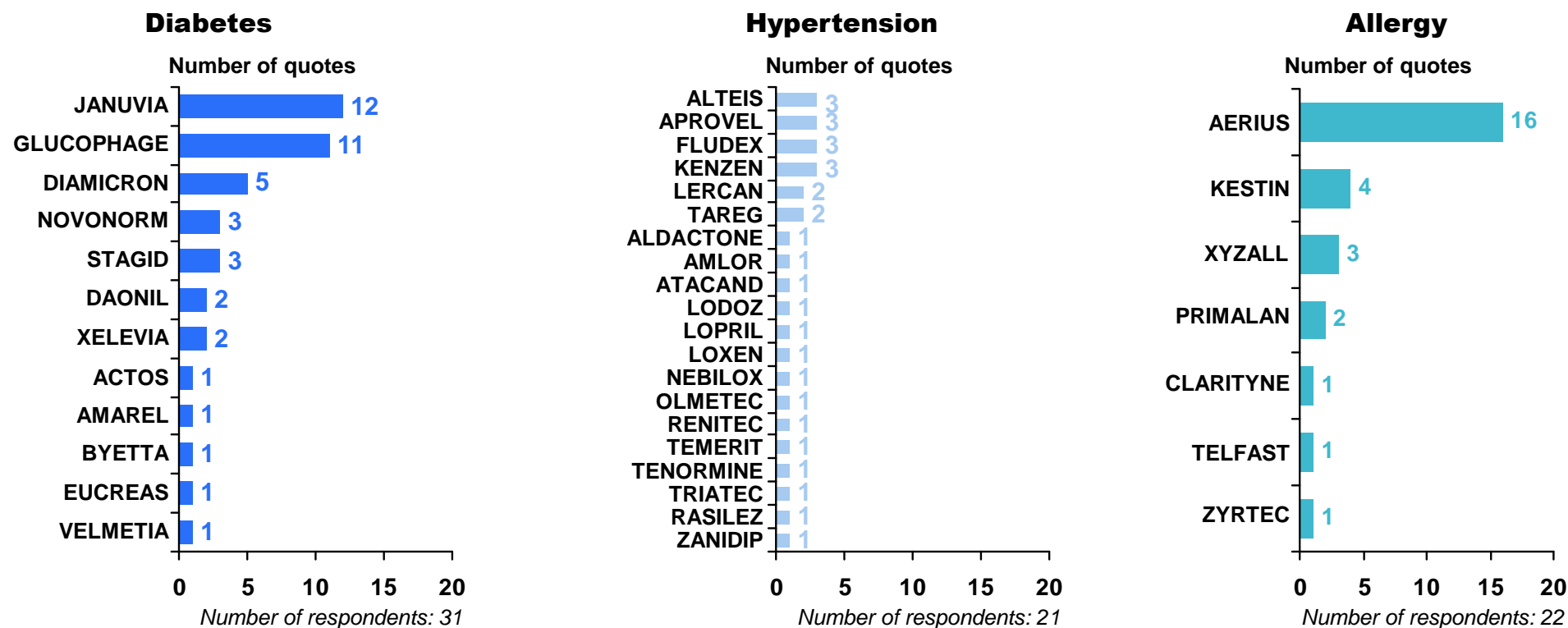
2. Preferred brands in selected therapeutic areas

GPs perception

AERIUS, JANUVIA and GLUCOPHAGE come first when GPs are asked to name brands they preferentially prescribe for diabetes, hypertension and allergy

Preferred brands – Spontaneous awareness

“Could you name one or two brands that you preferentially prescribe in diabetes, hypertension or allergy?”



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

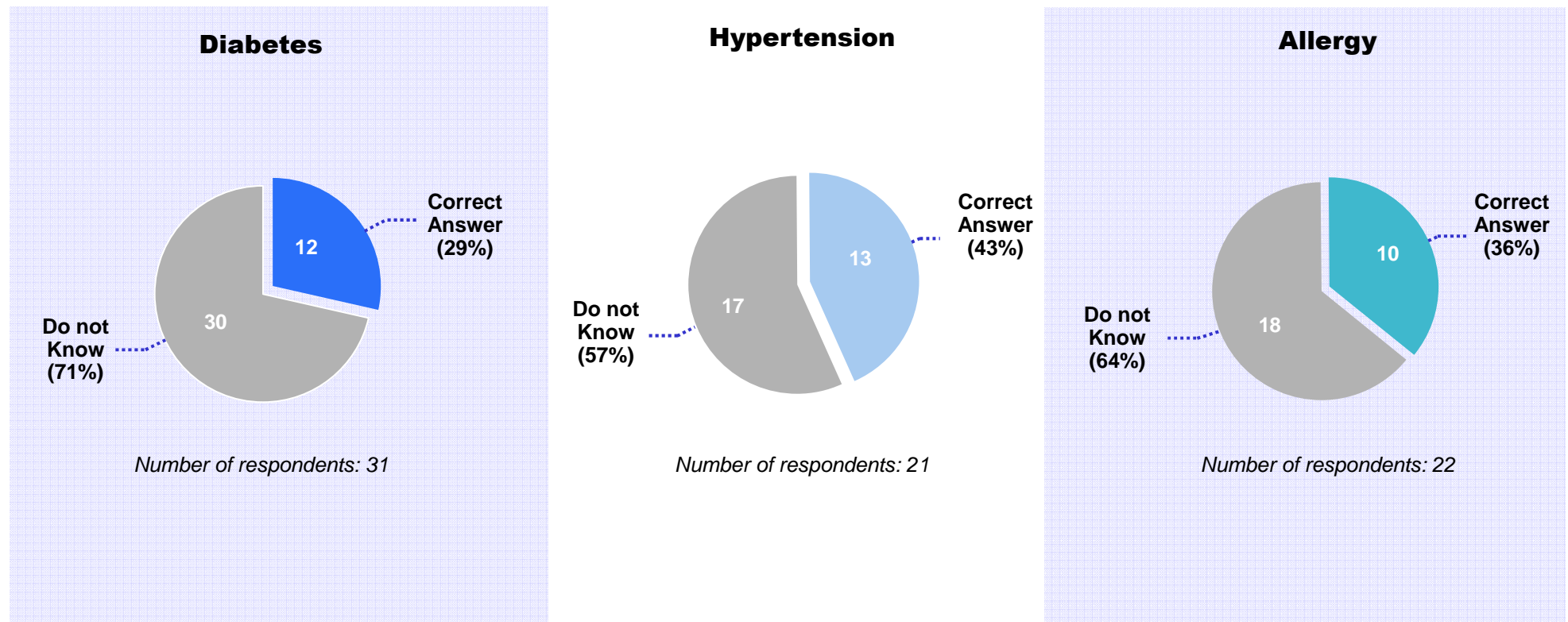
2. Preferred brands in selected therapeutic areas

GPs perception

Only one third of the interviewees is able to link preferred brands to the proper company, regardless of the therapeutic area

Link between brands and companies

“What are the companies that commercialize those brands¹?”



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

¹ Several answers per respondent, depending on the number of brands named

3. Criteria driving brand preference

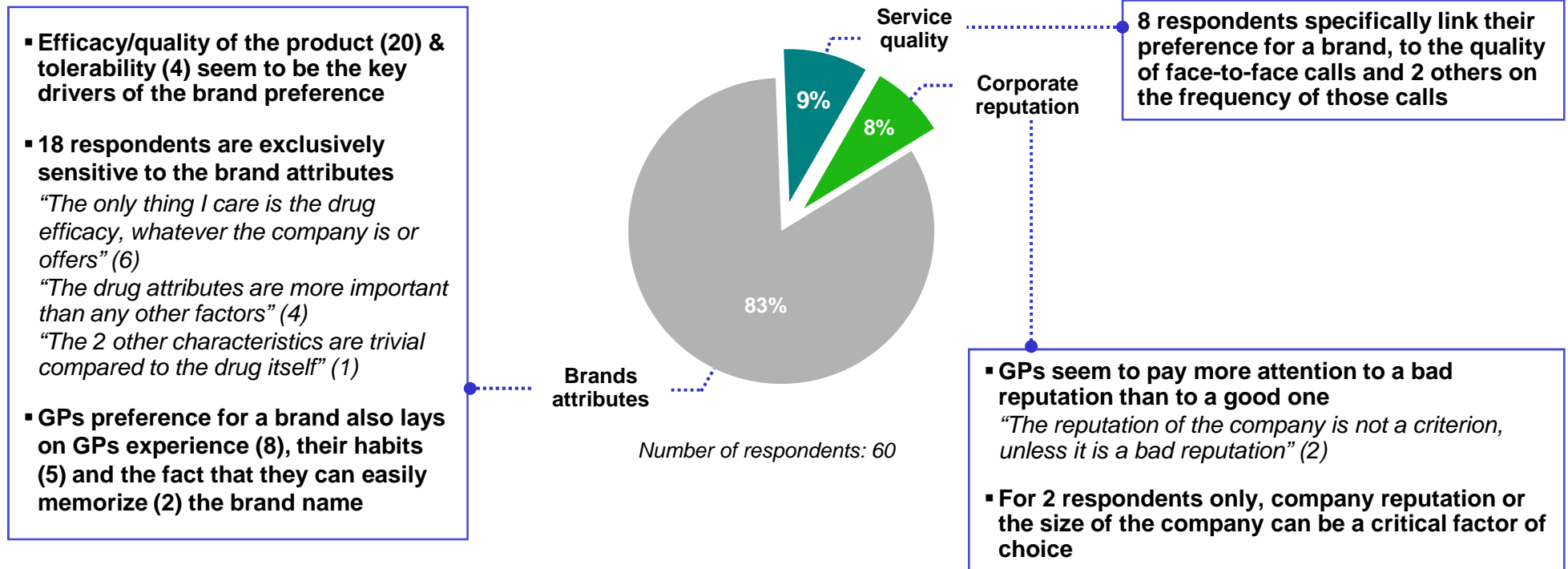
GPs perception

Brands attributes appear to be a prerequisite to be prescribed but services and corporate reputation may play a role to drive preference



Relative importance of the Brand Preference Mix components

“On a 100% basis, what importance do you give to the three components of the brand preference mix for the preferred brands you quoted?”



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

(x) : Number of quotes

3. Criteria driving brand preference

GPs perception

When prompted on brand attributes, beyond efficacy & tolerance, GPs seem to pay more attention on the easiness of use and scientific proofs

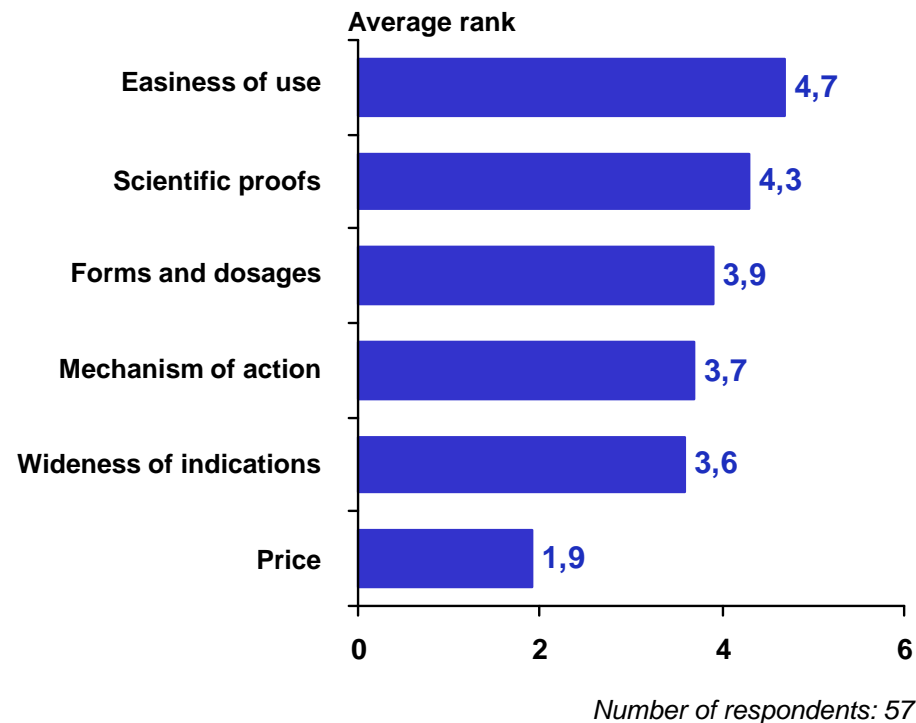


Brands attributes

Brand attributes of major importance for GPs

“Please rank the following brand attributes in terms of importance”

(1 = least important; 6 = most important)



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses ¹ 3 GPs declared they only pay attention to efficacy and tolerance and then, refused to rank other brand attributes

3. Criteria driving brand preference

GPs perception

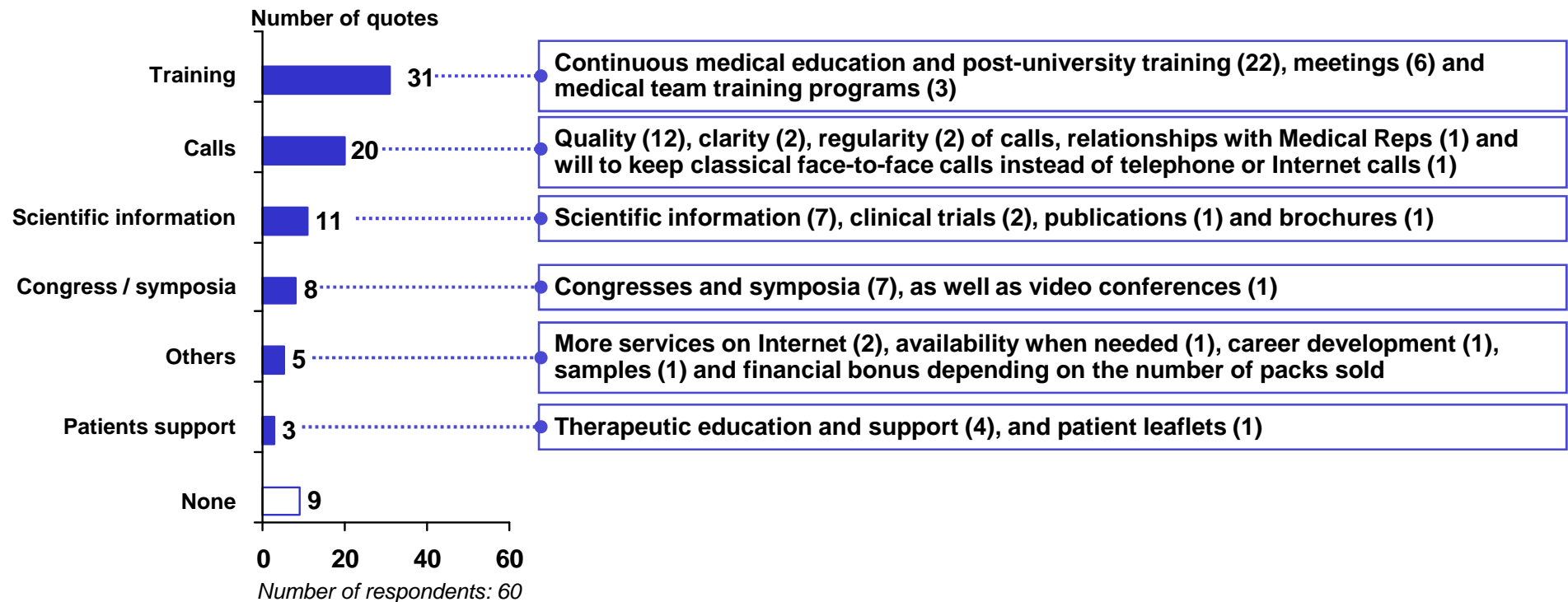
Face-to-face calls are viewed as a service by interviewed GPs, who seem to be quite sensitive to them, right after medical training



Service quality

Importance of service quality

“What services proposed by pharmaceutical companies, most contribute to your preference for a brand¹?” (open-ended question)



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

(x) : Number of quotes -- ¹ Several answers possible

3. Criteria driving brand preference

GPs perception

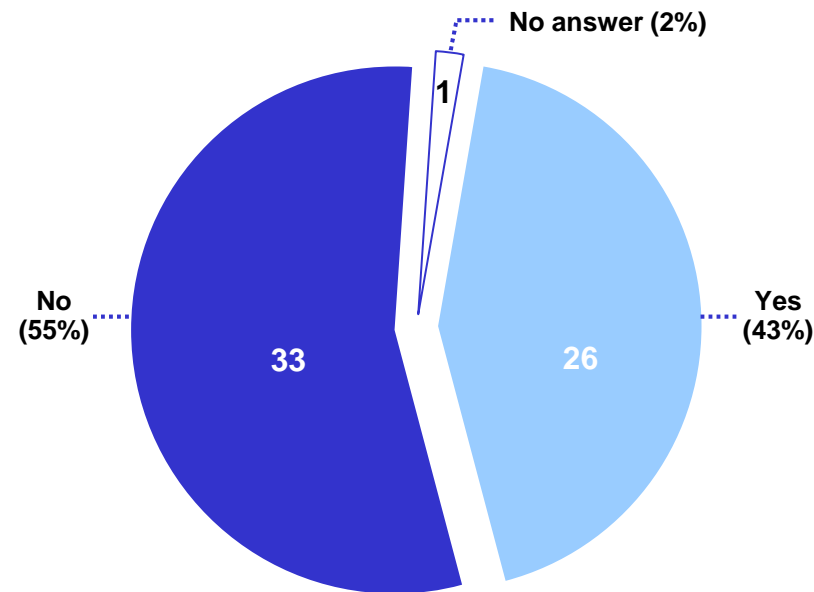
For more than half of respondents, companies do not distinguish from one to another in terms of quality of services offered



Service quality

Perception of service quality offered by companies (1/2)

“Is there any company particularly remarkable for the quality of its services in diabetes, hypertension or allergy?”



Number of respondents: 60

Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

3. Criteria driving brand preference

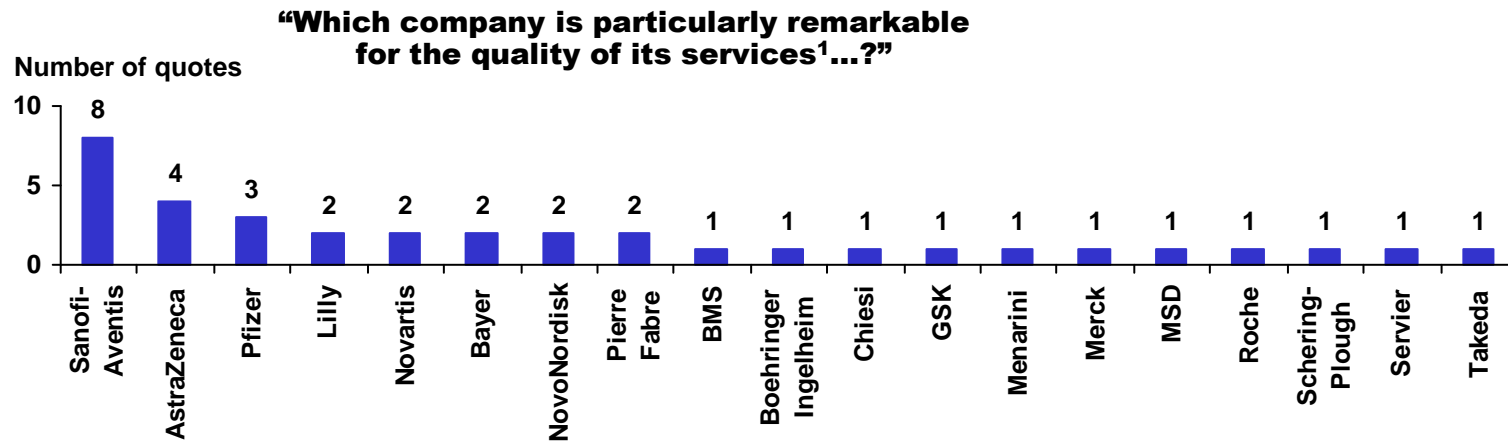
GPs perception

According to interviewed GPs, Sanofi-Aventis stands ahead of the other companies on services offered, primarily on medical training



Service quality

Perception of service quality offered by companies (2/2)



“... and for what services?”

Service	Sanofi-Aventis	AstraZeneca	Pfizer	Lilly	Novartis	Bayer	NovoNordisk	Pierre Fabre	BMS	Boehringer Ingelheim	Chiesi	GSK	Menarini	Merck	MSD	Roche	Schering-Plough	Servier	Takeda
General service quality	1		1		1														1
Questions management											1								
Face-to-face calls		1		1				1					1						
Meetings / weekends	2				1	1			1		1		1						
Publications				1											1				
Trainings	5	2	1	2		1	1		1	1	1	1			1	1	1	1	
Patients support						1													

Number of respondents: 60

Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

X Number of quotes

¹ Several answers possible

3. Criteria driving brand preference

GPs perception

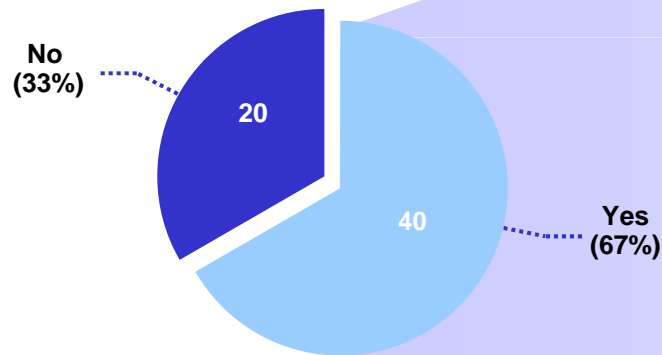
Though 1/3 of respondents has no expectation in terms of services, calls and training / information are keys for the others interviewees



Service quality

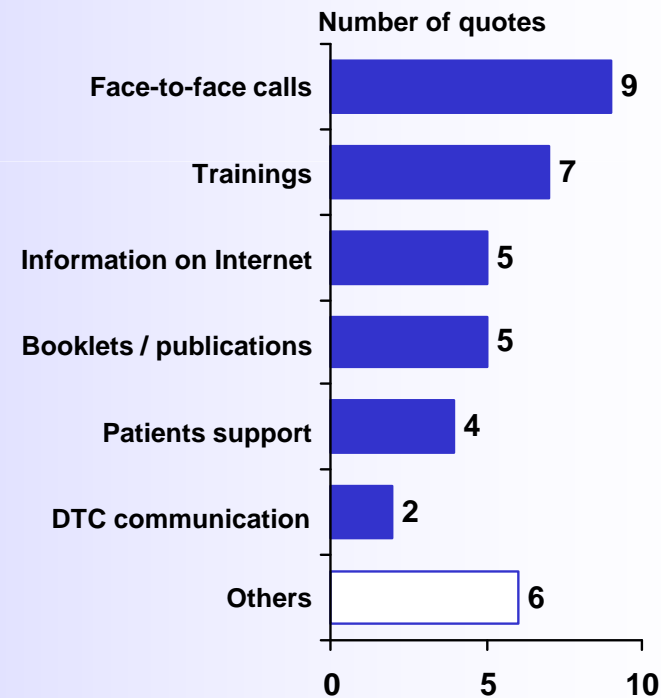
Expectations about services

“Would you expect any services to be developed in order to increase your interest in marketed drugs?”



Number of respondents: 60

“What services would you expect¹?”



Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

¹ Several answers possible

3. Criteria driving brand preference

GPs perception

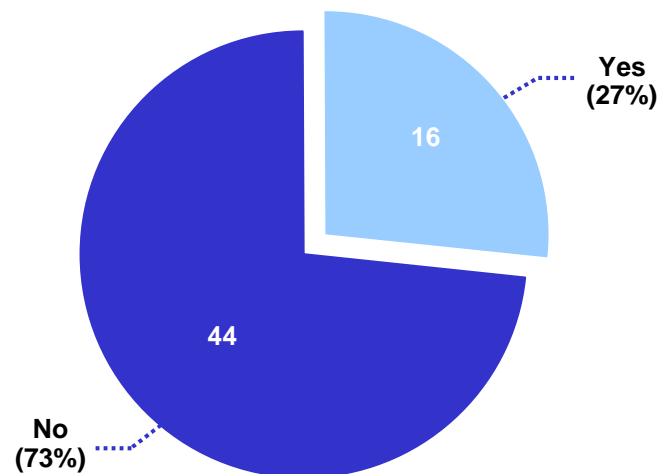
When specifically prompted, 27% of GPs are really sensitive to the reputation of companies, when prescribing a drug



Service quality

Importance of corporate reputation

“Is corporate reputation important in your preference for specific brands in diabetes, hypertension or allergy¹?”



Number of respondents: 60

▪ Interviewees associate good reputation with quality of drugs...

- “Good reputation depends on the quality of manufacturing” (1)
- “Good reputation means more safety and more guarantees” (1)
- “We do not know what generics companies put in their drugs” (1)

... awareness...

- “I prefer prescribing drugs coming from companies I know” (2)

... communication...

- “Companies that make efforts on DTC campaigns deserve to be rewarded by GPs prescriptions” (1)
- “Big companies have more budget to promote their drugs” (1)

... or origin of the company

- “If efficacy is identical, I prefer French companies” (1)

▪ 3 GPs are only sensitive to bad reputation

- “I do not prescribe drugs sold by companies with a bad reputation” (2)
- “Reputation matters only in case of bad reputation” (1)

→ Corporate reputation is not yet effectively leveraged to induce preference to product brands

Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

(x) : Number of quotes

3. Criteria driving brand preference

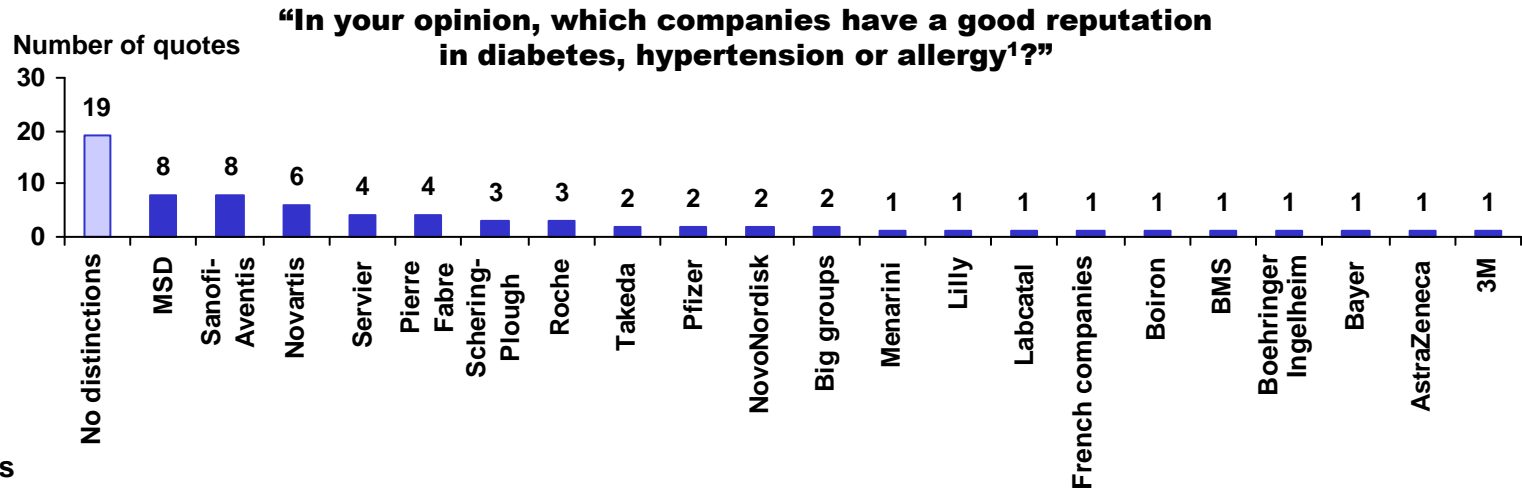
GPs perception

MSD, Sanofi-Aventis and, to a lower extent, Novartis, distinguish by their good reputation among interviewed GPs, for quite distinctive reasons



Corporate reputation

Perception of corporate reputation



“Why?”
Open-ended differentiation factors

Factor	No distinctions	MSD	Sanofi-Aventis	Novartis	Servier	Pierre Fabre	Schering-Plough	Roche	Takeda	Pfizer	NovoNordisk	Big groups	Menarini	Lilly	Labcatal	French companies	Boiron	BMS	Boehringer Ingelheim	Bayer	AstraZeneca	3M	
General image				2			1											1					
Quality of drugs sold	2						1	1				1											1
Involvement in R&D			1	1				1			1												
Quality of face-to-face calls													1										1
Involvement in the pathology				1	1	1		1			1												
International presence			1	1				1															
Long-term presence			1																				

Number of respondents: 60

Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

X Number of quotes

¹ Several answers possible

3. Criteria driving brand preference

GPs perception

42% of GPs stated that they may consider corporate initiatives (non-directly related to brand attributes) when choosing to prescribe preferentially a brand

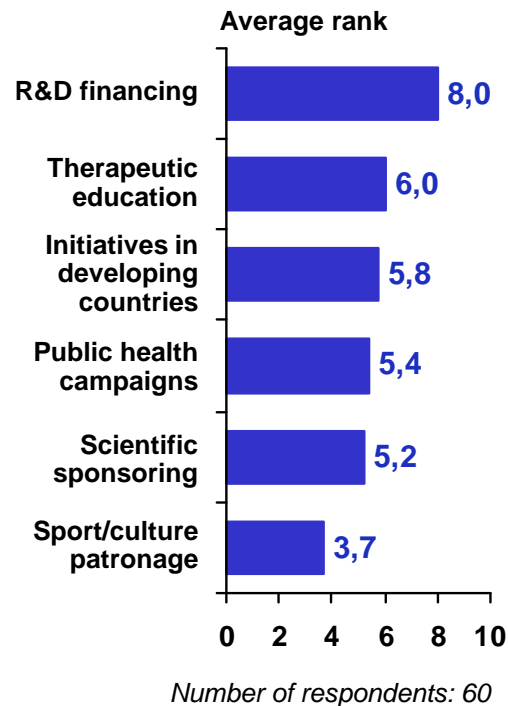


Corporate reputation

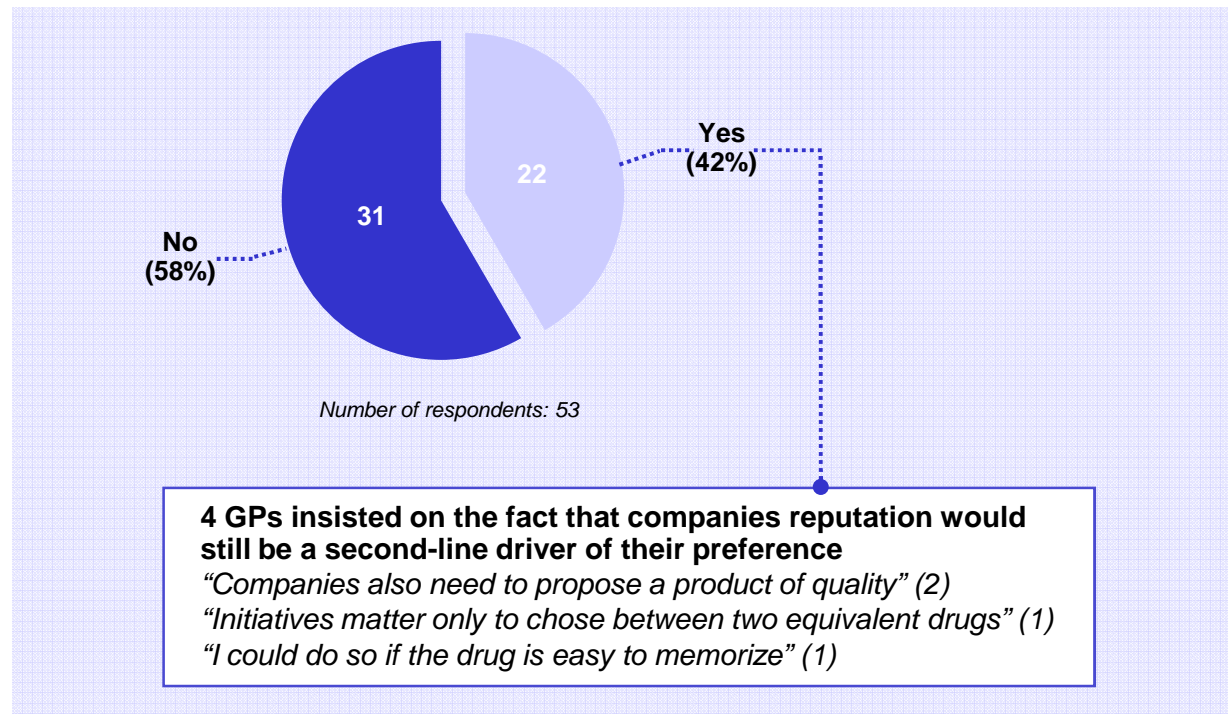
Initiatives to support corporate reputation

“How would you score the following initiatives out of 10 to establish a good reputation ?”

(1 = least important; 6 = most important)



“As a conclusion, would you prefer brands commercialized by companies that are active in communicating on other subject than the brand itself?”



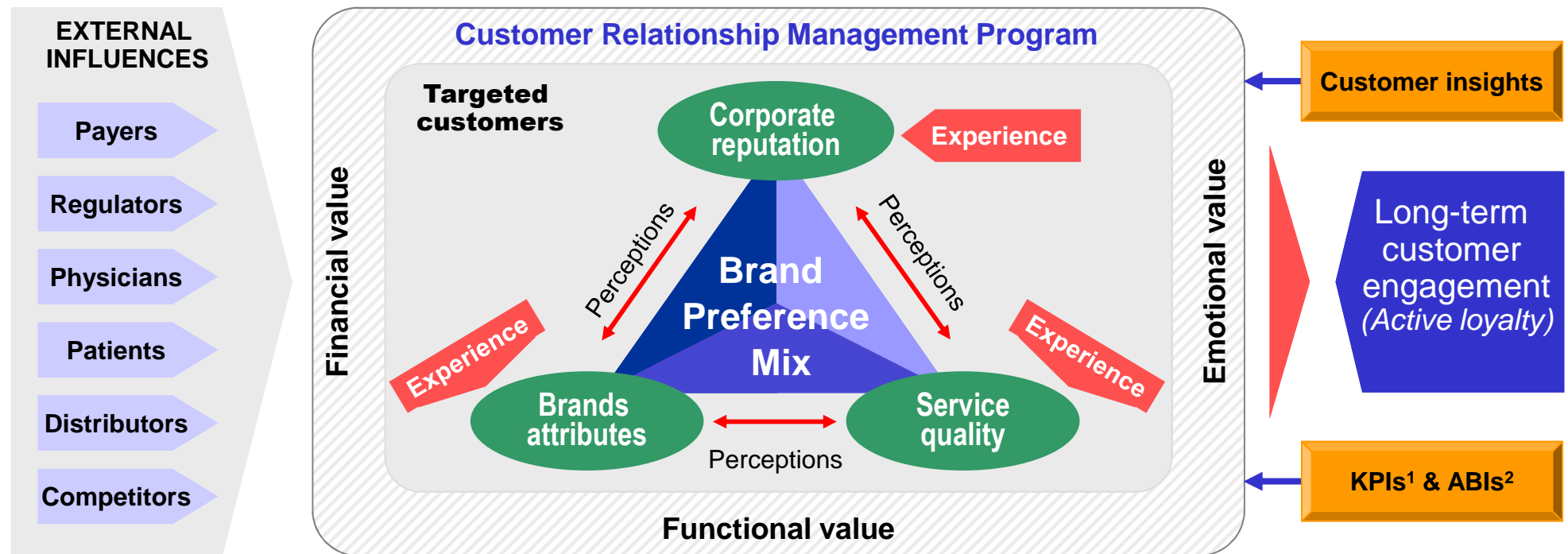
Source: Phone interviews with 60 GPs (April 2010) – Smart Pharma Consulting analyses

(x) : Number of quotes

4. Implications for Pharma companies

To create superior Brand Preference, managers must offer their customers positive experiences that will generate sustainable loyalty and possibly will create advocates

The Brand Preference Mix Strategy

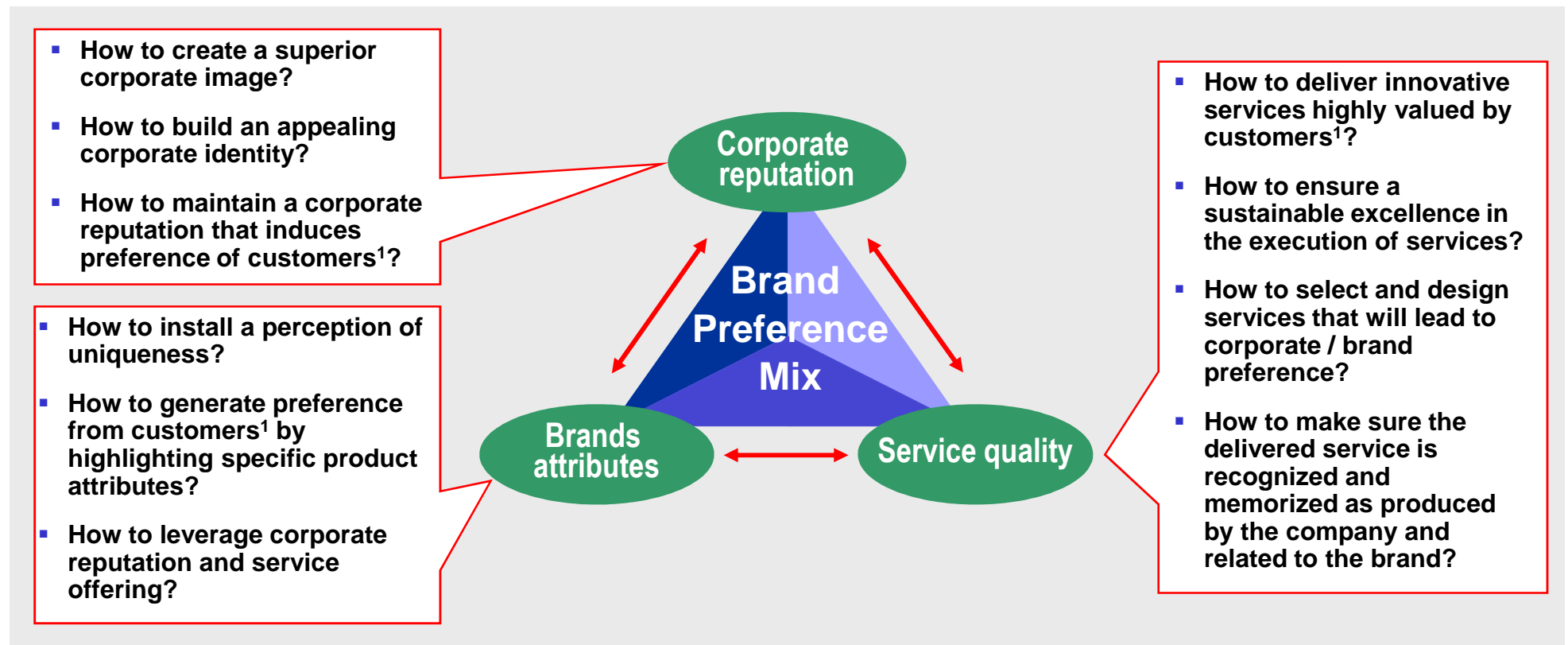


“The more your frontline collaborators will be preferred by your customers the higher will be your brand preference”

4. Implications for Pharma companies

Brand Preference Mix thus needs to be optimized by pharmaceutical companies by addressing the following key issues

Key issues to be addressed to optimize the Brand Preference Mix



Source: Smart Pharma Consulting

¹ Physicians, patients, pharmacists, nurses, payers, health authorities, etc.

5. Conclusions

If perceived products attributes are key to be prescribed, corporate reputation and perceived value of delivered services are instrumental to create brand preference

Key learning

- To create superior Brand Preference, managers must offer their customers positive experiences that will generate sustainable loyalty and possibly advocates
- The intrinsic features of brands, especially efficacy and tolerance, are a prerequisite to be prescribed, but training and detailing activities appear as most important when creating Brand Preference in physicians' mind
- The perceived value of services by individual beneficiaries could be a reasonably good proxy to estimate their ability to raise preference for associated product brands
- Though GPs seem to be more influenced by a bad reputation than a good one, superior corporate reputation compared to competitors may create product Brand Preference
- GPs are sensitive to corporate communication on R&D, therapeutic education or initiatives in developing countries
- The services (training, scientific information, congress...) associated to a product brand will create value for pharma companies provided they induced an increased prescribers preference
- Frontline collaborators been instrumental to induce a robust Brand Preference, companies should train them to build, better than competition, preferred relationship with their customers

Source: Smart Pharma Consulting