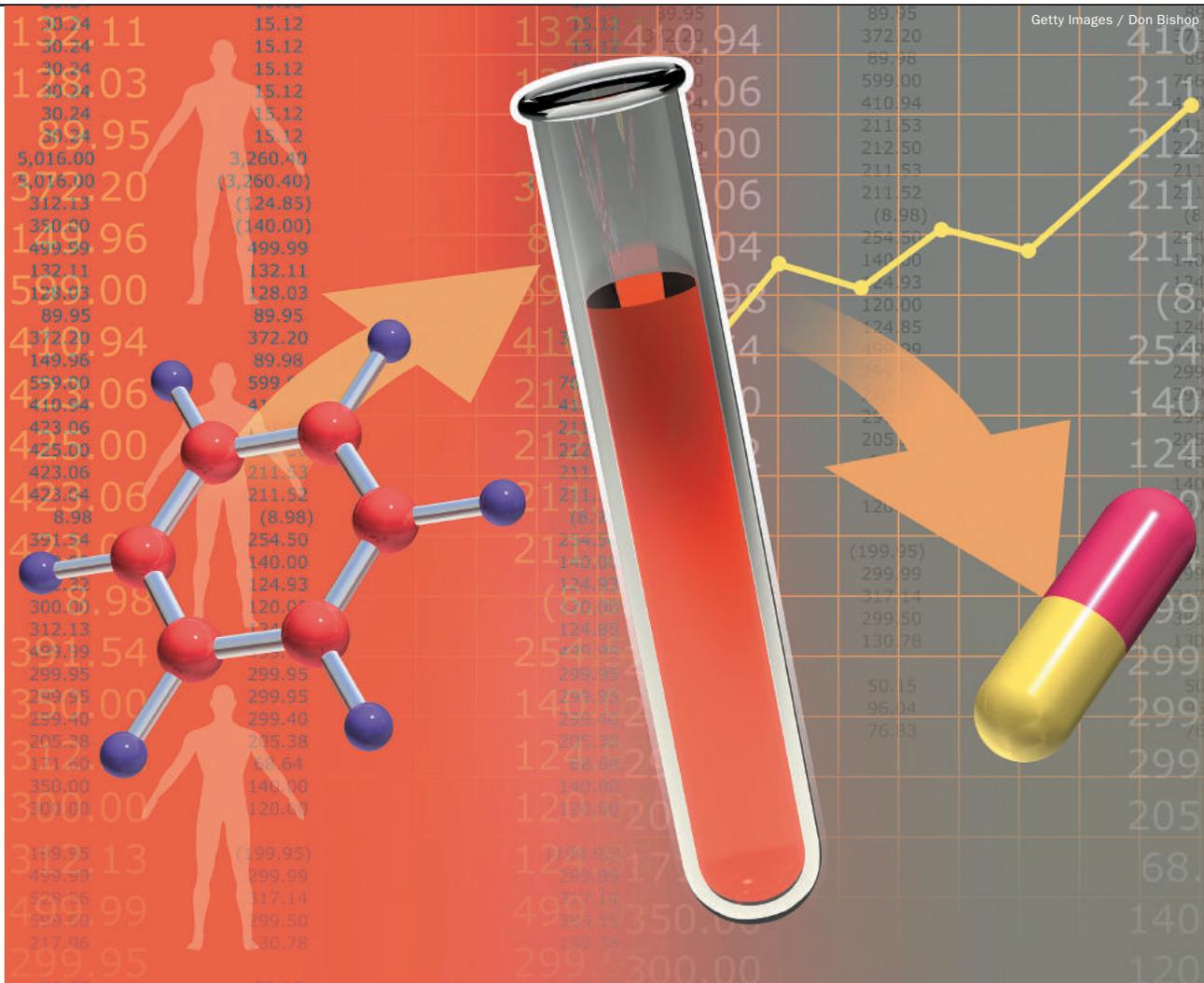


# 30 Launch Strategy



## Product Positioning 2.0

**Industry and market transformations have dramatically altered when and how products should be positioned for launch**

By Stan Bernard

In 2009, marketing partners Eli Lilly and Daichii Sankyo were preparing to launch their new blood thinner *Effient* (prasugrel) which appeared to have greater efficacy than the market leader *Plavix*, the world's second best selling product, sold by Bristol-Myers Squibb and Sanofi. EvaluatePharma predicted "*Effient's* sales would reach \$1.42B by 2014

and be the biggest growth driver at Eli Lilly over the next seven years." Lilly and Daichii Sankyo were preparing a traditional blockbuster-style launch.

Unbeknownst to Lilly and Daichii Sankyo, BMS had assembled a multi-disciplinary internal counter-launch team nearly two years before prasugrel's approval to preempt its rival's launch. The team's primary strat-

egy was to pre-position prasugrel as a "niche product" with "bleeding concerns" by consistently communicating this four-word positioning to highly influential, prioritized stakeholders. For example, one and half years before the FDA approval of *Effient*, Sanford Bernstein analyst Dr. Tim Anderson told the *Boston Globe*, "Prasugrel might get approved, but I see it as more of a niche-type product. Better efficacy but with higher bleeding, including fatal bleeding." During July 2008 conference call, a BMS COO Lamberto Andreotti told analysts: "The way I see it, if and when it is approved, [prasugrel] will be a niche product." Seven months before prasugrel's approval, thought

leader Dr. Sanjay Kaul of LA's Cedars Sinai Heart Institute told Reuters that "[prasugrel] is likely to be a 'niche product.' I don't think it will be widely used based on the bleeding concerns." Similar opinions were voiced by Leerink Swann analyst Seamus Fernandez, who told the *New York Times* that prasugrel "may end up as a niche product, not a blockbuster," and by Decision Resources market analyst Michael Latwis: "We think it's going to initially be very much a niche product."

When *Effient* was approved by the FDA in July, 2009, the die was cast. BMS had effectively pre-positioned its rival *Effient* as a niche product with bleeding concerns, thus undermining its launch. *Effient* achieved less than one-tenth of its projected \$400 million first year U.S. sales. A *Pink Sheet* analysis of consensus forecast projections for 13 U.S. products launched in 2009-10 revealed that *Effient* represented the year's single biggest launch failure.

What's the message here? Pre-positioning of *Effient* by its rival BMS underscores how dramatically pharmaceutical product positioning has changed over the past 15 years. Marketing professionals must adopt radically different positioning approaches.

Three fundamental factors have driven this change. In the late 1990's, the pharma industry transitioned from the growing Commercial Stage ("Pharma 1.0") to the mature Competitive Stage ("Pharma 2.0") of the industry's lifecycle (See Figure 2) This resulted in markedly more competitors and competitive noise in the market, creating communication challenges for product positioning. In addition, this transition changed the timing of product positioning. Aggressive rivals now often attack launch products in the Pre-Launch Phase when they are most vulnerable, forcing launch companies to position their new agents months or years prior to launch to avoid being pre-positioned.

This evolutionary industry transition paralleled a larger market transition to a digital world dominated by the Internet and other information technologies. This new digital environment is characterized by shorter attention spans; faster, shorter, and more concise information bites ("i-bites"); and accelerated uptake and repetition of digital reports and communications. These two transitions in

that being first is the easiest, fastest, and longest-lasting way to get into a person's mind. Therefore, it is essential for the launch company to create the first impression with prioritized stakeholders during the Pre-Launch Phase. Consequently, companies must start much earlier creating their product positioning and be willing to base it on relatively incomplete market or clinical research information.

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### *In the highly competitive Pharma 2.0 world, it is more difficult to create true product differentiation, especially in the pre-launch phase.*

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turn accelerated the development of a new pharma stakeholder ecosystem – beyond the traditional triad of physicians, patients, and payers – which holds increasing power over the access, utilization, and perception of pharmaceutical products. Pharma marketers now must position their products across a myriad of influencers, including powerful Pre-Launch constituents.

To win in this new Pharma 2.0 world, pharma professionals need to transform how they position their products in four i-Bite ways:

**1 Sooner — Be first sooner:** Too often, pharma companies and their ad agencies are conducting product positioning research or waiting for Phase III clinical data to "finalize" their positioning just prior to product approval. Unfortunately, this belated Pharma 1.0 approach ultimately fails in the Pharma 2.0. As the BMS pre-positioning of *Effient* demonstrated, it is critical for the launch company to be the first to position their own product.

Advertising gurus Al Ries and Jack Trout defined "positioning" as "something you do to the mind of potential customers." They have emphasized

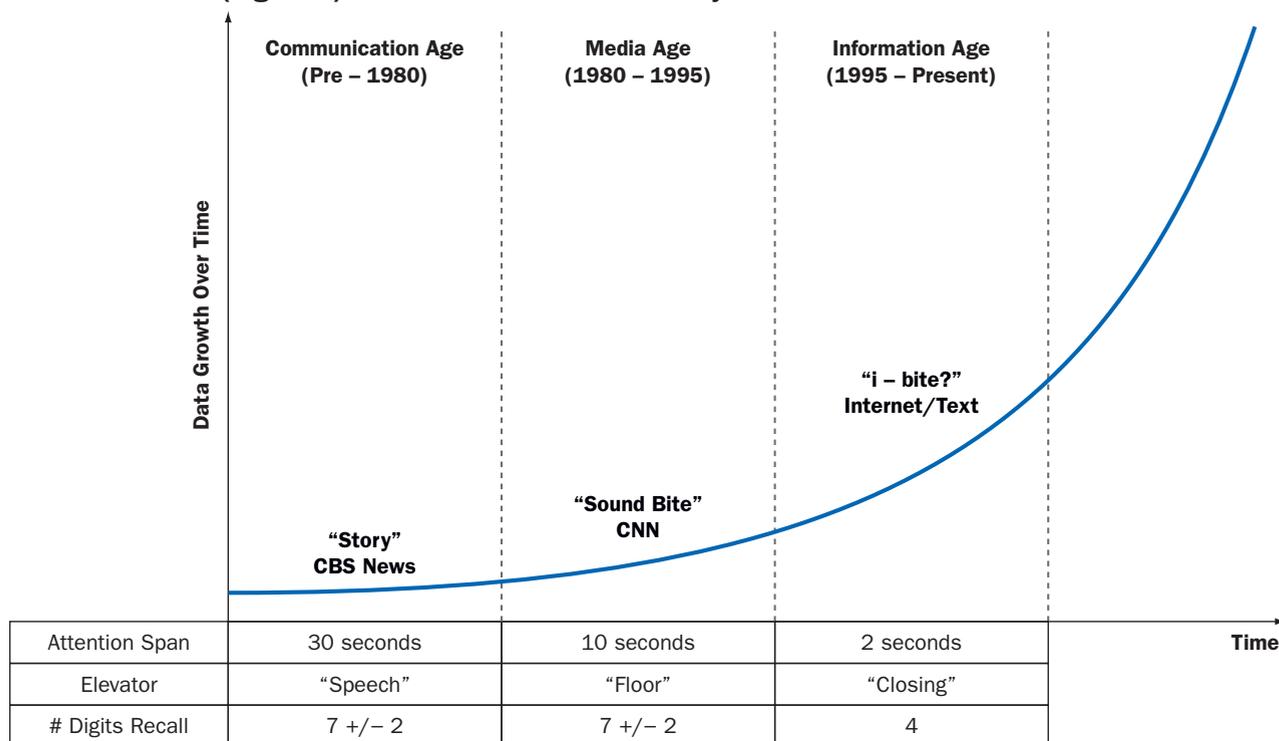
**2 Simpler — Be i-bite concise:** Many pharmaceutical professionals confuse lengthy "product positioning statements" with true product positioning. A product positioning statement is a series of phrases or sentences that articulate the drug's unique selling proposition, typically including the brand name, product category, target customers, key benefit, and primary competitive differentiation. It should be used only for an agency to develop advertising or a communications strategy.

In contrast, product positioning consists of a few words, not sentences. In fact, research by Nelson Cowan at the University of Missouri and others over the past decade has demonstrated that humans currently are only able to remember usually four chunks or bites of information at a time. This recall number is down from the 7 +/- 2 words of previous generations (See Figure 1). It was no accident that BMS used only four words to pre-position Lilly's *Effient*. In fact, the best product positioning is usually four words or less, and the fewer words, the better.

For example, Gilead Sciences positioned their new HIV agent *Stribild*

# 32 Launch Strategy

(Figure 1) The Data Lifecycle Curve and Matrix



(Figure 1) The volume of data is expanding at an astonishing annual rate of 4300 per cent. With this explosion in data, the normal human attention span over the past few decades has decreased from being able to digest a 30-second news story to following a two-second text message. Research by Cowan and others reveals that humans now can recall only 4 digits or “chunks” of information at any given time down from seven digits. Sources: Bernard Associates’ Analysis; CSC; and Cowan, N. Curr Dir Psychol Sci., Feb., 2010.

with one word during the product’s Pre-Launch Phase. The company cleverly used the generic name “Quad” to position their four-drug, single-tablet regimen consisting of elvitegravir, cobicistat, emtricitabine and tenofovir. The company had previously shaped the market to believe that more HIV drugs combined into a single pill was better, and had commercialized double (“Truvada”) and triple (“Atriplia”) fixed-dosed regimen agents. Most key stakeholders, including opinion leaders, analysts, and the media were regularly using the term “Quad” prior to launch.

**3 Better - Create a better product perception:** Gilead’s one-word positioning helped create the perception that Quad was more effi-

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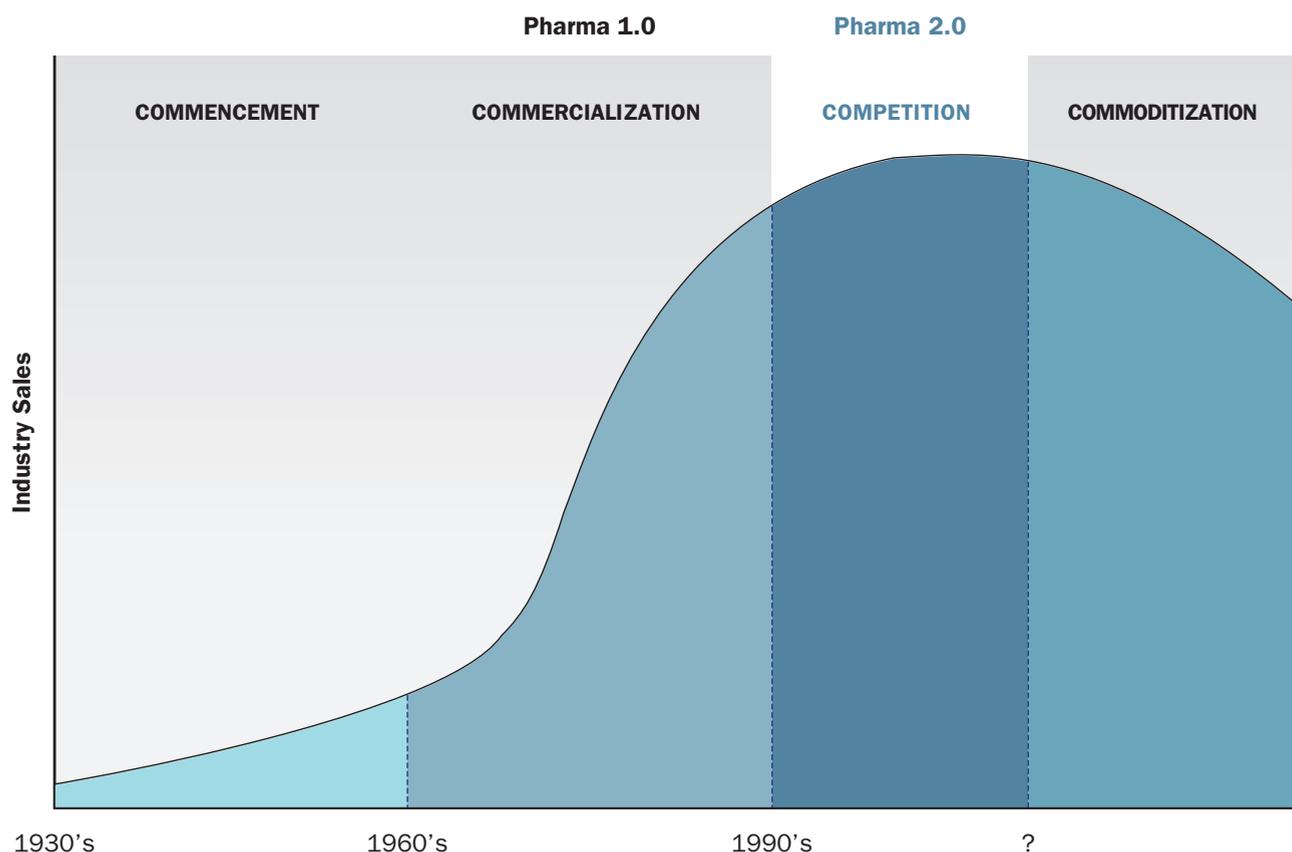
cient since it combined four agents with different mechanisms of action, including the first single tablet, once-daily drug containing an integrase inhibitor. Gilead had already been effective in convincing doctors and patients of the advantages of what it called “single tablet regimens” (STR’s): one tablet, once-daily administration to improve adherence and clinical out-

comes. This single-tablet regimen represented the ultimate simplification of anti-retroviral treatment.

When it was time to launch Quad, the company seamlessly transferred the single-tablet regimen or “STR” positioning of Quad to the cleverly-chosen brand name “Stribild” which literally incorporated the “STR” initials. In fact, the company had used the terms “QUAD STR” throughout its NDA summary documents for the FDA filing. The positioning of Stribild as a “Quad” product was unique because no HIV competitor had a single tablet regimen consisting of four agents.

In the highly competitive Pharma 2.0 world, it is increasingly difficult to create true product differentiation, especially early in the

(Figure 2) The Pharmaceutical Industry: Four Lifecycle Stages



Pre-Launch Phase. Consequently, companies have to create a uniquely advantageous, positive perception which can be further developed over time with appropriate supporting clinical data, marketing communications, and promotional messaging. While there are many ways to position products historically, the most effective approach in the pharmaceutical industry has been based on superior efficacy. However, as the BMS counter-positioning of *Effient* showed, sometimes even better efficacy can be twisted to create a negative product perception.

**4 Clearer – Clarify and consistently communicate your positioning:** Throughout the Pre-Launch period, Gilead ensured that its internal and external stakeholders

clearly and consistently communicated its Quad/Stribild positioning. Following the positive FDA Advisory Committee Hearing in May 2012, Gilead's HIV therapeutics chief Dr. Andrew Cheng stated in a corporate press release: "With new government guidelines recommending that people diagnosed with HIV begin treatment early, it is important that we continue to simplify and improve HIV therapy. The Quad is the latest example of Gilead's ongoing efforts to develop highly effective and well tolerated single tablet regimens for people living with HIV." Following the FDA's approval of *Stribild*, Dr. Edward Cox, director of the FDA's Office of Antimicrobial Products, said in a news release, "Through continued research and drug development, treatment for those infected with HIV has evolved

from multi-pill regimens to single-pill regimens. New combination HIV drugs like *Stribild* help simplify treatment regimens." This drum-beat, repetitive product positioning was very similar to BMS's ad nauseam communications to counter-position rival *Effient* as a "niche product" with "bleeding concerns."

Many pharma companies struggle trying to communicate a myriad of supporting messages, typically tailored to multiple types of stakeholder segments. In contrast, the most effective Pharma 2.0 competitors focus on doing it sooner than rival firms and utilizing consistent simple language to communicate a better product positioning. **PE**

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