



Is pharma brand marketing dead or has it just arrived?

Mark Sales and Fabrice Bourg
June 2014

**At present,
organizations are
not necessarily
working holistically.**

While pharma observers speculate on the death of outdated drug discovery and sales models, some critical wounds to brand marketing have been largely ignored. But in the new multistakeholder-driven environment that requires brands to stay one step ahead, Mark Sales and Fabrice Bourg ask whether marketing has to address unrealized brand opportunity or face extinction. Is brand marketing dead?

A question: How can you maximize the potential of your brand? Put another way: How do you know what opportunities for maximizing that potential you are missing in the first place? Focusing your resources on the right areas will help you identify and exploit these opportunities – but first you need to know what they are.

Let's rewind a little. While there have been significant changes around the pharma industry in the last few years, not least in the sales arena where the rise of payers and empowered patients has realigned commercial relationships with prescribers, the brand marketing function has not yet been forced to adapt to new realities.

The main problem is that, at present, organizations are not necessarily working holistically. Market access teams are doing market access, brand people are doing branding, and those who are doing the execution, be it multichannel or sales force, are still doing them separately. When it comes to forecasting or building brand lifecycle, this

lack of coordination means businesses are simply not achieving maximum impact, or consequently maximum benefit for patients.

Unrealized opportunities: how to grab them

The good news is that plenty of unrealized opportunities are still out there in brand marketing. But we need to do what we, as an industry, have been talking about for the last decade or so, which is actually pulling everything together and taking a holistic view at how we deliver our brands to our key stakeholders. We know this has already happened on the sales side, through necessity rather than through choice, in part because of patent cliff issues but also because of company downsizing, more targeted segmentation and messaging due to the increase in niche indications, and the proliferation of information leading to reduced return on investment (ROI) from traditional detailing. There is also the issue of market access and the change in the identity and role of payers, plus patient advocacy, but many of these environmental “push” factors apply to marketing too, as illustrated in Figure 1.

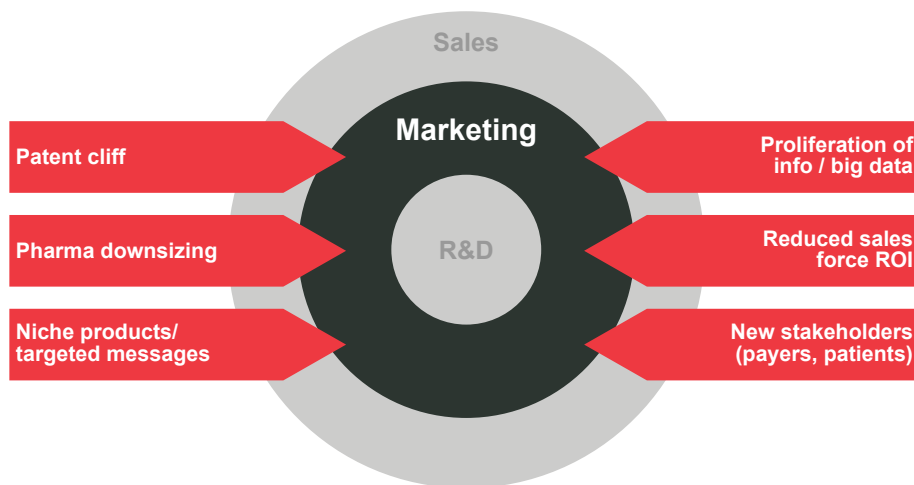


Figure 1: Several factors that have already affected pharma sales models are now driving essential change in brand marketing.

Pharma has looked very intensively at ROI when it comes to the sales function (and also trying to invest smarter in R&D), and attention is now turning to marketing because this siloed approach that we see time and again is simply not an optimal use of resources. Doctors are increasingly saying: “We are payers and this is how we want to be walked through a new product.” Throwing a sales rep or a market access expert at them is perhaps not the best approach; they need to be treated as a customer.

Governments are waking up to this too. In the UK, the much-vaunted value-based

Healthcare systems in every country are looking very closely at value.

pricing (VBP), which has now morphed into value-based assessment (VBA), means an organization needs to approach these more and more powerful payers in a holistic way. Rather than saying, “Here’s our strategy, take it or leave it,” instead we need to say: “This is the value we’re going to bring to the UK.” Any other approach is increasingly likely to fall on its face. All of this is further complicated by patient groups and empowered individual patients increasingly flexing their muscles when it comes to influencing healthcare decisions.

Before writing off the UK as a “special case” when it comes to market access, be aware that healthcare systems in every country are looking very closely at value, including large insurers in the US, which will increasingly push co-pay back to the patient for higher-priced, “less effective” treatments.

The importance of evidence

These changes mean pharma needs to produce more evidence and work more collaboratively because payers themselves are collecting much more robust evidence that will either prove or disprove the claims the industry is making for brands. They have access to the same multichannel world as pharma and are able to seek information on their own – they don’t just rely on pharma anymore. The sheer proliferation of information will be the game changer, and this abundance of readily available information, from multiple sources, means that unless pharma is adding new evidence, it has no value. One also sees a shift in active data collection to behavioral sources such as Twitter, online communities and device tracking. This has to form part of the mix driving decision making.

Perhaps as a consequence of needing to provide more evidence-based data, we’re now seeing marketing as more about measurement and science in terms of the way companies want to see returns, but with more of a consumer approach from the marketing teams. The understanding is that if you can’t measure exact ROI for brand marketing in the way that you can, for example, via sales with the launch of a car, then at least companies should have

a more ordered approach to where they place resources and maximize investment.

While it’s true that consumer skills have been brought to brand marketing (where the rise of empowered patients has again played a role), the emotive approaches on which consumer works are simply not enough in pharma; there is now more of a focus on internal and external evidence bases. We are seeing fewer and fewer big, super-product, blockbuster drugs coming to market. In the past there was perhaps more leeway on whether you achieved peak sales of \$1.5 billion or \$1.8 billion, but now if that figure is going to be more like \$500 million, you have to be confident in achieving it. Consequently, companies are taking a more scientific approach to pre-launch – not scientific in the laboratory sense, but in the sense of taking care to get a brand on that peak trajectory in the first place. In the past there might have been more focus on simply getting the brand into the marketplace and working out how to beat the competition when it’s out there. That doesn’t work now.

Pharma needs this more scientific approach to launch to be driven by evidence-based research and more evidence-based measurement of results. One of the biggest organizational changes we’ve seen over the last few years is the way in which responsibility for the period “T minus two years to launch” seems to have settled more in the strategic marketing space and less in development, reflecting a need to plan out the market access pathway properly, get the channel mix right and do the classic marketing exercises, including forecasting.

Pharma’s internal walls need to fall

There is a major problem with this approach, however. The internal structures of pharma companies – particularly in market research – make it too easy to go down the brand-tracker route. No one will argue with this since brand-trackers are common currency and, as the old saying goes, “Nobody ever got fired for buying IBM.” But this reflex desire to measure all things – as opposed to the few key things that might make the difference – is

Pharma, in other words, is stopping pharma.

a major blocker to progress. It's easy to call your market researcher, add a few things to the questionnaire from the last brand you launched and just get on with it. It's more difficult to say: "Okay, let's take a step back and have a conversation around how we optimize this brand in the marketplace through its launch and lifecycle." It may be that market researchers themselves are not challenging enough and thinking about how we could be more strategic.

The real issue is that a "checkbox" approach to analysis and evidence doesn't help identify opportunities; rather than thinking strategically about brand optimization, you just do what you've always done.

Pharma, in other words, is stopping pharma.

If market research is formulaic and doesn't get to the heart of where a product fits, then customers – rather than the manufacturer – will shape a brand's place in the market. And remember, these customers now include not only prescribers, but also payers and patients. We all naturally fall back into doing what's comfortable, and if you're making money and doing well, then why change? If this continues there is a real risk of marketing having little impact on brand performance. If you do what you've always done then nothing really changes.

So we're back to those unrealized opportunities and the continuing need for some kind of solid measure to help you understand whether you are missing an opportunity and to explain what you need to do to exploit it.

A roadmap for brand marketing success

In short, pharma needs to think more about getting diagnostic solutions. Brand teams need to constantly be looking forward to make better decisions that are evidence-based, patient-centered and deliver against unrealized brand opportunity. Whether you are six or 12 months from launch – or even just starting the launch phase – it would be useful to check that you are where you need to be in terms of the crucial factors we believe are the new core components of brand marketing (also shown in Figure 2):

- **Experience:** The more traditional way of assessing brand performance based on how doctors feel about a brand and how they intend to use it.
- **Execution:** Whether your brand marketing is actually being implemented (or is indeed implementable) in the field.
- **Access:** The 21st century game changer for pharma: Will payers actually support budget for a product, even if doctors "feel" it is a good brand?

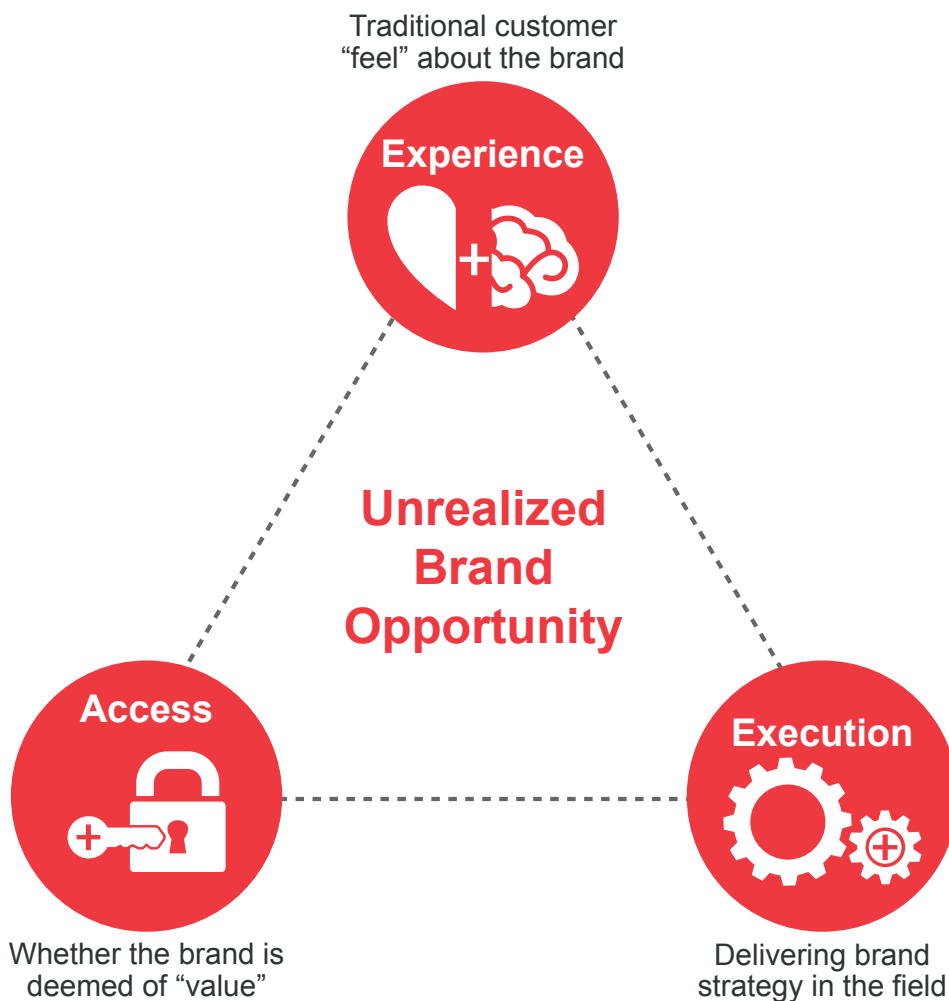


Figure 2: Experience, execution and access form the essential pillars of exploiting unrealized brand opportunity, founded on a solid evidence base.

No one knows their own market better than pharma companies themselves.

Brand marketing also needs a coordinated approach across this trio in addition to more integrated working across internal silos. Do this, and pharma is well on its way to acquiring a roadmap for delivering unrealized brand opportunity.

The first step is diagnosis, achieved by quantitative and qualitative research using internal and external sources and benchmarking data. From this research it is possible to develop a brand plan, which includes the metrics used to measure success, before moving to implementation and monitoring of your strategy.

It requires a different approach. To start, you have to nail down the key priorities: what other data is available to be used, who will be your team's first point of contact, who are the key stakeholders and how do you want to implement a strategy? You have to take into account the global program for the brand: can your new strategy be applied in every territory, or do sensitivities mean a different key message is needed from one country to another? The big advantage here is that no one knows their own market better than pharma companies themselves. But in order to set up a holistic view you need to start with a blank page: assumptions need to be challenged and the limitations of any given solution understood.

Ultimately you need to find a strategy for the brand based on what you know and what you want to do. The approach is likely to

include talking to your internal stakeholders when putting together the initial diagnosis, developing the brand plan and monitoring, perhaps bringing in the entire team to see who is involved, and what internal deadlines are in play. It is also important to talk about available data such as sales that could be useful in illuminating the way forward. It may be that you have more of this than you think – it just needs to be ordered differently or looked at in a fresh way.

Key external stakeholders (prescribers, payers and patients) can be approached using online, video-driven research or something more traditional, along with classic measures such as what a physician thinks of a product, to build up a picture of where a brand needs to be for further growth or where you are missing existing opportunities. From here you can create a top-line profile of the brand that tells you where you are in terms of perceived patient share rather than actual market share and, from that, where you could be. This difference needs spelling out since it is fundamental to getting this new approach right. For example, the brand might have a perceived share gap of 10 percentage points on the marketplace: you can break this down into those three key categories – experience, execution and access – and thereby understand that there is a problem with access or with the multichannel strategy or something else. Highlighting this means you can then be very directional in terms of where to focus efforts.

Is pharma brand marketing dead?

Ascending to the peak of brand performance.

“New” brand marketing



Experience



Access



Execution



Monitor:

Keep checking that you are going in the right direction and adapt.



Develop:

Plot the quickest route to success, using deep insight.



Diagnose:

Look ahead, internal and external + benchmark



“Old” brand marketing

Understand how these three pillars of brand success – experience, execution and access – relate to your brand.

The old way doesn't work anymore

The way research agencies have looked at brands in the past has very much revolved around the experiential perspective: how the physician is thinking and feeling about the brand; whether they are trialing it, using it, aware of it; what they think of it; how it makes them feel – all of these things are going through doctors' minds when they're putting finger to keyboard. But there are other elements to how a brand performs, and accessibility and market access issues are very important – after all, if you're not on formulary you're not getting any prescriptions written.

How effectively you are able to act on this knowledge comes back to the multichannel world and the way that marketing has tended to work in silos. You will probably have a market access team with a strategy working in a specific way that may not be linked (or perhaps only linked quite loosely) to other work you're doing. Likewise, patient advocacy/public affairs teams can play a critical role here, but only if they work in a synergistic way with marketing. This is why there is a need to take a real, holistic view of the brand.

If you can understand how these three pillars of brand success – experience, execution and access – relate to your brand, you have a good chance of understanding a) where your opportunity is and b) how to close the gap you have identified – and all three can be applied at the planning and the execution stage.

Keep looking forward to stay ahead

If you take away nothing else, remember that it is no good getting a diagnosis of what has happened in the past. The new reality of brand marketing is that any diagnostic tool needs to be clearly looking forward toward opportunities in the future – and that's the main difference between it and all the approaches that have gone before. Whether you are looking at current or new prescribers – that is, new or existing targets – the focus has to be on the people who are likely to change their habits. This forward-looking view of your customers is important: in traditional brand research,

everyone rates performance, but you also have to look into likely future usage, examining current share and identifying who would consider using the product in the future.

By doing this it will be possible to build up a 360-degree perspective based on your experience of how, for example, a hospital-based physician would work; looking at all the environmental, influencing factors – such as distribution, pricing, guidelines, hospital recommendations and accessibility – in that setting. While it's difficult to predict changes in the reimbursement environment, it is possible to evaluate how much share you are losing based on accessibility. From this you may well find that it is still important to allocate resources to communicating safety and efficacy but it may also show that you shouldn't invest in more communications, but rather in lobbying. If you simply keep communicating and don't know about the environmental factors that prevent the physician from prescribing, then you are just repeating the same thing – to no effect.

Finding the key factors

Instead, pharma needs to isolate which factors would contribute to gaining share and come up with directly actionable means of addressing them. As an industry, we need the ability to predict which physicians are likely to start using a brand in the future. We can ask them whether they intend to, but it is from other market factors such as formulary and hospital recommendations that we will build the clearest picture. Some doctors might want to use the brand but simply can't because of the environment they are in.

Bringing together data on share, performance and physician influence, including their intention to prescribe and/or switch, as well as what patient profile they would prescribe to as essential. But this must then be analyzed in the context of a broader understanding of different disease areas and products to ascertain the right strategy. Benchmarking is key here: KPIs such as awareness, patient share, likelihood to prescribe and corporate reputation will guide you in how products tend to be adopted

Companies need to understand where the gaps are in their channel strategy.

in a specific therapy area. A benchmarking database (and they do exist) that will tell you what a good launch looks like in terms of a particular metric in your therapy area is one of the elements that will enable you to see how much more you can do in this space.

Following initial analysis, many factors will feed into developing your strategic brand plan. Pharma needs to focus on a range of contributing factors to improve product share – such as sales reps or other environmental factors – that need to be ranked. The most important might be accessibility, the second might be reps, the third patient advocacy, and so on; you need to be able to break down which aspects require focus to get something tangible from the process.

At this point it would make sense for marketing, communications and sales to come together to discuss the results to ensure you are comfortable with the data. From there it should be a war-gaming process, looking at different scenarios and what might happen in the market. After developing an initial strategy, it is worth revisiting – every two years at a minimum and once a year if possible – to monitor changes and see that everything works, and perhaps even tweaking the metrics if need be.

Above all you need a strategy that makes sense, predicting the behavior of markets and

individuals so you are never looking backward. Some doctors will never change their habits – but the key point is to protect your investment, so focus on where you have the potential for a good return. Companies must prioritize their resources: we know there will almost always be some barriers you can't overcome, so leverage what you can.

The benefits of a cohesive approach

If nothing else, you need a cohesive approach to brand marketing that must embrace three key elements (Figure 3):

- Rigorous, evidence-based “scientific” planning to properly understand your brand position and opportunities.
- Coordination across the payer, prescriber and patient-focused teams.
- Forward-looking strategy and executable implementation that is constantly looking for improvements.

Perhaps it's more useful to think of this as a circle: companies need to understand where the gaps are in their channel strategy, where they are already successful and where they need more help. Out of that will come different conclusions about where the opportunities are and what you need to do to take advantage of each opportunity. Get this right and there is the chance of putting together a sort of virtuous cycle – a mini-diagnostic you can keep repeating. Over time, ongoing measurement will pull out areas of opportunity where you will be able to drive success.

Along with the metrics, evidence and more collaboration, what else is now required for this new approach? Perhaps most important is the forward-looking element. If you examine classic brand equity metrics, they are either looking at what's happening now or at what has happened in the past: How did we perform in the last three quarters, and what is our current brand equity? But you need to focus on the fact that it's about looking forward, making better decisions and understanding where you could be as an organization if you made the right decisions, constantly rolling, planning ahead. It's all about planning and having a metric that

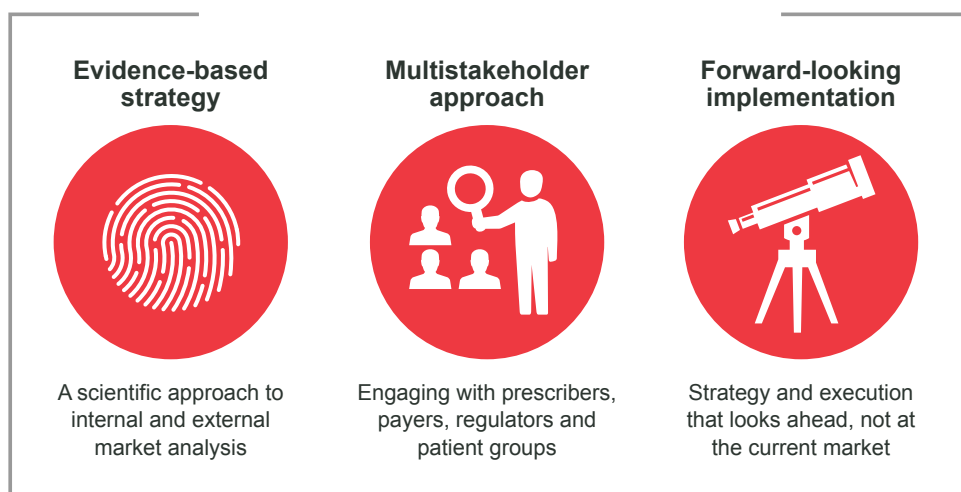


Figure 3: Effective brand marketing must embrace an evidence-based, multistakeholder and forward-looking approach to exploit unrealized brand opportunity.

Myriad opportunities exist for companies that are prepared to react to, and engage with, the changes that now influence the landscape.

will identify that gap – you could be there and this is how you get there – that works very successfully in other industries. In some ways this is about opening your eyes to what you don't know is there yet – the opportunities you know are there as well as the ones you don't know you're missing – and about bringing direct action to bear on them.

Is brand marketing dead?

So is brand marketing dead? No, it's just gotten interesting. In the US, the healthcare system has completely changed under the "Obamacare" Affordable Care Act, which means the nature of stakeholders has changed. It is now about real key account management. You're not just throwing sales reps out there anymore; you're dealing with organizations such as the NHS or major insurers that demand value, not to mention the patient voice demanding real-world results. The fact that branded products have moved away from broad, blockbuster molecules coming down the pipeline to more targeted, niche treatments has changed the way we as an industry have to do things. We have to be smarter now in this space to get what we want. Pharma companies are slimming down, being forced to act more like customer-centric marketing organizations and adopt a true multistakeholder, cohesive approach around a brand.

The challenges are clear – but this is not a question of, "Will the last person to leave pharma please turn off the lights?" Myriad opportunities exist for companies that are prepared to react to, and engage with, the changes that now influence the landscape. It's not about controlling the multichannel environment; it's about understanding it. Brand marketing needs to change to reflect new customer needs but pharma brands already have all the skills and evidence available to be successful. The key is applying them in the right way, and this is what will deliver unrealized brand opportunity.

For those who are smart enough to embrace this new approach, perhaps it's more a case of:

"Brand marketing is dead! Long live brand marketing!"

For more information,
please visit
www.kantarhealth.com
or contact us
at pinnacle@kantahhealth.com.

About Kantar Health

Kantar Health is a leading global healthcare consulting firm and trusted advisor to many of the world's leading pharmaceutical, biotech, and medical device and diagnostic companies. It combines evidence-based research capabilities with deep scientific, therapeutic and clinical knowledge, commercial development know-how, and brand and marketing expertise to help clients evaluate opportunities, launch products and maintain brand and market leadership.

Kantar Health deeply understands the influence of patients, payers and physicians, especially as they relate to the performance and payment of medicines and the delivery of healthcare services. Its 600+ healthcare industry specialists work across the product lifecycle, from pre-clinical development to launch, acting as catalysts to successful decision-making in life sciences and helping clients prioritize their product development and portfolio activities, differentiate their brands and drive product success post-launch.

About PINNAKLE™

PINNAKLE™ seamlessly integrates multiple information sources and pinpoints relevant KPIs to deliver a holistic view and action-ready blueprint for closing the gap and growing your brand opportunity. PINNAKLE™ combines the core components of launch success – brand access, brand execution and brand experience – for the first time under a single, analytical framework to discover unrealized brand opportunity, measure and optimize brand performance, and improve customer experience across the product lifecycle.

About the authors

Mark Sales

Mark Sales is global head of Brand and Stakeholder Management for Kantar Health. Mark has worked with many of the world's leading healthcare brands, in both primary and specialty care, and on the client and agency sides across Europe, the Americas and Asia Pacific. Mark is a published thought leader and regularly speaks at industry conferences about pharma's commercial model, including challenges and opportunities, as well as leading a number of digital programs across healthcare.

Fabrice Bourg

Fabrice Bourg is senior vice president, Business Services and Methods, for Kantar Health. A leading researcher, he has worked with many highly recognized market research Institutes in France, including DAFSA, CSA, TNS and Worldpanel. A trusted advisor to clients in the areas of brand management and positioning research, his experience encompasses several high profile industries including healthcare, automotive, banking and IT. Fabrice has helped to develop new proprietary tools focused on measuring consumer behavior and as head of Marketing Insights for Kantar Health in France helped developed many innovative and complex quantitative methodologies.

This white paper was written and produced in partnership with:

pharmaphorum™
bringing healthcare together