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IF WE COULD START OVER...

Pharma marketing is not without its flaws. Last month, seven seasoned industry execs discussed what they might change if they had a clean slate. **James Chase** kept the peace.

James Chase (MM&M): The pharma industry continues its transformation. What are some of the most profound changes you are seeing in your roles? And what are the biggest challenges you are facing?

Matt Brown (ICC Lowe): What's exciting for me is that, as an industry, we're increasingly drawing on marketing. I don't know if it's the decade of the marketer but it feels like it's our time now. We've always had a very sales-driven model in healthcare but it seems now that a lot of the conversations are drawing on the skills of marketers. But we've (both client and agency) not really built a model on either side that allows us to take advantage of that. I'd love to see this industry come together and rise together. In reality we're not really competing with each other anymore.

Al Reicheg (Qforma): Part of the problem is that many pharma companies don't really have formal marketing training programs. If you're a successful sales person then the next step is that you're a marketer. But you've never been trained to do so. As a result, pharma has lagged behind other industries. Also, there is less money to be spent on achieving the same revenue goals (as a few years ago).

Terri Young (Bristol-Myers Squibb): I agree our role is evolving, but I think it's our customers' role that is evolving and accelerating that change. Payers have an increasing interest which has led us to change how we develop and market

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our products, and to some extent how we structure ourselves. And the proliferation of different communication channels is a big factor.

Matt: We've always been about incremental share but now it's about how do we get every single patient because that's going to be the new metric – individual success.

Mark Goldstone (Medikly): Pharma is evolving more towards being a real market. Our market has always been slightly unusual but now it's becoming more like a real business model. And that's where the data comes in. Data-driven marketing, engagement marketing, is very different from traditional marketing.

John Hosier (Eisai): The age of the blockbusters has just about gone so the days of $150M marketing budgets "just because" won't be there any longer. Now every tactic you do from the marketing side has to be right the first time.

Craig DeLarge (Merck & Co): The dynamics of access are changing. Historically it's been about getting doctors to write prescriptions but as the market is shifting from activity, on which we built the industry, to outcome, and a more complex set of factors, it's becoming really a challenge. Within five years, every company is going to have to make a decision whether it works its way up the value curve to become an outcomes company or whether it stays in its comfortable posture and become a generic manufacturer of pills. It's going to be really interesting to see who goes which way.

Al: Pharma is one of the last industries that sends out a bunch of sales people who show up at the door when we choose with the message we want to send, and that's kind of backwards to the way society works now. Think about booking an airline ticket. I used to go to a travel agent but now I sit at my computer at 11pm, pick my seat on the flight I want. Pharma hasn't got there yet. It's getting there, but we're still sending out 60,000-70,000 sales reps to knock on doctors' doors.

Renee Brauen (Pfizer): It's true. Historically, marketing has provided just the clinical data and conveyed the clinical value of the product. One shift that would improve the entire industry is focusing on the doctor's challenges right now, such as being incentivized for preventative care. These are the tools sales reps need to be focusing on more so than providing the same clinical information that the doctor already knows, if it's an established product. You are going to see reduced access if there's no new information we are providing.

Matt: We sit as an industry on so much information, but a lot of it is so dirty; everybody collects it differently and calls it something different. In a world where the sales rep now has to provide outcomes data as well as clinical data, imagine if 15 years ago we would have put some structure around data, if we had started thinking about our products collectively? If certain patients are going to take certain drugs based on outcomes data, imagine if we could walk in with that data now?

Renee : Not only do pharma companies compete against each other, within companies, but you're also competing against other brand teams, right? There's not much alignment, it's very siloed. Each brand is responsible for their own results and they don't care about that portfolio picture.

Al: A lot of it can be driven by incentives. Pharma reps are more concerned about generating prescription than outcomes sometimes.

John: We need strategists. Everybody says they do it but strategy is something I don't think a lot of folks in pharma have done in a long time.

Terri: I think it starts with talent strategy. Two things I think we're seeing an evolution of in the industry: one is a move towards a more account-management feel. The other is being able to get to that core customer insight. Why does that customer behave the way they do at that point in time? What are the challenges around prescribing and treating the disease, and how can we help? Can we provide the information they need to accomplish their goals at the point in time that they need it?

Renee: And how do you do that in a cost-effective manner? You can't saturate the market and be in every single space 24 hours a day.

Terri: We don't have the right linkages with our data yet to hold a conversation and track it. I mean, what did we say to this guy the last time we called? How do we make sure that we are recognizing customers the way that Amazon recognizes its customers?

"Everybody says they do strategy but it's something I don't think a lot of folks have done in a long time"

— John Hosier, Eisai

Renee: I feel that the sales force is a big piece of that puzzle. They're the ones with an intimate knowledge of the customer. But it doesn't always get fed back into marketing.

John: We pay a lot for representatives because of the knowledge they have, but the first thing we do is tell them exactly how they should do their jobs. Say this message, use that reprint, field contact reports, did you transition at this point, did you drop a sample? As opposed to optimizing that experience for the physician. We maximize out budgets and our materials, as opposed to maximizing the dollar value for that physician.

Craig: It comes down to compensation. We're compensated for how we move share, and we end up organizing ourselves and behaving in our organizations based on that premise, right down to how we silo ourselves. If I can make my bonus this year without working with you in another silo, which is easier and less complex to do, then I will do it. I'm looking forward to the day when we reform how our compensation schemes work inside our companies. Which changes how we are incentivized and how we behave.

Matt: And the agency model has to change too. Because we're also based on that sales model. And if everybody does everything the same, then it just becomes a procurement on dollars. Agencies have to differentiate themselves in helping and partnering and adding a layer of value.

Craig: We used to accept as manufacturers that when we hired an agency we bought both execution and strategy. But somewhere along the way we stopped wanting to buy strategy; we want execution and we want you to figure out how to throw the strategy in. And if you can't figure it out, we'll punish you for it.

Matt: And unfortunately that's not sustainable.

Craig: It's not. And in many ways this is what comes with scale. It's always challenging to scale anything up and maintain quality. What we are struggling with right now as an industry generally is how do we recreate ourselves at some pinnacle of scale that's the result of us having been really good in some prior environment?

Mark: When I started in advertising, media and advertising were one. The reason clients came to agencies was: "How do I spend money?" There's an opportunity for agencies to come back to that in the digital space, where what agencies do is measurable, and you begin to understand a better picture of the best ways to spend money. Because that question, frankly, hasn't really hounded pharma for 50 years.

James: What about pharma's relationship with patients?

John: It has to be patients first. Everybody has got the motto somewhere. But "patients first" is really what we are talking about when we get back to value and talk about how to change the payer system, how to make things better, and how to get people to buy into Health Economics and Research that we're delivering, and not make it look like it's biased. That only happens if we find a way to prove that we're in it for the patient—and it is about the patients.

Matt: That's the hard part, though. When I go to see my clients, I believe it when they say it. I believe they believe what's on the wall. But let's face it, I don't think many people believe it. We sort of created this dynamic for ourselves. Now how do we become more convincing externally? It's a challenge.

Craig: Through our success, this industry really created the conditions from a regulatory and legal standpoint under which we are now suffering. We still have to work to deliver value despite that. And one thing I see is that there is too much of an adversarial relationship in companies between MLR and marketing teams. Marketing teams don't always do the best job of justifying why a risk should be taken, in some cases.

And as an industry, we have not always made the right distinction between business risk and compliance risk. I think sometimes we are not doing things that have value to customers in the business because we're looking at it as compliance risk versus business risk.

John: But the person at the table [from MLR] isn't the person who has the authority to take that risk.

Craig: The business owner is the decision holder and MLR is an advisor. But what happens is that we sometimes forget this, and the pendulum swings, and so you now have MLR dictating to the business. And then the business gets fatigued. I think you also see an underutilization of the escalation process in companies.

Terri: The teams I've seen that do this really well have built partnerships with MLR right out of the gate at the inception of the campaign. That way, your partners understand what the business objective is and they help you achieve that.

Craig: You're bringing them along from concept, versus coming to them and saying, "Okay, I'm ready for you to approve this." Big difference. And agencies have been some of the best arguers for the business case in those MLR meetings, but increasingly they are being held out of those meetings.

Renee: I believe that the knowledge of digital channels at the regulatory level is below where it needs to be. So training our partners on the digital channels is big because a lot of times they will err on the side of caution when they don't fully understand the channel itself. Couple that with the lack of guidance from the FDA and you have a recipe for disaster.

Terri: There is a way to design some digital assets in a way that minimizes risk, irrespective of brand, but also heightens the customer experience.

Matt: This may be a utopian thought, but I still believe if we all gather around the idea of the patient, then anything we say about our products – appropriate use, the idea around outcomes –how could we walk into anything that would be potentially a compliance risk? You would assume you would be walking on safe ground.

Craig: The exceptional brand leaders get it done.

"How do we make sure that we are recognizing customers the way Amazon recognizes customers?"

— Terri Young, Bristol-Myers Squibb

Mark: If you think about how the whole discovery process is evolving, with genetics and personalized medicine, patients fundamentally are going to be at the heart of everything. And clinical studies will be done on data-driven hypotheses without bias. So this will make patients much more the center of everything.

James: So if we could start over with a clean slate in pharma marketing, what are some of the things you would change?

Renee: I've seen the sales model where we are asking a particular sales rep to represent multiple products. What I haven't seen is on the business side that same level of collaboration and alignment across the products. For me that's a missing link. If the expectation is on the sales force to represent at a higher level, we also need to have that same structure on the business side.

Terri: We've put a lot of effort into business planning and really making sure that with the investments that we have, that we return that money to our shareholders, that we understand what works



within the different channels we use to communicate with our customers. That goes back to analytic capability, building customer insight, etc.

We'd like to build stronger linkages. We're getting good at measuring our investments, but have we linked those investments to true leverage points along the patient journey and to the decisions that the physician and the patient have to make? I think we understand the decisions and we understand what works from an engagement perspective. But at that decision point, where does the customer go for information? When and how? And are we there?

You have to understand what job your product is intended to do. And that goes back to understanding the emotional underpinnings of how people are treating their disease and interacting with an illness. You need to ask yourself: "What role is that pill playing?" A diabetic patient probably will not think, "That pill is going to lower my A1C." I mean, they might if they have a really high level of understanding and a good physician. But that pill is probably doing something else for them.

"We're compensated for how we move share, and we organize ourselves based on that premise"

— Craig DeLarge, Merck & Co.

Renee: I wonder if it's still the right approach to have consumer marketing versus HCP marketing separately, or whether it makes more sense to put them together. Do you think there is sufficient dialogue between those two teams? I have seen them work separately, sometimes against one another.

Mark: Sales should be seen as just another channel. You have all these different media channels and you need to have one person looking over all the different touch points between the brand and its audiences. You need to build a team of marketers working together.

Renee: We're talking a lot about silos. It's time to break the silos.

Craig: I would change the balance of the product versus conversation based on customer.

I'm not sure that that will happen because there's such a strong paradigm. It's also the basis from which we report our results to the Street and I think to see a change in that would be like a Steve Jobs type of leader. Probably in a smaller company of their own founding, that says, " this is how we're going to do it because this is what I believe in."

You have to continue to consider that big pharma is a relatively old industry bounded to publicly traded companies in a capitalist system, bound in by regulatory and legal responsibilities, and that binds us into a certain way of doing things. You don't see a whole lot of transformative change coming out of companies that play that role in the economy.

Mark: In most markets around the world, people have never really understood the price of medicines. We need some sort of mechanism for people to better understand the values of medicines and the value of health. The problem is that for most individuals a drug costs them nothing or very little in most cases. They pay through their insurance, but they don't see that.

Al: I agree we need better linkages; not just functional ones but data linkages too. Medical teams usually buy medical claims data for diagnosis codes, sales teams are buying prescription data for compensation and targeting reasons, and you've also got social media data which is difficult to structure. If we link those together we can create more holistic views of the market place and something that can be a lot more dynamic.

We grew up in an industry where thought leaders were the way to influence the masses we engage with. Then we started to look at local level networks. Now we need to start looking at physicians as networks.

Matt: I still love this industry. Regardless of how we got here and regardless of the choices we made along the way, I think we're headed back to a place where we are going to do things because they are right, and not because they are right there. Not because it's an easy, short-term thing to do, but because it's the right thing to do long term. The thing we have to change in all of that is that we have to be truly authentic. We have to be real with ourselves, real with patients, authentic messages, authentic engagements, all of those things are critical. I'm not suggesting that we just throw financial models out the window. But I believe if you do the right thing, the money will come. ■