

Analyze the cialis essay



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Cialis Case Analysis I. Problem: Lilly ICOS LLC (“Lily”), a young biotech start-up, is going to launch a new drug Cialis for male impotence treatment. In the existing ED drug market, Viagra has gained a huge success and Pfizer is accelerating its marketing pace. The problem with Lily is which patient segment to target and how to position itself in the marketplace in launching the Cialis. II. Alternatives: 1) Follow a Beat Strategy and Come Up with a Differentiated Positioning + High profit prospect by reaching a broad market including current users, dropouts and new users + Easy to build the brand by differentiation of 36-hour effectiveness, more flexibilities and rare visual irregularities + Consistent with Lily’s innovative marketing strategy of integrating into product development and introduction (i. e. first- and “best-in-class”) - High risk as a new entrant due to Viagra’s domination in the ED treatment marketplace - Significant marketing investment and innovative marketing tactics are required to make the differentiation - Lack of competency to convince the physicians of its superiority and difficult to persuade the current Viagra users to switch to Cialis 2) Follow a Compete Strategy and Go Head-to-Head with Viagra’s Positioning + Seize the competitor’s users and re-capture the dropouts as 90% of Viagra current users and 84% dropouts are interested in trying the new drug + Quicken its prevalence by making analogous positioning, i. e. similar level of price and target customer, etc. + Save marketing costs on segmentation and targeting Fierce competition to confront directly with the ED treatment giant Viagra which has five-year history - Me-too positioning is not consistent with Lily’s focus on development of innovative drugs and competitor may fight back - The characteristics such as flexibility and less onset time may be ignored by customers 3) Follow a Niche Strategy and Target a Specific Segment +

Modest competition and lower risk by targeting a specific segment (i. e. the dropouts from Viagra) + Less investment in marketing and sales force + Easily accepted by this specific targeted segment - A limited market share restraining the profits - Need to price much cheaper than competitors - Difficult for future growth and expansion to other segments III.

Recommendation:

Lily should adopt a beat strategy with a differentiated positioning to pursue a broad market. The current needs of the customers for ED treatment are primarily longer duration and flexibility. By targeting the ED patients and their partners demanding for a quality life, Lily should position Cialis as a “quality-of-life” drug which is best-in-class and more than a treatment drug. To patients, Lily may emphasis the 36-hour effectiveness and intake without regard offood, which offers great flexibility for men. Meanwhile, Lily can educate the female partners to identify the cause for their male partners’ ED and implicate that Cialis can improve their relationship with high satisfaction.

To the physicians, it’s important for Lily to convey the information of Cialis’s effectiveness and safety, such as less onset time and rare visual irregularities. It’s advisable to employ the direct-to-consumer advertising, beyond the media reports, to arise both the patients’ and partners’ attention to ED problem and address Cialis’s prowess of creating flexibility. In addition, Lily should price Cialis a little bit cheaper than Viagra or the same as Viagra. It will label Cialis as a premium product and gain a comparative advantage over Viagra. Moreover, offering free samples to customers can accelerate the acceptance and prevalence of Cialis.