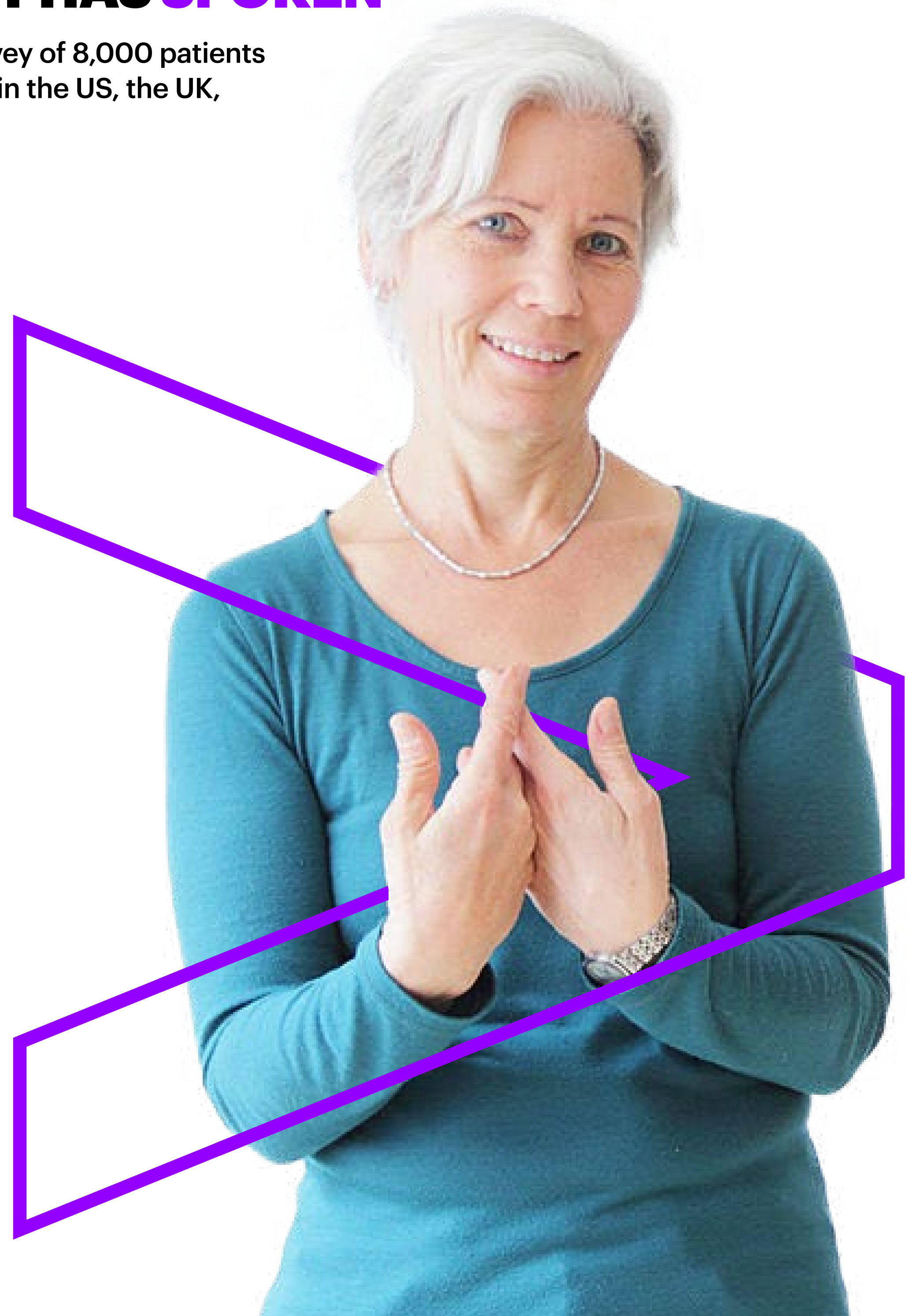
Accenture Life Sciences

Patient Inspired. Outcomes Driven.

PRODUCT LAUNCH: THE PATIENT HAS SPOKEN

Key findings from a survey of 8,000 patients from three generations in the US, the UK, Germany and France



AN INSIDE LOOK AT WHAT PATIENTS WANT AND NEED

We live in interesting times. Pharmaceutical companies have generated a wave of exciting new science, led by specialty products. However, these new products are being brought to a market characterized by digitally empowered patients. Today, patients want to know more about new treatment options as they come to market, have more input into their treatment decisions, receive more personalized healthcare and, ultimately, feel confident that they're receiving the best treatment.

Launching new products in this evolving environment will require pharmaceutical companies' launch teams to up their game. The goal? Creating unique, personalized patient experiences—bridging the gap between patients, their healthcare providers and their therapeutic treatments. Yesterday's product launch playbook can no longer be relied upon to yield the expected patient or business outcomes.

A strong pipeline, driven by specialty drugs... but launching in a challenging market

Robust pipeline:

The late-stage industry pipeline is forecast to be sustained at a minimum of 40 NME approvals annually over the next five years.[1]

More specialty drugs:

The proportion of New Molecular Entity (NME) approvals in specialty indications increased from 44 percent in 2009 to 77 percent in 2016.[2]

Bigger specialty drugs:

Average sales of specialty NME approvals in the first two years' post launch has increased over four times from US$190M in 2008 to US$896M in 2015.[3]

Affordability gap persists:

There's a US$30B affordability gap between 2016-2021 analysts' sales projections for NME launches and the net budget increases forecast in developed markets.[4]

Pricing pressure mounting:

List prices have seen double-digit inflation in the US between 2012-2014, but growth rates are slowing fast and increasingly offset by price discounts.[5]

Some new launches struggling:

Between 2012-2016, 15 NME launches significantly missed analyst sales forecasts for the first two years' post launch.[6]

THE VOICE OF THE PATIENT

In this inaugural survey on product launch in the pharmaceutical industry, we take a detailed look at the factors influencing patients in their consideration and selection of new therapeutic treatments coming to market.

We initiated this research to help pharmaceutical companies gain insights into what will enable them to successfully launch new treatments in an exciting but challenging market characterized by more complex specialty therapeutics. This is leading to rising costs and, consequently, an intensified focus on value and outcomes.

Our research reveals how 8,000 patients across the US and Europe learn about, evaluate and select new treatments in eight therapeutic areas (immune system, heart, lungs, brain, cancer, hormone/metabolism and eye disease) across three generations - Baby boomers, Generation X and Millennials (see “About the Research” on back cover).

What we sought to understand:

Personalization & empowerment

- Do patients value individualism and seek personalized therapies and services?
- In a consumer-driven health environment, do patients feel empowered?

Influence & trust

- In the digital era, who/what is influencing consumer health choices?
- With the democratization of health information/data, who do consumers trust for guidance?

Product sentiment & perceptions

- Do consumers value brand therapeutics/services?
- Do consumers seek innovative therapies/services?
- What would drive consumers to switch therapies?

Simplification & financial impact

- In the digital era, what are the best ways to deliver treatments/personalization?
- What contextual barriers must be understood when developing personalized solutions?

KEY FINDING 1: SHOW ME THE BENEFITS

BRANDS DON'T MATTER TO MOST PATIENTS… OUTCOMES DO

Product brands are not major factors when patients are considering new products.

More than two out of three patients said that the benefits of the product were more important than the brand. Just one in three patients characterized themselves as having a strong affinity to brands in a healthcare setting. Loud and clear, it's outcomes that matter most (see **Figure 1**).

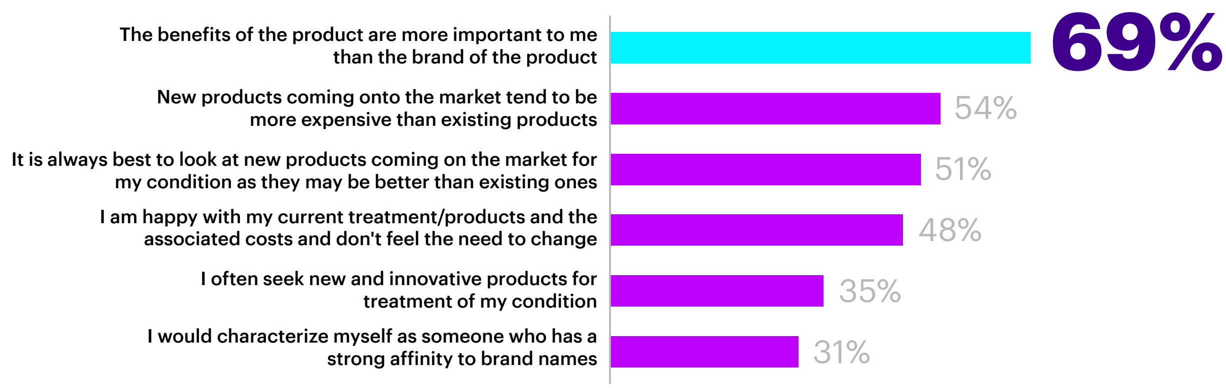
When it comes to making decisions about their healthcare and the treatments they receive, the three top factors influencing patients' decisions are: the doctor/physician relationship (66 percent), the patient's ability to maintain their current lifestyle (55 percent) and ease of access to the care they'll need (53 percent). Here too, brand loyalty or popularity is relatively unimportant, ranking twelfth out of 14 influencing factors (see **Figure 2**).

In the context of product launch, these findings raise two issues. First, the promotional effort and spend pharmaceutical companies commit annually to drive brand equity into the marketplace. In 2016, the US pharmaceutical and healthcare industry alone spent US$15.2 billion in marketing.[7] While the expense may be rationalized through business case return on investment (ROI), the question remains: could patient use and impact, as well as ROI, be higher by reallocating parts of launch budget to other programs that matter more to patients (e.g., creating Real-World-Evidence or access or patient service programs)?

Second, the continuing importance of the relationship between patient and physician. We may be in the digital era, but healthcare remains very personal and will continue to be heavily influenced by the importance humans attach to trust and relationships. Despite many patients looking online for information about new treatments, our survey indicates that, at this point, physicians remain the primary influencer of their treatment choices.

Figure 1: The benefits of a product matter more than the brand

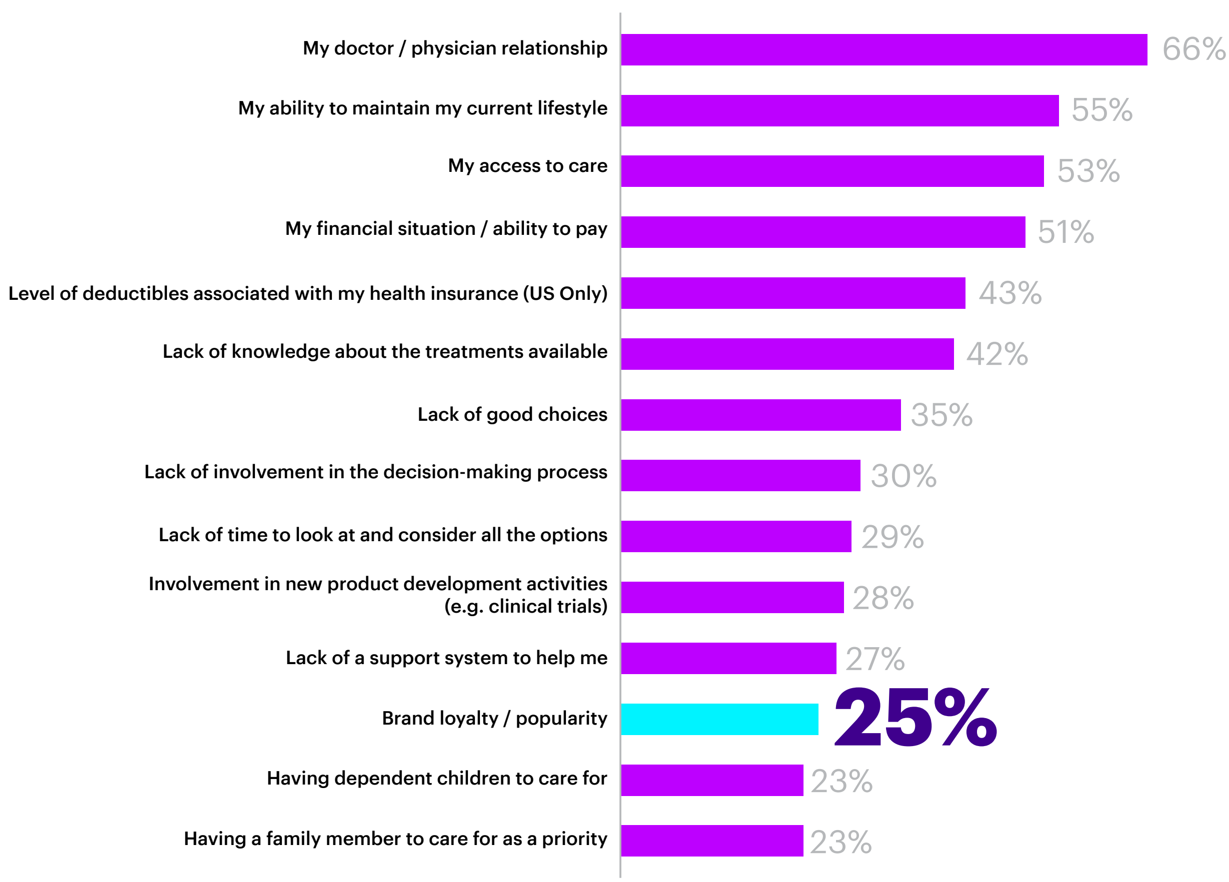
More than 2/3 of patients said the benefits of the product are more important to them than the brand of the product.



Q.15. How strongly do you agree with the following statements? Total (9234)

Figure 2: Top factors driving patient treatment decision-making

Only 1 in 4 patients rank brand loyalty or popularity as a top factor in their healthcare and product/treatment decisions.



Q.6. Please rank the top 5 following factors in order of priority that you believe most significantly impact your specific healthcare product and treatment decisions (1 being the biggest priority and 5 the least). Total (9234)

KEY FINDING 2: TELL ME MORE

PATIENTS LACK INFORMATION ON NEW PRODUCTS

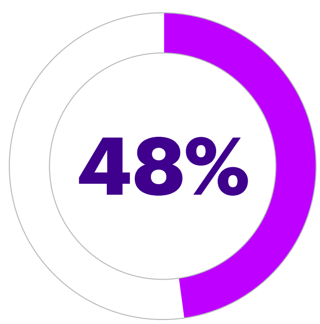
Overall, there's a lack of knowledge about new products coming to the market:

of all patients feel very knowledgeable about new or existing products coming to market for their condition.

One-quarter of all patients report having limited or no knowledge when it comes to understanding new products coming to market that may be suitable for them.

Patients understanding their best treatment options is critical to their health outcomes. In the US alone, the health literacy proficiency rate is below 50 percent, which is low compared to countries in Europe with literacy rates above 70 percent (e.g. the Netherlands). Scholarly studies have shown a correlation of health literacy to health outcomes: the more health literate the patient, the better the individual health outcomes that result.[8] There are significant global efforts taking place to address this health literacy challenge, from public policy and non-profit initiatives to patient outreach programs provided by healthcare professionals (HCPs).

This lack of knowledge also feeds through to discussions between patients and physicians:



of patients believe that their doctors discuss the whole range of product options with them.

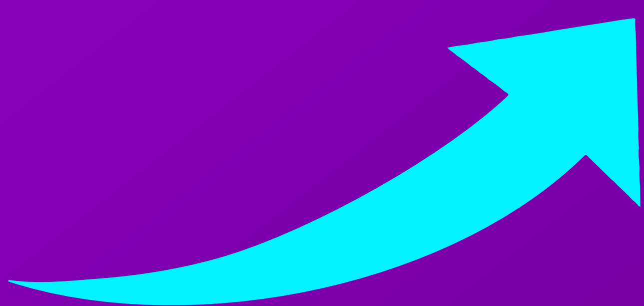
The result? They feel that the treatment choices they make are often not being based on the full picture.

When launching new products, there's clearly an opportunity for pharmaceutical companies to help bridge this gap in patient knowledge in new and meaningful ways. Patients actually expect pharmaceutical companies to help them in this way. An Accenture survey of 12,000 patients revealed that the vast majority expect pharmaceutical companies to provide services that support their products and help them better manage their health.[9]

The challenge is that fewer than one in five patients are very aware of such services (but when they are aware of them, they use them and greatly value them). The conundrum is that most patients rely on their HCPs to make them aware of these services. However, our survey of more than 360 HCPs revealed that less than half of them are very aware of the services.[10] Informing HCPs of new products and consistently working closely with them remains critical for any launch—but a new approach is needed whereby the full solution is discussed, combining both product and services and centered around the improved outcome that it delivers for patients.

The opportunity to better inform patients goes beyond educating and empowering HCPs to discuss new treatment programs with patients. There's also a huge opportunity to better inform patients in the pre-diagnosis and pre-treatment phase. Sixty-five percent of patients told us that pre-treatment is the most frustrating part of the whole treatment journey. Pharmaceutical companies launching new products can play an essential role here—starting before people are diagnosed, but may be symptomatic or have a lifestyle or genetic risk.

PATIENTS WANT MORE INPUT INTO DECISIONS ON NEW TREATMENTS



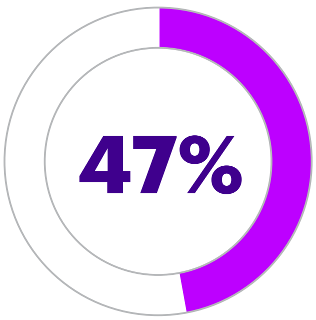
63%
of patients want to have these discussions.

44%
(less than half) of all patients feel like they have input into which new treatments to select for their conditions. They want that to change.

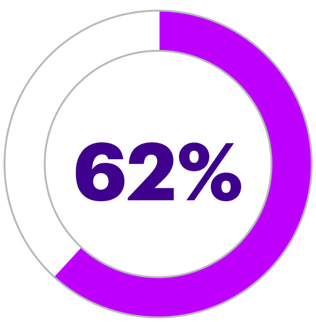
KEY FINDING 3: SWITCH ME (IF IT'S BETTER FOR ME)

IF PATIENTS ARE THINKING ABOUT SWITCHING TREATMENTS, CHANCES ARE THAT THEY WILL

For pharmaceutical companies launching new treatments, understanding the patient population that is considering switching offers another opportunity for more precise targeting.



of all patients we surveyed have thought about switching their treatment at some point.



of patients who thought about switching ended up doing so.

When we asked patients about the top reasons for switching treatments, three stood out. The greatest reason cited was a recommendation from their physician (81 percent). The second was proven benefits compared to current treatment (79 percent), and third, fewer side-effects than their current treatment (78 percent). These results reinforce what patients told us about their overall decision-making on new treatments—that HCPs and proven benefits outweigh the influence of brands.

Of course, not all patients need to switch therapies, especially if their disease is controlled with their current regimen. However, as new and innovative therapeutics come to market and disease prevalence rates continue to increase across most patient populations, it's incumbent on the healthcare community to elevate the dialogue on new therapies, patient understanding and knowledge about treatment choice. This is especially true as personalized diagnosis and treatment protocols become the norm.

The key reason for considering switching treatments is recommendation from physician.

Q.12. Please rank the top 5 reasons why you would consider switching from an existing product/treatment to a new one. Please rank from most important to least important. Total (9234)

NEW PRIORITIES FOR NEW LAUNCHES

WHAT DO PHARMACEUTICAL COMPANIES NEED TO DO DIFFERENTLY WHEN LAUNCHING NEW PRODUCTS?

LEAD WITH EVIDENCE

Bottom line: pharmaceutical companies need to start launching evidence-based solutions, not just products, or products with services as a secondary offering. This mindset needs to begin at the clinical trial stage, so it informs new launch strategies and full commercialization.

To make this happen, collaborative data-sharing—between patients, providers and payers—will be essential, along with advanced analytics to generate robust insights and delivery via digital channels. Pharmaceutical companies will need clarity on what evidence matters to whom—by patient sub-segment, disease state, geography and audience.

1 **Evolve the dialogue:**
Leading with evidence means that launch programs and communications with HCPs will need to focus on proving how their evidence-based solution can help HCPs deliver better outcomes for their patients versus focused primarily on the product/brand itself. Programs will also need to make it easier for HCPs to educate different patient sub-segments. Most patient sub-segments will also seek information from other sources—including online, relatives and people with the same condition. Having a fact-based understanding where and how different patient sub-segments seek and consume disease information will be essential.

2 **Educate with "patient language":**
Pharmaceutical companies shouldn't assume all consumers and customers speak their "language." They need to speak to consumers/customers (e.g. HCPs and payers) in relevant terms (in some cases "kitchen-table talk") to each patient-sub-segment across all communication channels. This will impact how they educate their field salesforce. While many company's global salesforce footprint may have shrunk, salespeople can still play an important part in helping physicians articulate care regimens to patients in simplified, easy to consume ways.

3 **Dig deeper to uncover insights:**
As they lead with evidence, pharmaceutical companies must critically assess their enterprise analytics capabilities across R&D, medical, patient services and commercial functions. As well as shoring up internal insights, this will be key to better understand the healthcare ecosystem. For example, how do medical record insights support real-world evidence and patient journey experiences, and how can these insights be leveraged to advance the marketing model for new launches?

MAKE IT PERSONAL AND PRECISE—UNDERSTAND SUB-SEGMENTS AND TAILOR LAUNCHES TO THEM

One size no longer fits all. In an environment reshaped by the proliferation of health data through new technologies, investments in health systems, new disruptive health tech startups and new standards of care, pharma companies can harness advanced analytics to develop more tailored and value-driven launch strategies. Market insights across populations, disease areas and HCP and patient experiences can unlock new levels of value for the business and be differentiators—offering competitive advantage over other products on the market.

Tailored launch strategies won't just make new treatments more relevant to patients. They'll also drive more informed resource and investment allocations. Understanding how patient sub-segments behave differently will fundamentally shift promotional decision-making and the development of supporting services, as well as helping to identify new growth areas.

GENERATIONAL DIFFERENCES

Launch strategies need to adapt to how different generations prefer to access and consume information, the type of information they want, whom they want it from, and other factors that matter to them.

Overall, the younger the patient, the more likely they are to switch when they believe there's something better. Like most patients, Millennials are most likely to consider switching when their doctor recommends a new product. But they're almost twice as likely as Baby boomers to be influenced by people posting alternative treatment options on social media.

Given their greater affinity with digital and social channels, it's no surprise to find Millennials and Gen X'ers are more knowledgeable about treatments than Baby boomers. In fact, crucially, we found that almost half of all Baby boomers say their treatment decisions are significantly impacted by a lack of knowledge about what's available.

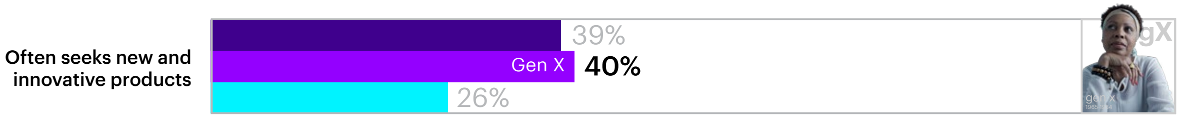
Many new product launches will span different generations. Pharmaceutical companies should further evolve their patient segmentation to address these differences. There might also be a need for more fundamental shifts in patient communication, as younger generations' decision-making becomes increasingly independent of physician recommendations.

There's an opportunity to start thinking about different generational preferences across multiple disease states and brands and build launch offerings accordingly. This might mean designing services, ecosystems and/or platforms for a specific generation. These would cross disease states and brands, but still speak to the unique needs of a particular generation, be cost-effective and prevent fragmentation of information for that audience.

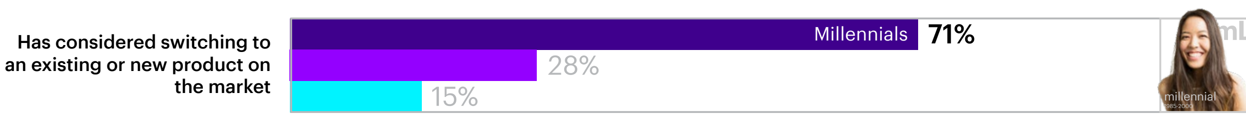
A glance at generational differences

Millennials Gen X Baby boomers

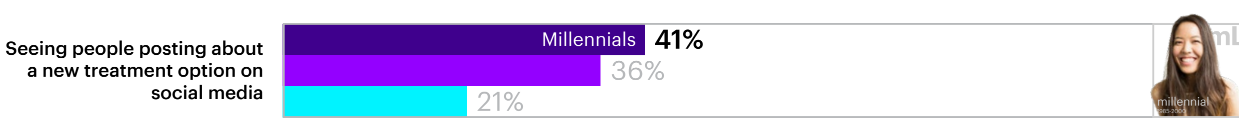
Frequency of seeking new products



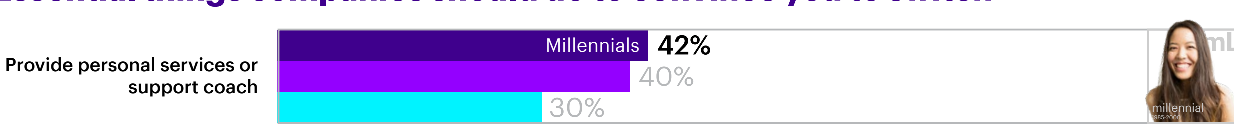
Proclivity to switching



Triggers to consider switching



Essential things companies should do to convince you to switch



GEOGRAPHICAL DIFFERENCES

Where patients live can often be as important as their age in determining preferences and expectations for new product launches. We found that US-based patients are significantly more likely to be influenced by the benefits of a product than their counterparts in Europe. Seventy-six percent of US patients cite product benefits above brand (vs 67 percent in Europe). And that's notwithstanding the frequent advertising of new products by pharma companies in the US.

Patients in the UK are the least knowledgeable about new or existing products coming onto the market (just 33 percent of them claim to be knowledgeable). In the US, meanwhile, the majority of patients believe it's best to look at new products coming onto the market for their condition (because they may be better than existing ones—57 percent vs 49 percent in Europe).

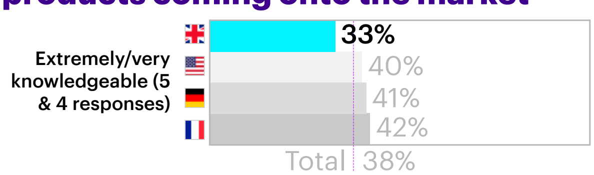
Compared to the US, slightly more Europe-based patients have considered switching products (48 percent vs 42 percent in the US). That rises to 56 percent in Germany—and drops to 38 percent in the UK. Patients are most likely to switch products in France and Germany (70 percent and 66 percent, respectively).

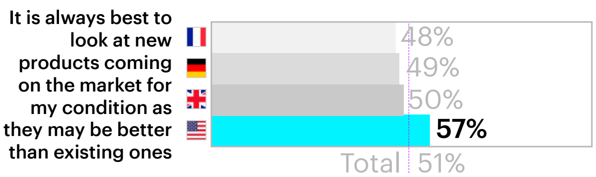
Getting these geographical differences right will be in the hands of local launch teams and should not be treated as simple nuances. The differences can make all the difference to meeting patient and sales expectations versus falling short of analysts' forecasts, as we've seen several launches do over the past few years.

A glance at geographical differences

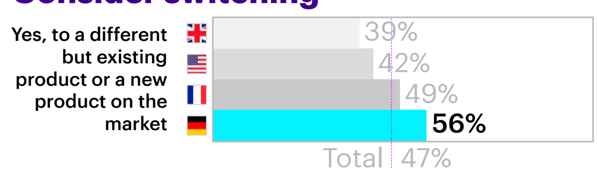
Benefits are more important than brand

Knowledge of new or existing products coming onto the market

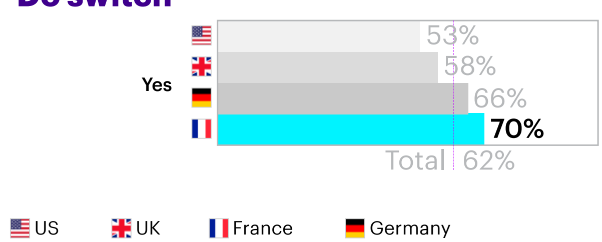




Consider switching



Do switch



PRODUCT LAUNCH STRATEGIES: TIME FOR CHANGE

Our research makes it abundantly clear that product launch strategies must evolve from one-size-fits-all approaches. Pharmaceutical companies need to take advantage of the massive availability of data and accelerate the use and sophistication of analytics to home in on the unique needs of patient sub-segments. This provides a real opportunity to command (and measure) greater market share when launching new treatments.

The priorities?

Bring an outcome to market, not just a product.

Lead with evidence that proves a solution (product + services) can deliver an improved outcome.

Tailor product launches to match the needs, preferences and motivations of patient sub-segments.

Doing all this will require an agile, fast-learning, customer-centric launch team, using deep local insights to create personalized strategies for every product launch. The good news? The data, technology and digital capabilities needed to succeed already exist today.

REFERENCES:

1. Accenture Research estimates based on the number of products in late stage development and expected attrition rates. See Time to Change: Bringing Outcomes to Market in an Era of Breakthrough Science, Accenture, 2017

2. Accenture Research based on analysis of New Molecular Entity (NME) approvals by the FDA CDER division 2009-2016, with specialty drugs defined as those with high pricing and lower volumes, generally (but not always) biologicals and/or prescribed by specialist physicians. Where an NME is approved in the last four months of the year, the following year is taken as year one of launch. The approvals of Sovaldi, Harvoni and Genvoya by Gilead are excluded from this analysis as they are considered outliers in performance and not representative of the rest of NME approvals.

3. Accenture Research based on reported actual sales to 2016, where a drug was approved in the last four months of any year, the following year is considered the first year of launch and sales.

4. The Affordability gap is measured as the difference between forecast sales growth 2017-21 of recent (2012-16) and upcoming (2017-21) new launches sourced from Evaluate Pharma, and forecast pharma spending (including savings from generics) growth 2017-21 in developed markets sourced from IMS Health.

5. Outlook for Global medicines through 2021, IMS Health, December 2016. Accenture Research analysis of New Molecular Entity approvals 2007-16, comparing Equity Analyst consensus Forecast sales for the first two years post launch, to actual sales recorded, raw data sourced from Evaluate Pharma 2017.

6. Accenture Research analysis of 16 pure play Pharmaceutical Companies, the $ growth of the largest product contributor to reported sales growth 2009-16 is compared to total company revenue in 2009, and an average taken across all companies. This is compared to an average across all pure play Pharmaceutical Companies, of $ growth forecast of largest product contributor to 2016-21 forecast Revenue growth compared to 2016 Total revenue. Raw data is sourced from Evaluate Pharma 2017.

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About Accenture Life Sciences

Accenture's Life Sciences group is committed to helping our clients make a meaningful impact on patients' lives by combining new science with leading edge technology to revolutionize how medical treatments are discovered, developed and delivered to people around the world. We provide end-to-end business services as well as individual strategy, consulting, digital, technology and operations projects around the globe in all strategic and functional areas— with a strong focus on R&D, Sales & Marketing, Patient Services and the Supply Chain.

We have decades of experiences working with the world's most successful companies to innovate and improve their performance across the entire Life Sciences value chain. Accenture's Life Sciences group connects more than 15,000 skilled professionals in over 50 countries who are personally committed to helping our clients achieve their business objectives and deliver better health and economic outcomes.

About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world's largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 373,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at **www.accenture.com**.

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About the Research

We surveyed 8,000 patients in the United States, the United Kingdom, France and Germany (2,000 in each country). The objective was to evaluate how patients find out about and select new treatments coming to market in eight different therapeutic areas: immune system, heart, lungs, brain, cancer, rheumatology, hormone/metabolism and eye disease and across three generations—Baby boomers, Millennials and Generation X.

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