

Product Team Cialis: Getting Ready to Market

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Background



About Cialis

- Developed through a joint venture (Lilly ICOS LLC) between Eli Lilly and ICOS
- Targets erectile dysfunction (ED), which affects
 - 30M men in the U.S.
 - 150M men worldwide
- Molecule IC351 (phosphodiesterase type 5 inhibitor)
 - Effects last up to 36 hours compared to Viagra's four hours
 - Absorption not affected by food
 - Generally favorable safety profile
 - Rare visual irregularities
- New-drug application (NDA) submitted to FDA on June 28, 2001
 - Lilly ICOS LLC board members hoping for a launch in 2002

Next Steps

- Devise a strategy to guide future marketing activity
 - Clearly identify a target market and positioning strategy against competition
- Three possible approaches
 - 1. Niche strategy
 - 2. Direct "compete" strategy
 - 3. "Beat" strategy

Competitive Landscape

	 <small>(sildenafil)</small>		 <small>tadalafil</small>
Onset	30 minutes - 1 hour	-	30 minutes
Price (per pill)	\$10	-	\$12 (suggested)
Duration	4 to 6 hours	4 to 6 hours	Up to 36 hours
Efficacy	80%	Effective in small doses	81%
Safety	Side effects; 130 deaths after launch	-	Minimal side effects; safer than Viagra

Viagra in 2002

VIAGRA[®]
(sildenafil)



Positioning

- When Pfizer first introduced Viagra, they focused on the older population
 - Early TV ads featured Bob Dole (75-year-old, well-known former politician)
- Viagra later marketed towards those in 30s or 40s
 - In 2001, TV ads featured Mark Martin (well-known NASCAR race driver in his 40s)
 - Print magazine ads with couples in 30s or 40s to prompt female partner to have her male partner see a doctor

Brand

- Established leader in the male impotence treatment market
- Highest brand recognition of any other pharmaceutical drug in the world
 - Even recognized outside the ED patient circle
- Cultural phenomenon
 - Brand name became a common noun for erectile dysfunction
 - Subject of dinner-table conversations and late-night television comedy

Participants in the ED Market

Patients



Demographics: Age, income, education, marital status

Values: Safety, time on market, duration, time of onset

Barriers: Age: young people embarrassed by ED older people unconcerned with ED

Partners



Information: Lack of understanding of ED and why it occurs

Satisfaction: Partner satisfaction with Viagra was mixed; believed Viagra to be inconvenient

Impact: Moderate impact on encouraging ED treatment and prescription refill

Physicians

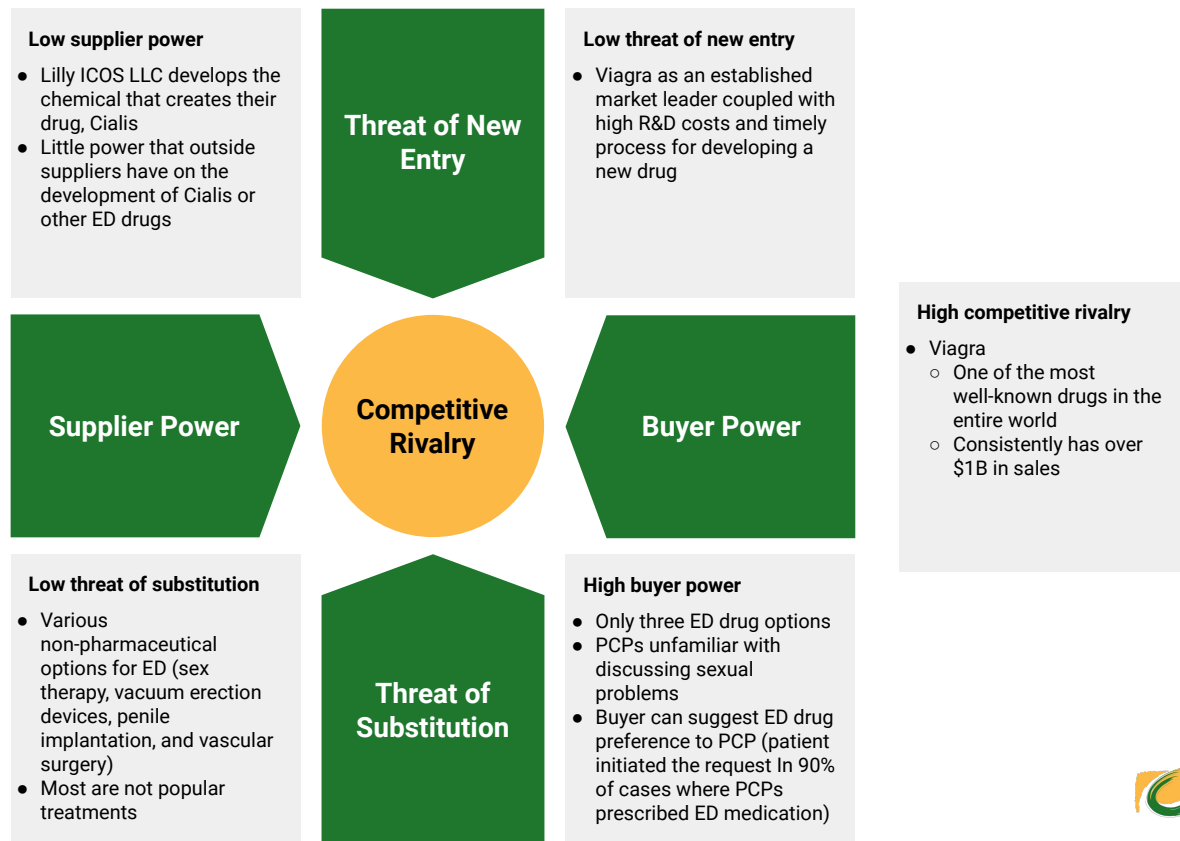


Groups: Urologists (more familiar with ED) and PCPs (less familiar with ED)

Values: Efficacy, safety

Barriers: PCPs uncomfortable discussing sexual problems and wary of prescribing Viagra (safety concerns)

Porter's 5 Forces



Marketing Mix

Product

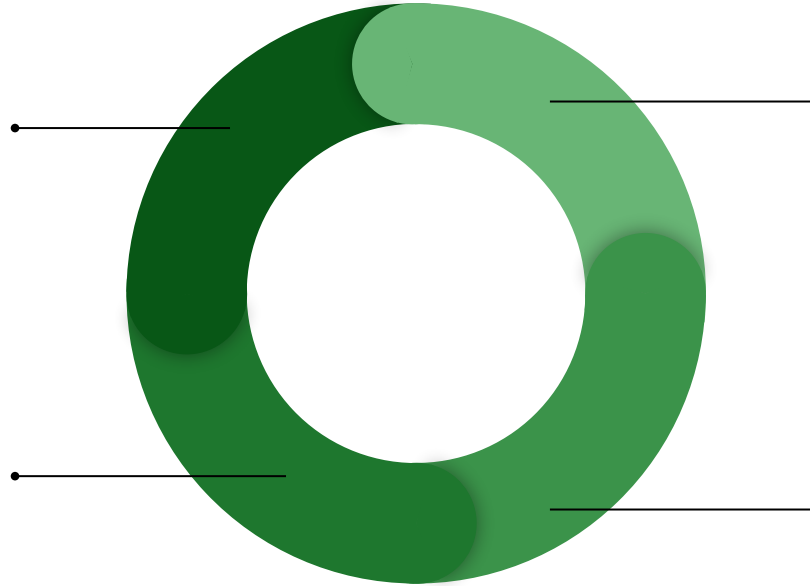
Safer and more effective way for men to treat ED

Partners will prefer longer effectiveness window

Promotion

Direct-to-consumer (patients and partners)

Physician-focused; sales force will target safety and efficacy



Price

To showcase product benefits (36 hour length, fewer side effects), price should be equal to or greater than the \$10/Viagra pill (established market leader)

Place

Prescribed by a physician (PCPs, urologists)

Picked up in pharmacy (online pharmacy options create a more discrete option)

Segmentation and Targeting

Drug	Cialis							
Target	Patients			Partners of			Physicians	
Group	Viagra current users	Viagra dropouts	Never used Viagra	Viagra current users	Viagra dropouts	Never used Viagra	PCPs	Urologists
Age	20 - 39	40 - 49	50 - 59	60+	20 - 39	40 - 49	50 - 59	60+

- Both Viagra current users and Viagra dropouts have high interest in trying Cialis across several countries. PCPs and urologists are the physicians most involved with individuals experiencing ED.
- For individuals 40 years of age and older, ED prevalence is much higher, and older individuals are less likely to be embarrassed about seeking treatment.

Positioning and Marketing to the Targets

	Patients (Primary Target)	Partners (Secondary Target)	Physicians (Tertiary Target)
Advertising	Direct-to-consumer	Direct-to-consumer	Direct-to-physician
Medium	<ul style="list-style-type: none">• Newspaper• AARP ads• Daytime TV ads	<ul style="list-style-type: none">• Newspaper• AARP ads• Daytime TV ads	<ul style="list-style-type: none">• Lunch and Learns• Salesforce visiting physicians directly• 6-pill trial for patients
Positioning	Onset time, longer duration, and safety of Cialis (safe and effective way to keep the romance in your relationship alive)	Onset time, longer duration, and safety (satisfy you and your partner in a faster, longer, and safer way than other ED drugs)	Safety and efficacy (Cialis is not only safer but also more effective for patients than Viagra)

Pricing and Packaging

Cialis should be priced at **\$12/pill in a 12-pill pack**. Cialis is a safer and more effective alternative to Viagra and with a high volume of patients dissatisfied with Viagra, we forecast the following revenue:

Cialis Revenue Forecast (2002)		
Description	Number	Assumption/Source
# of ED patients in US	30,000,000	Cialis: Getting Ready to Market (Case)
# of ED patients using Viagra worldwide	62,000,000	Pfizer Data (2018)
% of patients not fully satisfied with Viagra	76%	Cialis: Getting Ready to Market (Case)
# of patients not fully satisfied with Viagra	47,120,000	
Estimated market share (Year 1)	10%	Assumes dissatisfied men will want to use a drug that is marketed as safer and more effective
# of prescriptions (Year 1)	4,712,000	
Cost of Cialis (\$12/pill, 12-pill pack)	\$144.00	12 pill-pack is standard for Viagra
Revenue (Year 1)	\$678,528,000	

Budget Allocation

Patients

45% of budget. Market research shows most of the time, patients are the ones who suggest which ED drug they want to take to their physician. Moderate budget should go to marketing to patients

Partners

35% of budget. Market research shows partners encourage their partner to seek ED treatment. Viagra markets towards patients, therefore majority of Cialis budget should market towards partners as a drug for romance and **for the couple** rather than just for the patient.

Physicians

20% of budget. Market research shows physicians don't normally talk about sexual problems with patients and that they prescribe based on patient preference. Less budget should therefore be allocated here

Competitive Response

Incentives



Viagra could offer patients incentives to stay loyal rather than using a competitor

- Rebates or discounts if patient consistently refill

Promotions

- Free samples for new patients and providers

Marketing Push



Viagra may do a marketing push on safety if Cialis markets itself as a safer alternative

Price



Because Viagra is the market leader, they have the ability to possibly lower their prices to compete with Cialis on a cost level

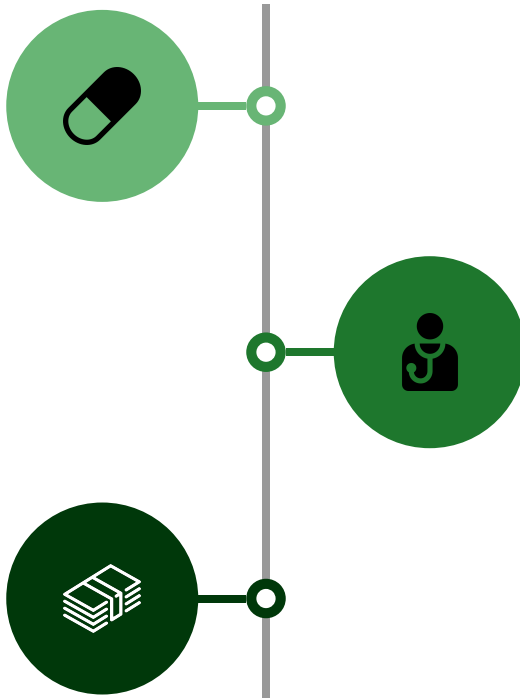
Summary

We recommend using a **direct “compete” strategy**

- Target patients who are Viagra current users and dropouts (ages 40+) and their partners
- Position Cialis as a safer, more efficacious product for the couple compared to Viagra
- Use various marketing mediums (newspaper, AARP, and daytime TV ads)

For 2002, with our revenue forecast based on \$12/pill with a 12-pill pack, we estimate

- **4.7M Cialis prescriptions** worldwide
- Total revenue of about **\$6.8M**



We also suggest informing **PCPs** and **urologists** about the safety and effectiveness of Cialis with

- Lunch and Learns
- Salesforce visits
- 6-pill trial for patients