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Pharmaceutical CRM – Why Product Differentiation Using CRM or Patient Relationship Management (PRM) is the Key Competitive Advantage?

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On the average, Pharmaceutical product development reaching consumers after Phase III is a billion dollar investment, takes 13 years and the product uniqueness patent expires in 15 years. That is, it is difficult to create a product, takes lot of money, takes more time to take the product to consumers, and ownership of the product expires sooner than any product created for its uniqueness.

CRM or PRM (Patient Relationship Management) thus helps to get the most revenue from these 15 years of shelf life by reaching more new patients (consumers), keeping them loyal by increasing their well being and if PRM is well done, the PRM has the potential to innovate new products and services, there by providing competitive advantage to continue to thrive in the market and grow.

The key insight here is the product differentiation. “**Product differentiation** is the modification of a product to make it more attractive to the target market by differentiating it from competitors' products’”. If the product is great, beats the competition by miles, and it attends to the consumers’ needs, the company can laugh to the bank. Some times, however good a product is, the competition is always so close by that the differentiation may not look reasonably well for the consumers to use one product vs. the other. What are companies supposed to do. A great example is allergy medication. The top 3 medication vying for number 1 position in sales are the following: CLARINEX, ALLEGRA, Zyrtec. Around the same time the patent was expiring for CLARITIN, Schering Plough brought out CLARINEX but the product differential of CLARITAN to CLARINEX and among CLARINEX, ALLEGRA, and Zyrtec are not much. What can Schering Plough do to keep increasing the product differential and keeping the pressure at the competition?

This is where PRM or CRM can help greatly. This creates more differentiation in product characteristics (a post product release attribute created and identified with the product), by an intelligent combination of PRM and the product marketing.

A simple structure for executing the PRM:

Define the ultimate FDA approvable goals of PRM

Execute the PRM

Acquire and Retain patients (consumers) using patient intelligence (CRM – PRM – Analytics)

Structure IT and Analytics keeping with the patient confidentiality and privacy

Continue this cycle with increasing revenue and profitability

¹ http://en.wikipedia.org/wiki/Product_differentiation

Last, but not least (perhaps the most important benefit of PRM) is using patient intelligence for further product innovation. Whether anybody recognizes or not, the on going strong years of patient care intelligence will have so much of knowledge (may be responsibly called – patient voluntary trails) about the product, its efficacy, side effects, co-effects, life-style, pharmacodemographic effects, that it can lead to product innovation.

There is gold in PRM – Are you ready for the golden ride?