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FIVE INGREDIENTS FOR A SUCCESSFUL LAUNCH OF AN ANIMAL HEALTH PRODUCT

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The animal health industry is responsible for ensuring that companion animals and livestock are healthy, free from diseases, and well cared for. Over the years, this industry has grown with the rapid uptake in pet adoption, spending on companion animals, and increasing pressure for farm efficiencies. Improved awareness of animal health is also a significant driver of the industry's continuous growth. By the end of 2026, the global animal health market is ***expected to reach approximately \$67.56 billion***, growing an average of 6.3% per year.¹

To keep up with the increasing demand for treatment options, animal health companies must ensure their products' relevance, availability, and accessibility. At the same time, they are navigating the intricate stages of disease identification, drug development, go-to-market operations, and drug administration. As an example, during the disease identification stage, they must closely study the diseases affecting animals of different species, physiologies, susceptibilities, and other biological variations during research and development. Before a product is launched, they must ensure it is distributed to the appropriate channels, with easy access and complete information to the veterinarians and caregivers.

Companion animals are "domesticated or domestic-bred animals whose physical, emotional, behavioral, and social needs can be readily met as companions in the home, or in a close daily relationship with humans."²

Livestock are "domesticated terrestrial animals that are raised to provide a diverse array of goods and services such as traction, meat, milk, eggs, hides, fibers, and feathers."³



Several other factors can make this journey complicated for animal health companies, such as:

- **Data blind spots:** There is no direct competitor data available from the data providers. Animal health companies have an overall sense of market opportunities but find blind spots in understanding competitors' specifics, such as product portfolios, sales patterns, and market shares. Data on the patient population is also limited, so animal health companies must rely on the concentration of veterinarians and agricultural and horticultural farms to estimate how many animals need treatment.
- **Extra-label drug usage:** In the US, the Animal Medicinal Drug Use Clarification Act of 1994 (AMDUCA) permits veterinarians to prescribe the use of a drug in a manner that is not per the approved label directions.⁴ This provision prioritizes animal health and allows veterinarians to prescribe products beyond the manufacturers' purview while conforming to regulatory norms. Coupled with the data blind spots, this provision makes it difficult for animal health companies to apportion their target market, develop the right marketing content, and accurately attribute sales to the field reps.
- **Multi-tiered distribution network:** Primarily, animal health products are distributed through exclusive veterinarian channels for efficiency and regulated usage. Such channels also include proprietary websites or central fill pharmacies, where the products are delivered to the home by filling a prescription and placing the order online. Several animal health companies have also started directly supplying over-the-counter (OTC) products to non-veterinary retail stores. Another emerging channel is the secondary distribution system or the grey markets – these channels run the substantial risk of adulterated or counterfeit compounds.
- **Human caregivers for animal patients:** Although animal health companies develop medical products to treat animals, they are administered by humans. Veterinarians, distributors, and animal caregivers are among several human touchpoints in an animal health product's commercialization journey. This aspect makes the complete and accurate transfer of information critical.

Such characteristics unique to the animal health industry make it challenging for companies to launch and sustain their products in a relatively “black-boxed” market. Knowing the right levers to pull from the get-go is crucial to ensuring a robust go-to-market plan.

[Learn more about the animal health industry's commercial operations trends and challenges here.](#)

Over the past decade, Atria has partnered with some global animal health companies in the commercial analytics and operations space, giving us the opportunity to understand their uniqueness. We have expertise in tailoring best-in-class integrated commercial data and analytics solutions for animal health companies to match their therapy areas, geographic, and customer demographic needs. As a leader in this area, we have been able to create a substantial checklist for determining a successful product launch for animal health sales and marketing executives. It combines Atria's past engagements, learning, and deep domain expertise.

Step 1: Understand the marketing landscape

Step 2: Identify customers to serve as early-adopters

Step 3: Maximize sales force motivation with lucrative incentives

Step 4: Prepare all distribution channels for the new products

Step 5: Set the stage for Key Opinion Leaders (KOLs) and Professional Services Veterinarians (PSVs)

STEP 1: UNDERSTAND THE MARKETING LANDSCAPE

Market data is not structured, nor is it readily available in the animal health industry. Granular information about critical variables such as competitors' products, customer prescription details, and overall market share data is unavailable with US data aggregators (and abroad). Some third-party data aggregators capture and report data at higher sub-national levels, such as territory and district, but not consistently at an end user level. This limitation can be crippling for animal health manufacturers. For instance, a veterinarian could prescribe an existing brand, but the manufacturer may be unaware of the expected behaviors. In such cases, it becomes challenging to differentiate existing customers from high and low-value prospects. The lack of information on the competitors' market penetration can also take away many market opportunities from animal health companies.

Understanding the marketing landscape before launching a new product is vital in such an industry. Animal health companies must invest significant time and effort in the pre-work required to identify the essentials of their playing field. They must find answers to some preliminary questions like:

- **What companies are they competing against within their target market?**



- **How do their products' benefits compare against the directly competing products?**
- **Which veterinarians are already prescribing their existing products and competitors?**

In the absence of national aggregators, animal health companies will have to derive most of these answers in-house. Data collected by local sales teams can be structured, streamlined, and aggregated to create an extrapolated view of the marketing landscape. Willingness to prescribe and feedback from veterinarians can contribute to the overall understanding of customer behavior and prescribing patterns. Working with industry experts can help reveal customer preferences, caregiver psychology, and the overall market dynamics. Data analytics solution providers can also recommend several innovative AI/ML techniques to fill the prominent data gaps.





STEP 2: IDENTIFY CUSTOMERS TO SERVE AS EARLY-ADOPTERS



To accelerate a new product's adoption in the market, it is essential to identify and work closely with veterinarians with a higher likelihood of prescribing. Identifying and engaging the needs of different customers is critical while designing the sales strategy for a new animal health product. Since the availability of aggregated customer-level data is limited, sales reps' relationships with existing veterinarians can help distinguish early adopters from stragglers.

For instance, a sales rep has a good relationship with a veterinarian who prescribes some of the manufacturer's existing products regularly. Such a customer has higher than average chances of

adopting the newly launched product and prescribing it to the appropriate patient population of animals. The veterinarian's trust in the brand can help convey the correct information about the new product's benefits for the associated conditions. Identifying high-value customers will help sales and marketing leaders create focused strategies to maximize sales conversion rates from the get-go. Here are some actions to consider:

- **Mark early adopters as the first to receive product information, newsletters, medical publications, and other information that can be helpful to them about the products and underlying conditions.**
- **Formalize the relationship with early adopters by identifying them as a group and educating them on the appropriate company and product-level information. This will create a sense of community and strengthen the relationship.**
- **Follow up closely with these veterinarians on all the products they prescribe from the company's line-up. Prioritizing their feedback will make them feel valued and provide helpful information about the immediate patient population and treatment efficacies.**



STEP 3: MAXIMIZE SALES FORCE MOTIVATION WITH LUCRATIVE INCENTIVES

A fair, equitable, and motivating incentive plan can go a long way to encourage the sales force to perform well. If the sales reps feel recognized and rewarded, they will bring dedication to their daily activities. Such steps can significantly uplift the sales of an animal health company. While designing an incentive plan for their sales force, an animal health company must be mindful of several factors, such as:

- **Unavailability of aggregated national-level data for veterinarians and other customers**
- **Sales allocation for multi-species products across multiple customers**
- **Sales allocation complexities arising out of extra-label drug usage**
- **Sales allocation for OTC products vs. prescription products**
- **Other data quality issues that can introduce several complexities in designing data-driven incentive plans**

Animal health companies can partner with data analytics solution providers to analyze the available data and benefit from the recommendations of industry experts to create well-structured and

motivational incentive plans. Prominent components of such multi-tiered incentive plans include goal attainment payouts, commission payouts, and rank and contest-based rewards and recognitions. Gamifying incentive plans are also an exciting way to create an environment of healthy competition among the sales reps. Cloud-based commercial product suites can also benefit animal health companies by being able to analyze the available data and recommend fit-for-purpose incentive plans to suit their unique requirements.

Data-driven incentive plans can significantly increase field engagement and ensure that sales rep efforts complement the entire team's efforts and not act against them. They not only improve the sales operations but also bring behavioral changes, increasing rep motivation, retention, and overall sales by implementing best practices across global regions.

[Learn more about how Axtria enabled 30% faster incentive compensation operations for a global top five animal health company.](#)



STEP 4: PREPARE ALL DISTRIBUTION CHANNELS FOR THE NEW PRODUCTS

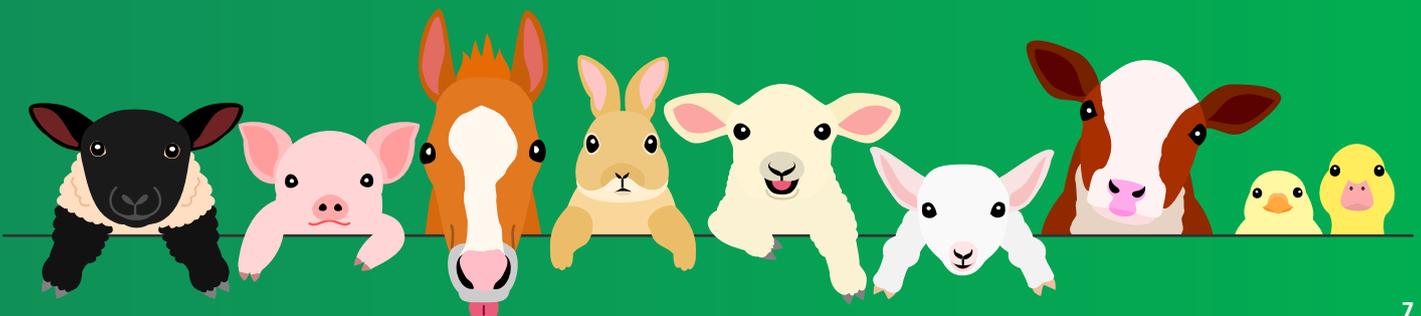
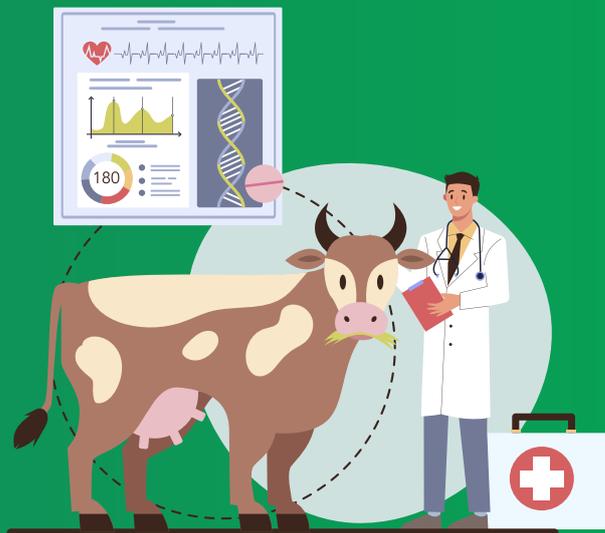
Animal health products are distributed through prescription-based and OTC channels. Typically, the products flow from the manufacturing company to the distributors, who then supply the products to product issuing centers such as veterinarians and central fill pharmacies (for prescription-based products) and non-veterinary retail stores (for OTC products). The end consumers usually access the products through either of these touchpoints. Another stream exists via unauthorized distribution through grey markets.

While preparing for a new product launch, an animal health company must prepare all players in their distribution system and account for all supply chain and logistical requirements. Ensuring sufficient inventory and a fluid pipeline of products across the distribution channels will guarantee that all veterinary prescriptions are honored and OTC transactions are closed. The caregiver may switch to competitor products or succumb to the grey markets



if any consumer-facing distribution touchpoint is inadequately stocked. Here are some ways to ensure a robust and fluid distribution pipeline for the yet-to-be-launched product.

- **Take stock of all distribution channels supporting the new product and work with them to ensure a steady supply of inventory before the product launches. The sales teams can also approach the high-value veterinarians to identify the central fill pharmacies, which can also be included in the product's pipeline.**
- **Train pharmacists and retail store employees on the new product. Ensure they are well informed about the nuances of animal drug interactions or potential administration challenges. Doing so will ensure that the products are used in the manner they were intended.**



- **Cross-information between channel partners can help direct the caregiver to the right channel. For example, suppose a consumer approaches a retail store to purchase a prescription-based product. In that case, the retail employees can advise the consumer to consult a nearby veterinarian instead of simply denying the product's availability.**
- **Any promotional offers or price discounts can also be incorporated into the distribution channels' pricing and sales targets to ensure that all marketing activities sync with the on-ground sales efforts.**

STEP 5: SET THE STAGE FOR KEY OPINION LEADERS (KOLs) AND PROFESSIONAL SERVICE VETS (PSVs)

Working closely with expert professionals to spread information and awareness about prevalent conditions and their associated treatments can significantly help animal health companies with their go-to-market strategies. While launching a new product, KOLs and PSVs play a crucial role in educating the customers and animal caregivers about the efficacy of the products and essential administrative guidelines unique to the prescribed treatment plans. Here's how KOLs and PSVs can contribute toward a good product launch:

- **KOLs can create awareness about animal health products and lend credibility to the medical community. By working with veterinary experts involved in research, treatment, and diagnosis, companies can gain in-depth insight into communities of**

A PSV provides technical support for animal product sales and marketing activities. A PSV also handles technical training and maintains close relationships with KOLs in the industry.

veterinarians, animal caregivers, and other animal health organizations. KOLs can also advocate the effectiveness and other benefits of animal health products, encouraging veterinarians to learn more by engaging with the soon-to-be-launched product's sales reps and marketing material. In addition, KOLs facilitate early adoption with focused networks of veterinarians.





- **PSVs play an essential role in educating and training veterinarians, practice teams, and caregivers on the appropriate administration of animal health products. They educate their audience by giving lectures and facilitating discussions on the latest information on animal diseases, animal health products, medical advancements, and other industry trends. They also partner with regional and district managers to achieve business objectives.**

Despite data blind spots, complex patient biology, and several other unique nuances of animal health products, there are ways to ensure a successful product launch. Data collected by sales reps and localized information coming from industry data providers can be harmonized in-house to generate insights at an aggregated level. Loyal veterinarians can be identified as early adopters and can be targeted with focused marketing efforts. Fair and attractive incentive plans ensure that the sales force works to its maximum potential and strives to achieve beyond its goals. Partners across the distribution network can work together for a well-oiled supply chain. Industry experts can lend credibility to the products and

influence the larger community towards the benefits of those innovative products. Partnering closely with data analytics solution providers can assist animal health companies with all these steps and provide cutting-edge technology and insights – optimizing their end-to-end commercial operations and eradicating several cloudy patches in a product’s initial journey in the market.





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