

Price Point Discovery for First Line Treatment Drug



Want to know the ideal price point for your best-in-class drug?

ABOUT THE CLIENT

Mu Sigma helped a large pharmaceutical firm discover the optimal price point for its best-in-class first-line treatment drug that allowed it to maximize market share by being the most cost-effective treatment option on the market.

CHALLENGE

Our client had a best-in-class drug for first-line treatment in certain therapeutic areas, and needed to find the ideal price in order to maximize its market share by making it the most cost effective treatment option vis-à-vis the competition.

APPROACH

In order to come up with the optimal pricing strategy we listed down all the treatment options for the indication along with the associated economic costs. A thorough survey of literature and published market data was performed to prepare a list of treatment options available for the therapy area along with the compliance and effectiveness of each option. This was then supplemented by computing direct and indirect treatment costs, including the likelihood of possible side effects and the impact of side effects on the overall treatment cost for each of the identified options. A ranking of options based on cost-effectiveness, and a sensitivity analysis on price helped identify the optimal price-threshold that ensured the drug was the most cost-effective treatment option available on the market.

OUTCOME

The optimal price point discovery allowed the client to gain market share by pitching it's drug as the most cost effective treatment option on the market.