

# EphMRA NEWS

EUROPEAN PHARMACEUTICAL MARKETING RESEARCH ASSOCIATION

Issue: December 2002

## A LOOK AT THE EPHMRA CONFERENCE 2002 THE WAY FORWARD FOR STAYING AHEAD

**H**as the Brussels 2002 Conference brought what people expected from it? The first signs at this moment are positive. The most appreciated presentations provided us "new tools for a new world" and gave us the direction towards "the future for market researchers". It was not easy to make a new start after the very successful congress in Athens where we celebrated the 40th anniversary of EphMRA. But, as optimistic people say "life really starts at 40". So, EphMRA is still young enough to take up the challenge in this new millennium.

Much work has been done in the last twelve months, by the Foundation, the committees, the Executive, and by the Former Members Council (FMC). With the endorsement of the EphMRA Executive the FMC came up with a proposal on new statutes, which have been subsequently approved by the annual members meeting (AMM). This approval marks the start of a new era for EphMRA, with new opportunities for success, growth and global involvement ahead.

The new statutes will open the door to a broader member base, covering the whole healthcare industry, provided they fulfill the criteria as defined in the new statutes. From now onwards larger involvement from market research agencies in the committees will be possible - a benefit package for the associated membership of agencies in EphMRA has been mailed out already.

This new situation for EphMRA will require the necessary work and time for implementation and therefore the focus points for the coming period will be:

- To raise the awareness for EphMRA among current and potential members and what the benefits of this organisation can be.

- To build on the successful work of committees in organising their work in a way so that a fair balance and prioritisation of the necessary work with the available people in EphMRA is ensured.

- A better tuning of the activities and work of committees, working groups, Foundation and Programme Committee. We hope that a better harmonisation of the various activities will improve the image of EphMRA.

All these points are quite important and come together in the presentation of the program for the AGM. The Executive committee has already decided to make this a special focus point for the Vice-President. He/she will liaise with the Programme Committee of the AMM to secure this.

All the work and planned activities could and can only be realised thanks to the contribution of many hardworking people in committees, working groups, workshops and training sessions. Without their involvement EphMRA could not have survived for more than 40 years!

But in the coming years, your support is continually needed! The challenges in the market place as well as the fast developments within the pharmaceutical industry urge us to look ahead and to strengthen the co-operation with our counterparts in the US and elsewhere where possible. This is the only way ahead: working together on global issues, harmonising classifications and introducing uniform guidelines and standards to perform pharmaceutical market research and business intelligence.

We, as the Executive committee, are ready to take up our role and responsibility to serve you and we look forward to your continual support to make it all happen!

**André Boer**  
Strategic Intelligence Manager  
Yamanouchi Europe BV  
President EphMRA

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pharma

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Sharpstream Pharma are experts in executive search, advertisement campaign management, database search and managing the movement of executives internationally. We are highly experienced in advising pharmaceutical professionals on career development opportunities.

## MARKET INTELLIGENCE MANAGER

EUROPE

60k-75k Euro

This is an excellent opportunity to join a newly formed European Market Intelligence group in a medium sized pharmaceutical company. Your services will be used at all levels of the organisation including, management, licensing, marketing and clinical development.

Please quote ref.

CL/1334

## PROJECT MANAGER

FRANCE

£50k - £60k + Benefits

Our client is an international market research consultancy (ad-hoc qualitative and quantitative) and is one of the fastest growing firms in Europe. The Project Manager co-ordinates and manages multiple market research projects from initiation to completion. You will be responsible for a team of at least two analysts.

Please quote ref.

LM/1278

## HOSPITAL SALES SPECIALIST

LONDON

£50k - £60k (package)

Our client offers a full range of services to many leading players in the pharmaceutical and medical industries. The purpose of the role is to sell into the pharmaceutical marketplace hospital information solutions that have a tangible business benefit for their customers.

Please quote ref.

KG/1323

## ASSOCIATE DIRECTOR/DIRECTOR

UK, GERMANY OR FRANCE

£40k - £60k + Benefits

Our client is a full service opinion and marketing research agency with a global leadership position in research pertaining to medicine. Equipped with your knowledge of the European and global markets, you will establish client partnerships, identify growth opportunities and develop strategies for launching customised services to leading accounts.

Please quote ref.

KB/1279

## SALES & MARKETING EFFECTIVENESS MANAGER

UK

£30k - £35k

Our client offers a full range of services to many leading players in the pharmaceutical and medical industries. The Hospital Division is a key growth area for the company. The purpose of this role is to provide expertise in the management and delivery of sales and marketing effectiveness projects, utilising a wide variety of the company's data sources.

Please quote ref.

KG/1324

## SENIOR RESEARCH EXECUTIVE/MANAGER DIABETES THERAPY MONITOR

SE ENGLAND

£25k - £50k

Our client has its roots in medical communication research and has a strong presence in Europe. They provide full service qualitative and quantitative healthcare market research and also offer substantial syndicated services. The main function of the opportunity is overall management of diabetes therapy monitors.

Please quote ref.

LM/1330

## ACCOUNT DIRECTOR

HOME BASED (EUROPE)

£50k

Our client is a global supplier of leading edge competitive intelligence solutions to the pharmaceutical industry. As an Account Director you will be home based, highly mobile, consultative in your style, knowledgeable of the internal dynamics within pharmaceutical companies and most importantly motivated to achieve.

Please quote ref.

AS/1304

## BUSINESS UNIT DIRECTOR

FRANCE

£55k - £65k

Our client is an international market research consultancy (ad-hoc qualitative and quantitative) and is one of the fastest growing firms in Europe. We are assisting them with their expansion plans and are therefore searching for a Business Unit Director. You will be responsible for developing business in a number of key European markets.

Please quote ref.

LM/1319

## DIRECTOR/VP HEALTHCARE

USA

\$140k - \$150k + Benefits

Our client, part of a larger global group, is one of the leading market research companies with expertise in a number of key vertical sectors, including healthcare. The company is looking for an experienced market research practitioner to take on the role and assume responsibility for developing its US domestic business in the healthcare sector.

Please quote ref.

KB/1017

## PROJECT MANAGER

EUROPE

£40k

Our client is an organisation on the cutting edge of providing business intelligence and competitive intelligence solutions. Responsibilities include situation analysis through primary intelligence gathering, in-depth business analysis and strategy development, writing reports, and presenting results to clients/management.

Please quote ref.

AS/1335

## BUSINESS ANALYST (ONCOLOGY)

EUROPE

Neg

A high profile business analysis group within a top 10 pharmaceutical company. You will provide invaluable input into the lifecycle management and development of their oncology franchise. You will work closely with key stakeholders and act as the 'expert' on market dynamics and likely developments.

Please quote ref.

MR/1127

This is just a small selection of jobs we have available at present. To see more opportunities in the pharmaceutical/healthcare industry please visit our website (contact details below). If you need career advice or would like any further information please do not hesitate to call us.

If you have a vacancy you would like us to fill or you would like information about our services for the future, please call and speak to one of our consultants.

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## Facts & Figures about the Newsletter publication

Copy/Advertising Deadline: February 13th 2003.  
The next EphMRA News will be issued  
March 2003.

Advertising rates and details are as follows:  
Four colour and B&W ads can be carried.  
Prices are quoted in Swiss francs.

	Quarter Page	Half Page	Full Page
B&W	300 CHF	500 CHF	800 CHF
Four Colour	N/A	750 CHF	1200 CHF

Prices do not carry VAT

EphMRA is a Swiss based Association and invoices  
will be issued in Swiss francs - you transfer the relevant  
amount into our bank account (details of which  
will be on the invoice).



**Madrid 11-13 June 2003,  
Melia Castilla Hotel**  
in conjunction with the  
**42nd Annual EphMRA  
General Meeting**  
(9-11 June 2003)

**Registration details  
available  
January 2003 - you can  
register on-line**

Notes

**EphMRA Diary 2003**

12 - 14 March - Madrid, Spain  
Intermediate Pharmaceutical Marketing  
Research Course - 'Conjoint and Pricing'



10 - 11 April - Brussels, Belgium  
'Effective Segmentation' -  
PRM&T Spring Training Workshop



11 - 13 June - Madrid, Spain  
EphMRA Annual Conference



4 - 7 November - Brussels, Belgium  
Basic Introduction to Pharmaceutical Marketing Research



**MEDICAL MARKETING RESEARCH  
International**

### Key Opinion Leader (KOL) HOTLINE

World renowned in the field of identifying and working with  
Opinion Leaders, Medical Marketing Research International  
can guarantee rapid research response from Experts on issues  
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**KOL HOTLINE** can give you answers to time  
sensitive issues such as:

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wholly owned molecules?
- What will be the impact of new clinical information?
- How will changes in the competitive landscape impact our  
business?
- How should we revise current product strategy?

**KOL HOTLINE** will provide you with:

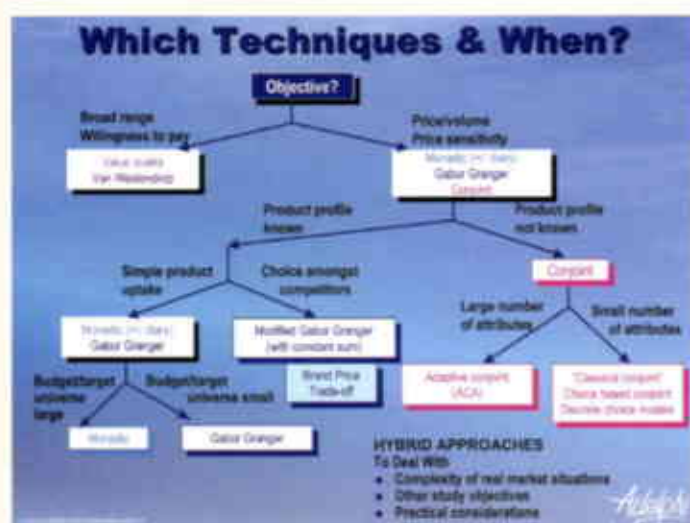
- Actionable information
- Critical insights
- Objective analysis
- Cost-effective results
- Rapid turnaround

If your product requires rapid input from Experts and you would like  
further information contact: Philip Howe on +44 (0)1932 351733 or  
email: [Philip.Howe@mmr-international.com](mailto:Philip.Howe@mmr-international.com)

## Reflections on the appropriateness of various research techniques

In four past editions of the Newsletter I reflected on aspects of pricing research. This fifth article in the series attempts to help with the frequently asked question of "which technique should I use?". Occasionally the question is phrased as "which question is the best?" This latter question is rather like asking a physician to nominate the best drug within a class. Whilst the most frequently used can be nominated as being such, the response will often (should) be qualified with "it depends on the patient". I am sure that we all can nominate the pricing research technique we find ourselves using most frequently. However this is not because it is "the best" but because it is the most appropriate for the type of pricing research we find ourselves involved in most often. Like all research the choice of technique depends on the objectives of the research and, if a product is involved, the stage it is at in the product development process.

The following chart summarises where each of a number of techniques relates to this 'objectives/product development process' logic in so far as the latter can be expressed in terms of the extent to which the product profile is known and fixed. (A more detailed review of pricing research techniques, incorporating the product life cycle, written by David Hanlon and David Leury of TNS, may be found in the Q4, 2002 of the International Journal of Market Research).



Early on (or well before launch for other reasons) the objectives are often to understand the impact of price, to determine the presence and nature of price "barriers" and to understand the value analysis/pricing process. In these situations the objectives do not include determining a price-volume relationship. Therefore, this is where techniques that have no volume measures but focus on the determinants of value assessment and the nature of price hurdles have a role.

As we move towards needing to understand the price-volume relationship in quantitative terms, other techniques are appropriate. The main determinant of the technique selection is whether or not the product profile is known and then, if it is not, the number of attributes that need to be varied. This latter consideration is not necessarily determined by the number of unknown product attributes (i.e. at this stage, variables within the product profile). It should reflect the number that are, as yet, unknown and are also important in that variation from a target product profile is likely to have a real impact on eventual uptake. The need to include competitive products whether existing (source of business) or new, not yet launched (impact on business, value evaluation and price-volume-revenue relationship) must also impact the research design.

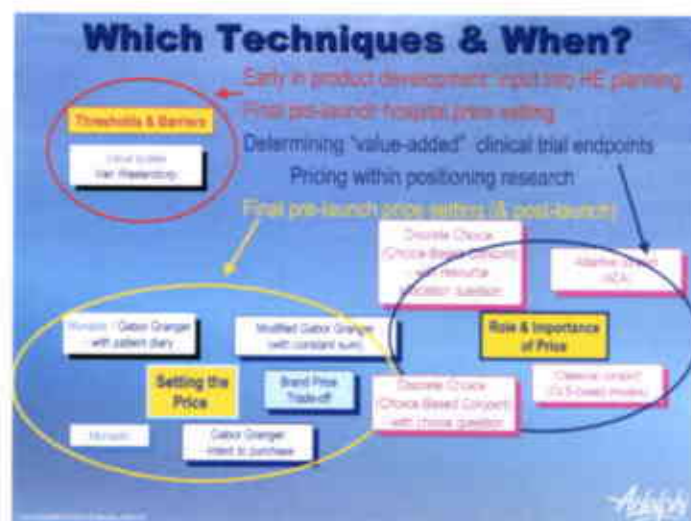
After this the debate then moves on to "conjoint versus non-conjoint" considerations. My own view is that each of these broad approaches has its place. Conjoint, and other trade off methods (e.g. discrete choice models) should be used when there are unknowns in the product profile and the need is to understand the role of price relative to these. Whether the resulting data can then be used to develop a price-volume relationship that can be used in revenue modelling is debatable. Again, personal experience suggests that care should be used. Typically, these methods will produce steeper price-volume curves than monadic or Gabor Granger methods. Many consumer researchers report favouring the relationships resulting from conjoint methods.

However, I am not aware of any theoretical basis being reported for this and assume it is based on personal experience of market behaviour. Conversely compared to this, my own feeling is that this finding does not apply in pharmaceutical markets - or, at least, not yet. However, given the theoretical basis of choice-based methods with a choice (as opposed to a resource allocation) question that finds favour with health economists, I have placed these approaches in the price role and understanding sector but overlapping into the price setting technique group. Academic health economists have questioned the theoretical validity (as they tend to do until it is proven) of choice models with the resource allocation question, although to the market researcher the thought that the physician is "thinking across all his/her patients" has obvious appeal.

Brand-Price Trade Off (BPTO) is an interesting particular example of a choice-based technique. It is a two-attribute conjoint or discrete choice model (according to the question asked and how the data are analysed). Its role must be at the price-setting end of our continuum, yet the same concerns that we have with any conjoint (or related) method must apply. Certainly, if BPTO is



indicated, I would advocate the use of random combinations of brand and price levels rather than the unidirectional nature of price change used in the earlier versions of BPTO.



The conclusion has to be that the selection of and reliance on a single pricing research technique for a particular study (as well as in general) has to be questioned. Increasingly I am drawn to the view that more than one approach should be used and the results integrated in an interpretative manner - this probably means the inclusion of qualitative questions alongside the quantitative ones of the selected pricing research technique. This is certainly the case when the research has to incorporate the views of other (often small) groups such as payers and access decision makers (e.g. NICE and formulary committees). Integrating the findings from those who can influence (over-ride) the inclinations of physicians, should they be operating in isolation, is an issue that will be addressed in my next article.

**Roger Brice**  
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The **EphMRA** office will  
be closed from  
**Monday 23 December**  
and reopen on  
**Monday 6 January 2003**

**RA**  
**EUROPEAN  
PHARMACEUTICAL  
MARKETING  
RESEARCH  
ASSOCIATION**



**Eph**  
Yearbook 2002

**Details about directory entries for the 2003 EphMRA yearbook will be mailed out early January 2003**



**PBIRG**  
Pharmaceutical Business  
Intelligence & Research Group

**2003 Annual Meeting  
May 17-21  
Naples, Florida**

**www.pbirg.com**

# Musing on Models 2

Dear Colleague,

Last time round we gave some thought to the basic nature of a model, but models come in a number of different types. These can be generalised as follows:

**Theoretical models**  
**Data Driven models**  
**Process Driven models**

In most of the modelling situations that you require, the resulting model will contain elements from one or more of these methodologies. However, we will consider each in turn starting with Theoretical Models.

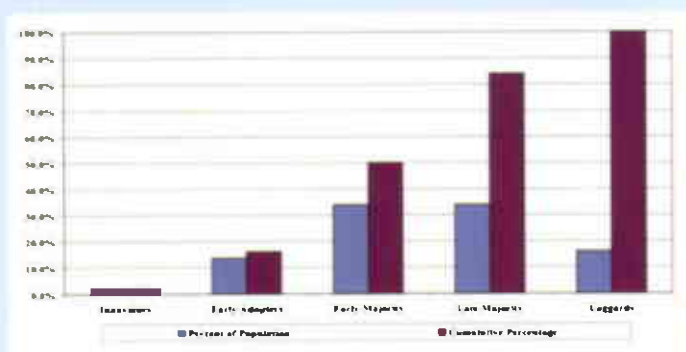
The term Theoretical Models makes these models sound as if they may be of limited value. This is not the case. These models have all been derived from academic activity seeking to gain an in depth understanding of the way products perform within their markets. Three such models are of value within the pharmaceutical market.

**Rogers Diffusion**  
**Bass Diffusion**  
**Dirichlet Theory**

Each of these models may be used to consider the diffusion of a product through a market, but take care, some are frequently used for the development of activity that they do not fully support.

## Rogers Diffusion

This model is the most frequently used model within the Pharmaceutical industry and it has become widely accepted in marketing circles. However it does have severe limitations. The model is based upon the classical distribution curve of innovators, and if this is developed cumulatively it produces a comfortable S-shaped curve for product diffusion. This is illustrated in the graph below.

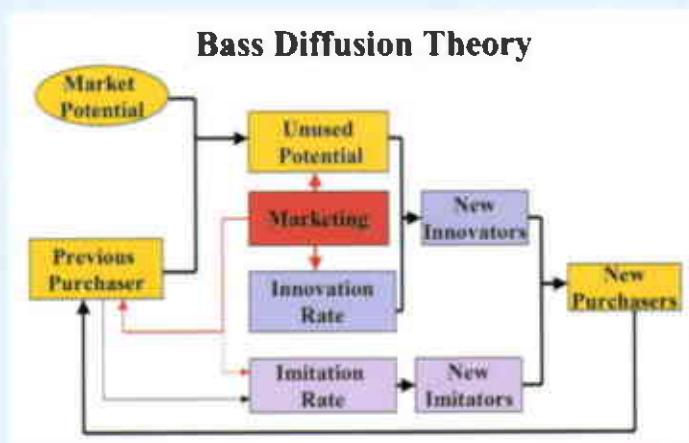


This theory depends upon a "Trait of Innovativeness" in the human being. With regard to this Kotler (1991) states: no one has demonstrated the existence of a general personality trait called innovativeness. Individuals tend to be innovators in certain areas and laggards in others. Indeed, doctors may be both, even in the same diagnostic area, although they are more likely to innovate in areas of special interest.

The base idea behind this theory is that promotion can move through the diffusion process, and speed up the process. Whilst it is possible to isolate the differing groups retrospectively, it performs poorly when forecasting the process. Companies attempt to identify the Innovators and early adopter, but then they use sales forces of a size that ensures that the majority of the population are available for detailing, thus ignoring the supposed value of the theory.

## Bass Diffusion Theory

Bass (1969) proposed an alternative distribution theory. Like Rogers he postulated that the diffusion of a product depended upon trial of the product and peer influence.



The above graph illustrates the theory, which accepts that external influences triggers trial of the products, and that these will then generate imitation. The theory works very well with new technologies within the industry, but is less effective for forecasting the performance of individual products.

Bass Diffusion is one of the most widely used and validated models across all industries. It is remarkably predictive and should be one of the processes considered in early stage NCE developments. By developing the Bass Diffusion curve for an NCE, it is possible to use that curve during the launch phase to monitor the performance of the product, and to detect early under performance.

Currently, considerable work is being undertaken in the USA, investigating the use of Bass to predict the effects of order of launch, and the results are looking very interesting.

## Dirichlet Theory

This theory is probably the most widely used theory in consumer goods, having been tested and validated in a very large number of categories and countries. This theory is widely used in consumer goods.

Dr P Stern of Warwick Business School has developed Dirichlet over the last decade for the pharmaceutical industry. It is frequently said that pharmaceutical products perform differently from those in other market sectors. The reasoning for this is largely related to



the doctor not being the real consumer, and the heavy reliance upon repeat prescribing within the industry. The work undertaken by Dr Stern, and previously presented by him to EphMRA refutes both assumptions. There is a thought process that suggests that FMCG products are as the title suggests Fast Moving and Consumer driven. However, a doctor is likely to prescribe more NSAID's in a day than the average person purchases bread in a week. Pharmaceuticals are the fastest moving goods; only the doctor is the intermediary consumer.

### What is Dirichlet Theory?

It is a model of how people purchase that holds true for the pharmaceutical market. The model uses four assumptions about prescribing incidence and brand choice.

1. Each doctor has a steady probability of prescribing for a category.
2. There is a smooth distribution of heavy, medium and light prescribers across the population.
3. Each doctor has a drug armamentarium with steady probabilities of choice.
4. Just like prescribing incidence these brand choice probabilities vary smoothly across the population.

This follows the patterns seen in the consumer goods field and has been confirmed by examination of doctors prescribing habits in longitudinal patient databases. Essentially each doctor will use a different range of products for the diagnosis, but within that group of products some will be used more frequently than others.

Calculating the probabilities of prescribing for each doctor and product it is possible to develop a model of the market based upon

penetration and frequency of prescribing. Such a model will be very predictive of the actual market. The model shows clearly the relationship between market share as a function of penetration and frequency of prescribing. It also illustrates that it is not possible to have a product with a high penetration and low market share, or the converse. However, it also shows that the frequency of prescribing for leading products will only be slightly higher than for the low market share product. The only difference between large products and small products is that more doctors use the former than the latter.

Dirichlet theory allows you to set penetration targets that will provide you with predictable market share and product usage figures.

This theory allows for marketing to affect sales, but unlike Rogers it does not attempt to identify individuals. Dirichlet suggests, and models used by myself, confirm that if a small number of doctors are targeted the only result is to create a normal distribution for the product in the restricted market. In other words, marketing creates niche products, when the population addressed is reduced.

Unlike Bass Diffusion, Dirichlet can be used at all levels of the product hierarchy for both new and existing products.

The above are three important distribution theories. All of the other modelling techniques should take at least Bass and Dirichlet into consideration. Next time we will look at Data Driven models.

Regards,

**Terry Hardy**

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**MEDI-PRAGMA**  
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# Update on PRM&T Activities

## New Members

We are pleased to welcome the following new members who have joined the committee in the past year: -

Carolyn Fenwick	AstraZeneca	UK
Jeremy Lonsdale	Aequus Research Ltd	UK
Kurt Ebert	F. Hoffman La Roche	Switzerland
Semra Grundy	Allergan	UK
Xander Raymakers	Organon	The Netherlands
Ruth Evans	ims	UK
Jill Gregson	Novartis Pharma	Switzerland

## Congratulations!

To Cathy Clerinx - Adelphi, Bob Douglas - Taylor Nelson Sofres and Barbel Matiaske - GfK Healthcare on being voted 3rd in the EphMRA Award for Contribution to Pharmaceutical Marketing Research for their work on the PRM&T committee.



**UP AND COMING COURSE - NOTE IN YOUR DIARY -  
REGISTRATION MATERIALS ON EphMRA WEBSITE**

**March 12-14 2003 - Repeat of Intermediate Pharmaceutical Marketing Research Course - Conjoint and Pricing - at the Melia Castilla Hotel, Madrid, Spain.**

**EARLY FEE CUT OFF DATE 10 JANUARY 2003**

### Introduction

In the increasingly complex range of market situations that companies have to assess, it is necessary to provide market research approaches that can help management to have better insights on many challenging questions.

These can include: -

- What product features a product must possess in the future for it to succeed.
- What modifications to the product's profile will affect the chances of success positively/negatively?
- How potential newcomers will influence existing and other new market entries.

Conjoint studies are able to assist with these difficult questions.

Given the pressures worldwide on the introductory price a company may wish to charge not only in Europe, but in the major US market, understanding the "value drivers" and the way this can enhance the product's perceived value is vitally important. Market research has much to offer in helping to guide the decision-making with regard to price. How and when to conduct such studies requires judgement and expertise.

This workshop will provide delegates with practical guidance on the breadth and depth of marketing research techniques covering conjoint and pricing approaches that will enable everyone to make better-informed decisions in these challenging circumstances. The course will be of benefit to pharmaceutical company and agency personnel.

### Workshop Objectives

On completion of the course, all delegates should have furthered their knowledge and understanding of the topics covered, addressed with speakers and in syndicate group work issues of relevance to their daily work in order that they can better implement and action survey results. On returning to their companies delegates will be able to more effectively and appropriately advise their internal and external customers.

### Who should attend?

The target audience for this intermediate course is those who have been working in an international pharmaceutical market research department or agency for 2-4 years.

### Course Convenors

Allan Bowditch - Martin Hamblin GfK Inc - USA,  
David Hanlon - Taylor Nelson Sofres Healthcare and Roger Brice - Adelphi - UK



**ANOTHER COURSE TO PUT IN YOUR DIARIES**

**April 10-11 2003 - 'Segmentation - How to Target and Promote to the Customer Effectively' - Annual 2003 PRM&T Spring Training Workshop - at the Sheraton Hotel and Towers, Brussels, Belgium.**

**EARLY FEE CUT OFF DATE 10 JANUARY 2003**

### Introduction

For success it is essential to understand your customers and their needs in detail. Segmentation is a valuable tool; enabling "insights" and "foresights" for portfolio development and marketing to consumers, patients, prescribers, opinion leaders and other healthcare professionals alike.

*"...The opportunity to identify commercially viable segments of a market, where customer needs differ from the norm and to develop a competitive advantage exists.."*

Segmentation is both a strategic and tactical tool that researchers have long had in their "toolbox". However, despite the above factors, it has only recently come to prominence in some Healthcare companies. Marketeers from our sector are now finally following the lead of successful consumer-based companies; making a serious attempt to understand their customers' true needs - as opposed to merely selling products.



# Update on PRM&T Activities

Furthermore, funding pressures within the healthcare environment, coupled with scientific progress towards genetic identification of potential responders to therapy are leading payors to consider targeted therapy favourably. Patient segmentation may become a 'must-have'.

As to 'why?', there is a school of thought stating segmentation only limits marketing opportunities - why segment at all? As to 'how?', there is still a great deal of debate on best practice in segmentation and disagreement as to "how it should be done". The options would appear to be limitless.

- When should segmentation be carried out (i.e. when along the product's development cycle, in which therapy areas/circumstances?)
- Who should you segment?
- What parameters should be used for effective segmentation?
- How should effective segmentation be performed?
- How can it be implemented to maximise strategic and tactical effectiveness, what is its real value?

In this newly developed program, delegates will be given the opportunity to hear some industry experts and also, via several workshop sessions, develop their own thoughts, consolidate learning on new materials, and present findings back to the wider group. Finally - they will learn how to create a competitive advantage for their product(s) using segmentation.

The seminar will be truly lively and interactive!

## Workshop Objectives

The aim will be to give delegates a thorough grounding in segmentation within the unique environment of the healthcare industry. The need to consider consumer, patient and healthcare professionals will be reviewed and the additional challenges to healthcare segmentation, which are not encountered in traditional consumer segmentation, will be exposed.

Delegates will leave workshop with a better understanding of:

- Why segment - Business issues which segmentation can help address.
- When to segment
- Who to segment - physician, patient, consumer or other.
- How to segment - quantitatively or qualitatively using needs, attitudes, behaviour, demographics, psychographics etc.
- Statistical options - key strengths and weaknesses
- How to implement the outputs from segmentation and create a competitive advantage for their company

## Who should attend?

The course is aimed at experienced Market Researchers, Business Analysts and Marketing personnel from companies and agencies. Anyone can attend, but EphMRA Full and Associate members have priority for places. Agencies must be Associate members of EphMRA at the time of the course in April 2003 in order to attend and qualify for the reduced fee. The interactive format of the workshop will allow for a maximum of 30 people to attend.

## Convenors & Organiser

Representatives from the EphMRA Primary Research Methods and Training (PRM&T) Committee are convening and organising the workshop as follows:

Steve Grundy - Joint MD Martin Hamblin GfK Healthcare - UK  
Carolyn Fenwick - International Market Research Manager AstraZeneca - UK



## COURSES IN THE PLANNING PHASE

**November 4-7 2003 - Repeat of Basic Introduction to Pharmaceutical Marketing Research**  
**2003 - 2 day Desk Researchers Workshop**

**June 2003 - Conference Workshops -**  
**Tuesday 10 June - Value and Pricing:**  
**A continuous challenge**



## Workshop Background

Pricing and value are increasingly viewed to be closely intertwined. This poses challenges for marketing and marketing research. A multitude of target audiences has to be convinced of the value of a product, each with its specific arguments. Payors often remain an elusive target audience with sometimes mythical dimensions. Healthcare systems never cease to evolve. EphMRA's Primary Research Methods and Training Committee believe it is time to provide an update of these issues, and to stimulate a debate on the different aspects of pricing and value, and its implications for the marketing research community.

## Workshop Objectives

The key objectives of this workshop are:

- To review the drivers of price and value in pharmaceuticals
- To provide an update on the healthcare systems in the main markets
- To discuss the implications for marketing
- To evaluate the implications for marketing research

At the end of the workshop all delegates should have a basic grounding in the workshop topics outlined and be able to put into practice, on their return to their companies, much of what they have learnt.

Convened by Catherine Franeau, UCB Pharma, Cathy Clerinx, Adelphi International Research, and Stephen Grundy, Martin Hamblin GfK.

**ALSO!**

## Tuesday 10 June - Brand Equity Measurement

### Workshop Background

Establishing a strong brand is essential to building and maintaining a solid customer base. Building and maintaining brand equity is at the core of modern pharmaceutical marketing.



Measuring brand equity allows companies to define a brand's core value to customers and which characteristics are driving value. Once a baseline is set it is important to track changes in its brand equity over time. Changes in the quantitative measurement of brand equity will enable companies to assess the value of their brand investments thus helping them to set marketing and management priorities. Brand equity measurement has been a cornerstone of consumer research activity, but as yet has not been fully adopted by the pharmaceutical industry.

### Workshop Objectives

The workshop will address the essential questions around brand equity research

1. What is brand equity?
2. What contributes to my brand's equity?
3. Why Measure Brand Equity?
4. How do I measure brand equity?
5. How do I use brand equity to my advantage?

Convened by Bob Douglas - Taylor Nelson Sofres,  
Kurt Ebert - F. Hoffman La Roche and Jeremy Lonsdale -  
Aequus Research Ltd.

## The Research Toolbox Brussels - 6-8 November 2002



31 delegates participated in the Research Toolbox, an excellent turnout, from 9 different countries and 20 different companies. 19 delegates were from Pharmaceutical companies and 12 from agencies.

The course was designed as an intermediate course for research practitioners who wished to develop their skills beyond a basic understanding. The course focused on a variety of research techniques and applications required by the professional market researcher.

Delegates gained a better understanding of

- ✓ Questionnaire design and scaling techniques
- ✓ Translating research objectives into methodology
- ✓ Sampling theory and statistics
- ✓ Cultural differences influencing research design
- ✓ The application of projective and enabling techniques
- ✓ Analysing and interpreting data
- ✓ Working with agencies

### Course Convenors

Representatives convened the course from the EphMRA Primary Research Methods and Training (PRM&T) Committee, Catherine Franeau from UCB Pharma, Belgium and Bob Douglas from Taylor Nelson Sofres Healthcare, UK

The course was highly interactive with case study sessions



### Feedback from a delegate...

What did we learn during the recent EphMRA training course "The research toolbox"?

In what determines the success of a market research project, one major take home message was definitively that it's a lot about knowing the full market research instrumentation, but also at least as much about having communicative skills and standards defined.

Consequently, the course did not focus solely on the presentation of the market research instruments that are available throughout the life cycle of a pharmaceutical product, but put special emphasis on the fact that it is communication that ultimately will determine the qualitative outcome of any market research activity. Only in a true partnership between agency and pharmaceutical company will market research activities be optimally resolved. This will be achieved for the benefit of both partners. From the implementation of distinct communication standards eventually further stakeholders on both sides will profit.

In addition what really made this course worthwhile was the great opportunity to meet other market researchers from all over the world, which were more or less at the same stage of their professional careers. We enjoyed a friendly and open atmosphere and could make many interesting contacts that might turn out useful at many occasions during future market research projects.

In summary: A good workshop with excellent and well-prepared speakers, well organised by the PRM&T committee.

Markus Köster

Business-, Market Research & Analysis Manager Merck KGaA Germany

Many thanks to all the speakers who contributed to the success of the course:

<b>SANDRA McAULIFFE</b>	AstraZeneca
<b>CAROLYN FENWICK</b>	AstraZeneca
<b>ALLAN BOWDITCH</b>	Martin Hamblin GfK
<b>ANNE DELANEY</b>	Datamonitor
<b>HOWARD PARR</b>	Martin Hamblin GfK
<b>JANE SHIRLEY</b>	Insight Medical Research International
<b>MATTHEW NEWMAN</b>	Insight Medical Research International
<b>LORNA WALTERS</b>	NFO Migliara Kaplan
<b>VASOULLA GEORGIOU</b>	Adelphi International Research
<b>KURT KESSLER</b>	ZS Associates
<b>GEORGES ANDRÉ</b>	UCB Pharma
<b>CATHY CLERINX</b>	Adelphi International Research

In the next edition of the newsletter there will be a full write up about the course from the convenors.



# SELF EXPLICATED TECHNIQUES:

## a solution to the spiralling costs of conjoint studies?

Conjoint studies have become so expensive, many companies can no longer afford them. Fortunately, recent research shows that simpler and much less expensive techniques are at least as good.

### What is a conjoint study?

A conjoint study involves showing respondents product profiles and asking them to indicate (in a variety of ways) how much they like or prefer these alternative product profiles. Statistics are then used to work out the contribution that each product attribute is making to the overall "likeability" of the product(1).

### Why are they so popular?

The great thing about conjoint studies is that once you know how much any given product attribute contributes to the "likeability" of a product, you can estimate the likeability of any product profile that you can imagine - like that of the unexpected new competitor. And, you can quantify the benefit of improving your products profile - say, from i.m. injection to oral administration.

### Why are they so expensive?

Conjoint studies are very expensive because (when properly powered) they require big samples. They need these big samples because they infer the contribution to likeability of each attribute by statistics. Also, because of their complexity, they require expensive face-to-face interviews(2).

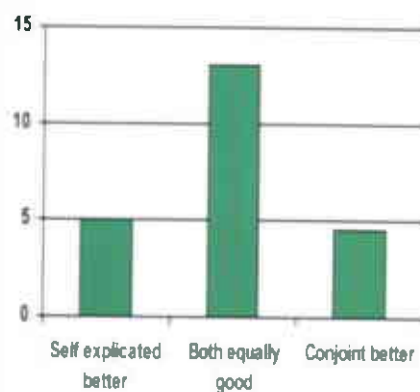
### What is the simpler alternative?

Conjoint studies are "indirect techniques". They don't ask how important different product attributes are, they infer this using statistics. The alternative is to ask for this information directly. The forecasting literature is full of examples of staggeringly simple techniques being just as good as complex "academic" techniques. (One amusing example: a study recently showed that rather than using huge complex questionnaires to determine if patients were depressed, it is possible to obtain equally accurate answers by asking a single question. The question: "Are you depressed?").

### Can something that is less complex and much less expensive really be as good as a conjoint?

The way to answer this is to perform a "systematic review" of the academic literature to look for independent studies comparing these two types of technique. Fortunately, such a systematic review was recently performed by Professor Henrik Sattler of the University of Jena(3). What did the review show? It showed that the simpler and less expensive self-explicated studies are at least as good as conjoint. A few studies favoured self-explicated, a few studies favoured conjoint and most showed no difference between the two techniques.

Results from 23 independent studies



However, self-explicated studies may actually be superior to conjoint studies. A minority of studies looked at real world (rather than lab) forecasts. Here self-explicated studies were always as good as or better than conjoint and never worse.

### What is the significance of this for market researchers?

These results suggest that market researchers can get the same enormous benefits of conjoint at a fraction of the cost by using the simpler, statistically less greedy and easier to understand methodology of self-explicated studies. The only problem with self-explicated studies is the lack of a catchy name!

Gary Johnson  
Inpharmation  
gary@inpharmation.co.uk

### References

1. Johnson, G., Evidence Based Forecasting for Pharmaceuticals, 1999, Henley on Thames, England: Inpharmation.
2. Urban, G.L. and J.R. Hauser, Design and Marketing of New Products, 1993, Englewood Cliffs, New Jersey: Prentice Hal.
3. Sattler, H. and Hensel Borner, A comparison of conjoint measurement with self-explicated approaches, in Conjoint Measurement: Methods and Applications, A. Gustafsson, A. Herrmann, and F. Huber, Editors, 2001, Springer-Verlag Berlin: Heidelberg.

## Interested in submitting an Article?

If you would like to submit an article for possible publication in this Newsletter then forward them to EphMRA at MrsBRogers@aol.com. We welcome submissions from all parties.

The Associate Member brochure inviting you to join EphMRA was mailed out in October and is available on the web site <http://www.ephmra.org> where you can apply on line.

### Associate membership is available to

Any market research or business intelligence agency/supplier whose activity encompasses healthcare marketing research and/or business intelligence, and whose activities are multinational in scope.

Members of academia, universities, etc

Associate Membership fees are linked to the number of employees worldwide as follows:

Annual fee in CHF (swiss francs)

Up to 1 employee world-wide	1000
Up to 3 employees world-wide	1500
Up to 15 employees world-wide	2500
Up to 50 employees world-wide	3000
Up to 150 employees world-wide	4000
Up to 250 employees world-wide	8000
More than 250 employees world-wide	15,000

Membership will be linked to the company address and a maximum of 3 sites will be allowed to join per company. A maximum of 8 persons per Associate member may register at the members fee for conferences and training courses - remaining delegates to pay the non members fee.

For those applying as companies with 1 or up to 3 employees the membership applies only to the name on the application form and is not transferable.

The membership year runs from 1st October to 30th September the following year. If you join in February you will need to renew your membership on 1st October the same year.

Membership will be automatically renewed at the end of the membership year. An invoice for fees will be issued unless you have cancelled your membership by having prior given 6 months written notice to leave at the end of September.

Associate members will be admitted on the basis of the following:

■ **Can attend the AGM** - to hear committee reports and the report of the President and take part in any relevant discussions and Q&A. There remains the option to hold a closed pharma company forum at the AGM.

### ■ Membership Committee

This committee will be initiated and driven by the Associate members to provide a vehicle for their 'voice' and they will be joined by the EphMRA Past President to provide a close link between the Membership and Executive committee. By invitation, this committee will regularly give representation to the Executive Committee at the Executive quarterly meetings. This gives the Associate members greater influence on EphMRA activities and more democracy.

### ■ Voting privileges

Voting privileges may be available within committees according to the specific guidelines of the committees but there are certain areas where EphMRA is unable to offer Associate members a vote (eg statute changes).

### ■ Committee membership

Certain committees will offer Associate members the opportunity to join and this will be according to the established rules of each committee. Some committees may be closed to Associate members. Associate members are also able to apply to join the Conference Programme Committee, the Foundation Board and the Strategic Business Analysis Committee. The PRM&T Committee, already with agency members for some time now, has drawn up guidelines on working with agency members on committees and other committees may use these as a basis for their own guidelines.

### ■ New Committees

Opportunities to initiate and drive new committees are available and could be formed with Associate members to provide valuable services to all members. Topics such as Forecasting or Business Intelligence are possible areas for new committees once approved by the Executive committee.

### ■ Foundation Projects

Access to Foundation project results as and when available. There is no longer a separate fee to join the Foundation.

### ■ EphMRA logo

Associate members will be able to use the EphMRA logo on their publications signifying they are an Associate member - this will be supplied by EphMRA in an electronic format. This logo only signifies membership and does not constitute endorsement by EphMRA.

### ■ EphMRA News (formerly the Foundation News)

Members can include in an Associate Members profile section, their logo and a short write up about their activities. Once a year the full list and details of members will feature and thereafter in subsequent editions just the new members joining.

### ■ EphMRA Yearbook

All Associate Members will receive one paper copy of Yearbook. Starting in 2003, the Yearbook could be available in the Full and Associate Members section of the web site with links from agency entries to their own events/courses etc.





#### ■ Web site

There will be created a Members area in the web site, accessible by Full and Associate members. What is included in this area will be suggested by the Membership committee and approved by the Executive. The current Full members area of the web site containing the full committee minutes will remain exclusive to Full members only.

As a member service on the web site it will be possible to post up job vacancies on the web site on a complimentary basis.

#### ■ Conference and Training Course Fees

There will be attractive fees for the annual Conference and Training workshops with Full and Associate member fees equal. This means that Associate members sending higher numbers of delegate to the conference will benefit greatly by becoming a member - they will save more money on fees by becoming a member. Those who are not Full or Associate Members pay more. For the Agency fair Exhibition Associate members will pay a lower registration fee than non members.

**Payment:-** The relevant amount for your membership should be transferred into the EphMRA bank account as follows:

UBS AG, Aeschenvorstadt 1, 4002 Basel, Switzerland.  
Account Number: 0292-10260805.0,  
Account held in the name: EphMRA.  
Bank Swift code is UBSWCH ZH40M.  
You must pay the bank transfer fees. Sorry, but we are unable to accept cheques or credit card payments.

It will speed things up if you fax a copy of the bank transfer document to EphMRA. An invoice will be issued for your accounts department once payment has been received.

Membership benefits will become available once payment is received - not when the application form is received.

If you have not previously been a member of the EphMRA Foundation you may be asked to support your application by supplying the names and addresses of two current pharmaceutical/healthcare clients - this information is treated in confidence. You will be contacted about this if necessary.

All Associate Members should read the Association's Statutes which give all details on the constitution at [www.ephmra.org](http://www.ephmra.org)

Associate members agree to abide by the EphMRA and ESOMAR Codes of Conduct for Market Research.

Please address membership queries to:

Bernadette Rogers  
Minden House  
351 Mottram Road  
Stalybridge  
Cheshire SK15 2SS  
UK  
Tel 0161 304 8262  
Fax 0161 304 8104

E-mail : [MrsBRogers@aol.com](mailto:MrsBRogers@aol.com)  
Visit the EphMRA web site at  
<http://www.ephmra.org/>

### Membership Committee - Interested in Joining this?

Dear Colleague,

The Associate member brochure has been mailed out and we hope that you will take this opportunity to join EphMRA and partner for the future

As you will read in the brochure we invite Associate members to initiate the Membership Committee and we would like to encourage anyone who is interested in joining this committee to get in contact with EphMRA and then we can start to get it going. You can only join if your company becomes an Associate member

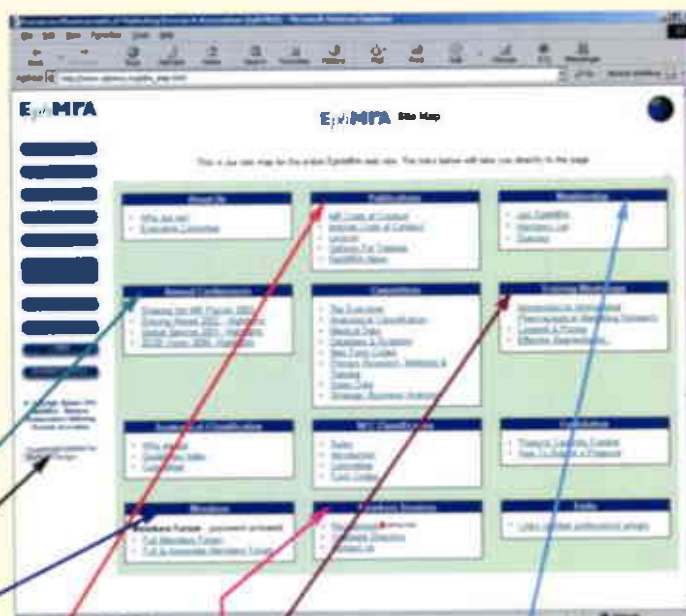
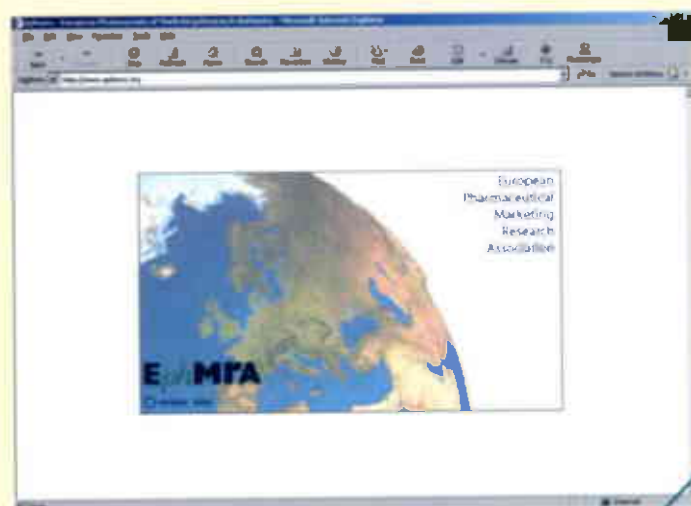
Please feel free to contact Bernadette Rogers,  
General Secretary about the Membership Committee  
([MrsBRogers@aol.com](mailto:MrsBRogers@aol.com))

Many thanks  
Andre Boer  
President EphMRA

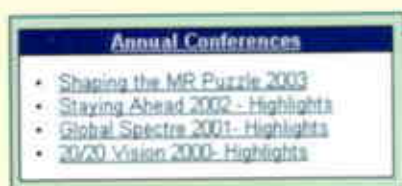
# The EphMRA web Site - [www.ephmra.org](http://www.ephmra.org)

The EphMRA web site has recently been updated and modified to accommodate the new Associate member status.

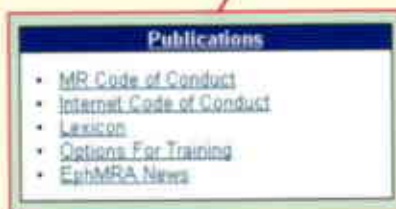
The first page you see when visit the site merely invites you to Enter the Site -



where you are taken to the Site Map which can help you to locate the pages you are looking for. Here are some tips to help you make the most of the web site and find what you are looking for.



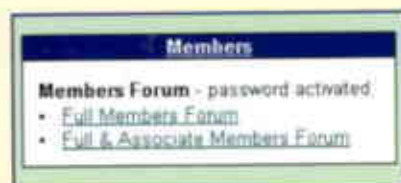
**Annual Conferences**  
the conference registration and programme details will be available in January 2003.



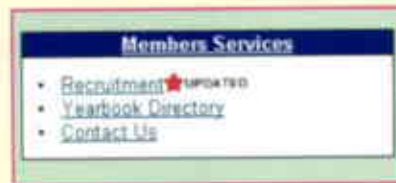
**Publications**  
Here you can access the EphMRA Codes of Conduct, Lexicon, and the EphMRA Newsletters (back copies included).



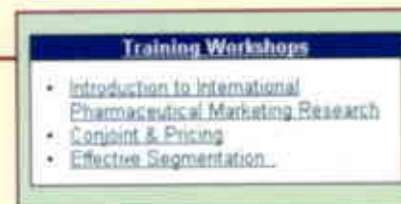
**Membership**  
Click on Join EphMRA - takes you to the details for Full or Associate membership.



**Members Forum**  
As a Full or Associate member you have access via your password to this area.



**Member Services**  
Recruitment - advertise here your job vacancies free



**Training Workshops**  
Register on-line for all our Training programmes



**Skylark Design**  
The company who maintain and update the web site

Articles published in the EphMRA news do not necessarily reflect the opinions of EphMRA.





European Pharmaceutical Marketing Research Association

**training**

**12-14 MARCH 2003**

Intermediate Pharmaceutical Marketing Research Course  
Conjoint and Pricing  
***Madrid, Spain***

**10-11 APRIL 2003**

'Effective Segmentation' PRM&T Spring Training Workshop  
***Brussels, Belgium***

**11-13 JUNE 2003**

EphMRA Annual Conference  
***Madrid, Spain***

**4-7 NOVEMBER 2003**

Basic Introduction to Pharmaceutical Marketing Research  
***Brussels, Belgium***

Full details on the EphMRA Web Site  
**[www.ephmra.org](http://www.ephmra.org)**

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