



# 2009 ANNUAL NATIONAL CONFERENCE

MARCH 8 - 10, 2009  
WYNN LAS VEGAS

A large magnifying glass with a black handle is positioned over a green line graph and a bar chart. The lens of the magnifying glass is centered on the text 'MAXIMIZING BRAND POTENTIAL IN A VOLATILE MARKETPLACE'. The background of the entire image is a collage of pharmaceutical-related elements: several syringes on the left, a bar chart with green bars, a green line graph showing an upward trend, and various pills and capsules scattered across the bottom right. The overall color palette is dominated by shades of blue and green.

**MAXIMIZING  
BRAND POTENTIAL  
IN A VOLATILE  
MARKETPLACE**

# Does a Spoonful of Sugar Really Help the Medicine Go Down?: *an approach to conducting cost-effective product formulation research*

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# Agenda

- Framework to support product development decisions through cost-effective research
- Using a hypotheses-based approach to define and design effective research
- Key take-aways



# Product formulation research can be both cost-effective and powerful if it satisfies certain key criteria

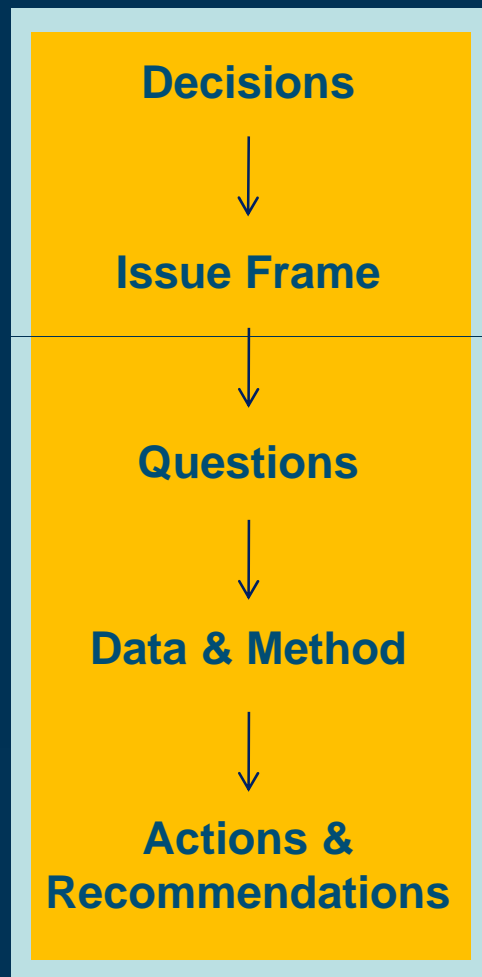
## Research should be:

- Directly coupled to management decisions
- Framed to reflect market conditions
- Linked to business outcomes
- Properly scoped

*Meeting these minimal characteristics is frequently a challenge for all market research, whether strategically – or tactically – oriented*



# Close alignment of research and management decisions is at risk unless the right questions are asked...



- What management decisions will be made using the research?
- What market conditions should be reflected in the research design to address business needs?
- What do we need to know to select between different business solutions?
- What is the best way to collect and analyze this information?
- What is the recommended course of action and why?

# ...and a hypothesis-driven approach is implemented to frame research through a business oriented perspective...

## Typical Research Hypotheses

## Business-Oriented Hypotheses

### Management Question:

To what extent, if any, does packaging affect product uptake among MDs?

MDs will exhibit consistent preference for some packaging options over others



While other HCPs are involved with administration, revenue will be optimized by marketing only to MDs

Storage issues are the primary packaging factor affecting product uptake



For this product, storage is intricately entwined with formulation, dosage, etc., so options must be evaluated as a complete offering

Only packaging options that facilitate easy storage should be manufactured

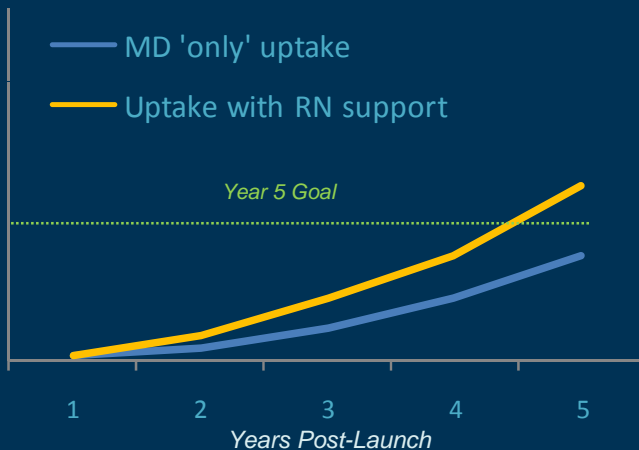


Products that are difficult to store can gain substantial uptake IF other aspects of packaging address unmet needs

# ...so that results enable management to clearly understand the implications of strategic choices

## **Disproven Hypothesis:**

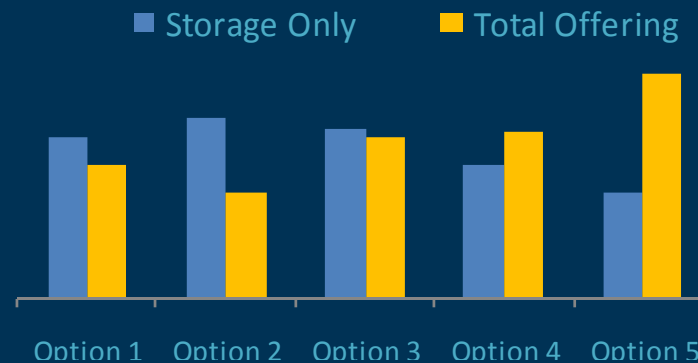
*Target uptake goals achievable via MD prescribing alone*



**Implication of Choice:**  
Marketing exclusively to MDs will not capture sufficient share; need to gain RN support to achieve goals

## **Proven Hypothesis:**

*Evaluating packaging features in isolation will bias uptake estimates*



**Implication of Choice:**  
Selecting the packaging based on “storage” will lead to the manufacturing of an option with lower overall utilization

## Section Summary: *Thinking early and thinking well is critical to doing better research with fewer resources*

- A detailed understanding of management questions is the start of a cost-effective research design
- Reframing the research ensures business decisions can be made through a united “customer and company” perspective
- Product development research typically requires the research vendor act as consultant



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# Structuring a cost-effective research design begins with hypotheses-based reasoning

## Strategic Questions

- How competitive will our expected RoA be in this market?
- What product characteristics are needed for a successful launch?
- Given our R&D, what is the best product configuration to maximize revenue?

## Design Options

**Qualitative:**  
*Limited no. of honed interviews*



**Quantitative:**  
*Large-scale conjoint analyses*



## Cost-Effective Research

*Using market savvy, well-defined hypotheses, and a robust analytic framework can correctly define scope, while also providing pragmatic results*

# A hypotheses-based approach mandates questioning assumptions, even those considered to be self-evident

In reviewing market assumptions and formulating clear, testable hypotheses, the business questions became more focused

Client wanted to commission a forecasting study for an early-stage molecule

The objective was to identify which products to pursue through R&D based on the following assumptions:

- A quantitative conjoint study was required
- The forecast was necessary to inform business decisions
- Market share would determine which product options to pursue

While reasonable, the assumptions were misguided. Original beliefs would have led to an expensive and time-consuming study generating plausible, but potentially misleading results

In forming hypotheses, we posed questions to test their assumptions:

- *Is quantitative research necessary to get the desired information?*
- *Is a forecast even appropriate at this stage?*
- *Is market share the best metric to direct product development?*

## Once objectives changed in light of current business needs, the revised design clearly guided product development and investment decisions

### Original Design

**Objective:** Estimate share based on potential product attributes and levels to identify what should be pursued in R&D

**Methodology:** Quantitative, Internet survey  
45 minutes  
Four respondent types  
100 respondents per type

**Analytics:** Conjoint-Based Forecast

Indications	(5 levels)
Efficacy	(4 levels)
RoA	(3 levels)
Dosing Sch.	(5 levels)
Safety	(4 levels)
Price	(3 levels)

**Time Frame:** 16 – 20 weeks

**Cost:** Greater than \$500,000

### Revised Design

**Objective:** Gauge MD receptivity to potential offerings w/ particular focus on dosing and administration; use results to contribute to clinical trial design

**Methodology:** Quantitative, Internet survey  
15 minutes  
Two MD specialties  
50 respondents per specialty

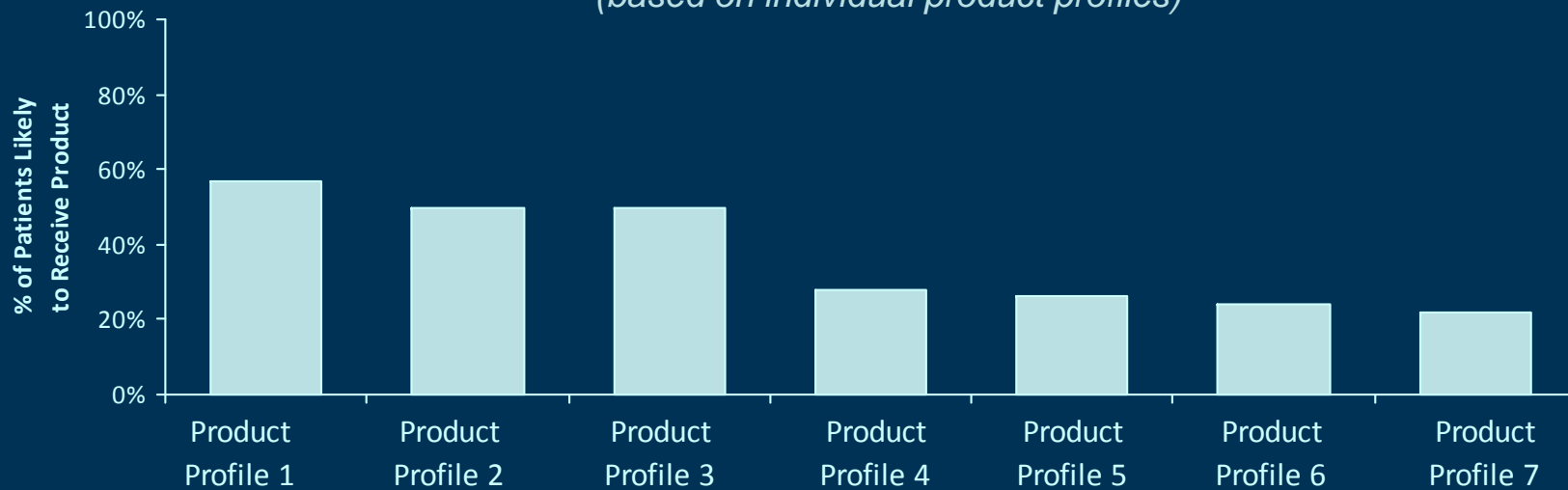
**Analytics:** Seven fixed profiles evaluated on multiple metrics gauging potential uptake

**Time Frame:** 5 – 6 weeks

**Cost:** Less than \$100,000

In the end, testing a limited number of products resulted with three being earmarked for further R&D investment

MD Reported Uptake of Potential Products  
*(based on individual product profiles)*



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**Rigorous Thinking**



**Cost-Effective Design**



**Sharper Analyses**



**Stronger Insights**



**Effective Decision-Making**



**Improved Business Results**

## When faced with “doing more with less,” designing cost-effective research requires asking critical questions

- Is your research early or late in the decision-making process for product development?
- What business questions is the research intended to answer?
- How are the key stakeholders intending to use the results?
- Given market contexts, do the business and/or research design assumptions apply?
- When all is said and done, will the results further your business?



**For more information, please contact . . .**

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