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FALL 2011
VOLUME 10 • NUMBER 1

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■ GLOBAL RESEARCH ■



Vive la Différence!

To understand the global pharmaceutical market, it is crucial to know what people around the world do not have in common.

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One of the main goals of global market research is to find commonalities among far-flung consumers, so that brand and positioning strategies can be designed with as little local variation as possible. Clients want to find the single magic formula that will hook customers around the world. Yet, it is the researcher's job to uncover meaningful disparities as well as similarities among national markets, even if it makes everyone's life a bit more complicated. National differences may be inconvenient, but they also offer opportunities for profit — and ignoring them can be costly.

For global pharmaceutical market researchers, navigating such differences is especially complex. To begin with, clients often underestimate the challenge

of distilling arcane scientific concepts into positioning statements that can be understood worldwide. Not long ago, for example, our company was hired by a U.S.-based global pharmaceutical firm that was about to launch a new cancer medication. (Details of this and other case studies have been changed to preserve confidentiality.) The drug's mechanism of action involved infiltrating cancer cells in a novel way, and the advertising team proposed using an espionage metaphor to describe it: "The first-ever double-agent targeted drug."

The pharma company's market-research department enlisted us to test reactions to several positioning statements, including one using this metaphor, among oncologists in the United States and the top five European Union countries. We contacted our teams of

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marketing researchers in those countries, and we sent them a lexicon of the scientific terms contained in the statements. Sensing that it might be particularly difficult to interpret the phrase "double-agent targeted drug," we telephoned the teams' translators and went over the concept.

When we sent the translations to the company's European affiliates for review, however, they were baffled. "Double agent" is an espionage term, not a medical one," they told us. "Your translators must have made a mistake." It turned out that the folks at U.S. global headquarters had not briefed their overseas colleagues on the marketing concept to describe this new mechanism of action (MOA). We had to go back and ask the client to explain the idea to the affiliates. This added delays and costs that could have been avoided if the client had consulted the affiliates in advance.

Then we did our fieldwork. In the U.S., most of the doctors we interviewed easily grasped the link between espionage and the drug's mechanism of action. In the E.U., though, doctors either objected to the phrase "double agent" as unscientific, or they simply scratched their heads. The phrase clearly lacked global appeal, and we recommended that the positioning statement containing it be dropped.

The takeaway? Positioning concepts should be developed with a global audience in mind, and affiliates need to be fully informed by global headquarters on new marketing concepts before they reach the research stage.

Navigating Cultural Differences

People in different countries do not just think and speak in foreign ways. They may act differently, as well — and such cultural quirks can profoundly affect both the research process and its results. Recently, for instance, a mid-size U.S.-based firm asked our company to

research market conditions in the United States, Germany, France, Italy, Spain and Japan for a drug to treat a metabolic disorder linked to cardiovascular disease. In all those nations, we quizzed patients about their diagnosis, the impact the disorder had on their lives, how their current medication was working and what kind of drugs might better suit their needs. We asked physicians about their patients, the treatments currently available and the ways that future medications could be improved.

We did not, however, conduct all the interviews in the same way. In the U.S. and Europe, we spoke with groups of three or four people — a setting that, among Westerners, tends to encourage frank and revealing conversations. We videotaped these sessions for later review. In Japan, though, we knew that people are often reluctant to share personal experiences in a group and that videotaping would be considered an invasion of privacy. Instead, we asked questions one-on-one and took notes.

When it came to the answers, the biggest surprise came from western Mediterranean countries. Elsewhere, patients seemed to fall into two categories: those whose metabolic disorder had a strong genetic component, and those whose daily dietary habits were primarily to blame. In France, Italy and Spain, however, many patients attributed their problem to weekend parties, a pattern the physicians also reported. This group, which we labeled the Revelers, would eat moderately most days. Three or four times a month, however, they would join friends for an evening of joyful gluttony and alcohol consumption. Those sporadic blowouts led to chronic health troubles.

Initially, the drug company's marketing team was reluctant to include the Revelers in its positioning strategy. Our quantitative research, though, subsequently indicated that this segment

accounted for almost 10% of patients in three target countries, too large a minority to be ignored.

Assessing the Medical Environment

The global pharmaceutical market researcher must also grapple with each country's unique medical environment — that is, with the ways in which political, institutional, epidemiological and economic factors influence market conditions in different corners of the world.

One important consideration is the reimbursement climate. In Great Britain, for example, the National Health Service refuses to reimburse cancer patients for treatment with the antiangiogenesis drug Avastin, citing insufficient evidence that its benefits justify its lofty costs. Although this therapy is widely prescribed in other countries, few British patients have access to it. So, if a manufacturer hopes to market a medication with a similar mechanism of action in the U.K., it will have to convince regulators (as well as oncologists) that its cost-benefit ratio is significantly superior to Avastin's.

In the European Union, on the other hand, regulators have approved two kinds of tyrosine kinase inhibitor (TKI) for metastatic non-small-cell lung cancer — Tarciva and Iressa — while only Tarciva is approved in the United States. While both drugs have a similar mechanism of action, European regulations stipulate that Iressa should be used as a first-line treatment; Tarciva is approved solely as a second-line treatment. In the U.S., where Iressa is unavailable, Tarciva is approved as a first- and second-line treatment. Woe to a pharma company that tries to market a competing TKI globally without taking those differences into account.

Yet manufacturers do sometimes design global marketing strategies before adequately investigating such

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issues. A few years ago, our company was approached by a small biotech startup whose first product was a drug to combat a rare blood cancer. The enthusiastic leadership team, eager to sell their discovery, hired us to interview key opinion leaders to determine which physicians should be targeted. We learned that in the United States, a patient suspected of having this type of cancer is typically referred to a community-based oncologist by his or her general practitioner for diagnosis and care. Because the disorder is fast moving and difficult to control, the specialist often ends up quickly transferring the patient to an academic hospital where more treatment options are available.

Based on our findings, the commercial team drew up a physician-targeting plan aimed at community oncologists, not only in the U.S., but also in seven European countries. The team established partnerships with European marketers to support the promotion of the new treatment. Then the company asked us to interview medical experts in Europe about patient-referral patterns there, just to confirm that the strategy was valid.

In Germany, we found, referral patterns matched those in the U.S. In France, Italy, Spain, Belgium, Austria and the Netherlands, however, things were different: GPs sent patients suspected of having this particular disorder directly to academic hospitals. Community oncologists were seldom involved.

The client's team responded with consternation. If our report was correct, it meant they had wasted time and money on a flawed targeting plan; worse, they would have to admit their mistake to their foreign partners. Yet further research confirmed our initial findings, so the team had no choice but to revamp the strategy.

Fortunately, the company went on to achieve a successful launch. Its team also learned a valuable lesson — pharma marketers need to understand the specific medical environment of each target country for their product.

In global marketing, it is always best to act on data, not assumptions. To quote a French proverb, "Il ne faut pas vendre la peau de l'ours avant de l'avoir tué." Or in plain English, "Don't count your chickens before they're hatched."



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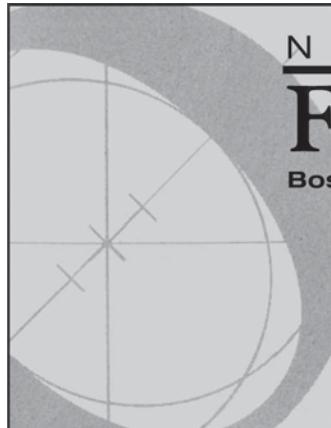


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