

«Marketing and sales»

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Marketing is defined as the set of decisions related to the selection of target markets with the aim of winning, retaining and growing consumers through the creation, dissemination and communication of superior value.

Sales, on the other hand, refers to the transfer of ownership of a good or service to other companies in exchange for the payment of a price.



marketing and sales: strategic objectives

Strategic marketing plays a key role in determining the company's business areas; it is also responsible for helping to define the company's mission.

Long term objectives	General principles	marketing and sales contribution
Mission	Management Continuity	Awareness of changes in the market New consumer demands
Market	Priority on production and sales	Activities supported by the role of marketing in order to meet customer demands
Innovation	Technological evolution	Analysis of new product/service features from competitive analysis and new consumer needs
Sale policy	Volume maximization	Exploitation of different sales channels and especially the web - development of trade marketing

marketing and sales: strategic objectives

Other aspects of strategic marketing include:

- the management of the range of products offered;
- the analysis of the competitive positioning and market attractiveness of each of the products;
- the evaluation of competition;
- the analysis of the four main basic competitive strategies, namely cost leadership, product differentiation, market segmentation and acquisition;
- the safeguarding of corporate image and brand usage.



marketing and sales: operational objectives

Operational marketing, on the other hand, is mainly concerned with managing the sales force, controlling distribution channels and the marketing mix.

Operational marketing is oriented towards the short to medium term and consists of defining some of the more operational aspects such as product positioning, i.e. how we want the consumer to perceive the product, and the elements of the marketing mix, i.e. product, price, promotion and place (distribution).

Other relevant features of operational marketing include advertising, sales network management, customer relationship management (CRM) and web marketing.



Digital marketing for pharmaceuticals

The world of advertising, in the broadest sense of the word, and that of the pharmaceutical industry are often considered irreconcilable. In a certain sense, it is true that structuring a marketing action for a pharmaceutical product requires accurate knowledge of ministerial regulations.

The first step in structuring an effective digital marketing strategy related to the pharmaceutical sector is to distinguish between the various types of pharmaceutical or para-pharmaceutical products, because each of them has specific rules and procedures. We can deal with:

- **Band A ethical drugs** (considered essential, in addition to those used to treat chronic diseases, such as, for example, some types of antibiotics or some drugs used in the treatment of cardiovascular diseases) These are those products that can be purchased only by prescription and the possibilities of digital marketing actions are effectively almost zero;
- **Band H ethical drugs** (drugs in use only in hospitals, which therefore can not be sold in pharmacies to the general public) The situation from the point of view of marketing actions is essentially the same as for band A;
- **Bad C Ethical drugs** include:
 - SOP (non-prescription). These are over-the-counter drugs that should be recommended by pharmacists, but are not usually advertised;
 - OTC (Over The Counter). Still over-the-counter drugs and still many strategic possibilities, to be explored taking into account the need for ministerial approval and the inclusion of the appropriate legal wording (e.g. non-prescription drugs).
- **Medical Devices**. In this case, the course of action for those in charge of marketing strategies is very similar to what has been said for OTCs;
- **Supplements**. Communication relating to supplements is much more "free", but it is necessary to always remind users that no supplement can replace an adequate diet and a correct lifestyle;
- **Cosmetics**. Also in this case, we have complete freedom of maneuver with regard to communication strategies, but it is important not to associate in any way curative or therapeutic properties to this type of products.

We have made reference to the need for ministerial approval of the contents: in fact, it will be the Ministry of Health that will evaluate the correctness of the words and images chosen to communicate our pharmaceutical product and therefore make sure that the information is not distorted, exaggerated or misunderstood. It is therefore clear that each piece of our strategy will have to be studied and implemented with extreme care, but it is also clear that, this being the case, pharmaceutical digital marketing is reliable, as well as effective.

Marketing communication strategy: patents

Creating patents as a communication strategy

Thanks to patents on specific drugs, the pharmaceutical company is known

PATENT

Patent = exclusive right (monopoly) on an invention

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on the basis of which third parties can be prohibited from producing, using, marketing, selling or importing the object of the invention.

Therefore, a patent (from the Latin patens: to be manifest) does not represent the authorization to implement an invention, but confers a monopoly for its industrial exploitation. This concept is even clearer for drugs, for which the permission to sell is obtained only with a specific marketing authorization (A. I.C.) by the competent authorities. The patent holder is allowed, after obtaining the AIC, not only to sell the product, but also to prohibit anyone else from doing so without having obtained his authorization (for example, by obtaining a license).

The patent monopoly, which guarantees the company the exploitation of research results and the return on its investments, is however also a positive monopoly for knowledge, as it explains how the invention is implemented and can be a stimulus to other competitors, thus becoming one of the main dissemination tools for the progress of technology. In fact, with the publication of the patent application, after a period of secrecy of 18 months, the content of the innovation becomes heritage of the community and thus becomes in turn a starting point for the development of further innovations.

From the moment of publication, the patent application also confers a monopoly, which will only be temporary until it is granted.



National Patent

- A patent is not just a technical treatise where a new product or process is disclosed, but is primarily a legal instrument (some have called it a sort of contract between the inventor and the rest of the community). The patent report is the way in which the technological aspects of a product or process innovation are rendered in language suitable for legal significance.
- A patent is always a national title: the laws and courts that adjudicate infringement matters are the national courts.
- There is no European patent and there is no international patent.

Chemical-pharmaceutical patents

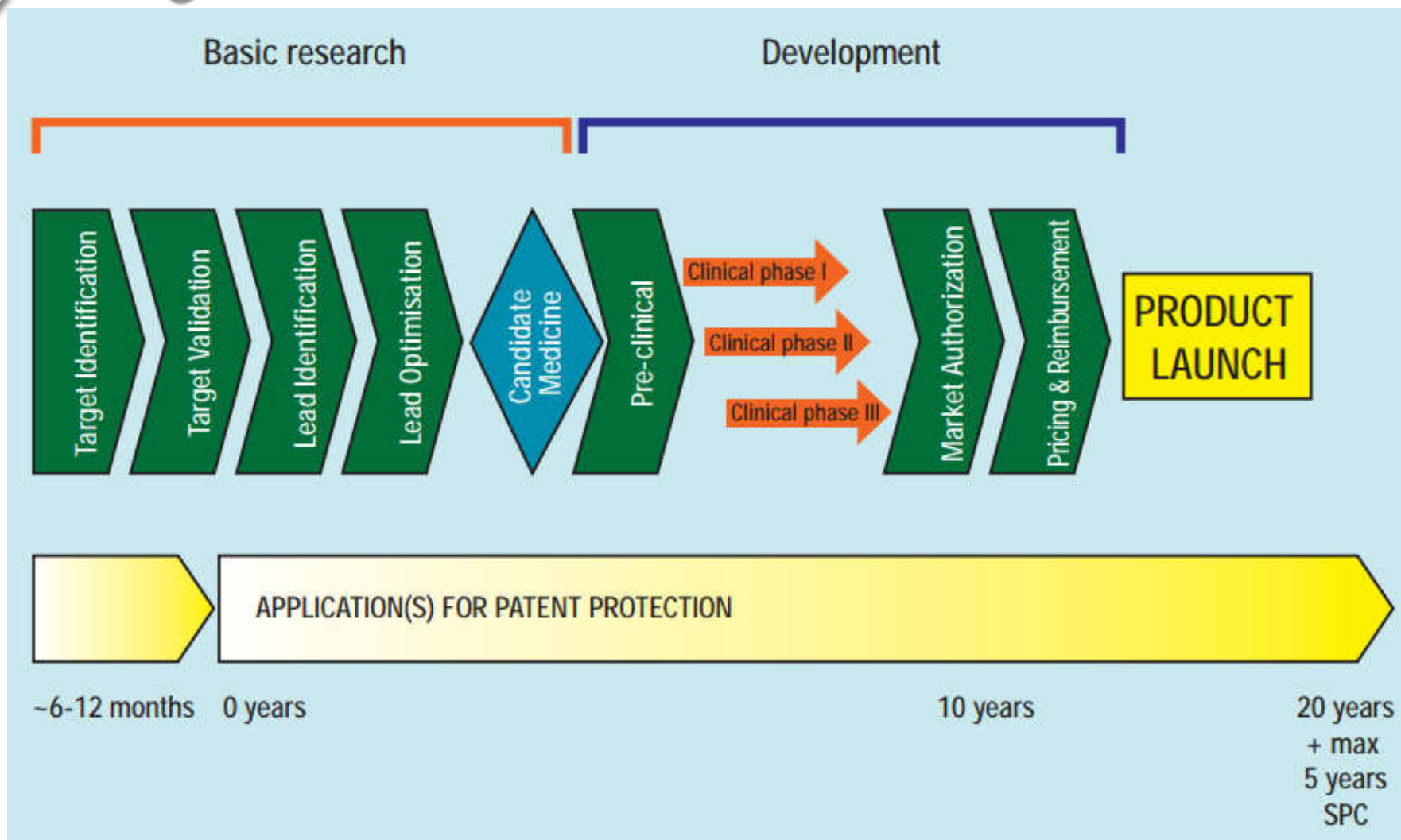
Practically until the beginning of the '80s in Italy it was not possible to patent drugs.



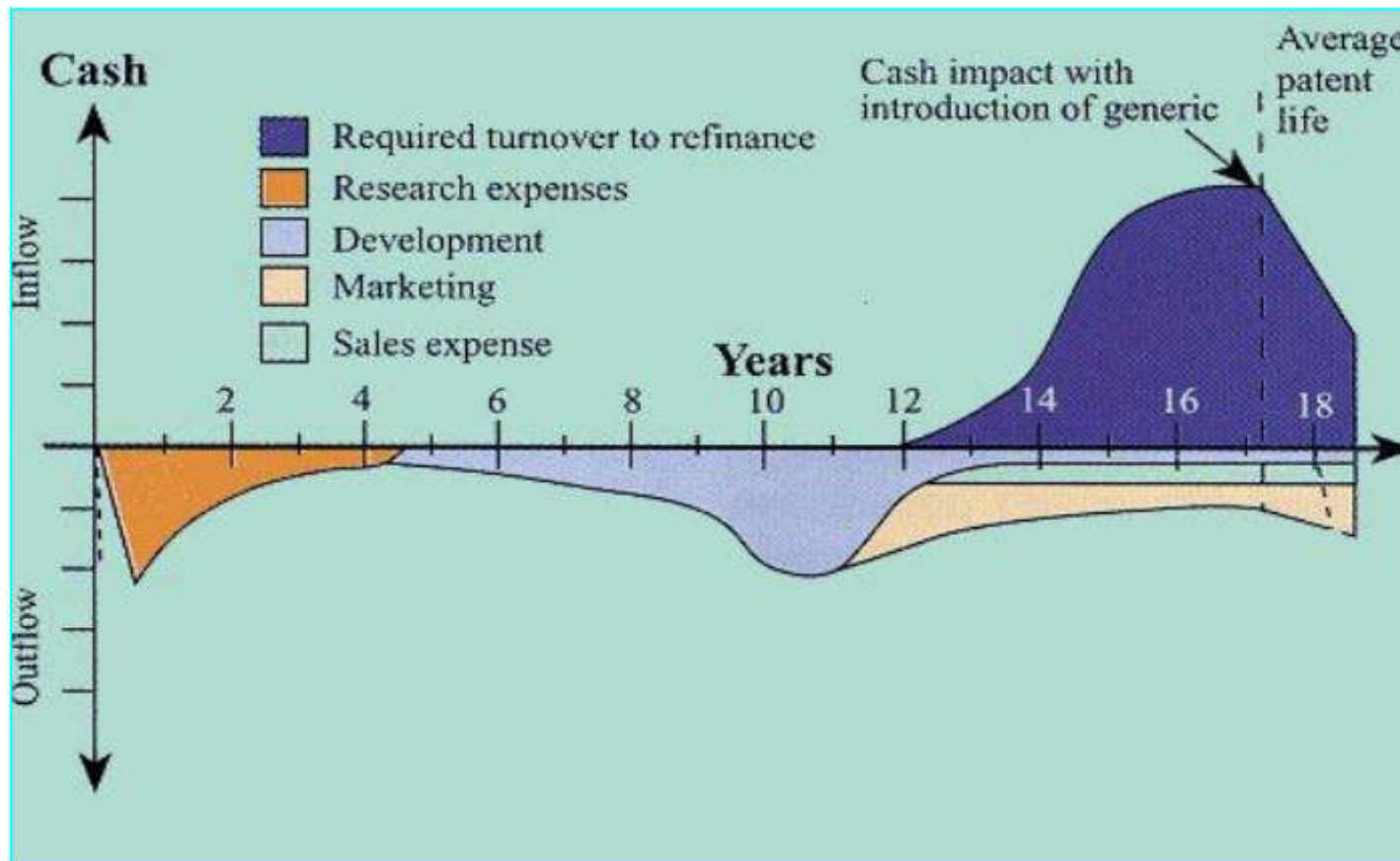
In order to recover at least the years used to obtain the AIC (Authorization to Marketing) if not all those necessary for the development of the drug, the SPC (Supplementary Protection Certificate) was established corresponding to the Italian CCP (i.e. Complementary Protection Certificates) that lengthens, according to EU Regulation 1768/92 in force since 1/1/93, up to a maximum of 5 years, the duration of the patent monopoly. A SPC can be granted both on a patent corresponding to a product, a process and a therapeutic indication (or use), but only in relation to the active ingredient covered by the AIC.

Chemical-pharmaceutical patents

- A scheme of the temporal relationship between basic research, patent and marketing of a drug, is presented in the next slide, taken from a European study on the use of the patent instrument in the pharmaceutical sector, available on the website of the European Commission (http://ec.europa.eu/competition/sectors/pharmaceuticals/inquiry/preliminary_report.pdf)
- It can be well appreciated from this diagram that the "commercial" life of a drug starts only when the patent is about to expire. Even the laws extending the duration of patents have come to constitute, thanks to the disproportionate duration of the monopoly on the active ingredient (up to 18 years beyond the patent term in Italy!), a real block to the development of generic drugs, implemented by the so-called Originator Pharmaceutical Industries.



Cash flow for ethical drugs (patent pending)



PATENT AND MEDICINE – MEDICINE CICLE

- The patent of a drug, i.e. the exclusive trademark of the producing pharmaceutical company, lasts 20 years (EEC Law 1768 of 1992) and for all this period, the pharmaceutical company that developed the drug can market it "exclusively".
- The life of a drug begins long before it is marketed (about 10 or 12 years) with the following steps:- activity because analysis;- effectiveness analysis;- tolerability analysis;- clinical trials;- registration;- putting the new drug on the market.
- And once the patent expires, what happens? Once the patent coverage expires, other authorized companies will be able to produce and market the same product as an "equivalent". In Italy, for example, the percentage of drugs that could be substituted is 60/70 percent.