

Medical Foods in the Middle

Positioning for success between clinical medicine & consumer nutrition

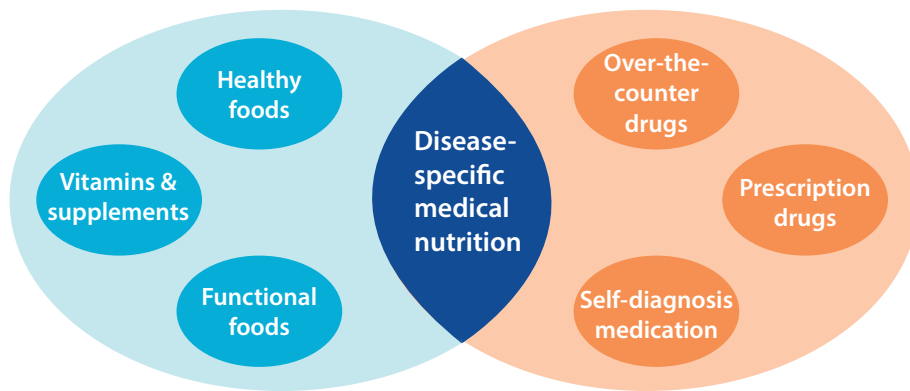
by Benoît Gouhier, SKIM

Many experts describe the medical foods industry as “emerging,” but it could be more aptly described as “nascent.” Nascent industries, according to Adrian Yeow, assistant professor at **Nanyang Technological University** in Singapore, are particularly challenging environments for new entrants. The most basic challenge they confront is the issue of legitimacy with investors, customers, regulatory agencies and other potential entrants into their industry. By this description, virtually every aspect of medical foods is fraught with risk, uncertainty and quickly evolving barriers to entry.

Many of the marketing challenges inherent to medical foods center around establishing legitimacy within the amorphous boundaries of an industry that sometimes has trouble even naming itself. Is it medical foods, medical nutrition, functional foods, or nutraceuticals?

Companies developing medical foods as solutions for the treatment and prevention of chronic diseases like diabetes, sarcopenia, HIV and obesity face several challenges. While medical foods are gaining more widespread acceptance, they remain poorly understood by patients, pharmacists and physicians. As such, marketers must extend their focus beyond defining the product to defining an entire product category. That’s some heavy lifting.

As the graphic illustrates, “disease-specific medical food” occupies the space between medications obtained through pharmacies and health foods sold in supermarkets. Most insurers don’t cover the cost of nutritional products for disease prevention or management. Consumers and patients often become the final decision makers regarding the purchase of these products, often guided by the advice and recommendations of healthcare professionals. The result is a complex and competitive environment and a decision-making process that poses real challenges for marketers.



Challenge #1: Raise awareness for a new category, not just a new product

Medical foods were traditionally used to address malnutrition, but they are increasingly being developed to help treat or prevent diseases. In the present moment, healthcare professionals and consumers/patients aren't always aware of medical foods as a treatment option. How should they view such a product? Is it a “serious,” clinically proven medical product or a healthy, consumer product? Is it a drug or a functional food product like Actimel from **Danone**? All of this uncertainty demonstrates the need for building category awareness as well as product awareness.

Take the examples of Fosamax from **Merck**, which is marketed to treat or prevent osteoporosis and increase bone mass, and Fosteum from **Primus Pharmaceuticals**, which is marketed as a medical food to manage hot flashes and increase bone mineral density. Both require a prescription, but how does the physician or pharmacist communicate to the patient about the difference between a medication and a medical food? Marketers can arm physicians with language that is informative and effective in driving those conversations with patients.

Research shows that dietitians and nurses are generally familiar with medical foods, but most doctors and specialists are not. While the latter acknowledge the importance of nutrition, they are relatively unaware of the potential for medical foods to treat or prevent a condition. Because the number and variety of conditions addressed by medical foods are increasing, doctors and specialists are becoming increasingly important “recommenders” and prescribers. Marketers must take into account this awareness gap when thinking about how to encourage a healthcare professional to recommend these products to their patients.

The first step is to carefully assess the current knowledge and perception of healthcare professionals. Depending on the existing awareness, it would be beneficial to educate them about:

- ▶ The role of nutrition within the treatment paradigm
- ▶ The efficacy level that can be expected from medical food products
- ▶ Patient types for whom medical foods could be relevant
- ▶ How to use medical food products as a supplement to, or replacement for, current therapy
- ▶ The working mechanism and potential risks in terms of side effects and in-

teraction with other therapies

When presented with a medical food for the first time, consumers are often unclear about whether it is a serious pharmaceutical product or a healthy food product. Can a "food product" be as effective as a pharmaceutical pill or ointment? And if it is a food product, why is it more expensive than the healthy products from the supermarket?

As with healthcare professionals, it becomes crucial to understand the current knowledge and perception of target consumers and inform them about the content of medical foods (e.g., "natural" or "active" ingredients), the types of diseases and conditions that can benefit from nutritional therapies, and practical guidelines about how to integrate therapies into diet and daily life.

Challenge #2: Utilize 'consumer pull' and 'healthcare professional push'

Medical companies need to target consumers/patients and healthcare professionals simultaneously. Medical foods marketers have traditionally focused on healthcare professionals only. It is crucial to make informed choices about whom to target beyond "prescribers" and how to divide marketing budgets. Consider these questions:

► To what extent do consumers feel comfortable deciding for themselves whether to use a medical food product for their condition?

► How much influence do healthcare professionals have in the choice of certain medical food products? Which pro-

fessionals are key?

► How does one design a "pull and push" strategy that balances investments in patient vs. healthcare professional communications?

The makers of Fosteum define their category clearly to consumers. They proactively address the fact that medical food occupies a space between nutrition/supplements and drugs, thereby attempting to overcome the category awareness challenge outlined above. Fosteum's online patient brochure positions the product as a "more effective and less-risky" option along the spectrum of nutritional interventions and drug treatments. To quote from that brochure: "Fosteum is a specially formulated prescription medical food product, developed exclusively from natural ingredients. It is used to manage osteopenia and osteoporosis. Fosteum is indicated when a good diet and supplements like calcium plus vitamin D are not enough, but you are not ready for drugs with their potential for side effects. Fosteum is supplied in a capsule."

Challenge #3: Create desire for disease-specific medical food products

Medical food companies must trigger the desire of both healthcare professionals and consumers simultaneously, but appealing to both target groups is uniquely challenging for medical foods. While offering great health benefits is a prerequisite, ensuring compliance is also crucial. For medical foods, that means making the product pleasant tasting, convenient

and non-threatening.

Healthcare professionals require compelling data supporting nutritional product efficacy. And while consumers mostly rely on healthcare professionals and professional resources for advice, they must ultimately experience the benefit of the product to continue its usage.

Healthcare professionals will often assess the clinical relevance of medical foods products based on the same clinical endpoints as for drugs. There are various reasons for this. Healthcare professionals are most familiar with these clinical endpoints as reference points. Clinical endpoints help them understand when and how to best use the product, and they are sometimes offered incentives for improved performance on these endpoints.

While the health benefits should be clear and understandable for consumers, they will most likely rely on validation from their healthcare professionals when deciding whether to initiate the use of a medical food product. Since consumers often pay out-of-pocket for the product, they will expect to clearly notice and feel the health benefits in the long term, whether it is evident to them as laypeople (e.g., observing benefits such as weight loss) or validated by a healthcare professional.

With these added criteria playing into compliance, products should still be designed and marketed with consideration of basic consumer preference, including:

► Taste: A pleasant taste is a prerequisite to avoid rejection or fatigue

► Convenience: The product should be

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easy to purchase, use and integrate into daily life

- ▶ **Stigma:** Consumers want products that do not make them look or feel different from others

- ▶ **Price:** If it's too expensive, consumers will not try it, nor will they comply with a long treatment regime

Abbott Labs' Glucerna, one of the first medical food entrants to the U.S. market, spares no effort to position itself as pleasurable. With the tagline "A delicious part of your weight loss plan," they put taste ahead of benefits. And their broadening array of products—shakes, snack shakes, meal bars, mini-bars and snack bars, all in a variety of flavors—attempt to cover all the bases for taste and convenience. Non-medical packaging reduces the stigma by making the product look like any other nutritional bar or shake found on the grocery aisle.



Axona, prescribed for Alzheimer's and recently acquired by **Nestlé Health Science**, addresses healthcare practitioners and consumers each in a compelling and appropriate way. For patients, they describe benefits using medical but understandable language, and the manufacturer provides friendly guidance regarding who should use it and how. Patient-directed information also addresses the cost barrier by providing an "Axona Reimbursement Helpline," as well as discount programs for out-of-pocket expenses.

In speaking to healthcare practitioners, Axona uses appropriate medical language and provides sourced studies that support the case for prescription. Case studies describe the patient types that can benefit from Axona, and they offer clear messaging on how to prescribe and recommend the product.

Challenge #4: Highlight the unique value of disease-specific medical foods

Disease-specific medical food products are often compared to a wide scope of alternatives from health foods to prescription drugs. Medical food companies must not only differentiate from other nutritional options, but also from potential competitors belonging to different categories. How can one effectively differentiate from potential alternatives in consumers' and healthcare professionals' minds? How does one know whether the differentiators are strong enough to drive willingness to use or recommend?

In 2011, Peter Brabeck-Letmathe, former CEO and current chairman of Nestlé, told **Fortune** magazine that he believed Nestlé was better positioned as a food manufacturer to compete against pharmaceutical companies in the medical foods market. "First of all, we bring the understanding of the patient that pharma companies normally don't have—they think about molecules and things like that," said Letmathe. "Secondly, we have a huge advantage because we know how to texturize the product. For example, if you cannot swallow, we can give a product a texture that allows you to swallow."

But could the knife cut both ways? While Nestlé may strive to differentiate on taste and pleasure, a pharma competitor might differentiate through functional benefits and the perceived gravitas that comes from being a pharmaceutical company.

Choosing the right differentiator

A differentiator has to be relevant to current brand positioning and the business model. Which differentiator makes more sense for certain products? How does one know that a differentiator is strong enough? It is crucial during the product development process to determine how a new medical food product is perceived by consumers and healthcare professionals, then optimize that positioning and communication strategy to ensure the success of the product.

To differentiate from health food products, regular exercise or a healthy diet, a marketer

could show efficacy when used in addition to exercise or healthy diet or present convincing evidence of the superior clinical effect of the medical foods product. To differentiate from drugs, a marketer could address multiple health benefits instead of focus on one benefit, which might come across as ineffective compared to often more efficacious drugs. Additional strategies could include potential added benefits when used on top of, rather than in replacement of, current drugs, or highlighting other benefits of medical foods (convenience, safety, naturalness, less stigmatizing, etc.)

Besides differentiation on functional benefits, a product can set itself apart through packaging. Using fewer colors gives a product a more 'serious' medical look, which might be perceived as more effective. However, it may also be perceived as less enjoyable and more stigmatizing to use. Conversely, a more consumer-friendly package may be more attractive and easier to spot alongside bland medical packaging on the shelves in a pharmacy, but one potential drawback could be a lack of perceived effectiveness or legitimacy. The most suitable packaging route should be based on both brand positioning and the positioning of competitive products.

In spite of the daunting challenges faced by this burgeoning and exciting new category, consumers and patients are hungry for options. Within these challenges lie significant opportunities to be the first and best to lay claim to the as yet uncharted territory of medical foods. 🍋

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