Next-generation methods for today's pharmaceutical marketing campaigns

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FAILURE TO LAUNCH

Why are two-thirds of pharmaceutical product launches unsuccessful?

Estimates vary on how many pharmaceutical launches fail. According to Deloitte, 36% of pharmaceutical products fail to meet their initial launch expectations. Mckinsey's research, on the other hand, states that as many as two-thirds of drug launches don't meet launch objectives. Most research findings tend to fall within the Deloitte-McKinsey spectrum — others reach up to a 90% failure rate.

Speaking on the prevalence of launch failures, IQVIA data indicates that 80% of new pharmaceutical launches do not show improvement on their initial sales trajectory within the first six months to two years post-launch.

All of these figures ultimately paint the same picture: Successful pharmaceutical product launches and market access strategies are the exception, and not the rule. Most fail to meet expectations — but why?

According to multiple sources, the causes of market launch and market access failure are:

- Inadequate understanding of market and customer needs.
- Poor product differentiation.
- Ineffective distribution models.
- Poor selection of channel partners.
- Insufficient data capture and management systems.
- Regulatory and compliance challenges.
- Inadequate reimbursement support and financial assistance.

Other product launch and market access strategy failures include underestimation or overestimation of demand for support programs, ineffective multi-stakeholder collaboration and partnerships, inadequate real-world evidence generation, regulatory roadblocks and competition,

inadequate market adoption by healthcare professionals (HCPs), field force effectiveness and efficiency challenges, and patient engagement and adoption issues.

The result of these challenges: losses to the effect of billions of dollars, annually.

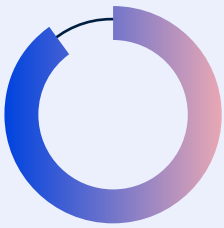
Why few product launches succeed

It's by understanding the causes of launch failure that we can begin to understand why only a select few succeed.

According to Indegene and Everest Group

Everest Group interviewed 15 experts specializing in product commercialization and launch domains from among the top 20 biopharma companies by revenue. These experts were tasked with identifying and prioritizing, from most to least impactful, the key parameters and sub-parameters that present challenges during product launches, along with providing explanations for their rankings. As identified by the 15 experts, the main reasons why new products fail to reach expectations are:

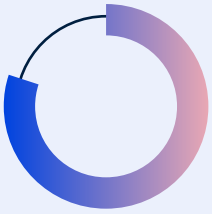
1. **Payer activation and reimbursement challenges:** 93% of experts identified payer activation and reimbursement challenges as leading causes of product launch failures — the highest impact of all challenges. Its sub-challenges include slowness to gain access at launch (six months–12 months), unfavorable price negotiations/rebates, and unfavorable formulary placement.



93%

of experts identified payer activation and reimbursement challenges as leading causes of product launch failures

2. **Regulatory roadblocks and competition:**
80% of experts identified regulatory roadblocks and competition as having significant impact — the second highest impact of all challenges. The sub-challenges of regulatory roadblocks and competition include weak labeling, lack of supporting evidence, and unexpected delays.



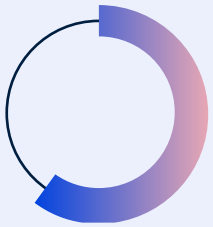
80%

of experts identified regulatory roadblocks and competition as having significant impact

3. **Inadequate market adoption by healthcare professionals (HCPs):**
47% of experts ranked inadequate market adoption by HCPs as having high impact, and 40% ranked it as having medium impact. The sub-challenges of inadequate market adoption by HCPs include segmentation, omnichannel engagement, and demand for comprehensive data.

4. **Field force effectiveness and efficiency challenges:**
7% of experts ranked field force effectiveness and efficiency as having high impact, while 53% ranked it as having medium impact. Its sub-challenges include high SG&A Expenditure, traditional channel limitations, and digital tools training.

5. **Patient engagement and adoption issues:**
60% of experts ranked patient engagement and adoption issues as having medium impact on missing launch forecasts. The sub-challenges of patient engagement and adoption issues include understanding the patient journey, the path to diagnosis mapping, and reimbursement scenario planning.



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of experts ranked patient engagement and adoption issues as having medium impact on missing launch forecasts.

According to Deloitte

The Deloitte Center for Health Solutions analyzed 149 new drugs launched in the United States5 The study aimed to assess whether these drugs met market expectations in each of the first three years post-launch. Deloitte gauged market expectations using analyst forecasts, with consensus forecasts from EvaluatePharma at the time of FDA approval as the baseline for its analysis.

The performance of these drugs was evaluated against the forecasts and categorized into three groups: those that fell short of expectations by achieving up to 80% of anticipated sales, those that met expectations with sales ranging from 80% to 120% of the forecasts, and those that exceeded expectations by generating more than 120% of anticipated sales. The analysis also took into account the size of the company at the time of the product launch, categorizing them as small (less than US$1 billion in revenue), medium (between US$1 billion and US$25 billion), or large (more than US$25 billion).

They found that:

50%
of drug launch failures were attributed to limited market access.

49%
of failed launches are due to inadequate understanding of market and customer needs.

44%
of failed product launches stem from poor product differentiation.

The same study found that over one-third of drugs that missed expectations in their first year — regardless of the failures' causes — continued to underperform in subsequent years. As reflected generally across research papers, the fundamental flaws of product launch and market access strategies impede not only the immediate financial success of the drug but also its long-term viability and ability to achieve sustained market presence.

Research across the board tells us a similar story: At the heart of pharmaceutical product launch failures is a lack of personalization.

Central to the success of the few prosperous pharmaceutical product campaigns is a data-driven, personalized methodology that systematically aligns with the unique needs and preferences of each predetermined stakeholder group. As Sonal Shah put it in her research paper[5]:

> ***"The technologies behind new therapies entering the market are changing rapidly. As new therapies target smaller and smaller populations… we have entered the age of personalized medicine. The market's response to all of this can be hard to predict… One-size-fits-all approaches to market access are no longer viable."***

OxfordSM expanded on this theme by noting how pharmaceutical companies often fail to account for the differing behaviors and needs between early adopters and the early majority among healthcare professionals. This oversight leads to a significant drop-off in adoption rates, causing product launches to fall into a "chasm of despair" as broader market segments do not embrace the new therapy, despite initial successes.

A lack of data-led personalization in pharmaceutical campaigns is a lingering problem that stems back over a century. Despite this past century's advancements in medical technology, particularly since the introduction of the Pure Food and Drug Act of 1906 in the United States, campaign sophistication has not evolved at the same pace.

The relationship between HCP adoption and campaign personalization

> ***Interactive engagement between a pharmaceutical company behind a launch and healthcare professionals is critical to introduce the product, answer questions, collect feedback and generate awareness," says IQVIA.[4]***

Pharmaceutical campaign managers recognize that HCP adoption is central to campaign success. Yet, marketers face a handful of challenges:

1. Many HCPs find it challenging to discover digital content due to content overload and poor channel optimization.
2. Nearly half of HCPs perceive most pharma communications as promotional, and one-third view them as biased and unobjective.
3. There is a discrepancy between the types of information HCPs desire and what pharma prioritizes. For instance, 73% of HCPs demand better access to diagnosis information, yet only 36% of pharma companies prioritize providing it.

73%

of HCPs demand better access to diagnosis information

36%

of pharma companies prioritize providing it

4. While HCPs continue to value virtual meetings highly, pharmaceutical companies are refocusing on in-person events, potentially missing opportunities to engage a broader online audience.

5. Pharma companies often focus on creating and delivering content through their channels, overlooking independent and third-party sources that HCPs trust and value more.

These insights suggest that campaign managers must adapt to effectively reach HCPs. On this, EPG Health states:

> ***"To effectively engage, pharma must focus on being relevant and add value where it does not already exist, creating unique content that is easy to find, and work towards an omnichannel approach offering personalized journeys for discovery."***[8]

The state of campaign personalization, today

The shift towards personalized medicine is a key trend impacting market access strategies and outcomes.[5] This trend, involving therapies tailored for smaller, specific patient populations, necessitates a nuanced approach to market access and stakeholder engagement. In response, pharmaceutical marketers should "start with what matters most to access stakeholders and work backwards to demonstrate and communicate the value."[5]

Early in the campaign cycle, one common way that pharmaceutical companies deviate from adopting a personalized, data-driven approach — one that starts with what matters most to HCPs — is by primarily pushing content through its own channels, such as brand websites and sales representatives.

According to various research sources, this strategy is misaligned with HCP preferences:

HCPs overwhelmingly prefer to receive disease and treatment information from independent sources rather than directly from pharmaceutical companies. Despite this, pharma companies continue to emphasize their own channels, which are less trusted and valued by HCPs.

HCPs are increasingly engaging with third-party digital channels, particularly independent medical websites. However, pharma companies are shifting resources away from these platforms and back to traditional, in-person events and their own websites — missing opportunities to engage HCPs where they are most active.

A common oversight in late campaign stages includes the inadequate tracking and use of data to evaluate campaign effectiveness. This extends to include failing adjusting strategies as needed. Despite the emphasis on personalized medicine and the availability of advanced analytics, pharmaceutical companies often fail to comprehensively collect, analyze, and act upon data related to healthcare professionals' engagement, knowledge gain, and behavior change.

THE WAYS FORWARD:

How to effectively reach HCPs

Read on as we cover what pharmaceutical campaign management experts advise on the personalization and HCP adoption fronts. We'll begin with Deloitte's research, move onto OxfordSM's insights, and finalize on giving you a look into our experience at Oxford University Press.

As we cover these insights, remember the baseline premise: Clinical superiority does not ensure success on its own. Real-world data is necessary for securing a position in treatment guidelines and affecting physician practice. Additionally, a personalized marketing plan is necessary to effectively inform physicians about the new drug.

Take this real-world case study, for example.[1]

Product *x*, a pioneering medication from a major pharmaceutical firm, entered the competitive cardiology sector with substantial expectations. This optimism was fueled by its indicated efficacy in clinical trials, marked improvement over existing treatments, and a significant reduction in acute events related to the condition it targeted.

Despite these promising attributes, the product initially performed poorly in the market, achieving just a tenth of the revenue predicted by industry analysts. It faced challenges on multiple fronts, including the following:

1. Product *x* struggled with Medicare coverage delays due to demands for more data justifying its treatment costs. Once covered, it was often assigned to higher cost-sharing tiers or subject to stringent management requirements, increasing out-of-pocket costs for patients.
2. The company's strategy also suffered from an underestimation of physicians' hesitance to transition their patients to a new treatment, compounded by the deployment of a relatively small sales force.

Many pharmaceutical companies face these challenges when attempting to penetrate the market: Their products often do not meet expectations because they lack personalized, data-driven strategies that prioritize the needs and preferences of healthcare professionals (HCPs) and other key stakeholders.

Let's consider the ways forward.

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STRATEGY 1

Understanding therapy areas

Deloitte proposes a framework divided into various therapy areas that can help campaign managers make informed, personalized channel decisions.5 The five therapy areas are Vaccines, General Medicine, High-Volume Specialty, Oncology, and Rare Disease. Deloitte suggests further segmenting General Medicine into chronic and short-term use categories and subdividing Oncology based on management strategies for mature versus novel products.

These therapy areas are based on various components:

Product characteristics:

Drug handling requirements: Stability, storage conditions, and special handling needs.

Mode of administration: Oral, injectable, infused, inhaled, etc.

Therapy complexity: Number of components (e.g., combination therapies) and regimen complexity.

Safety profile: Known side effects and monitoring requirements.

Patient characteristics:

Population size: Total number of patients diagnosed and treatable.

Demographics: Age distribution, gender, and geographic spread.

Types of physicians: Specialties involved in treatment (e.g., oncologists, neurologists).

Distribution by payer: Proportion of patients under different insurance types or healthcare systems.

Disease-area maturity:

Understanding of disease etiology: How well the disease's causes and developments are understood.

Manifestation and progression: Typical progression patterns and stages of disease.

Standard of care: Established treatments and consensus in the medical community.

Reimbursement pathways: Clarity and availability of insurance or payer coverage for treatments.

Competitive intensity:

Direct competition: Presence of alternative therapies within the same therapeutic class such as generics or biosimilars.

Indirect competition: Therapies from different therapeutic classes that treat the same condition.

Let's look into how the therapy areas fit into the bigger picture.

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STRATEGY 2

Define your product's therapy area to guide strategic choices

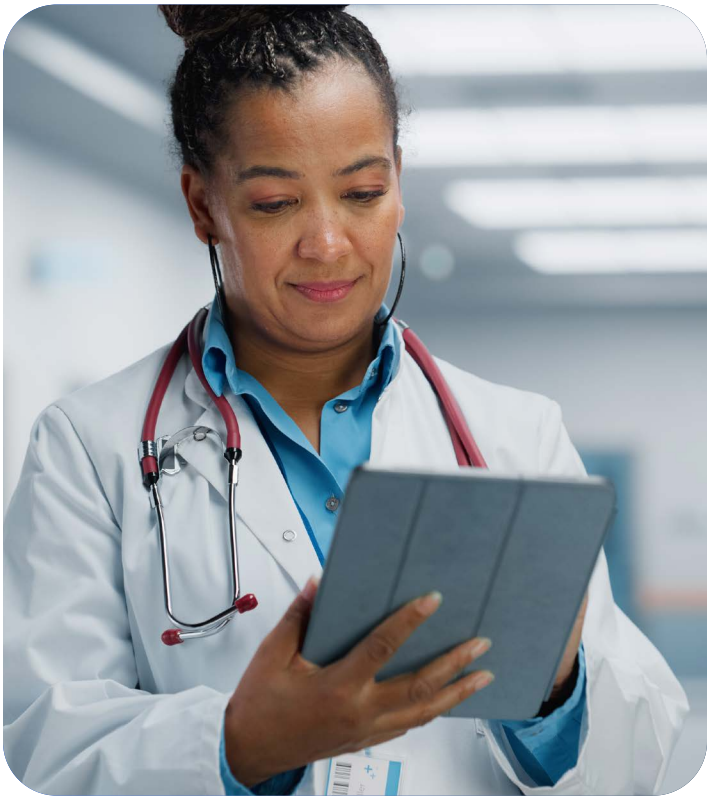
It's by defining your product's therapy area that you can best guide core strategic decisions. Marketers can categorize strategic choices into the following groups.

What is the winning ambition

A robust market access strategy starts by establishing clear objectives informed by a comprehensive landscape assessment. It's important to incorporate commercial insights from these assessments early in clinical development to positively impact evidence generation, trial design, and formulation strategies.

Pharmaceutical companies can utilize landscape assessment insights to:

- **Align brand objectives with broader commercial goals**, taking into account factors such as market access timing, market share, volume, and the economics of patient affordability programs.
- **Gain a detailed understanding of the disease and patient demographics** to address unmet needs, which can enhance HCP-focused marketing initiatives.
- **Integrate insights on customer perspectives and the competitive landscape** with broader contextual factors to understand healthcare professionals' perspectives, assess competitive forces, and gauge economic and societal impacts.
- **Identify and understand the roles of key stakeholders** like health plans, PBMs, and value assessment bodies and predict their management strategies and benefits designs.



Where to play

Pharmaceutical companies should meticulously assess the treatment context to identify the most receptive markets or patient populations for new therapies. During this process, campaign managers should consider whether to target initial or advanced treatment stages, select appropriate distribution channels for healthcare professionals, and prioritize key accounts.

How to win

To address the question of 'how to win,' campaign managers must consider the following key factors and action items:

- Engage in early and continuous dialogue with HCPs and payers to understand their perspectives and refine product positioning.
- Begin stakeholder engagement 18–24 months before product launch to clarify product benefits and applications.
- Discuss the product's mechanism of action, clinical trial results, and competitive positioning to highlight its unique value.
- Assess payers' and HCPs' enthusiasm, pain points, and areas of confusion to strengthen messaging and address objections.
- Implement segmentation and targeted engagement strategies to tailor market access approaches to the product's therapy area's specific characteristics.

On the topic of gauging payer enthusiasm through early engagement, a COO of a small biopharma company operating in the USA stated:

> ***"You will get a feeling for payers' enthusiasm. You will know whether they are intrigued by the science of the product or they are like 'this is just an old blah-blah.' You get a feel for their pain points, and if there is something they don't really understand, or they are asking a lot of questions on. You know that those are the areas where you need to tighten up the story or you are going to need strong objection-handlers."***

How to execute

Addressing the question of 'how to execute' involves outlining the specific steps and resources required to incorporate market access strategies into both early pipeline development and ongoing launch activities. This process involves reallocating launch resources, implementing systematic market access practices, continuously monitoring the market, making agile strategic and tactical adjustments, and consciously making trade-offs to secure sustainable and profitable market access.

Additionally, it involves creating therapy area-specific launch playbooks that codify best practices, outline campaign-critical activities and interdependencies, clarify roles and responsibilities, and initiate cross-functional collaboration to effectively manage the unique challenges presented by different product therapy areas.

The relationship between therapy areas and strategic choices

	Where to play?	How to win?	How to execute
Vaccines	Develop a channel strategy and define benefit assignments for distribution.	Mobilize medical, policy, and government teams to coordinate with the CDC, policymakers, and regulatory bodies. Prepare for potential outcomes from the Immunization Practices Committee, including full, conditional, or no endorsement.	Coordinate with manufacturing and supply chains to ensure smooth product distribution. Formulate and implement channel strategies for key customer segments like retail, health systems, and public health entities.
General Medicine	Categorize and rank customer accounts based on their strategic importance and revenue potential.	Balance trade-offs such as access speed, short- vs long-term value preservation, and access breadth. Select between traditional and innovative contracting models. Optimize the balance of list prices, channel incentives, and affordability strategies.	Coordinate team efforts and investments in access strategies, provider support, and patient affordability. Manage clinical guidelines and population health activities, involving internal quality functions and external stakeholders to target specific outcomes like reducing readmissions.
High Volume Speciality	Involve trade teams at an early stage to formulate an effective channel strategy. Identify payer segments by assessing their willingness and capability to manage utilization, tailor benefit designs, and consider geographic factors.	Clearly define the product's value, fit within standard care, usage management, and sequencing.	Facilitate active collaboration among market access, reimbursement support, and patient services to execute a unified access strategy.
Oncology	Strategically sequence the indications to target, based on market readiness and therapeutic impact. Analyze and rank provider and payer segments by evaluating key value drivers, geographic location, patient demographics, and network affiliations. Recognize and prioritize engagement with non-traditional access stakeholders.	Align list pricing, price adjustments, and contract strategies with payers and channel partners. Evaluate initial and future therapeutic indications and the potential for combination treatments. Map patient experiences to gauge out-of-pocket costs, including prior or additional treatments and diagnostics.	Collaborate with medical affairs, KOLs, HEOR, and medical societies to integrate new therapies into clinical guidelines. Consider companion diagnostics and biomarker testing as integral to clinical guideline discussions. With medical and HEOR insights, address payer interests in trial endpoints like overall survival. Implement validated quality-of-life metrics in trials and real-world evidence.
Rare disease, including cell and gene	Collaborate with advocacy groups to comprehensively assess the disease burden, care systems, unmet needs, and potential product fit. Comprehend the key value drivers that are important to essential stakeholders.	Educate policymakers and payers about the disease's significance and long-term effects. Partner with key opinion leaders and centers of excellence to educate on the condition, needs, and value drivers.	Proactively align with KOLs and advocacy groups on value definition and patient access frameworks. Ensure compliant coordination between medical and commercial teams to engage KOLs, COEs, and other stakeholders. Establish long-term outcome metrics for inclusion in clinical trials and real-world evidence. Create patient registries for cell and gene therapies to gather long-term data.

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STRATEGY 3

Cross the chasm

Writing for OxfordSM, Mervyn Ward stated his belief that product failure is driven by not addressing the growth audience's needs.

He noted, "At launch, we naturally focus on communicating the product's key benefits to high potential prescribers. However, in my experience, we rarely take account of those individual's drivers (personas) and sales curves often flatten."[7]

Ward refers to the phrase "Cross the chasm" to describe the challenge of transitioning a pharmaceutical product between varying customer adoption stages. These stages include:

The innovator:
Prescribers who quickly adopt new pharmaceutical products with minimal persuasion, relying primarily on clinical data and valuing their independence in decision-making.

The early adopter:
Prescribers who embrace new treatments after reviewing early clinical trial information and, once authorized, incorporate them into their practice where they see fit.

The early majority:
Prescribers who require reassurance from trusted experts, guidelines, protocols, and peer experiences before adopting a new product, needing evidence that it is acceptable to change their current prescribing habits.

This means that for campaign managers to achieve immediate, medium-, and long-term success, they must tailor their strategies to specific therapy areas and effectively meet the distinct needs and motivations of each prescriber segment — particularly the early majority. To achieve this, and due to research indicating increased trust among HCPs in independent third-party sources, campaign managers are utilizing Oxford University Press' (OUP) digital advertising solutions.

In collaboration with leading global scholarly and professional societies, OUP publishes prestigious and highly cited journals. OUP's medical journals attract 26 million average monthly page views, 54 million average monthly ad impressions and a reader base of over 100,000 clinicians, researchers and scientists.

Digital advertising in OUP's journals allows campaign managers to target highly engaged, relevant HCP groups via next-generation channels: keyword advertising, website banners, hosted content, and more. That way, managers can initiate campaign strategies that join the few personalization-centered successful ventures.

Learn more about Oxford University Press's digital advertising solutions.

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