

**Case Study:
Discovered Opportunities
Price Elasticity**

Animal Health Market



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Boundless DiscoverySM

Background

- Client developed a vaccine that protected against a common ailment in canines and felines
- It was cited as a multi-valent/combo vaccine
- This vaccine was an addition to the company's current portfolio of products

Objectives

- This study had two main objectives:
 - Determine veterinarian reaction to the new vaccine and reveal the best ways to position the product in the marketplace that included a vaccine with similar attributes
 - Comprehensively evaluate pricing to determine strategies for maximizing adoption, market share, and revenue

Methodology

- This study used web-based data collection
- 300 nation-wide veterinarians were used with the following screening criteria:
 - Practiced veterinary medicine full time
 - Must have been an in-clinic veterinarian and primary decision maker
 - Must have been a veterinary practice owner/partner or veterinary associate
 - Worked for a clinic whose practice was made up of at least 80% dogs and cats
 - Must have seen at least 30 dogs in a typical month
 - Must have vaccinated against the ailment
- Discrete choice analysis was employed.
 - Presented the respondents with sixteen pricing situations, where client's prices, certain attributes and competitors' prices were varied



Summary of Findings

Survey Findings	Actions to be Taken
<ul style="list-style-type: none">• Client's product possessed a barrier to entry. Veterinarians viewed it as very similar to another product already in the market and did not perceive any major advantages or disadvantages.• To avoid seeming like an impersonator and necessitating a differentiation on price alone, the client had to attach value-added attributes to their vaccine, which would increase adoption, share, and revenue.• Veterinarians listed "protection against familiar antigens" and "no required booster" as major advantages to the new vaccine that clearly differentiated it from the comparable competitor	<ul style="list-style-type: none">• Client developed tactics to promote differentiating attributes
<ul style="list-style-type: none">• Without focusing on the value-added attributes, client could not utilize ideal price points and would have to price product well below market competitors.• If the client is successful at emphasizing important attributes in the new product, then it could acquire share from competitors (even at higher price point).• The client would maximize revenue at the middle price point if value-added attributes are included.	<ul style="list-style-type: none">• Client planned to launch the new product at a price point that would best position the vaccine for current and future success.• Sales representatives emphasized differentiating attributes in order to present the new vaccine as a value when conversing with veterinarians.

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