

Conference Highlight

What's Next vs. What's Best

By Harry Sweeney, CEO/Chief Creative Officer, Dorland Global Health Communications

IIR's annual *Pharmaceutical Brand Leadership: What's Next?* conference held recently in Chicago drew fewer attendees than in the previous year. Nevertheless, Chairperson, Craig Eslinger, Executive Director at PPD, his co-chairs and IIR assembled a stellar line-up of topic tracks (see Table 1), faculty, and an outstanding list of prominent keynote speakers.

Table 1: Topic Tracks

- Biotech & Specialty Pharma
- Sales Force Productivity
- Brand & Product Management
- Compliance & Risk Management
- Marketing to Patients
- Marketing to Prescribers
- Marketing Under Medicare Part D
- New Marketing Tools, Technology, ROI
- Marketing for Lifestyle Optimization
- Marketing to Consumers
- Physician Education

Over fifty separate What's Next? sessions were presented as workshops, symposiums and lectures, as well as nine keynote speakers. Picking and choosing which to attend was difficult. I began with the pre-conference Monday workshops.

The Compliance Thicket

On the Compliance and Risk Management track, a primer on "Compliance Issues for Off-Label Communications" workshop moderated by Cathy Veum of Covance was kicked off by Cecilia H. Burke, a senior attorney in Wyeth's legal department.

Burke discussed the thicket of laws, regulations, guidances litigation, ethical codes, standards, and sanctions such as corporate integrity agreements, that a company and its marketing executives must consider before it decides whether and how to discuss emerging science or unapproved uses of prescription drugs.

Her remarks were a reminder that while truthful, balanced and rigorously reviewed data are essential elements of all commercially-sponsored communications, they are no guarantees that an

aggressive enforcer might not come after a company sponsor anyway.

Leadership Matters

Moving from Compliance and Risk Management, I shifted to Brand & Product Management where Tracy Haymaker Jurecki of Astrazeneca presented an outstanding case history on a Hay Associates/Harvard/Atrazeneca study of the impact of different leadership styles on team building and team effectiveness.

Learnings from the one-year study of 16 different teams and leaders included that it helped increase the speed of decision making, led to more innovative and creative problem solving, improved collaborative insights, and informed strategic decisions. Not a bad set of outcomes for the complicated brand marketing enterprises that pharmaceutical marketers operate.

Brands as Emotional Properties

In the next session on my list, Eli Lilly marketer, Paul Bishop, suggested that marketers need to understand a patient's "entire healthcare experience, including their expectations," before locking up brand plans. "Patient satisfaction," he observed, is a formula comprised of "experience minus expectations. Our job is to get both into alignment."

Bishop introduced another interesting idea when he noted that "communicating directly with patients has taught us to focus on IP vs EP." Attendees recognized IP as intellectual property (e.g. patent protection), but puzzled over EP, which Bishop revealed as the "emotional property" otherwise known as "brand equity."

Bishop's "brand equity," however, was not the sort of abstractions favored by many brand consultants. His brand equity took a more concrete form. "What we do is much more important than what we say," he noted, providing a put-your-money-where-your-mouth-is example: one managed-care organization that agreed to pay for a prescription drug only if, as claimed, patients would persist on therapy for the 18-month therapeutic guideline term.

Would your company be prepared to take the risk inherent in this kind of "no persistence-no pay" compensation arrangement?

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“Effective marketing creates an environment in which customers want to buy your product,” Bishop added, “but there’s a problem, because most ultimate consuming customers (aka “patients”) see prescription drugs only as a “necessary evil.”

Marketing “Negative Goods”

“Not surprising,” suggested industry consultant and University of Mississippi adjunct professor of pharmacy, Mick Kolassa. “Prescription drugs are what economists call: negative goods,” Kolassa said. “These are products or services seen by customers as an unpleasant necessity bought to avoid some disutility—like auto insurance or towing charges, the fine print of buying airplane tickets today, or adult diapers.” People forced to buy these kinds of things do it grudgingly, which makes for a much more complicated marketing environment.

The Boomer Wave

Keynote speaker, futurist Ken Dychtwald, who’s been following the Boomer “Age Wave” for some twenty years, now, suggested that the rapidly changing marketing environment shouldn’t be a surprise to anyone. Flashing a series of PowerPoint population distribution slides from 1950 to today up on the screen like the old animation books you used to flip with your thumb, he demonstrated how the “wave” is surging down the timeline, aging at every step of the way. And, he detailed how the Post-WWII generation has changed every phase of American life it moved through.

Pharmaceutical marketers have to learn how to “stop chasing the elephant,” Dychtwald said, “you’ve got to get out front and dig a big hole” to get its attention. A key shift in this group, he noted, is from the “concerned patient” of yesteryear to the “empowered patient” of the 90s, and the “empowered healthcare consumer” of today, which contends Dychtwald, neither the medical profession nor the industry has learned how to deal with very well.

Expressing some puzzlement, Dychtwald continued: “For the industry that you’re in, it kinda doesn’t get any better than this”— provided that you’re prepared for the trends, which Dychtwald outlined as:

- 1) The Longevity Revolution,
- 2) Adolescence to ‘Middlescence’,
- 3) Reinvention of Adulthood, and
- 4) The Search for the Fountain of Youth.

Dychtwald’s description of the “impacts of aging” and the distinct segmentation of longer-living seniors into “four faces of retirement”—Ageless Explorers (27%), Comfortably Contents (19%), Live for Today’s (22%), and the Sick and Tireds (32%)—provided a provocative background for the kind of strategic planning other presenters discussed.

New Media Enters the Mix

One of the key supports for the use of new media in the changing marketing landscape came from fellow keynoter, David Stern (SERONO), whose presentation on Innovative Marketing Techniques for Brand Success in the New Era of Consumerism was particularly well received by attendees.

Stern showed that Internet use had climbed to 80% of the US population; 82 percent of users 45 years of age and older were searching for health information, and 75% to 90% in the 45 and older brackets were looking for specific prescription or OTC information. Stern’s conclusions about What’s Next? couldn’t have been clearer and he provided his future view at the outset: “The marketing mix has already changed. Our targets have adopted technology into their lives. Whether we like it or not.”

Unrefuted Criticism Causes Distrust of Industry

Two industry leaders, Johnson & Johnson, vice president of corporate communications, Pat Molino, and GlaxoSmithKline, vice chairman and former CEO, Bob Ingram, provided a provocative overview of the problems and opportunities presented by eroding public perceptions of the pharmaceutical industry.

Outlining the results of several recent surveys, Molino, highlighted pharmaceutical industry topics that are of concern to the American public, and potential ways that such concerns might be addressed. In particular, she highlighted how the vulnerability and lack of confidence that people feel when it comes to healthcare decisions makes them especially wary of health information sources.

A critical problem for the industry that she underscored, however, is the shift from wariness to active distrust caused by a constant barrage of largely unrefuted criticism. “Trust is an aspirational brand goal,” Molino said, “but not just a brand goal. Trust is a journey to build an emotional bank account—a connection—with your customers.”

Ingram presented a sweeping overview of the industry’s contributions to the nation’s health covering prevention, intervention, and innovation, adding that “innovation does not mean just drugs,”

but also includes information technology, microsurgery, diagnostics, health services and vaccines.

He described how public expectations have shifted, putting a new burden on industry not only to discover, manufacture and distribute safe and effective medications, but also to initiate and participate actively in public health programs to address chronic disease states such as the “storm of diabetes that is growing,” and such problems as the “obesity epidemic” which, in turn, helps create chronic disease.

As one example of industry’s largely overlooked contributions, Ingram described the activities of the CEO Roundtable on Cancer, a gathering of corporate CEOs who joined to create a 5-Pillar program to help create a healthier workforce. Companies organize activities around: 1) Limiting tobacco use, 2) Improving diet and nutrition, 3) Increasing physical activity, 4) Screening and early detection programs, and 5) Providing access to proven high- quality treatment and clinical management. Discussions with health insurers for reductions in co-pays for people who participate in exercise programs, and lower premiums for non-smokers are just two of the economic initiatives under consideration.

Science is a Target Too

Later in the program, Glenn Gormley, MD, PhD, global head of clinical development and medical affairs at Novartis reported on another major initiative, the V2S Forum created by the R&D community to underscore the societal value of the industry and its clinical research activities.

The pharmaceutical industry is not alone as a target for disaffected critics and social reformers Gormley pointed out. Science itself has become a target despite its enormous contributions to global human welfare. Citing achievements such as increases in life expectancy, reductions in mortality, decreases in the prevalence of disability, and major advances in human health, Gormley reported on the public’s cynicism and “what have you done for me lately?” attitudes.

“We are a data driven industry,” he said, and then proceeded to provide some chilling statistics: “Fifty-two percent of patients refuse care; thirty two percent don’t have their prescriptions filled, 30 to 50% don’t trust their physicians, and 82% believe the FDA is motivated as much by politics as by safety concerns for the public.”

Is There a Way Out?

“There is an implied social contract between the pharmaceutical industry, academia, and patients,” Gormley added, “and it’s evolving rapidly. Written rules and regs may be clear and easy to understand, but the unwritten ones are faster moving and more difficult to articulate. Benefits, risks, costs, and timing of therapeutics use—they’re all linked. And, the choices we make will have a significant effect on the social contract.”

“We need to listen,” he continued. “We need to understand the evolving social contract. We must maintain confidence in our own value. We can’t remain silent in the debate. We must be willing to change. We must be at the table. We must be willing to partner with informed critics. And, we must have a sustained commitment to transparency [of operation] and patient safety.”

Post Election Issues: Pharma Will Be the New Halliburton

Adding to the context of these overarching strategic industry issues was the candidate for Fastest Speaker in the Universe, former head of CMS, lawyer-lobbyist, Tom Scully who, in the day-after glow of the election results declared: “Big changes in Congress mean big uncertainty. You can expect lots and lots of prescription drug debate and pressure from the new Congress and, in my experience, most drug companies are completely clueless as to how things work.”

“Will the new Congress hate Pharma?” he asked. “For the most part, yes,” he answered. “It will get much uglier. You will be THE political football for the next two years (Halliburton, thanks you).”

Later, in relation to Medicare Part D and its anti-fraud provisions, Scully added: “You will not believe how big the IG [HHS Inspector General] and DOJ [Department of Justice lawyers] will become in your life.” He also spent a half-hour explaining the intricacies of the health insurance industry of America and its impact on drug pricing in the style of Chris Berman’s “Fastest Three Minutes of Television” NFL reports.

Freak-o-Marketing

Best-selling author (Freakonomics) and economics professor, Steven D. Levitt, and former advertising powerhouse (Olgivy & Mather head) and State Department public diplomacy expert, Charlotte Beers, also made interesting contributions to the brand strategy merriment.

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Establishing his credentials with the crowd as the former employee of a certain drug firm located in Hanover, NJ, Levitt provided several highly-entertaining examples of his eccentric use of economic theories to ask—and answer—previously unsolved problems of causality.

The biggest opportunity for marketers, according to Levitt, is creative experimentation, while the biggest obstacle is risk-aversion. “Belief systems are very strong,” he said, “while the evidence for most marketing practices is woefully weak.”

To illustrate, Levitt not-so-gently chided fellow-economists whose attitude towards advertising research is “we not only don’t know whether or not it works, we don’t care. They’ve got budgets. Let’s spend them.”

Levitt went on to describe a study of weekly Sunday newspaper advertising inserts which showed that when the key holidays of the year were “controlled for” statistically, the ROI on the inserts went to zero. “Economist researchers working for the company,” he said, “confused correlation with causality.”

Defensive Advertising

To illustrate further, he discussed an economics study of political candidate spending which showed that political advertising spend had a virtually nil effect on voters decision-making, especially for incumbents. “Voters basically can’t evaluate the underlying

quality of candidates,” he declared, “just like they have a hard time with prescription drugs.” So how did politicians explain their decision to continue advertising in the face of the no-effect evidence? “I’ve got one shot,” they said, “if I lose, I’m dead. So, unless my opponent stops first, I’ll keep advertising.”

On creative innovation, Levitt described the Google “15% free time” policy that allows employees to pursue ideas that interest or amuse them. Two employees decided to put together a program that would show the moon from various distances and, as the viewer got closer and closer to the topography of the moon, more and more detail came into view until, at last, the moon turned into green cheese. The resulting product: Google Maps.

Tell Product Stories

Beers took a decidedly different tack, echoing the thoughts of several previous speakers. She told the story of a local TV interviewer who was stunned into silence when the interviewer’s

negative remarks about the pharmaceutical industry were met with a response from a guest to the effect that “I’m an AIDS victim. If it wasn’t for the prescription drug industry, I wouldn’t be sitting here talking to you.”

“Why are you willing to tolerate the silence?” Ms. Beers asked. “Are you going to bond together and speak with one voice? How are you going to build mutual understanding? It’s important to know that in troubled times, doors open, people bond together and work toward common goals,” suggesting that this is the industry’s time. “While receivers of your messages may be cynical and resistant, she said “it is inexcusable that your product stories are not being told.”

Using examples from her personal experiences with Jaguar, the American Express Green Card, and IBM, Beers demonstrated how other major enterprises had overcome adversity by “changing the nature of the conversation, paying attention to the intangible, emotional aspects, and finding a common denominator” for discourse, suggesting that this approach would benefit the pharmaceutical industry as well.

Previous remarks from Beers to an IBM executive conference resonated here, and might echo for us as well: “I know you have the resources. Do you have the will?”

Conclusion

Space does not permit coverage of all of the other fine presentations that I saw at this year’s Pharmaceutical Brand Leadership conference. The range of What’s Next? topics was remarkable. Not all presentations were superior, but there were fresh ideas and insights in nearly every one. Sorry that more of you could not attend.

Pharma Marketing News

Authors, Experts Consulted and/or Cited In Articles

The following experts were mentioned or consulted in the preparation of articles for this issue.

- **Mark Bard**, President, Manhattan Research, LLC, mbard@manhattanresearch.com
- **Charlotte Beers**, Former UnderSecretary of State for Public Diplomacy and Public Affairs, US State Department
- **Ken Dychtwald**, Futurist, Author, President, AGE WAVE
- **Jim Edwards**, Senior Editor, Brandweek, jedwards@brandweek.com
- **Glenn Gormley, MD, PhD**, Sr. VP and Global Head, Clinical Development and Medical Affairs, Novartis
- **Bob Ingram**, Former CEO, GlaxoWellcome, Vice-Chairman Pharmaceuticals, GlaxoSmithKline
- **Fard Johnmar**, M.A., founder of Envision Solutions, LLC, fjohnmar@envisionsolutionsnow.com
- **Steven D. Levitt**, Best-selling Author, Freakonomics
- **Pat Molino**, Vice President, Corporate Communications, Johnson & Johnson
- **Tom Scully**, Former Administrator of Centers for Medicare and Medicaid Services (CMS)
- **David Stern**, Executive Vice President, Metabolic and Endocrinology, Serono

Resources

The following resources were used in the preparation of articles for this issue.

- **[The Pharma Blogosphere Blog](#)**: Find information about and links to all the pharma-related blogs mentioned in this issue.

Pharma Marketing News

Pharma Marketing News is an independent, free monthly electronic newsletter focused on issues of importance to pharmaceutical marketing executives. It is a service of the **Pharma Marketing Network** – The First Forum for Pharmaceutical Marketing Experts – which brings together pharmaceutical marketing professionals from manufacturers, communications companies, and marketing service providers for wide ranging discussions and education on a multitude of current topics.

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