

IV. DETERMINANTS AFFECTING CHOICE OF ILOSONE

The physicians' study reveals that Ilosone is not differentiated from other erythromycins by most physicians. It shares the dominant image characteristic of all erythromycins in regard to main uses, safety, efficacy, and spectrum. There is only a minority awareness and belief in Ilosone's advantages of absorption, blood levels, and acid stability. In terms of market impact, however, this lack of brand differentiation is counterbalanced by an even smaller minority awareness and concern about Ilosone's associations with liver toxicity. Among the relatively small group of physicians with awareness of Ilosone's liver toxicity side effects, there are two basic reactions:

Users rationalize Ilosone's side effects in various ways, and generally attach little significance to it.

For a small but potentially influential group of non-users, past users, or cautious occasional users, this concern is a serious deterrent. Even more detrimental, this group may be spreading negative word-of-mouth far beyond its numerical size.

Ilosone is favored by regular users mainly because of their loyalty to Lilly and their perception of absorption advantages ("patient-proof," reliable, etc.). About one in ten physicians in the groups saw Ilosone as superior because of faster, higher, or longer-lasting blood levels and better absorption. Among those who use it, fear of side effects reinforced expectations of therapeutic potency.

Physician attitudes regarding Ilosone, as outlined, suggest certain marketing implications which are summarized below:

(A) Ilosone is not substantially differentiated from other erythromycins. Thus, Lilly can promote Ilosone as an erythromycin which conveys safety. However, there exists a responsibility to adequately inform those physicians who are unaware of the infrequent side effects. A delicate balance is required so as not to raise unnecessary concern among those physicians who are not generally concerned about the jaundice problem.

(B) The relatively low overt concern regarding Ilosone's side effects may be taken as evidence for a positive attitude regarding the detailing of this product by the sales force.

(C) Selective detailing may be required to avoid the discussion of Ilosone with any physician who is aware of and concerned about liver toxicity side effects. Where there is any awareness of Ilosone's liver toxicity associations, the known availability of a "safe alternative like Erythromycin" is competitively decisive.

(D) By not attempting to further differentiate Ilosone from other erythromycins, Lilly may capitalize on its strong reputation in the antibiotic field to increase Ilosone use as total erythromycin use increases. We should also continue our efforts to position Ilosone as an effective alternative to penicillin for the penicillin-sensitive and as an alternative to tetracyclines because of freedom from teeth and bone side effects.

In contrast to the above marketing implications, we recognize the possibility of an alternative strategy which would further attempt to differentiate Ilosone from other erythromycin brands. In light of this research study and its description of the current market in which we operate, we would anticipate the need for clinical data that effectively demonstrate, in the mind of the physician, superiority of Ilosone over other erythromycin brands. It may be that the effort, resources, and time necessary to establish a broad and believable series of clinical data would not yield significantly greater results than efforts aimed at a strategy of non-differentiation as outlined above. Thus, prior to any major strategic decisions, further economic analysis may be required to determine the potential gains versus risks of both marketing strategies.

V. DETERMINANTS AFFECTING CHOICE OF V-CILLIN K

V-Cillin K is positioned in the antibiotic field as one of the improved, modern oral penicillins about halfway between "old" penicillin G and the newer synthetic penicillins. Physicians perceive superior absorption and acid stability for V-Cillin K compared to other penicillins, and particularly in relation to penicillin G. V-Cillin K is seen as a safer alternative than penicillin I.M., and a