



***Insights for Pre-emptive Market
Strategies When Prescription Drugs
Move to Over-the-Counter Status***

Prescription and OTC Medications

**A M/A/R/C Assessor[®] Forecasting &
Product Optimization Case Study**

M/A/R/C[®] Research

Insights for Pre-emptive Market Strategies When Prescription Drugs Move to Over-the-Counter Status

Uncovering insights into the impact of marketplace changes on a major pharmaceutical firm's line of medications and developing pre-emptive strategies focused on maximizing our client's share of category revenue.

Business Issues

In anticipation of the Federal Drug Administration's approval for Over-the-Counter (OTC) sales of leading Rx drugs, a major pharmaceutical firm commissioned us to uncover insights into how future marketplace changes would impact its product line of medications.

Research results were needed to develop pre-emptive strategies focused on maximizing our client's share of category revenue.

M/A/R/C's client wanted to develop market strategies to

- Maximize sales and share of scripts as several leading drugs move to OTC, either individually or simultaneously, and as certain generics are introduced
- Optimize its current product line through the introduction of new brand drugs
- Select the right mix of DTC advertising for an existing prescription drug and new product development for two drugs
- Anticipate changes of sales caused by formulary adjustments.

Research Objectives

The primary research objective was to forecast script writing by physicians and purchase motivation of patients for:

- two specific brand drugs after their movement to OTC status
- and for one additional drug in response to heightened DTC marketing.

The M/A/R/C Research Team also set out to combine predicted behavior of physicians and patients to create a single forecast of revenue share for the relevant drugs.

The research was designed to guide the creation of pre-emptive strategies focused on maximizing the client's revenue share.



Solution

M/A/R/C's team of researchers and marketing scientists designed a 3-cell *Assessor*[®] Simulated Test Market study to address the client's issue.

M/A/R/C's *Assessor* forecasts the potential impact of new concepts, products or services. This validated product development, forecasting and optimization system also provides sources of business, targeting opportunities, and competitive advantages.

The three cells in this study involved separate interviews of almost 600 physicians and more than 2,500 patients.

For data collection, the study utilized M/A/R/C's pioneering Internet research capabilities, involving difficult-to-reach groups, such as specialists and patients with varied ailments. Unlike many other research suppliers, M/A/R/C integrates its online approach with 39 years of traditional qualitative and quantitative experience.

M/A/R/C's marketing scientists also designed a Choice modeling task, administered to both physicians and patients, to predict changes in each drug's share of revenue caused by:

- Movement of specific brand drugs from Rx to OTC status
- Introduction of generics
- Changes in formulary coverage of specific Rx drugs (increase in tier of co-pay, removal from formulary altogether)
- Increased DTC advertising for a particular Rx drug
- Introduction of two new brand drugs.

A user-friendly Excel simulation model was developed to predict changes in revenue share for all category Rx and OTC drugs caused by the above factors.

Results and Action

M/A/R/C reported simulation outcomes for 38 unique market scenarios. These simulation outcomes not only quantified the impact of imminent market changes, but they also pinpointed valuable and encouraging sources of new revenue in the face of otherwise grave market conditions. Our client discovered how much additional revenue share could be attained through DTC marketing and the potential value of a new product offering.

As well, our client continues use the market simulator for strategic planning within the organization.

For this study, the client took advantage of M/A/R/C's pioneering Web-based research capabilities. Since early 1995, M/A/R/C has designed, transitioned and executed more than one million individual online surveys.

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