

# [Lipitor marketing case study](https://assignbuster.com/lipitor-marketing-case-study/)

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“ Strategic marketing focuses on choosing the right products for the right growth markets at the right time” (Jain & Haley, 2009, p.

26). When Lipitor hit the market in 1997 that is just what it achieved – the right product, the right growth market, and the right time. Lipitor quickly gained the No. 2 spot with 18% of the market share within the first year that led the way to gain the top spot as the market share leader. Warner-Lambert developed the drug initially but needed to catch up in the market so they teamed up withPfizer, known for their marketing and sales competency. This partnership was just what the doctor ordered for the initial introduction of Lipitor to the market. In 2001, Pfizer took full control of Lipitor and changed the marketing game once again. The strategic marketing efforts created competitive advantage for the drug by “ delivering a product in the most profitable way by achieving a sustainable competitive advantage based on superior performance relative to competition” (Jain & Haley, 2009, p. 11). There were several strengths and opportunities to Pfizer’s Lipitor strategic marketing that culminated as Lipitor becoming the market leader with 42% market share and $7.

B sales by 2002. At the time of Lipitor’s market entry, the cholesterol lowering statin drugs were limited with little consumer awareness about the risks of high cholesterol. In 1987, the first cholesterol-reducing drug, Mevacor, hit the market as the market pioneers to educate public of the dangers of high cholesterol. They also had to convince doctors that statins would extend their patients lives. The connection between high cholesterol and heart attacks increased and heart patients knew their cholesterol numbers and the public began to know the difference between HDL and LDL. There was an estimated one-third out of 52 million people with high cholesterol in the U.

S. getting the medical attention they needed. This number would be growing as the baby boomers were hitting the target market. While the target market and public awareness was growing, Pfizer expanded on the initial market statins’ public awareness campaign to include direct-to-consumer marketing – “ Know Your Numbers” and “ You don’t have to be visibly unhealthy to have dangerously high cholesterol. ” In response to this, food markets began producing low fat and high fiber food – changing the way the public ate in a way to fight high cholesterol.

Pfizer’s marketing and sales campaign aimed was not just directed to the public. The sales crusade to doctor’s offices was aggressive. Pfizer extensively trained and tested its sales force on anatomy and physiology to be as knowledgeable as doctors about health-care trends. The sales force was top ranked. Additional triumphs for Pfizer’s marketing efforts included two FDA approvals: approval to include clinical trial curve data in packet insert of Lipitor packaging and a low starting dosage. The clinical trial curve data reflected a more effective starting dose and that it reduced cholesterol by proportions that the other drugs on the market could not.

Lipitor was approved for a 10-to- 80 mg dosage while the other statins were approved for 20-to 40 mg. This was a physiological advantage as doctors thought if FDA approved up to 80mg, 10 mg must be safe. The final strategy for Lipitor to gain competitive advantage was the pricing. They wanted to price the drug so it was affordable to all in need by undercutting the price by nearly half of the current market leader, Zocor. However, Lipitor still faced challenges with threats and weaknesses.

To this day, the long-term effects of statins in general are questioned. On January 12, 2012, ABC News reported that statins are linked to type 2 diabetes. Two legal challenges Pfizer faced was a claim by FDA of false advertising and a settlement of charges that they overcharged Medicaid for Lipitor. As the popularity for statins increase, so will the new market entrants. Fortunately, due to the patent pending, other drug companies cannot get their hands on Lipitor for drug comparison testing.

However, new drug entrants may develop the next best drug threatening Lipitor’s market share. When the patent expires, generic market entrants will also threaten market share. Pfizer’s strategic marketing implementation for Lipitor differed fromMerck‘ s Mevacor, the first drug of its class. Mevacor was the market pioneer so focused on the “ where” to compete and not enough on “ how” to compete in the market.

Merck knew it needed to gain public awareness of the risks of high cholesterol and gain doctors confidence to prescribe their drug. Merck was still conducting research to prove that statins could save patients lives. Pfizer devoted attention to clinical studies prior to market introduction. Pfizer further expanded on Merck’s initial public awareness campaign. The focus on the sale force education was Pfizer’s “ how” to reach the doctors approval to prescribe their cholesterol-fighting drug, as well as the low starting dosage psychological advantage.

The low starting dosage allowed Pfizer to focus on their uniqueness of Lipitor compared to Mevacor. While Mevacor was the first drug of its kind and was unique, Lipitor was able to focus on the effectiveness in proportions that Mevacor was not achieving. By including the clinical research studies in graphs in their marketing, this gained the confidence of doctors to prescribe Lipitor. Merck did not emphasize enough on “ when” to compete. The timing of Mevacor’s market entrance was not optimally timed. The optimum time is one that reduces or removes competition.

While it was the market pioneer, it opened up the market for new entrants. Timing decisions must include market knowledge; competition; and company readiness (Jain & Haley, 2009, p. 31). The market knowledge was in its infancy and Merck should have taken some time to educate their market – both doctors and public initially. Merck rushed to get their drug into the market then began their education campaign.

While Merck’s decision to enter the market early to beat competition, it is often a common problem. Merck simply was not ready to enter the market with their research. They were still conducting research to prove statins could save the doctors’ patients lives with their Four-S study. All of Merck’s initial market groundwork paved the way for Pfizer to come into the market with all the right strategic marking implantation efforts of “ how” and “ when” while utilizing their uniqueness compared to all other drugs of its kind. Pfizer was able to perfect the “ how” to enter the market by utilizing the initial public awareness and further educate the growing high cholesterol target audience. In addition, Pfizer trained their sales staff to gain the confidence of doctors.

Pfizer conducted focus groups with doctors and found selling points that other statins missed: they were scared of the dosages. Pfizer also knew that by entering the market late, their advantage was an advantage of clinical trials against statins currently in the market – while those on the market could not test against Lipitor. This research proved that Lipitor not only was more effective at lowering cholesterol but also achieved it with lower dosages. This was the foundation of marketing efforts in literature to doctors to gain their confidence by showing the uniqueness of Lipitor over the statins on the market. By emphasizing the “ when” to enter the market with market knowledge, competition knowledge and company readiness, Pfizer was able to quickly gain the dominance in the market.

As Pfizer loses patent protection of their miracle holesterol-lowering drug, Lipitor, generic entrants to the market will threaten the drugs market share leadership. Pfizer is limited with options to combat the fight head-on. Pfizer can offer competitive pricing to match the generic drugs. Pfizer can offer discounts and incentives for patients and insurance companies to keep the drug the cost down and allowed within the insurance plans as well as affordable for the patients to pay the difference if not allowed non-generic drugs in the plan. Many pharmaceutical companies offer a co-pay card to pay the difference.

As a doctor writes a prescription script, they offer the patient this card to be enrolled online with the pharmaceutical company. Thus allowing a database of its consumers and a way to maintain a means of contact to reach out to the consumer for future offerings and ensure their loyalty to Lipitor. Pfizer may consider this strategy. Pfizer may also consider collaborating with specialty pharmacies to direct mail patients the Lipitor at a lower cost. The next steps that Pfizer takes at this time with the patent protection is out and generics enter the company will determine if Lipitor remains as the top market share leader.

Pfizer utilized their competency in marketing and sales to promote their cholesterol-lowering drug, Lipitor. It was the right product in the right growth market at the right time. They created a sustainable competitive advantage to last over 10 years based on superior performance relative to competition with a superior product, strong marketing and sales team, and knowing the how and when to enter the market. Pfizer marketing strategies had a clear market definition; a good match between corporate strengths and needs of the market; and superior performance relative to the competition (Jain ; Haley, 2009, p. 19) that made Lipitor the market leader since introduction.

The future steps Pfizer makes to protect Lipitor against the generic market entrants will determine the fate the drug has to sustain market leadership in the future.