# HOW PHARMA CAN MEET COMMERCIALIZATION AND MARKETING CHALLENGES DURING COVID-19

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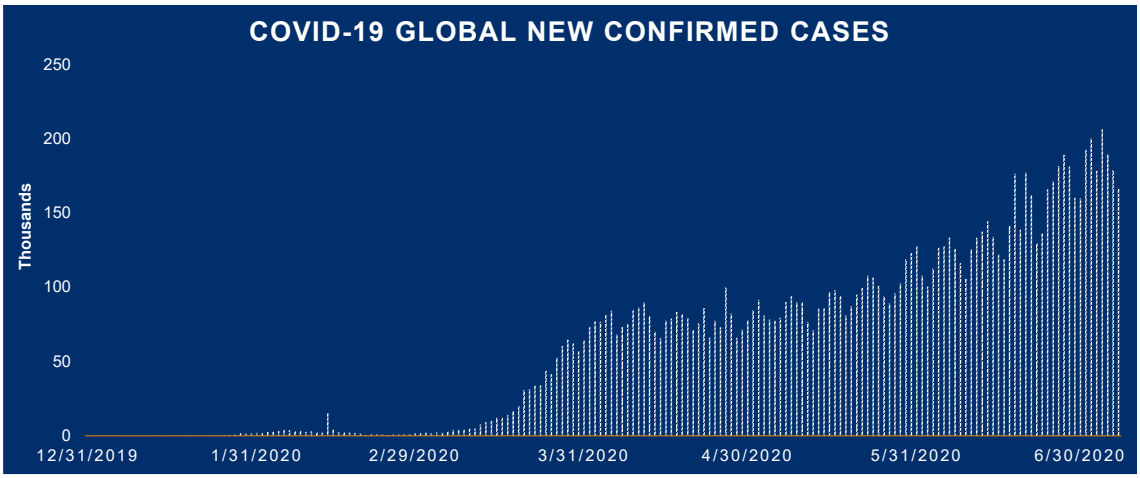
With a resurgence of COVID-19 cases underway and a second wave of infections on the horizon, the health and economic threats the pandemic poses are not going away any time soon. The crisis has triggered clinical trial delays for many manufacturers of pharmaceutical products; but it has inspired other drug developers to work for a cure, with as many as 417 Phase 2 and Phase 3 industry-sponsored trials ongoing and another 285 registered but not yet recruiting.[1] Whether developing treatments to address the pandemic or trying to keep other development pipelines flowing, the industry must now contend with a variety of new commercialization and marketing challenges.




Source: European Centre for Disease Prevention and Control, https://www.ecdc.europa.eu/en/publications-data/download-todays-data-geographic-distribution-covid-19-cases-worldwide

## Commercialization Challenges for COVID-19 Therapeutics

Companies working in the COVID-19 space are scrambling to define the market as well as to identify follow-up indications for long-term sales. Whether repurposing drugs with Phase 2 data or pushing new agents through trials, these companies are urgently working to prepare a launch plan. However, attempts to forecast the size and value of the COVID-19 opportunity for any drug are fraught with challenges.

It is unclear how soon new COVID-19 drugs will be available or what the prevalent COVID-19 patient population will be at the time those drugs receive Emergency Use Authorization (EUA). In addition to an uncertain number of total patients, it is unclear what portion of COVID-19 patients any single drug will treat. With dozens of potential competitors, defining both the clinically eligible patient subset as well as the competitive advantage of one drug or a combination of drugs is a key component to calculate the potential.

Pricing uncertainty is also an issue, with payers and health systems economically strained by the existing cost of COVID-19 but amenable to treatments – especially those that offset costly hospitalization. Gilead may have provided a baseline, having announced the price for a five-day course of remdesivir to be $2,340 (for all governments in the developed world, including the U.S. government's Indian Health Services and the Department of Veterans Affairs) or $3,120 (for U.S. insurers, in addition to Medicare and Medicaid).[2] It remains to be seen how price will affect access for COVID-19 drugs.

The trajectory and duration of the pandemic introduce more unknowns. Current forecasts project 2020 COVID-19 cases, but there is great uncertainty around how many will occur in 2021 and beyond or when an effective vaccine will be widely available. In addition, the potential seasonality of the novel coronavirus and the prospects of long-term immunity for recovering patients remain areas of academic debate.

For these reasons, many pharmaceutical companies are actively planning their label expansion strategy for their COVID-19 drugs and assessing the clinical and economic endpoints needed to drive adoption in other viral and respiratory diseases. Initiating this planning today can accelerate the achievement of regulatory approval for other acute-care indications. Label expansion planning also hedges the risk that the COVID-19 market may not provide significant financial returns should the patient population decline (as is the humanitarian goal) and/or should numerous effective drugs receive EUA.

## Commercial Delays for Non-COVID-19 Indications

The flip side of the COVID-19 story is that the pandemic has caused nearly 200 companies to delay or halt clinical trials.[3] While the total number of disrupted trials has gradually fallen as lockdown restrictions ease and sponsors adjust their clinical trial design strategies, activity continues to be affected by slow enrollment and delayed initiation.[4] Meanwhile, the threat of a potential second wave of the virus creates risk and uncertainty of further disruptions to clinical trials.

For impacted companies, delayed clinical development and launch represents a shortfall in planned income and could necessitate dilutive and non-dilutive financings. Equity markets have remained surprisingly resilient in 2020, with 2020's biotech IPO numbers similar to 2019. Venture activity has declined in terms of total deal count, although deal value has been similar to 2019. Notably, venture capital for late-stage and angel-backed companies has remained stable, but seed and early-stage companies have seen a massive slowdown.[5] This has pushed early-stage companies to seek alternative sources of capital.

Although the Coronavirus Aid, Relief, and Economic Security (CARES) Act included $6 billion for coronavirus R&D,[6] other grant funding has neither been expanded nor offered accelerated review. However, recent panel discussions in the U.S. House of Representatives are considering expanding funding by $11.25 billion for the National Institutes of Health and the national laboratories funded by the Department of Energy's Office of Science.[7]

Partnering remains another option for those companies facing a liquidity challenge. Partnering strategy needs to not only accommodate near-term financial stress but also ensure a path for the future. Estimating the value of the company's intellectual property and the additional investment needed to realize that value is a starting point, but companies must also define the interconnected synergies in the portfolio or platform. For example, companies should consider whether a particular asset has more value as a combination therapy or if future development of one pipeline asset is constrained by licensing another. For early-stage companies, it is crucial to understand how partnerships today expand or decrease future options. Finally, paying attention to the usual deal structure considerations (field restrictions, enforceability and diligence requirements) is important in developing a partnering strategy.

While future access to venture capital or public markets remains uncertain, maintaining a healthy capital cushion can avoid the need for drastic measures if equity markets stall. Scenario planning and evaluation can be a useful process for management teams facing these trade-offs.

## Sales and Marketing Challenges and Opportunities

The reduction in face-to-face interactions due to social distancing has quickly pushed pharma sales and marketing to a digital paradigm. Countries most impacted by COVID-19 have seen a significant decline in sales rep access to physicians.[8,9] Training sales teams on virtual communications and building tools to track successes has occurred rapidly. As a result of the decrease in face-to-face interactions, biopharma must maximize the value and impact of virtual interactions with customers. This includes digital CME, peer-to-peer marketing and other non-personal promotions, as well as training detailing how to engage physicians digitally.

In late March, an EVERSANA survey of payers found that 80% of respondents were using digital tools that they had not used prior to the COVID-19 crisis, and 75% of payers reported that they have had more digital interactions with pharma companies. Moreover, payers' perception of the helpfulness of digital resources post-COVID-19 was nearly three-fold higher than during the previous summer (90% vs. 38% in July 2019). Similarly, an EVERSANA survey of physicians

conducted in May 2020 found that these stakeholders are more engaged digitally with pharma than pre-COVID-19, with 38% of PCPs and 15% of specialists engaging in virtual detailing sessions. Moreover, about half of physicians reported that they are likely to engage in virtual congress sessions as live events are cancelled, and nearly two-thirds of physicians reported that they are more likely to attend congresses now that the events are virtual. These data highlight the need to rethink and reprioritize marketing efforts and digital forums.

Pharma can maximize ROI by targeting physicians most receptive to virtual interactions, as well as engaging with key opinion leaders (KOLs) using a large digital presence. Influence mapping to identify and prioritize KOLs can improve marketing ROI. Likewise, market segmentation can focus limited resources on a smaller but more receptive subset of prescribers and increase ROI.

EVERSANA is positioned to help manufacturers meet the many challenges described above with end-to-end commercialization services to plan pipeline development, partnering and launches to ensure that new and existing therapies succeed.

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