IIHMR UNIVERSITY

MBA Pharmaceutical Management
07th Batch, (2015-2017), First Year
Pharmaceutical Marketing and Management (PM 662)

TERM EXAMINATION

Max marks: 70 Time: 3 Hr

Instructions:-

The question paper is divided in two sections: Section A and Section B.
Please read the instructions carefully for both the sections before answering the questions.

SECTION A (35 Marks)

Instructions for sections A:-

1. **Q4 is compulsory**
2. Overall **four questions** to be attempted from **section A**

Q1. How is Pharmaceutical marketing different from the other forms of marketing? Briefly explain your answer citing relevant examples in context to pharmaceutical market. **(05)**

Q2. State and explain briefly the relevance of seven P's in Pharmaceutical marketing. Support your answer with suitable examples **(10)**

Q3. What are the various aspects which a pharmaceutical organization must consider about the Pharmaceutical market, which are crucial for the success of its products? Cite proper examples in support of your answer **(10)**

OR

How is a pharma healthcare consumer different than the consumer of other products or services? Cite proper example wherever applicable

Q4. Solve the following Case study: - Pharmaceutical Marketing for Merck Januvia **(10)**

Background:

It's All About Speed

On April 12, 2007, one of the world's leading pharmaceutical companies, Merck & Co., Inc. (Merck) announced that its profits for the first quarter of 2007 were 34 percent higher than previous forecasts. The top line growth was driven by healthy demand for its newest drugs including Januvia (Sitagliptin phosphate). Merck announced that Januvia had achieved US$87 billion in global sales in the first quarter of 2007. The sales results followed the strong launch of the first-in-the-class drug for the treatment of Type 2 diabetes

Another significant element was the speed with which Januvia reached the market - if Merck had followed the traditional new drug development timeline, the drug would not have arrived in the market before 2010.

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Insight:-

Januvia was approved by the US Food and Drug Administration (FDA) in October 16, 2006 - just seven years after Merck had started working on this new class of drugs - Dipeptidyl peptidase-4 (DPP-4) inhibitors. Its research effort soon overtook Novartis International AG (Novartis), which had been working on a similar project since 1995. Januvia did this by conducting some phases of the new drug development cycle in parallel rather than sequentially. Marketing experts appreciated the speed with which Merck launched the drug, once the brand was approved.

This rush to market was prompted by the fact that Novartis' drug Galvus was expected to be approved by the FDA only a few weeks after Januvia's approval. The results were spectacular. A comparison of the number of prescriptions of Januvia after one month of its launch was similar to the other leading brands in this highly competitive segment. Beth Herskovits, News and online editor, Pharmaceutical Executive, noted, "Januvia's dramatic launch was all about speed." As of April 2007, Merck was still reaping the benefits of its rapid launch - Galvus had not yet been approved by the FDA on account of some safety concerns.

Thus Januvia was the only player in the estimated US$4 billion market for DPP-4 inhibitors and well on its way to becoming a blockbuster drug . Merck also extended its lead over Galvus by getting another brand Janumet (a combination of Sitagliptin and a commonly used generic drug Metforin) approved for the treatment of Type 2 diabetes.

In addition to extending its lead over Galvus, Janumet would help Merck target a bigger portion of the estimated US$ 17 billion diabetes market, experts said.

Launching Januvia

The drug was named Januvia to convey the idea of rejuvenation. It was launched at the wholesale list price of US$ 4.86 per tablet. Even in the launch of Januvia, Merck showed a lot of urgency and was able to take the brand to the market almost immediately after gaining approval for marketing the drug. As part of its new commercial model (that moved away from the traditional commercial model in the pharmaceutical industry), Merck focused on more targeted communication to doctors through its reps, e-detailing and video detailing. It made extensive use of new media such as the Internet. Experts hailed Merck's marketing acumen and said that more companies were expected to follow a similar model in the future.

A Strong Launch

Within one month of its launch, Januvia accounted for 14 percent of all new diabetes prescriptions and samples in the US, similar to the market leader in the category. It also accounted for 20 percent of prescriptions and samples given out by endocrinologists. This showed that both primary care physicians as well as specialists were adopting Januvia with enthusiasm...

Merck Extends its Lead

On March 26, 2007, Merck received marketing approval for Januvia in the European Union (EU) for type 2 diabetes. The go ahead from the European Commission meant that Januvia became the first DPP-4 inhibitor to be approved in the EU, paving the way for its launch in these countries. Merck had also filed a duplicate marketing authorization with a different brand name, Xelevia, for use in the case of co-marketing in certain EU countries. As of April 2007, Januvia was approved in 42 countries around the world including Mexico, the US, and the Philippines...

Answer the following questions:-

Q1. What were the various reasons behind the success of Merck's antidiabetic drug Januvia?
Q2. Briefly enlist and explain some marketing techniques for making Januvia a market leader

Section B

All questions are compulsory.

1.Explain ***any one*** habit in detail from the book: ***The Seven Steps of highly Effective people***.(10)

2.Prepare the ***associative network memory model*** for the following(10)

a) Crocin

b) Becosules

c) Combiflam

d)Digene

3a).What is ***communication mix*** ? Explain the ***role of personal selling*** in context to Pharmaceutical selling.(5)

3b).What is ***Brand Equity***? Explain briefly with diagram the model of CBBE proposed by ***Lane Keller*** **or** ***David Aaker***.(5)

3c) Explain the role of ***Societal Concept of Marketing*** in context to Pharmaceutical Industry.(5)

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