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Early Stage/Late Stage Products: Focus on Four P's

By Ed Gallagher

Products in the later stages of development and those about to go off patent often suffer from a lack of attention when they need it the most. In both cases, brand managers are either transitioning into or out of a product and have other products demanding their time. To ensure maximum return on the company's investment, however, marketers would do well to allocate more analysis and planning to their "prenatal" and "geriatric" products. Focusing on four Ps of marketing — Product, Pricing, Packaging and Promotion — can help.

When products are in the prenatal stage is the greatest opportunity to finely define the product itself, as well as the promotion, packaging and pricing. Phase 3 trials will define the product and determine what the company can legally say within the FDA regulations about the features and benefits. Therefore, input into the design of the phase 3 trials can ensure that your reps will have their sales presentation and the creative team will have the fodder they need for advertising and marketing materials.

The prenatal stage also offers the best opportunity to improve the product's competitive position based on its packaging or trade dress. For example, instead of a 100-count bottle of round, white tablets, would your product be more competitively positioned packaged in weekly doses or as a patch or with a dose counter for inhaled applications?

Finally, now that three Ps have established the value of the product, it must be priced appropriately to capture the value. The objective at this stage is to generate the highest and quickest peak sales. Priced too high or too low, sales will never reach that maximum peak.

Geriatric products are at the end of their lifecycle facing imminent generic competition. The goal is to maximize sales over the remaining life of the product. Assuming the product reached its maximum sales peak prior to patent expiration, it

is positioned to maximize the area under the sales curve. It is unlikely the company would make any further investment in creating value in the product; therefore, the opportunity is to leverage the existing value. This can be done through promotion — although the promotion is likely to take a different form from the product's pre-geriatric days.

Usually at this stage, companies withdraw face-to-face promotion. However, physicians can still be reminded of the benefits of the product through e-detailing, tele-detailing or other forms of indirect promotion. At this stage, there could also be an opportunity to leverage the existing price of the product through creative pricing — discounts, buy one/get one free (after patent expiration) — or contracting opportunities within the managed-care arena.

With more attention on products at both ends of their lifecycle, companies could launch better, more profitable products and/or leverage the existing brand strength of declining products, attaining greater sales and profits than would ordinarily be expected.

If you would like to share your experience in these issues, or discuss how you can ensure a successful product launch, send an email to rkeefe@tcgbiopharma.com.

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