Lessons from the field: Market acceptance

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A Tail Tale of Two Products

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Lessons from the Field: Market Acceptance

**Suprelorin® for temporary fertility control in dogs**
- 6- and 12-month GnRH agonist (deslorelin) implants
- Trends in acceptance and use in Europe

**Zeuterin™ (aka Neutersol®, Esterilsol™) for permanent sterility in dogs**
- Intratesticular injectable solution of zinc gluconate and L-arginine that causes testicular degeneration
- Approved in the US but no longer marketed
- Lessons learned from unsuccessful introductions in the United States
Overview of Suprelorin Use and Awareness Trends in Europe
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A Well Known Product

- “For the induction of temporary infertility in healthy, entire, sexually mature male dogs”
- Among practitioners: 100% awareness
  - Most practitioners have used Suprelorin for 5 to 10 years
  - Practitioners generally suggest the Suprelorin alternative to their clients
- Among owners: > 50% awareness
  - Clients are typically interested in trying Suprelorin as a test prior to surgical castration
- 80% Suprelorin implants used are 4.7 mg (6-month control)
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About Castration

> 50% male dogs are left intact
25% male dogs are surgically castrated
20% dogs are treated with Suprelorin

Reasons to recommend Suprelorin vs. surgical castration

- Risky surgery (age, condition)
- Owner reluctance to permanent castration
- As a test-run prior to surgical castration
- To avoid reproduction related risks
- To treat BPH & perianal gland tumours
- Male & female dogs living together temporarily
- To manage inappropriate behaviour
Positive vs. Negative Feedback

Positive opinion
- “The perfect test prior to surgical castration”
- “Very relevant alternative to surgery”
- “Very effective, complete regulation of sexual hormones”

Negative opinion
- “Stress when the implant is done (pain)”
- “Costly treatment: implant +re-implant is as expensive as surgery”
- “First 2-3 weeks post-implant can be difficult”
- “Duration of effectiveness a bit variable”
Test-Run, a Primary Use

It is very common to use Suprelorin as a test-run for male dog owners considering permanent sterilization.

Further to test-run, in this particular survey:

- 60% owners choose surgical castration
- 20% owners choose to re-implant
- 20% owners let the dog return to how he was prior to hormonal down regulation
Why Do Owners Choose to Re-Implant?

- To maintain fertility suppression
- To maintain improvement of behaviour
- Emotionally scared by surgery
- Dislike surgery in their healthy dog
- Maintain effect on prostate (BPH)
- Maintain effect on coat (alopecia)
A Variety of “Off-Label” Uses

Used for other species/gender/purposes

- Treatment of Benign Prostate Hypertrophia
- Downregulation of breeding toms
- Oestrus suppression in breeding bitches
- Oestrus induction in breeding bitches
- Treatment of urinary incontinence in breeding bitches
- To reduce urine marking in neutered toms
Key Takeaways

The concept of suppression of fertility in male dogs is still unfamiliar:

- There is some reluctance to castration of privately-owned dogs
- In unowned dogs, management of population requires either long-term control or permanent castration
- Suprelorin is primarily used as a test-run prior to surgical castration
- Implant + re-implant for ongoing control is as costly as surgical castration
What about Suprelorin in the United States?
## Market for Permanent Approach

It’s Not One Market – It’s Two

<table>
<thead>
<tr>
<th>Market Type</th>
<th>Private Practice: Individual, small-group, corporate, and academic veterinary hospitals and clinics</th>
<th>Nonprofit: Shelters, municipalities, animal welfare organizations, NGOs, and organizations sponsoring “spay/neuter” events in target communities</th>
</tr>
</thead>
</table>
| **“Value” Market** | ▪ Similar to companion animal market  
▪ Veterinarian sets the price based on business competition and client-base demographics  
▪ Permanent and temporary approaches may both be attractive | **“Volume” Market**  
▪ Similar to production animal market  
▪ Funding-dependent  
▪ “Neuter as cheaply as we can in sometimes rather difficult circumstances.”  
▪ Temporary approach unlikely to be attractive |
| **Objectives**     | Safe, effective, profitable, client satisfied                                                  | Safe, effective, cost effective, neuter as many dogs as possible, owners/guardians/community satisfied |

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*ACC & D*

Alliance for Contraception in CATS & DOGS
## Market for Permanent Approach, con’t.

<table>
<thead>
<tr>
<th></th>
<th>Private Practice</th>
<th>Nonprofit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who Needs Convincing?</strong></td>
<td>▪ KOLs&lt;br▪ Key professional groups&lt;br▪ Veterinarians&lt;br▪ Technicians and other staff&lt;br▪ Veterinary schools&lt;br▪ Clients</td>
<td>▪ KOLs&lt;br▪ Key nonprofit organizations&lt;br▪ Key organizations that provide grants&lt;br▪ Local community leaders and governments&lt;br▪ Local veterinarians&lt;br▪ Dog owners and guardians&lt;br▪ Local media</td>
</tr>
<tr>
<td><strong>Formulation (storage requirements)</strong></td>
<td>Flexible storage options with consistent availability of utilities and transportation</td>
<td>Storage conditions may be “suboptimal” in certain remote, mass market, and/or extreme weather situations</td>
</tr>
<tr>
<td><strong>Packaging</strong></td>
<td>Single-use common</td>
<td>Multi-dose preferred</td>
</tr>
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Zinc Gluconate Intratesticular Injection

- One-and-Done product (effects are permanent following a single use)
- Potential market sectors are inherently different in ways that affect commercialization
- May be considered a potential “game changer” in a challenging market:
  - A “gold standard” exists
    - Users are generally satisfied
  - Adoption of a new technology requires fundamental changes in thinking and human behavior
- Game changer or not, it’s been unable to change the game . . .
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Let’s Go to the ACC&D Website


- Key Requirements
  - Long-term capitalization
  - Education
    - Technique
    - Understanding risk/benefit profile of sterilization
    - Pros/cons of surgical versus nonsurgical sterilization
  - Pricing that “reflects advantages” over surgery
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Drivers of Market Acceptance

- Understanding and leveraging the characteristics of users and their audiences
- Clear, consistent positioning and support for a product or approach, whether it’s intended for the for-profit market, nonprofit market or both
- Communicating with key audiences
- Identifying, acknowledging and addressing challenges
## Drivers of Market Acceptance

<table>
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<tr>
<th>Driver</th>
<th>Both Markets</th>
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</table>
| **Stakeholder ID**      | ▪ Develop and demonstrate understanding of target-sector providers and their clients/customers/stakeholders  
                           ▪ Identify and involve acknowledged thought leaders in target sectors                                                             |
| **Positioning**         | ▪ Recognize history  
                           ▪ Ascertain which business or service model(s) may be appropriate  
                           ▪ Relate to specific product attributes and how they apply to each stakeholder  
                           ▪ Specific approach versus other choices                                                                                       |
| **Product support**     | ▪ Comprehensive training system for veterinarians and technicians  
                           ▪ Technical, semi-technical, and lay-level communications via targeted media  
                           ▪ Solicit and act on feedback on training, communications, and performance                                                     |
| **Planning and Outreach** | ▪ Multifaceted program to reach out to vets in both sectors and get them involved  
                           ▪ Reach out to veterinarians and technicians prior to launch  
                           ▪ Understand veterinarian attitudes and customize approaches to veterinarians based on attitudes and demographics  
                           ▪ Work with veterinary schools; have a program for veterinary students  
                           ▪ Provide targeted communications tools for sectors to use with owners/guardians                                                 |
| **Challenges**          | ▪ Significance and complexity of trying to change human behavior  
                           ▪ Don't expect a product to sell itself – it won’t                                                                                 |
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### Sector-Specific Drivers of Market Acceptance

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<tr>
<td>▪ Embrace and be responsive to veterinary professionals and their clients at a level of service commensurate with what the private practice provides</td>
<td>▪ Recognize differences among nonprofits</td>
</tr>
<tr>
<td>▪ Understand and communicate the economics, including profitability, of a given nonsurgical approach versus surgery</td>
<td>▪ Understand and be able to demonstrate the suitability and economics of use in a variety of large-volume settings</td>
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<tr>
<td>▪ Co-promotion programs</td>
<td>▪ Develop “for the greater good” partnerships with target nonprofits</td>
</tr>
<tr>
<td></td>
<td>▪ Reach out to nonprofits to prior to deployment to understand what's relevant and what to expect in a given community</td>
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Is It Possible to Serve the Nonprofit and For-Profit Sectors?

If so, how? If not, why not?
Serving Both Sectors

- Traditional small company model
  - Unlikely to be practical unless funding is not an issue
- Possibly in a large company with a portfolio
  - In-house resources to launch and manage a nonsurgical product
  - Deterrents to large company adoption
    - Veterinarian and client satisfaction with the “gold standard”
      - “Is there a need?”
    - Some nonprofit organizations would embrace a permanent product
      - Issue of affordability (nonprofit customers) versus profitability (acceptable ROI)
Could alternative, appropriately funded, innovative business models allow a company to serve both markets, manage costs, and be profitable?
Alternative Business Models?

Could alternative, appropriately funded, innovative business models allow a company to serve both markets, manage costs, and be profitable?

- Purpose-built nonprofit organizations
- Public Private Partnerships
- Low-profit limited liability companies (L3C)
- High-volume limited service model (wellness/vaccination/fertility control)
- Vertical integration strategy
Food for Thought

- “You need a variety of end-user advisors around the company table. Consider their input. Don’t neglect that. Crafting a strategy internally and imposing it on the industry is unlikely to produce results.”
- “When you’re trying to make a sustainable business there [are] challenges; some can be internal.”
- “A company has to listen to the people in the field – people talk to us about their animals”
- “Companies can’t be at arms’ length from providers. We needed to be partners in treating the dogs.”
- “Evidence, not evangelism”
- “Studies and publications can help people get ready.”
- “It’s just too bad that reproduction is so hard to stop.”
- “Taking out gonads is a tool for now, it’s not a tool for the future. So how do we get to the future?”
Questions? Comments?
Reminder: For More on Issues Likely to Affect Markets

<table>
<thead>
<tr>
<th>Session</th>
<th>Day and Time</th>
<th>Location</th>
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<tbody>
<tr>
<td>Assessing the risk/benefit profile of surgical sterilization</td>
<td>Today at 2:15 pm</td>
<td>Theater</td>
</tr>
<tr>
<td>Lessons learned: field studies with cats and dogs</td>
<td>Today at 4:05 pm</td>
<td>Theater</td>
</tr>
<tr>
<td>Lessons learned: field studies with cats and dogs, continued</td>
<td>Tuesday at 10:45 am</td>
<td>Library</td>
</tr>
<tr>
<td>Intratesticular approaches: going forward</td>
<td>Tuesday at 9:20 am</td>
<td>Library</td>
</tr>
<tr>
<td>Embracing (facing?) the future: industry implications for the next sterilant product</td>
<td>Tuesday at 4:30 pm</td>
<td>Theater</td>
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</table>
“But my offspring would be just as adorable as I am!”