

# Case analysis cialis essay



**ASSIGN  
BUSTER**

Tracy Rucker Marketing Mid-Term 2012 March 1, 2012 Product Team Cialis: Getting Ready to Market Brief Background Erectile dysfunction' is the failure to achieve and maintain an erection sufficient for satisfactory sexual experience. It affects 150 million men globally. In March 1998, Viagra (Sildenafil) was the first oral medication approved for use in 'erectile dysfunction. Viagra had a very successful launch with a total of 600,000 prescriptions filled in the first month (April 1998), and instantly became a phenomenon for ED patients.

Unfortunately, after six months Viagra suffered a huge setback when the FDA received reports of 130 deaths of patients taking Viagra; over half the incidents were cardiovascular related. Viagra sales declined swiftly; however, Pfizer without delay took a proactive stance to decrease the fears of safety for their new drug. They immediately conducted follow up studies on patients with cardiovascular disease and erectile dysfunction and communicated their findings to key decision makers and experts in the medical field.

The company then initiated a \$53 million advertising blitz, and deployed their sales force to make almost 700,000 doctors' visits to push Viagra throughout 1999. Their aggressive marketing ploy earned the company sales that year that reached over \$1 billion dollars. Viagra became a hit and the market leader and only company garnering a 90% market share for ED. A company ICOS, a small biotech start-up wanted to get into the business and eventually wanted to become a self-sufficient biotech company and acquire its own clinical development and marketing capabilities.

ICOS was competent in R&D, but, not in marketing and bringing a drug to market through the FDA. In 1998 they strategically partnered with Eli Lilly and Company. Lilly was very successful at building alliances with other firms and became the ideal pharmaceutical company to partner with ICOS.

**Decision Dilemma** The decision dilemma was launching a medicine for the treatment of erectile dysfunction in a market with an established leader Viagra, which had generated over \$1 billion in sales annually for the last three years which also had the highest brand recognition of any pharmaceutical drug in the world. **Analysis of the Case** Several key themes are identified as providing a platform for marketing strategies and were addressed in this case. First, men are reluctant to talk about erectile dysfunction with their partner or their doctor. Second, when they do, few men continue using Viagra in the long term.

Third, women and partners play a significant role in influencing the buying decision process, yet their perspective is rarely considered. The ED market consists of physicians, patients, and partners. The case states that they did a study utilizing 350 doctors with 50% being urologists and the other half primary care physicians (PCP) and the study revealed that the fraction of patients for whom the drug would be effective was the most important attribute, followed by safety.

Both attributed to a 70% importance and the duration accounted for a little less than 10%. Further data on the study regarding doctors and their feedback also inferred that knowledge and attitudes about treatment of ED varied between urologist and PCPs. Urologists apparently were more familiar

with the medical causes and incidence of ED and were more comfortable talking about the problem with their patients.

However, PCPs interviewed revealed that they did not feel comfortable about discussing sexual problems with their patients during a yearly checkup.

Therefore, many male patients that visited their PCP were considered a higher risk of incurring erectile disorders. Many PCPs expressed uneasiness with prescribing a drug like Viagra to patients who entrusted them with their healthcare, because of the recent deaths associated with the use of Viagra.

For the doctors that did prescribe medication for ED, the study says that 90% was requested by the patient.

All research and information provided from the Physician target market resonated with me as valid information, however, with all of the exhibits included with the case study there was no data to back up all the statistics that were given about the 350 doctors that they surveyed. I would have expected to see some type of data to substantiate all of the numbers especially since physicians are key players in the ED target market.

### **SWOT ANALYSIS OF CIALIS**

**Strengths** – Cialis could be taken on an empty or full stomach, had a much longer half-life Did not have blue-vision side effects, strong in R&D

**Weaknesses**—ICOS had no marketing skills, new comer into the market, no market share, no brand recognition, no safety reputation established yet, not a self-sufficient biotech company at the time

Opportunities - Cialis has a very large target market that they could choose from can focus on the dropouts or the customers who were not completely satisfied with Viagra Threats—Very competitive market Viagra already the brand name with a 5 year head start on safety and reliability, Pfizer has the largest sales force, Bayer's niche ability to address the issues of diabetics, competitors very large R&D budget and Pfizer \$108 million advertising budget, increased competition.

Even though Viagra was the leader in ED at the time of this case, there are several signs that Cialis could take their place in the industry as a strong competitor because data in the case and exhibit 10 stated that there was a large target market of dropouts that equaled more than double the number of current Viagra users. Also, Cialis had a half-life of over 17 hours, much greater than Viagra and Bayer's products. Key Decision Options for Decision Maker

1. Niche Strategy Focus on a Specific and narrow segment of the market
2. Direct Compete Strategy Head to Head with Viagra
3. Beat Strategy PROS

Decision 1 Less start up cost Less expensive to advertise to smaller target market Could always start small and build brand and move into larger target market Easier to market Cons Decision 1 Market may not spend money Market chosen might not work Have to really stand out to grab the specific target market Could take longer to get noticed

Can sometimes cost just as much as targeting a larger market Pros Decision 2 Gain larger market Share Possible larger earnings Earn higher brand

recognition Cons Decision 2 More expensive to compete with brand leader  
Company can consider acquiring you to get rid of you as a competitor Not  
likely to be an improvement over leading drugs already sold to treat the  
same condition Lengthy approval process USA, and European Countries 12 to  
18 months Going against the market leader with highest brand recognition of  
any pharmaceutical Pros Decision 3 More than double the amount of  
customers that are Viagra dropouts Cialis has a half-life that more than  
doubles Viagra's

Large market outside the top competitors market Successful partnership  
with Eli Lilly ICOS to leverage their brand and marketing strategy Able to  
leverage their brand with higher customer satisfaction, lower dosage pill,  
longer on set time, greater window of opportunity to for men to choose the  
right moment of intimacy Cons Decision 3 Media – focus on “ scares”, such  
as reports of men dying of heart attaches Viagra associated with use by  
older men Myths of being sexually stimulated for hours More expensive  
Larger target market to research Going against market leader with highest  
recognition of any pharmaceutical My Decision Strategy – Beat Strategy

I chose to pursue the beat strategy, by trying to leverage their brand and  
come up with a differentiated positioning that would allow Cialis to pursue a  
broader market; which in turn would definitely include Viagra's Dropouts  
which more than doubles their current Viagra customers, and address  
customers of Viagra that were not fully satisfied. Kotler's Text Teachings  
According to Kotler Brand Positioning, is the act of designing a company's  
offerings and image to occupy a distinctive place in the minds of the target  
market. The goal is to locate the brand in the minds of the consumers to

maximize the potential benefits to the firm. A good brand positioning helps guide marketing strategy by clarifying the brand's essence, identifying the goals it helps the consumer to achieve, and showing how it does so in a unique way.

Everyone in the organization should understand the brand positioning and use it as context for making decisions. The obvious means of differentiation, and often ones most compelling to consumers, relate to aspects of the products and services that a company supplies. Being unique in the marketplace provides distinct advantages. In fact, if you do not provide something unique, your business will be severely challenged. So, what are the three elements of product differentiation?

1. Convenience (or timing)
2. Customization
3. Cost Recovery

I believe brand building is a fairly consistent process that begins with gaining insights from your customers, physicians, and patients. The first step is determining what their unmet needs and wants are.

Then you have to match that up to what the brand brings, these are really the two things that allows you to craft your marketing messages. The key is that you have to listen to your customers and make sure that what they are saying that they need to hear or see is what is actually communicated. The one thing that was a little different with Cialis is really the stigma that associated with erectile dysfunction (ED). In the case it was considered a huge barrier to patients to even seek information about the condition.

Patients appeared to be concerned about the condition, their relationships, and the stigma which makes it that much harder for patients to get the treatment that they need.