

From strategic marketing to strategic market management

EphMRA presentation – June 2006

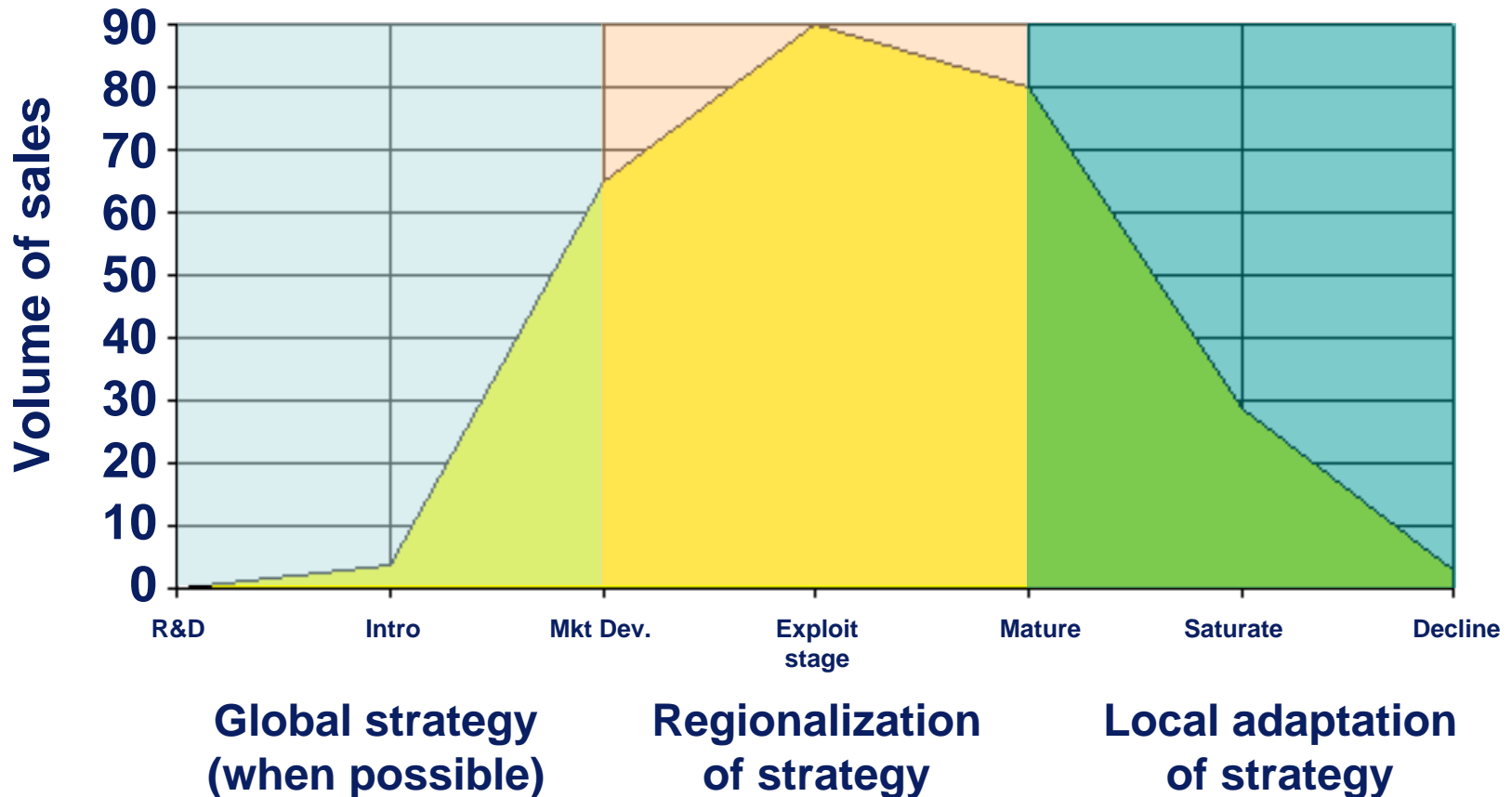
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Philip Rush, Novartis Mature Products

Global vs. local/regional strategies (1)



Global vs. local/regional strategies (2)

Market/Product age: Product life cycle stages



Global vs. local/regional strategies (3)

No such a simple notion as a common, global market:

- roll out from the USA to Europe and ROW won't necessarily work
- enlarged EU is diverse in cultures and healthcare systems
- growth is now largely in emerging markets
(e.g. India, China, Russia, Brazil)

Global vs. local/regional strategies (4)

Blockbuster global strategy (at its worst)

- US/West cultural mould
- focus on narrow audiences (prescribers)
- narrow messages (rational arguments, product-focussed)
- rigid and slow to adapt

Locally-optimized strategy (at its best)

- sensitive to cultural variation
- addresses needs of all relevant stakeholders
- richer, more nuanced messages (inc. emotional)
- flexible and responsive through ongoing local market intelligence

The role of MR in enabling optimal regional/local strategies

Locally optimised strategies drive profit and growth...

... and market research is key to successful strategies through:

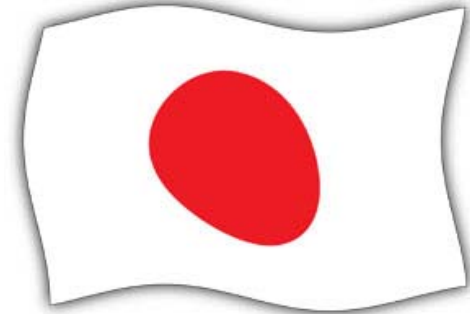
- deep understanding of local healthcare systems and market dynamics
- continuous insights into local customers' needs



The Voltaren story

Three case studies

- Voltaren 're-positioning' in Europe
– the value of understanding the emotional dimension
- Launch of Voltaren tape in Japan
– the value of understanding a local culture
- Voltaren self-generic in Brazil
– the value of understanding different stakeholders



Re-discovering brand emotions and equity

Challenge from new class (cox 2 inhibitors and generics in the EU)

MR in France and Germany revealed:

- breadth and depth of GPs' attachment to Voltaren (credible, flexible and friendly)
- dissatisfaction with over-promotion of current cox 2's and lack of trust in generics



Impact:

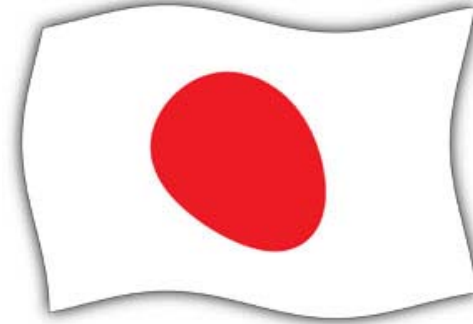
- Re-focussed value proposition
- Global/local network established to manage the brand consistently
- Life cycle management opportunities

Japanese unique growth opportunity

Voltaren in Japan – 30 years and gold standard efficacy

But absent from fastest growing segment in Japanese NSAID/pain market – plasters!

MR showed need for proven, efficacious brand that could bridge dialogue disconnect between doctors and patients



Impact:

- Newly launched Voltaren tape quickly took 5% MS from dominating brand

Channel management in Brazil

Rapid generic erosion in Brazil

MR with pharmacy chains showed way to protect Voltaren revenues – self-generic + commercial deal

Self generic launched in one drugstore chain, then expanded with more self-generics and distributing partners



Impact:

- Novartis - self-generic growth, with no cannibalization, no cost in promotion and good payment terms
- Chains - increased margins through additional discounts on Voltaren

Take away message 1

Carry out frequent,
inquisitive market research
to identify local
opportunities for profit and
growth

Take away message 2

Combine pro-active market research
and business sense to drive high
ROI regional/local activities

Take away message 3

A global function can take an active role to enable local markets to optimally manage their brand