Driving Market Share for Healthcare Products by Integrating Market Modeling

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Panel of Speakers

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Agenda

- Addressing an Unmet Need

- Questions Rosa Market Modeling Can Answer

- How Adaptive Discrete Choice Models Work

- Typical Project Flow

- Deliverables Including a Dynamic Excel™-Based Market Model

- Recently Completed Studies

- Summary of Discussion

- Question and Answer Session

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An Unmet Need

- Commercial teams and executive decision makers in biopharmaceutical, diagnostics and device companies need credible market input early enough in the development and commercialization process to materially affect the product profile, drive market share, and optimize revenue

- Traditional market research techniques lack the scientific rigor to quantify the impact of product characteristics on market preferences.

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Addressing the Unmet Need

- Rosa Market Modeling uses an analysis technique that is based upon Nobel Prize-winning work and decades of experience

- Rosa Market Modeling's key capability is to credibly quantify what actual or perceived product attributes will drive prescriber/user uptake and how a product's potential range of performance on these attributes will compare to an exhaustive variety of current or future competitive options in key patient segments

  o We look at the entire environment, including all competitors

  o Dynamic look at the market over time

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Questions Rosa Market Modeling Can Answer

- Which product attributes are most important to prescribers/users to drive preference for my product?

- How will product preference vary among different patient treatment scenarios or patient types?

- How will product preference vary by respondent type such as physicians vs. ancillary HCPs, different physician specialties or geographies?

- How could patient preference impact prescriber/user preference?

- How will potential new competitors impact my product over the next few years?

- Will my competitor's focus on a certain characteristic of their product gain them a significant share?

How Do Discrete Choice Market Models (DCM) Work?

- Utilities are used to estimate the probability a decision-maker will choose each of any number of competing products

- The market research challenge is to measure these "utilities" from which these probabilities are derived

- Products, e.g. treatment regimens, diagnostic tests, medical devices, etc.. can be defined by a list of characteristics (attributes)

Characteristic/Attribute	Diagnostic Test A	Diagnostic Test B
Sensitivity	99%	95%
Specificity	50%	40%
Turnaround Time for Results	10 Days	5 Days
Cost to Patient	$100	$70

Strongly Prefer A	Moderately Prefer A	Neutral	Moderately Prefer B	Strongly Prefer B
☐	☐	☐	☐	☐

What is an _Adaptive_ Discrete Choice Market Model?

- Rosa Market Modeling's proprietary approach to measuring utilities adapts to the individual respondent

    o Enables us to concentrate on measuring the attributes and levels that matter to that respondent

    o We can handle more attributes and levels and complexities of non-linear relationships than non-adaptive approaches

    o Allows for respondents to answer questions in multiple patient scenarios or contexts in one study while avoiding respondent fatigue

- The approach allows us to collect much more high-quality information on a much broader array of topics, in a shorter time frame

- Sample sizes of 30 to 35 per group are sufficient to provide accurate shares
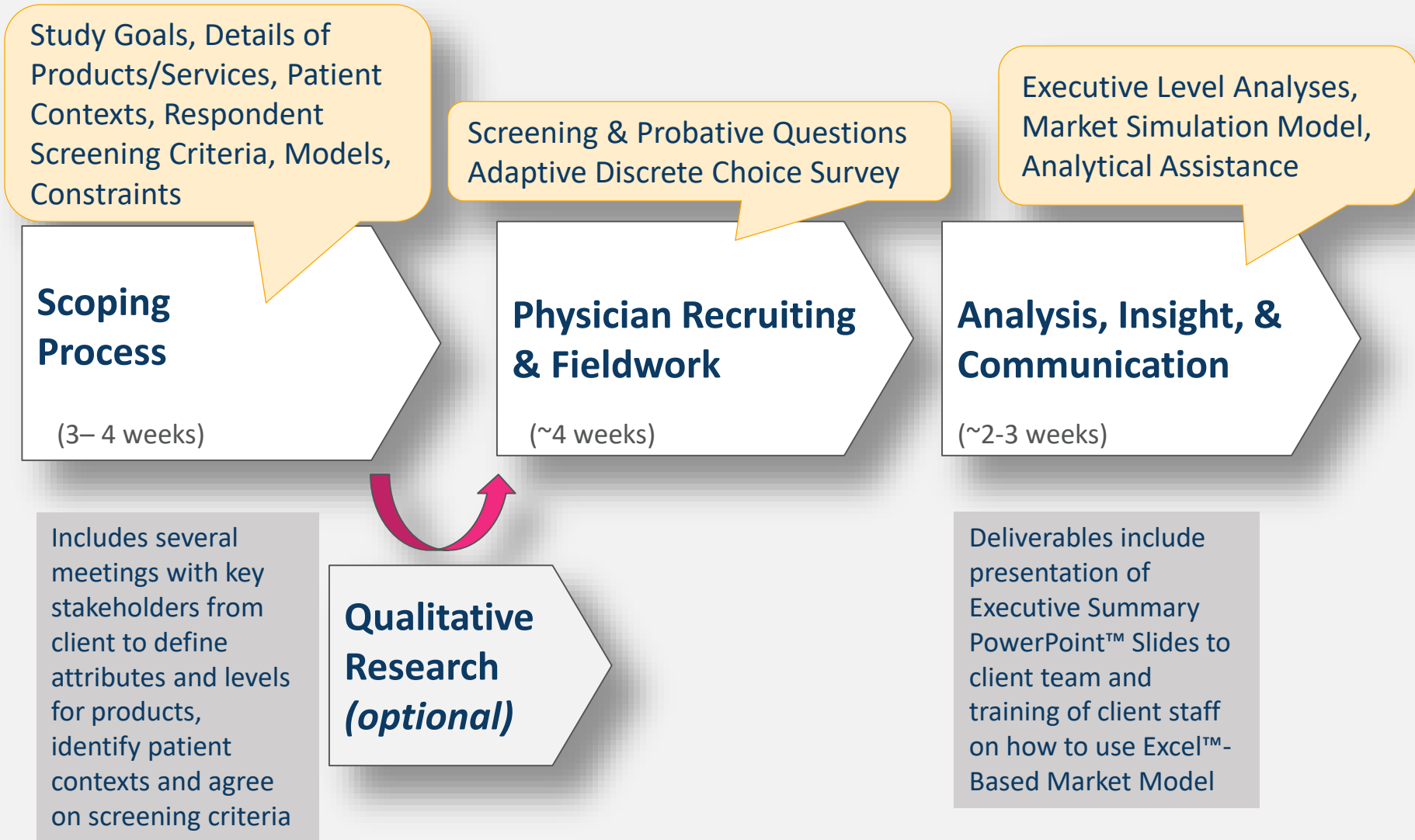
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Rosa Market Modeling Can Be Used When Dealing With Entirely New Product Categories

- When an entirely new product category is being analyzed that may have few, if any, attributes in common with existing products, discrete choice needs to be supplemented to get the full picture

- We do this by using Purchase/No Purchase techniques, developed by Rosa, to measure the utility of not using any members of the new product category

- This allows us to estimate the share of respondents that will not use any of the new products, as well as the shares of competing new products among the respondents that will use them

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What is a _Dynamic_ Market Model

- Rosa Market Modeling (RMM) uses a Dynamic approach to determining preferences among various products that is customized for the client's unique product and relevant market

  - Typical market research studies only provide a snapshot of physician attitudes at the time the research is conducted

  - RMM provides the client with a custom Excel™-based market model that shows how prescriber/user preference may change over multiple years given the launch of new products and potential changes in attribute performance of existing products

  - No third-party off the shelf software is used

  - This model becomes a durable asset to be used over time by the client

  - Rosa staff trains your employees how to use the custom Excel-based market model and is accessible for follow-up support

Project Flow: Projects Typically Last 10 -12 Weeks

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Study Goals, Details of Products/Services, Patient Contexts, Respondent Screening Criteria, Models, Constraints

Screening & Probative Questions Adaptive Discrete Choice Survey

Executive Level Analyses, Market Simulation Model, Analytical Assistance

Scoping Process

(3– 4 weeks)

Physician Recruiting & Fieldwork

(~4 weeks)

Analysis, Insight, & Communication

(~2-3 weeks)

Includes several meetings with key stakeholders from client to define attributes and levels for products, identify patient contexts and agree on screening criteria

Qualitative Research *(optional)*

Deliverables include presentation of Executive Summary PowerPoint™ Slides to client team and training of client staff on how to use Excel™-Based Market Model
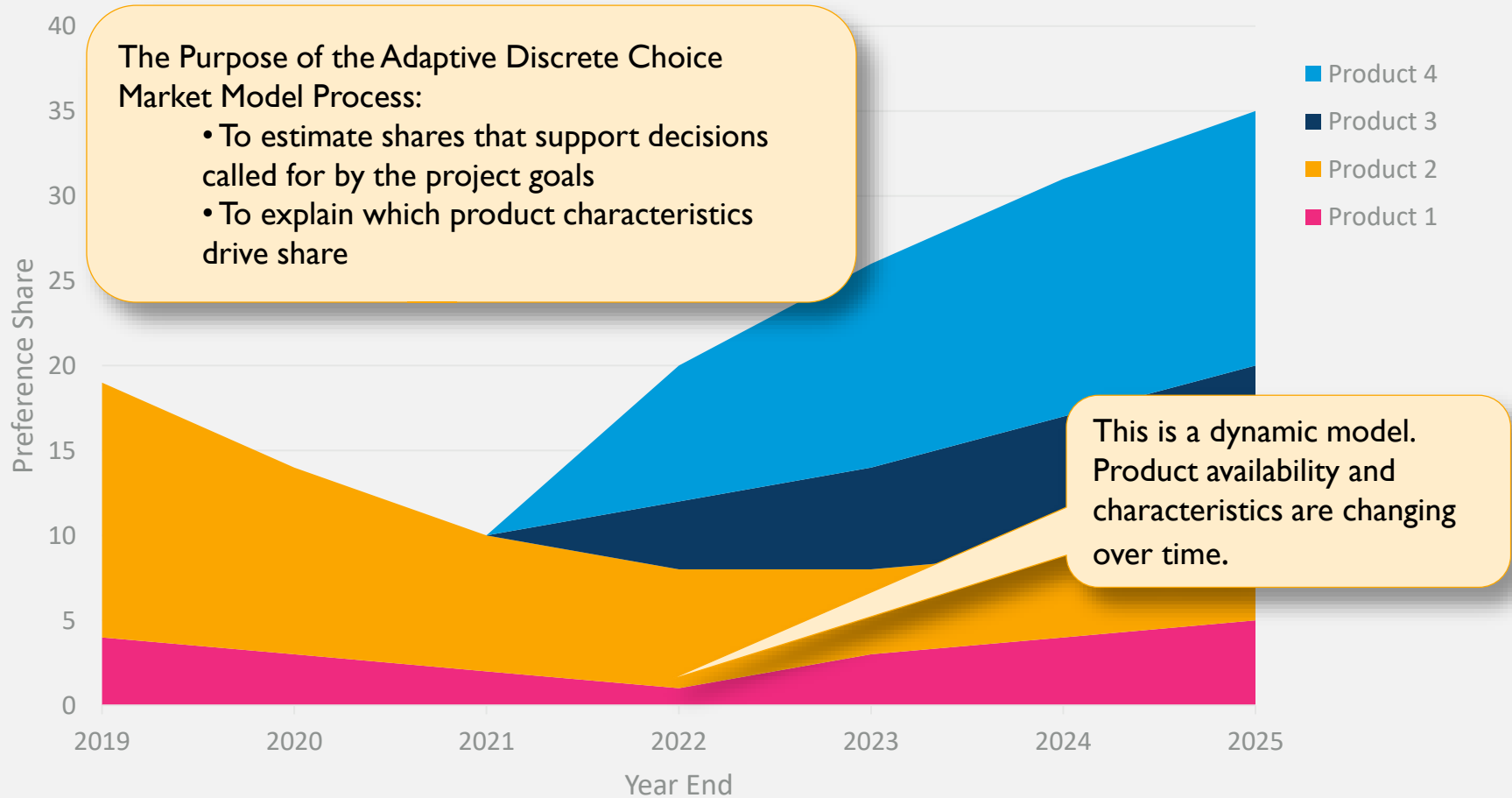
Deliverables: Dynamic Excel™-Based Market Model

- Flexible, user friendly Excel-based Market Model that can simulate a wide variety of product adoption scenarios in a dynamic competitive context

- User can add new products to market as they become available or make changes to attributes of current products

- Client will be trained to use the Market Model and will be supported over time

- Market Model
  - Computes shares
  - Shows the user which product attributes most influence relative shares

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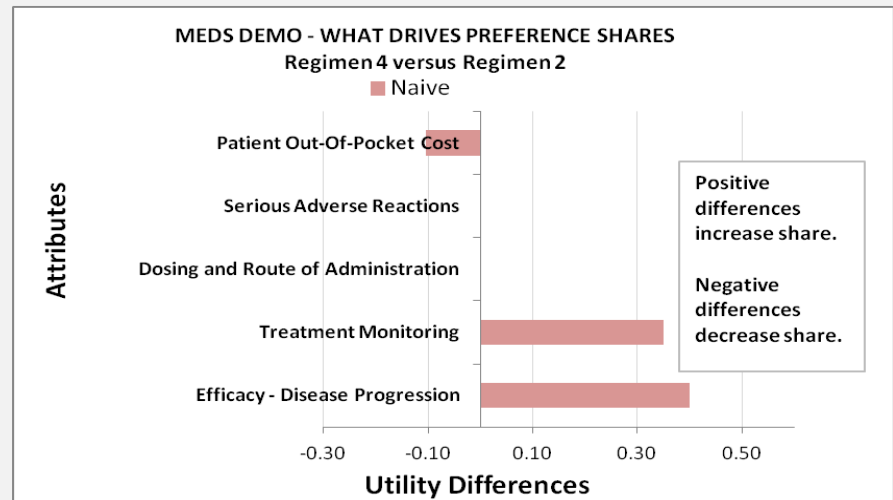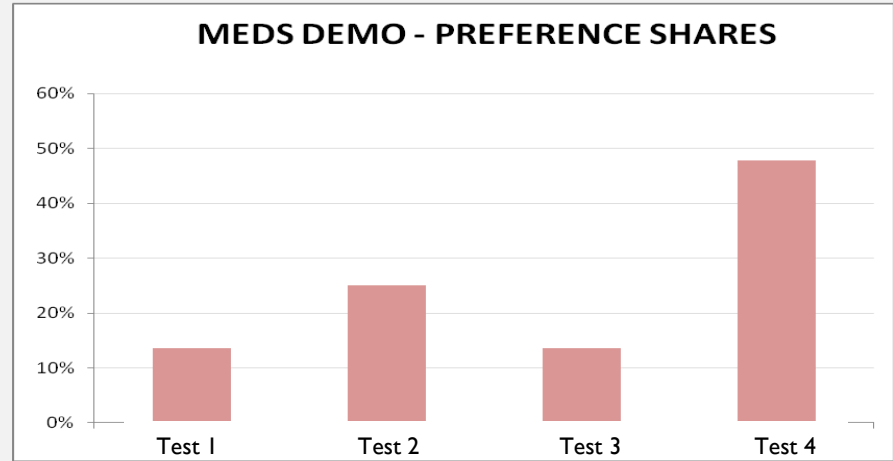# End Result - Define competing products, estimate their shares in a changing market

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Share: Products for Condition X

The Purpose of the Adaptive Discrete Choice Market Model Process:
- To estimate shares that support decisions called for by the project goals
- To explain which product characteristics drive share

This is a dynamic model. Product availability and characteristics are changing over time.

Legend:
- Product 4
- Product 3
- Product 2
- Product 1

Y-axis: Preference Share
X-axis: Year End (2019, 2020, 2021, 2022, 2023, 2024, 2025)

The Rosa Simulator Can Show Which Attribute Levels Have the Most Impact on Shares

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®

What characteristics drive Diagnostic Test 4 to a higher share than Diagnostic Test 2?

MEDS DEMO - PREFERENCE SHARES

Regimen 4 has better Sensitivity and Invasiveness than Test 2, and they outweigh its higher Out-of-Pocket Cost

MEDS DEMO - WHAT DRIVES PREFERENCE SHARES
Regimen 4 versus Regimen 2
■ Naive

Positive differences increase share.

Negative differences decrease share.

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Recently Completed Studies

Product Type	Purpose of Study	Respondents Included in Study
New Diagnostic Test to Identify if a Patient Has Cancer Before a Biopsy is Done	Determine Physician Preference to Order New Test vs. Following Current Standard of Care	• Primary Care Physicians • OB/GYNs • Radiologists
New Diagnostic Testing Platform to Identify Pathogens in Hospitalized Patient Infection Samples	Determine Preference for Using New Platform vs. Current Options in Hospital Laboratory Setting	• Hospital Microbiology Lab Directors • Hospital-Based Infectious Disease Specialists
New Prescription Drug for an Orphan Disease	Determine Preference for Prescribing New Drug vs. Using Current Standard of Care	• Endocrinologists • Nephrologists
Existing Noninvasive Prenatal Diagnostic Test	Determine Impact of Potential Changes to Various Product Options in the NIPT Market	• OB/GYNs
New Prescription Drug for a Pulmonary Disease	Determine Preference for Using New First-in-Class Drug vs. Current Standard of Care	• Pulmonologists

Summary

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Question and Answer Session

Thank you for listening!

We are now ready to take your questions.

For any additional questions regarding this topic, please contact:

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