

Code Blue: Brand Resuscitation

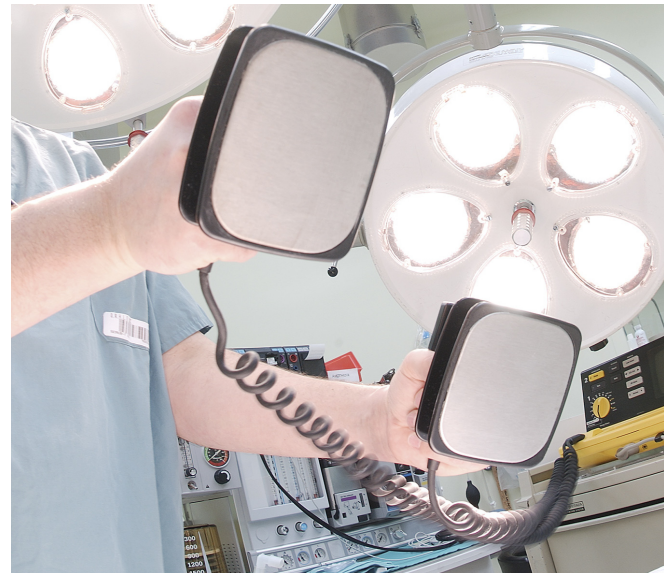
Four steps to determine if a brand is worth saving – and ways to save it

Companies in the Life Sciences industry face unprecedented challenges, including reduced R&D productivity, price and cost pressures, expiring patents, and weak product pipelines. The current economic crisis only exacerbates these challenges. To survive and thrive in this difficult environment, companies must maximize the value from their in-line products. Under-performing brands waste valuable patent life.

Yet intense pressure to reduce costs is putting sales and marketing investments under increased scrutiny. In the face of declining sales, many companies might be tempted to cut marketing spend for lackluster brands, particularly those at the end of their lifecycle. But is that really the best approach?

Under the right circumstances, investing in brand resuscitation can pay big dividends. Consider Novartis' successful resuscitation of Lamisil®, an oral anti-infective for toenail fungus. Launched in mid-1996, Lamisil® grew rapidly to sales of \$628 million in 1997. However in 1998, the market was on a decline and Lamisil was losing share. Novartis responded by listening anew to its customer base through thousands of consumer and physician interviews and found that customers perceived Lamisil® as an OTC-like product targeting a cosmetic problem. Novartis repositioned Lamisil® as a serious Rx medication and backed this up with substantial DTC and DTP campaigns. Share jumped 10 points in the first four months and sales grew dramatically to \$1.2 billion in 2004.¹

Should you cut your losses? Stay the course? Or make carefully targeted investments to resuscitate and revitalize the brand. Consider these four steps as you determine whether a brand is worth resuscitating – and take action to do it.



Watch for danger signs

If you have read this far, you probably already know in your gut that one or more of your brands is in trouble. But here are some specific clues to look for:

- Numbers
 - There's ample market growth -- but you're below it.
 - The space between "actual" and "budget" revenue lines is growing.
 - New prescriptions are flat or declining, and physician ATU reports show your competitive ranking has slipped at least one position.
- Stakeholders
 - Managed care organizations are gaining increased negotiating clout and -- despite aggressive pricing -- your market share continues to drop.
 - Launch performance is below market expectations and analysts find endless adjectives to describe your disappointing performance.

¹ Forbes, Vol 177; Issue 10; May 8, 2006, "Pill Pushers; Has the Drug Industry Abandoned Science for Salesmanship" and "Back to Life: Pharmaceutical Marketers Can Reposition Drugs to Get the Most Out of the Molecule," Med Ad News, Oct 1, 2005; Vol 24, Issue 10; "To The Test: Novartis Marketing Force" July 1, 2001, MedAd News; Vol 20 Issue 7

- Physicians are more interested in debating your product’s cost-benefit profile than its clinical benefits
- Competitors
 - Your main competitor consistently beats you in the marketplace, despite a similar “share of voice” among the target audience.
 - Competitors have used your differentiating attributes to their advantage and you have lost several of your best customers over the last 12 months.
- Talent
 - Employee morale is low, your best people are walking out the door, and you are struggling to recruit new talent
 - The pharma blogs are rife with opinions and criticism of your strategy and tactics.

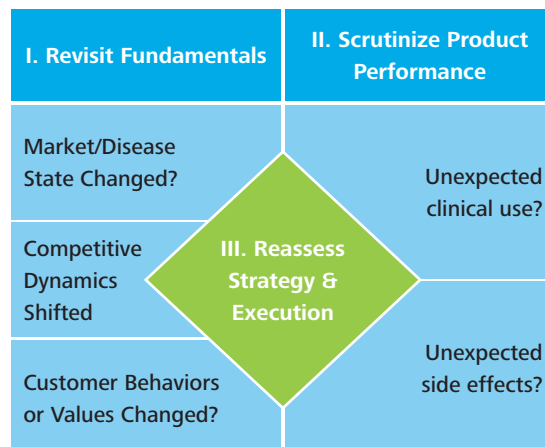
If any of these situations seems a little too familiar, your brand is probably a candidate for resuscitation.

Identify root causes

A brand can underperform for many reasons, and the root causes are not always obvious. Perhaps external factors such as reimbursement rates and treatment paradigms have changed. Or maybe the brand strategy was misguided and based on assumptions that are no longer valid (or were wrong to begin with). In some cases, the strategy was fine, but the execution stumbled.

To resuscitate your brand, you must dig deep to understand the root causes of the problem. It is important to challenge your own thinking, and to look at the facts from a fresh perspective. Consider the following framework in your efforts to identify the root causes holding a brand back.

Root Cause Framework



- Reevaluate the market and disease state
 - Have treatment algorithms changed?
 - Is there a clear understanding of patient compliance, co-morbidities, and concomitant therapies?
 - Is there a high degree of variability in incidence and prevalence?
- Rebuild your understanding of the customer
 - Do you understand what is important today to physicians, patients, and payors, and how this might have changed since launch?
 - Is there a segment using your product more than expected? Should you adopt a new approach to analyzing and segmenting customers?
- Reassess the competitive landscape
 - Have competitive dynamics changed as new challengers entered the market? Have substitute products emerged that compete with your product? (e.g., diapers/pads may encroach on the market for the bladder control medication).
- Take a closer look at how your product is actually being used
 - Is clinical experience different than study performance?
 - Are physicians using different doses in practice than in trial?
 - Are there unexpected adverse events?
- Reconsider your strategy
 - Is your target market too narrow?
 - Do you have the wrong positioning? The wrong value proposition?
- Re-evaluate your current marketing tactics
 - Are your core messages resonating with the audience?
 - Are you getting eyeballs on your website, and are people clicking through for additional information?

Getting to the root of the problem will help make it much easier to identify effective solutions.

Develop options

Once you have identified the root causes, the next step is to figure out how to address them. There may be one or more root causes, and in most cases there will be multiple ways to solve the problem. The following table shows a number of common root causes and resuscitation strategies.

Sample root causes and solutions

Root Cause	Example Resuscitation Strategy
Fundamentals	
Treatment algorithms changed – market growth slowed prematurely	Shift focus to a different segment or expand to include a different niche
Market evolved or is stagnant	Expand your thinking – adjust the brand strategy to capitalize on trends outside the initial market
Competitor actions stronger than expected	Identify a previously undiscovered niche; find new ways to differentiate the brand
Target market smaller or growing slower than expected	Look at market/category trends and find pockets of growth to capture
Product Performance	
Unanticipated side effects	Recast as benefit to a different population
Clinical market not ready	Take the lead in shaping the market and removing barriers
Compliance lower than forecasted; underlying behavior not expected	Deepen customer insights, predict behaviors and develop interventions
Strategy & Execution	
Suboptimal positioning – not clinically relevant, not credible, not differentiated	Reposition – change competitive frame of reference, reasons to believe and /or value delivered
Messages not resonating	Mine data to find new marketing angles; Reassess media and channels

Here are some examples that show how several companies industries have used brand resuscitation to bring a product back to life. Actual root causes and resuscitation strategies will be different for every brand; these examples simply highlight a few of the many options that are available.

Root cause: Competitor actions stronger than expected
Resuscitation strategy: Find new ways to differentiate the brand

Johnson & Johnson capitalized on the wealth of data around Zyrtec® after it acquired the product. Since the product was being sold in the highly competitive over-the-counter market, the company needed a way to differentiate it. By mining the clinical data, the company capitalized on a new product attribute – rapid action – that had not been part of the previous messaging. It used this information to reposition the product as a fast-acting allergy medicine that “gives customers more time for their busy lives.”²

Root cause: Clinical market not ready
Resuscitation strategy: Shape the market

Although the market for your product might be developing more slowly than expected, you don’t have to take it lying down. Identify the barriers that are getting in the way and take aggressive action to remove them. That’s what Merck did with its osteoporosis remedy Fosamax®. The product faced significant hurdles: physicians were slow to diagnose, patients (typically asymptomatic) were not motivated to present and both lacked awareness and understanding of the disease. To drive demand, Merck and its marketing partners developed educational campaigns and promoted screening and diagnosis. Merck collaborated with two diagnostic equipment manufacturers and entered into an agreement with a biotechnology firm developing a urine test for bone loss. Fosamax® 2007 sales were \$3 billion.³

² Jack Neff, AdAge November 17, 2008

³ Merck & Co., Inc., Press Release, January 30, 2008, “Merck Announces 2007 Financial Results Reflecting Revenue Growth from Key Products; Merck & Co, Inc., Press Release, June 26, 1995, “Merck announces agreements to help increase Osteoporosis diagnosis.

Root cause: Unanticipated side effects

Resuscitation strategy: Recast weaknesses as strengths

In treating glaucoma patients, ophthalmologists noticed that patients who were prescribed Lumigan® often grew thicker, longer eyelashes. The company seized the opportunity to generate a second life for the drug which goes off patent soon. Redeveloped as Latisse™, the product has just been approved for cosmetic use and Allergan estimates global peak sales of Latisse™ could exceed \$500 million annually.⁴

Root cause: Suboptimal Positioning

Resuscitation strategy: “Relaunch”, Reposition

Keppra® was launched in 2000 as the sixth “2nd-generation” antiepileptic drug. The drug was originally positioned as a relatively safe, novel alternative with narrow usage. After lackluster performance for a couple of years, UCB dramatically changed Keppra’s® positioning and revamped its campaign. Keppra® was repositioned as a foundational therapy with broad utility based upon its efficacy. The company used nontraditional media to reach patients directly and expanded its reach from specialists to generalists. It committed resources to become “the epilepsy company®.” In two years, share nearly doubled and Keppra® moved from sixth to first place in the category.⁵

Choose a path

After identifying your options, you are in a much better position to decide what to do. When choosing a course of action, it helps to establish formal criteria that enable you to objectively rank and assess each option. Factors to consider:

- Feasibility to implement
- Cost to implement
- Potential upside
- Available people and resources (and willingness to commit)

- Time required to implement versus time available to capture the benefits (e.g., loss of exclusivity)
- Impact of image change on core customers
- Pros and cons of dominating a small niche versus owning a small share of the total market

Be ruthless in your assessment of the return. Although brand resuscitation could be desperately needed, it might not be practical or feasible. Make sure you understand your existing customer base. Consider the cost of a re-launch or repositioning. Also, consider the long-term implications of any short-term moves. Will the proposed corrective actions disrupt your overall pricing and discount policies? Will they conflict with your overall image? The last thing you want to do is trade one problem for another.

Leaping into action

Brand resuscitation requires a critical, disciplined look at the key issues driving suboptimal performance. There might be an opportunity to recalibrate expectations, adjust the strategy, reposition the brand, or change tactics. In the right situation, companies can realize much greater value from existing assets without sabotaging their valuable brand equity.

Success requires an honest assessment of the issues – both internal and external -- and a clear decision about whether brand resuscitation is warranted. If so, it’s important to act quickly and decisively. The faster you take action, the more time you will have to reap the benefits.

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⁴ Allergan Press Release, December 26, 2008, “Allergan Announces U.S. Food and Drug Administration (FDA) Approval of Latisse™ -- First and Only Treatment Approved by the FDA for Hypotrichosis of Eyelashes”

⁵ MMM-online.com, January 2008, “Look Who’s Talking”, UBC Offering Document, November 10, 2006, “Voluntary Public Takeover Offer”; UBC Presentation, May, 29, 2007, “Building the next generation biopharma”

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