

Lipitor product launch



Lipitor-X Product Launch Plan Pfizer Inc is the largest research based biomedical and pharmaceutical company in the world. Headquartered in New York, Pfizer has major research and development locations in England and the United States. Since its inception in 1849, the organization has remained dedicated to discovering and developing new and better ways to prevent and treat disease, while helping to improve health and well being for people around the world. In November, the Pfizer product Lipitor that is currently taken by over 4.3 million Americans and accounts for over \$10.8 billion in annual sales that represents about 15. % of the organization's total revenue will go off-patent after the American Patent Office rejection of the company's calcium salt re-issue application. Therefore, with the product set to be offered in generic form by several long-time competitors, the organization reviewed strategies to accelerate and refocus Pfizer's pipeline and capture new opportunities for global growth in the Peoples Republic of China (PRC) to keep the financial pipeline flowing with this drug that would be renamed "Lipitor-X" and distributed to the Chinese public as an over-the-counter (OTC) offering (Pfizer, 2011).

The second phase of the Pfizer strategy to enter the Asian market is the proposed expansion into the Republic of Vietnam The product is identified as Lipitor-X. It is a drug made up of atorvastatin, which is clinically proven to reduce bad cholesterol levels and improve a person's physical health along with diet and exercise. Lipitor-X will act as a reductase inhibitor, which is a drug that works by basically loosening the fat and cholesterol that is clogging the arteries (US National Library of Medicine, 2010).

As Lipitor-X cleans out a person's arteries, the blood will flow more freely through the body and the risk of stroke or heart disease will be reduced significantly. Lipitor-X will be manufactured and distributed in China and Vietnam by Pfizer Company, and seeks to reduce the effects of cardiovascular risk factors that the chosen populations are experiencing for the first time due to their practice of imitating the behaviors of the United States population. The reason that this product was chosen is because people all over the world are suffering from bad eating habits that result in high cholesterol levels.

Heart disease is the number one cause of death in the world, and Lipitor-X will help people fight against the agent that causes heart disease.

Furthermore, Lipitor-X has a very strong name in the drug market because it has been proven very effective in the efforts to reduce cholesterol levels in the countries where the product is available. Furthermore, Lipitor, a brand similar to Lipitor-X and sold in the United States previously was the most effective drug against cholesterol.

Lipitor-X has a very bright future in Asia, where poor health is becoming a major concern. Lipitor-X will give people with elevated cholesterol levels a chance to minimize the impact of bad eating habits and poor lifestyle choices. As part of the Pfizer strategy to enter into the Chinese and Vietnamese markets, research was conducted to ascertain whether the Lipitor-X product can meet the needs of the buying public in a better fashion than the alternative methods now being offered by the organization's competitors.

The market research was developed to determine how customer needs are currently being met; why potential customers would choose the Pfizer product over competitor offerings and finally, what risks Pfizer was prepared to take to launch the new product into the Chinese and Vietnamese markets. Additional components of the market research looked into potential market share by measuring market size, identifying the segment of the population that would be interested or have a need to purchase the medication and determining which relevant competitors would also be looking into expanding into this market.

The size of the market in China depends on how many people fall within the category of acceptable patients for Lipitor-X. China has a population of 1,338,299,500 (World Bank, 2010). The age target for Lipitor-X is 35 years and above, male and female, family size of three or more, married with children, and with income under \$8,000. Lipitor-X target patients who fall within the middle or lower classes. Vietnam's population is 86,936,464. The same categories of people will be targeted in Vietnam as in China, which means that there is a larger group of people to tend to in China, and higher sales to be made.

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Lipitor-X has a very bright future in Asia, where poor health is becoming a major concern. Lipitor-X will give people with elevated cholesterol levels a chance to minimize the impact of bad eating habits and poor lifestyle choices. When reviewing research statistics for the planned expansion into the Chinese and Vietnamese markets, it is evident that the potential for this endeavor will be of benefit to Pfizer Inc. In the United States approximately 90 million adults out of a population of 308 million people, (The 2012 Statistical Abstract – U. S.

Census Bureau, 2011), are or have been treated for high blood pressure associated with high blood cholesterol levels, (US National Library of Medicine, 2010). It is then safe to assume that the adult population of the US is approximately 150 million and so 60% have this health issue. In comparison, with a Chinese population of approximately 1.3 billion and a Vietnamese population of approximately 87 million, it can be anticipated that over 400 million people will be subjected to this health issue if the lifestyle trends in China and Vietnam continue as forecasted over the next five to ten years.

These statistics will allow the Pfizer organization to predict enormous growth projections in this market for the Lipitor-X product. SWOT | Strengths | Weaknesses | | The Pfizer product name. | The company will need to open new supply chains in China to distribute| | Pfizer controls market share of all cholesterol product sales. | the medication. | | Will be the first to market with

this product line in China. The Chinese and Vietnamese governments often overlooks counterfeit | | Introduction of the product line will open new opportunities for | operations that allow other companies to replicate American goods | | Pfizer to add other products to the China base offerings | Overcoming traditional Chinese practices that often seek medical | | | treatment through alternative methods | | Opportunities Threats | | A growing middle class that imitates the U. S. lifestyle will cause | Once the exclusivity patent expires, other companies will also | | increased cardiovascular issues in the Chinese and Vietnamese | attempt to enter this market. (Risk of competition). | | population. | Limited investment funding for expansion. | | Pressures by the Chinese and Vietnamese government to make this class | Resistance from the Chinese and Vietnamese governments. | of drugs available over the counter (OTC). | | Expanding the market into Asia. | | Porter's Five Forces Model for Pfizer Lipitor X | Substitutes | | 1. Generic- Atorvastatin Calcium | | 2. Herbal Substitute/Homeopathic Substitute | | 3. Bile Acids Sequestrates | | 4.

Cholesterol Absorption Inhibitors | | 5. Nicotinic Acid Agents | | 6. Fibrates | | 7. Diet and Lifestyle Changes | | Power of Suppliers | | Rivals | | Power of Buyers | | All Powerful | | Merck Zocor | |?

All Powerful | |? Neutral | | Merck Mevacor | | Neutral | | Weak | | Bristol-Myers Squibb Pravachol | | Weak | | | | Astra Zeneca Crestor | | | | | Novartis Lescol | | | Barriers To Entry | | Internet, Pharmacies, Drug Pharmacology, MD Preferences, Reviews/ Research, Government Approval (FDA, UNICEF) | The launch of Lipitor X does not only mean responding to an increase of

customer needs but also responding to the needs of the market, its competitors, and growth opportunity in an international market.

To penetrate the Chinese and Vietnamese markets, Pfizer has to know the importance of the Chinese culture that includes its consumer behavior and management (Stonehouse, Campbell, Hamil, & Purdie, 2004). Chinese behavior toward health and medicine can be a challenge because the culture believes in traditional acupuncture and herbs. But, with the fast economic advancement and progress of the country in the development of a modern middle class, there comes additional challenges to the populace to stay healthy (Pacific Health Summit, 2007).

The cause and effect of this cultural change is that many more Chinese and Vietnamese people will seek medical help by going to physicians and taking easily accessible medications like Lipitor-X. Lipitor X has to position itself in the market to capture the Chinese customers' needs. A comprehensive and well-defined marketing mix for Lipitor X will guide Pfizer in penetrating the Asian market. Pfizer plans to offer Lipitor-X to the Asian population through three main channels: 1) mail order, 2) ecommerce, and 3) Doctors offices.

In the first channel, mail order, the organization will partner with state owned pharmacies and place marketing materials at all pharmacies for customers to take and order online at a later date. The pharmacies will be paid a commission for all new customers acquired. The second channel, ecommerce, involves selling Lipitor-X online. Marketing will be accomplished by placing materials in pharmacies as noted above, and by publishing advertisements in local newspapers and magazines.

The third channel, Doctors offices, we will hire independent Chinese and Vietnamese speaking consultants who will meet with the physicians and in-service them about our product, and offer incentives if they recommend our product to their patient. Effectively designing and implementing a pricing strategy for Lipitor-X will be based upon price-quality inferences thorough the development of price and quality perceptions of the products associated with pharmaceuticals in China and Vietnam.

Customers typically make purchasing decisions based upon their perceived value, knowledge of and experience with a product but this purchasing process also can be enhanced through effectively communicating the image of our product to the customers who represent our target market (Kotler & Keller, 2007). The Pfizer Lipitor-X pricing start up point is \$29. 99 USD (191 YEN) (63, 000 DONG) for a 30-day mail order supply with a seven-day delivery guarantee for customers in Vietnam and a two – three-day delivery for China (“ Currency Calculations,” 2011).

Current industry information shows a pricing of \$79 USD and eight to twelve days for delivery at neighboring countries to our market (“ Find Best Drug Prices,” 2011). As previously mentioned we see the census of Vietnam on the incline, mainly in the middle class population and so realize the opportunity to grow ahead of the competition and establish our brand in both countries. Marketing Lipitor-X to an international market may differ from the current American domestic market. Pfizer needs to continue to innovate on its marketing strategy to increase its Chinese and Vietnamese consumer base.

Communication strategies will include advertising, sales promotion, direct and indirect selling techniques. The targeting of consumers for both markets have to be taken into consideration to ensure a steady increase of revenue and profits. The Pfizer offering of Lipitor-X will be one of the first drug companies in China to take advantage of the recent technological advances by companies such as Tencent, Renren, and Sina to help market its product to the Chinese consumer base. Tencent, which is China's largest Internet company, has recently decided to capitalize on its large user base to introduce a new series of social networking services.

The site will start offering Chinese company's with contracts with government entities the opportunity to offer its products via this new medium. Additionally, the company Renren, that has been around since 2005 will start to offer its user base with a new service that closely resembles online shopping mediums found in the United States. It is said that the Renren offering shows the most promise because it offers an open development platform that will allow development of outside interfaces and integration into systems such as Google and Facebook.

Finally, the product offered by Sina called 'weibo', is a Twitter-like blogging service that has become extremely popular among the Chinese populace over the last several years (Digital Trends, 2011). In order to take advantage of these latest technological advances, the Chinese government is scheduled to make major breakthroughs in the converging of Internet and mobile network systems offered in the country. In the next couple of years, Chinese mobile Internet services will be characterized by a combination of

personalization, location-based services and social networks and blogging (USC School of Communication and Journalism, 2011).

Marketing Lipitor X to an international market may differ from the domestic market. Pfizer needs to continue to innovate on its marketing strategy to increase its domestic and international customers. Communication strategies may include advertising, sales promotion, and direct or indirect selling. Marketing techniques may be the same yet the reception of the domestic and international consumer may vary. Target consumers for both markets have a variety and challenge that Lipitor-X has to take into consideration so to increase revenue and profit.

Domestic marketing aims at the local market that has its limits compared to that of the international market where the possibilities are endless (Cateora & Graham, 2007). These limitless possibilities for the international market may be good yet it can become expensive for the company. China's pharmaceutical industry has been growing steadily for quite some time. The market is very stable and is one of the largest industries in the country. There is a large population in China, and illnesses are widespread that supports both the domestic and foreign pharmaceutical markets that the country has.

China is in the industry not only as a distributor of pharmaceuticals but also a producer including medications, medical supplies, and medical technology. In 2003 net profits from medication alone rose 25.9% (Dow Jones, 2004). The sustainability in Vietnam's pharmaceutical industry has improved from how it was before but is still not up to par when compared with China.

Pharmaceutical companies have begun to advertise and the population of Vietnam has increased, adding to a more stable market. However, the unstable government adds question to whether or not Vietnam is a wise choice for a pharmaceutical investment.

The number of pharmaceutical producers in China is decreasing that diminishes the competition. The government has become much more concerned with drug safety and through organizations such as SFDA (China's version of the FDA). Only quality products are allowed on the market. The style of medical production is simpler and less technologically advanced, making the process slower. Over-the-counter medication sales, on the other hand, are at an all time high. The slow domestic production in China is due to lack of technology gives foreign producers an advantage to deliver and sell more.

Vietnam has seen a growth in its population and has also come a long way in terms of a more democratic country. The country has been seeing an increase in the amount of technology present and is currently in contact with Korea, the United States, and other countries to obtain more advanced technology for the pharmaceutical field. There are presently standards that must be met by pharmaceutical companies, maintained by the GMP-WHO. The government drug administration has become much tougher on acceptable medications, which puts counterfeit and other types of drugs out of the market.

HOLD for FINANCIAL INFORMATION from MONA Through market research the team is looking to improve market share while expanding into new consumer

base territories. The organization will conduct exploratory studies to determine the area of focus. With data collection the team looks to encompass both the monitoring and communication processes. From this data the team can look for market penetration possibilities. The communication studies will consist of the team members conducting personal surveys by surveying consumers by age (over 41 years old), gender (males) and by similar lifestyles, values, traits, and needs.

This will entail a team of temporary employees handing out surveys and asking follow up questions. This hands-on approach will help give the team more specific details. With the temporary employee team performing all the leg work the cost will be minimal while maximizing specific information. To meet the research team's needs, the research plan calls for gathering both primary and secondary sources. The secondary sources will come from the web sites and online databases. The team's primary sources will come from Pfizer Inc by asking the corporate office to provide information by e-mail.

The type of growth the team is looking for is sustained improvement in market share and stock price. With the increased competitiveness and the expansion that the cholesterol drug market has already seen, the team will look at ways to expand customer base. Pfizer Inc. has done an unbelievable job growing to the point they are today however; at the end of 2010, they had a 60 percent market share of this type of medication and was currently showing trends that indicated a 13 percent growth factor each year (MSN Money. com, 2010). References China's population. The most surprising demographics . (2011). Retrieved from <http://www. conomist.com/node/18651512>

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