

Preparing for Market Disruption

A conversation with Fred Church,
Vice President, Ipsos Insight Health

Q: The pharmaceutical industry is a lot more competitive than it used to be. What's changed?

Fred: In many pharmaceutical categories, multiple drugs with similar profiles are competing with one another. We are seeing fewer categories where there is one unique, dominant leader. In such a landscape, competition is fierce and marketing is critical.

Q: Would you say the patient as consumer, a trend that Andrew Grenville mentioned earlier, has empowered the consumer more than in the past?

Fred: Since the introduction of full branded direct-to-consumer (DTC) pharmaceutical advertising in the United States in 1997, the role of the patient has increased in that pharmaceutical companies are now speaking directly to them. Patients today also have enormous access to health and pharmaceutical information via the internet. And with the parity landscape in many categories, the importance of patient co-pay is magnified so that the choice of a pharmaceutical brand may in some cases be a price-driven choice as dictated by the patient.

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Q: What will the more successful pharmaceutical companies do to defend their position in this more price competitive marketplace?

Fred: I think you'll see pharmaceutical companies developing more of a relationship with their customer base—meaning their patient base, not just their physician base—and trying to make the relationship between the pharma company and the patient a real relationship, with tangible patient benefits.

Pharmaceutical companies will also have to become more aware of what's happening beyond their own brands, and more tuned in to events in the larger marketplace. Many things can happen in a market that are outside of your control. For example, a new competitor may be launching, or a major competitive brand may be facing patent expiration to become available as a generic.

Q: And how do you advise your pharmaceutical clients in this environment?

Fred: We use forecasting and modeling fueled by primary survey research to help them understand what will happen when a competitive event takes place and the market is disrupted. In the past,



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most market research has focused only on the brands that are owned and marketed by the company doing the research, but I see a trend developing where companies are doing more research on competitive brands.

Q: And specifically, how do they benefit from predicting market disruptions?

Fred: They can better prepare defensive strategies to mitigate the effects of disruption. With our forecasting system, they can examine multiple scenarios involving both their own brand and competitive brands so that the most beneficial scenario can be identified and pursued.

Q: What informs the expertise of Ipsos Insight Health?

Fred: Experience. Ipsos Insight Health is dedicated to pharmaceutical market research, and that's all we do. We have a large group of people who have been doing only that for many years. There's no substitute for that kind of experience.

Q: What makes Ipsos Insight Health unique?

Fred: We offer both custom market research and forecasting capabilities within the same company. Clients benefit from collaboration between custom researchers and forecasters, which they currently cannot get anywhere else.

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