

Can't, won't, don't stop

As pharma continues to scale the digital curve, **James Chase's** assessment of the landscape paints a familiar picture of progress and encouragement mixed with frustration and pain



There's something eerily familiar about the digital health landscape in late winter. Ah yes, it's that time of year when we are promised that, at last, this will be the industry's "year of mobile." And even though the last two or three supposed "years of mobile" were, at the time, thought to be "for real this time," 2015 is actually looking like it might be the genuine article.

Not that it matters anymore. Mobile devices are now so deeply entrenched in our daily lives, they effectively have become extensions of our bodies (and arguably our souls, too). And if anyone needed further proof of mobile proliferation, Apple last month revealed in its first-quarter earnings that it had sold a gargantuan 74.5 million iPhones during the three months to December 27. That's in excess of 800,000 a day, almost 34,000 an hour, and more than 500 every minute.

Google, too, is now seeing 1.5 million Android activations every day, with total penetration closing in on one billion. Conversely, there appears to be a slight drop-off in the adoption of tablets.

"It looks like the phone is the winner over the tablet," says David Blair, head of industry, health at Google. Such a spike in phone sales suggests there may have been pent-up demand for a larger screen than the iPhone 5's and that the market has for now "chosen" the optimum screen size. Less than a year ago, it wasn't even on the market.

"The velocity of what is going on is just amazing," he notes. Apart from the continuing proliferation of

screens and devices, Blair thinks the long-awaited launch of Apple's watch will provide further energy and momentum in wearables. He also sees an increase in movement around telemedicine and nanotechnology (Google[x] and Novartis partnered last year to develop a "smart contact lens" that promises to measure glucose and perform other tests).

Another new area that's beginning to trend is automobiles. Google recently debuted its Android for Autos platform at CES, while Apple also has a lot going on in that space. "We're starting to see smart cars that can replicate anything you can do on a mobile," says Blair.

Across the hall from the futuristic trends and shiny objects, pharma continues to grapple with the pace of change. So how is the industry faring?

"Quite well," suggests Todd Kolm, SVP strategy at WEGO Health. "It is shortening the gap between a digital vision and a digital reality. That gap used to be five to six years behind cutting edge, whereas it is now maybe three to four years. So that's actually pretty good."

Will Reese, chief innovation officer at Cadient Group, agrees that pharma is doing a better job. "You spend a lot less time justifying mobile, Web and the other channels," he says. "It's no longer about tactical use. It's 'How can I apply digital to commercialize differently?' or 'How can I run my trials more efficiently?' or whatever it may be. It's digital transformation versus digital application. It's refreshing."

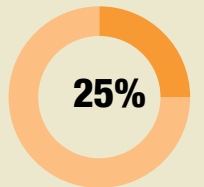
Mark Bard, CEO at Digital Insight Group and co-founder of Digital Health Coalition, also sees progress. "Taking mobile to mean 'just another screen,' the vast majority of companies have figured it out very well," he says. "Ten years ago a lot of their content wasn't even accessible. It's still not great, but it's been a very quick shift. They are no longer building for a laptop experience."

But beyond simple mobile content, there's still a lag. "It's very hard to find a site where you say, 'Wow! This is actually a really usable experience, just the way it should be,'" says Bard. "And right now, I would call most brands 'mobile-accessible' rather than 'mobile-optimized.'"

Blair says he is seeing pockets of real innovation—such as Novartis's partnerships with Google and more recently with Qualcomm—but that a lot of industry activity currently lies below the radar. "We're trying to encourage pharma to embrace technology as an easier and more transparent means to understanding what patients and doctors really need." Blair says he recently asked two clients why,

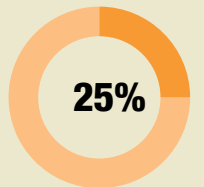
PAIN POINTS

DIGITAL OVERALL



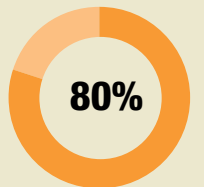
say pharma is still "very far behind" and 40% say "slightly behind" others

MOBILE



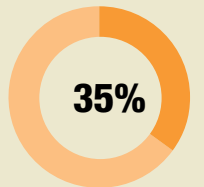
say pharma is still "very far behind" and 55% say "slightly behind" others

SOCIAL MEDIA



say pharma is still "very far behind" and 10% say "slightly behind" others

ORG STRUCTURE

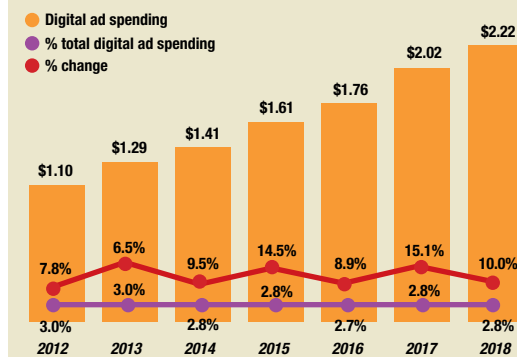


believe there is "very low" internal digital integration today and 6% believe they are completely integrated

Source: Digital Health Coalition, Executive Landscape Survey, Dec. 2014

US HEALTHCARE & PHARMA INDUSTRY DIGITAL AD SPENDING, 2012-2018

\$ billions, % of total ad spending and % change



Note: CAGR (2013-2018)=11.6%; includes advertising that appears on desktop and laptop computers as well as mobile phones and tablets and includes all the various formats of advertising on those platforms
Source: eMarketer, March 2014

THINKSTOCK

Overview

given the explosion of mobile, hadn't they enabled more voice-driven apps and processes. "Why are they still making people type in forms?"

Wendy Blackburn, executive vice president at Intouch Solutions, is encouraged by the progress of her clients. "Customer-centricity is coming of age," she declares. "We're building finely tuned campaigns specifically designed for narrow groups and weaving them together. The technologies have become much more sophisticated and complex and the bar is being raised."

Bill Drummy, Founder and CEO, Heartbeat Ideas, senses a greater appreciation by some clients of the need for truly integrated communications across all audience channels. "We have seen some marketers take a much more direct approach to communicating a value story to payers and align it with communications to patients and HCPs as well."

However, Drummy says that on the whole he remains frustrated by a general lack of boldness and courage among marketers. "Given the number of industries already disrupted by technology, and given the intense movement in this direction within healthcare, it surprises me that there isn't more urgency to change from the old ways."

Monique Levy, VP research at Manhattan Research, suggests that companies start looking at

"much more systemic, complex" issues. "It's not about the cool features and gadgets you are going to choose for your car," she says. "It's about the performance of the engine. Everybody knows what the basics are and it's important to do those well, but the people who are going to succeed are the ones who can do the systemic stuff that supports digital. Things like 'How do you measure in scale?' 'How do you organize internally?' 'What kind of processes do you have with MLR?' 'How do the digital teams work with the brand teams?'"

So is the door slowly closing on pharma companies' likelihood of driving future innovation? "They've got the data," says Levy, "and they have the generic code of how to do research and development. But they're going to have to bring to innovation the same investment and long-term view that they bring to drug development."

Many feel pharma's best chance is through collaborations. "I don't think pharma can, or should, go it alone," says Holm. "In reality, health is more than the medicine you take, and the pill-plus movement is recognition of that. But any start-ups getting into healthcare also have to realize that there is a place for pharma in the mix, so I think there's a real opportunity for partnerships as a way to create the ideal solutions."

TOP 5 HEALTH WEBSITES

US Multi-Platform, Unique Visitors
Dec. 2014 vs. Dec. 2013

Total Health: 194.1M
up 10%

Total Internet: 252.5M
up 4%



1 WebMD Health
69.8M, up 10%



2 Everyday Health
46.8M, up 2%



3 Livestrong
25.5M, up 36%



4 Drugs.com
24.5M, up 73%



5 Healthgrades
23.8M, up 56%

Source: comScore