

# Tiered Pricing Strategies in Emerging Markets

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## Abstracts

For the pharmaceutical industry, emerging markets are dynamic, full of potential and offer solid growth at a time when established markets are contracting. But they also pose a significant problem: extreme disparities in income.

Increasingly, companies are turning to tiered pricing as a solution. The strategy targets market segments, boosts market share and increases patient access to drugs. But it's not perfect.

## Report Overview

Tiered Pricing Strategies in Emerging Markets offers concisely written insights into the issue of differential pricing in fast-growing markets where stark disparities in wealth are common. Based on interviews with experts from pharma, health economics and health activism, the report sheds light on the challenges ahead in establishing the right price point, increasing market access and avoiding the diversion of price-tiered products into wealthier markets while answering the call of corporate social responsibility. Filled with clear explanations and timely examples, the report gives the industry a precise view of a new and highly selective strategy.

## Key Report Features

Insight into the corporate motivation behind tiered pricing

Discussion of the particular issues posed by determining affordability and segmenting markets in countries with vastly disparate economic profiles

Examination of alternatives to differential pricing, such as compulsory licensing

and generic competition

Insight into 'best practices' for tiered pricing, particularly for non-communicable and chronic diseases

## **Key Benefits**

Tiered pricing through the eyes of experts in industry, health economics and health activism

Global overview of pricing differentiation, its benefits and its drawbacks

Practical strategies and discussion of how the industry can overcome significant hurdles in implementing tiered pricing

## **Key Questions Asked**

How can tiered pricing be implemented in emerging countries with greatly disparate income levels?

How can pharma both expand into emerging markets while providing access to affordable drugs?

What are the ethical and corporate considerations in sustaining effective tiered pricing strategies?

Who is involved in tiered pricing and what are the outcomes?

How will tiered pricing be affected as the focus increasingly shifts from communicable to non-communicable diseases?

## Who Would Benefit From This Report?

Market access directors and managers

Pricing and reimbursement executives

Key account and territory managers

Marketing, brand and sales managers

Business development executives

Forecasting and marketing professionals

## Key quotes

“This issue of access to medicine on a global basis is here to stay. It isn’t only limited to HIV or malaria. It’s something that is going to be an issue for decades to come.” – Suerie Moon, Doctoral Research Fellow at Harvard University’s Center for International Development.

“I think in some markets, say in the least developed of those countries, it's more about trying to show that we are trying our utmost to get access to the products that we make across the board and that we're not specifically focusing on the wealthiest markets.” – Andrew Jenner, Director of Innovation and of Intellectual Property and Trade, IFPMA.

“A major challenge [is] to try and segment the market in a way whereby we can responsibly take advantage of the real commercial opportunities that exist in the growing middle classes in the countries but at the same time try to expand access amongst the poorest communities.” – Jon Pender, Vice President, Government Affairs, Intellectual Property and Access, GSK.

## Expert Views

Jon Pender, Vice President, Government Affairs, Intellectual Property and

Access, GlaxoSmithKline, UK

Robert Sebbag, Vice President, Access to Medicines, Sanofi, France

Andrew Jenner, Director of Innovation and of Intellectual Property and Trade,  
International Federation of Pharmaceutical Manufacturers and Associations  
(IFPMA), Switzerland

Suerie Moon, Doctoral Research Fellow, Harvard University Center for  
International Development, US

Dr Jorge Mestre-Ferrandiz, Senior Economist, Office of Health Economics, UK

Dr Mohga Kamal-Yanni, Senior Health and HIV Policy Advisor, Oxfam, UK

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## **ACKNOWLEDGEMENTS**

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