

A prescription for marketing medicine

Selling products in the life-sciences market is a delicate business. Not only must companies think about making a buck, but the nature of their wares means public trust is essential.

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Contrary to what many scholars think, the marketing of the life sciences is an activity fraught with challenges unlike selling anything else. For example, in many countries, direct advertising of drugs to consumers is banned. With such an important conduit closed to them, pharmaceutical companies must come up with other ways to promote their products. At the same time, they must tread carefully so as not to seem money-grubbing.

A few years ago, European drug makers were accused of using unscrupulous methods to get doctors to prescribe their products. A report criticized companies such as Pfizer for methods including sponsoring patient lobby groups and using hospitality packages for medical experts. As cases like this show, marketers of the life sciences, more than any other industry, must strike the balance between profit and consumer welfare.

In the article, "[Marketing of the Life Sciences](#)," published by the American Marketing Association, IESE visiting professor Stefan Stremersch and Walter Van Dyck define the life-sciences industry as companies in pharmaceuticals, biotechnology and therapeutic medical devices. The authors then identify key marketing decision areas at the stages of therapy creation, therapy launch and therapy promotion.

The authors pinpoint the crucial decisions that need to be made and suggest areas for future consideration that have been largely ignored until now. In doing so, the researchers hope to stimulate industry-specific marketing studies within this newborn field. Such research would not only be fruitful from an academic perspective but could lead to the creation of better products and, therefore, better quality of life for patients.

What are life sciences?

The authors first judge what constitutes "life sciences" according to whether a therapy is science-based and improves quality of life. To measure how scientific a therapy is, they count the number of scientific studies referred to in the invention's patent. This means that cosmeceuticals, medical devices and nutraceuticals have one leg in, one leg out of the life-sciences world. For example, a piece of medical equipment such as a wheelchair definitely improves a patient's quality of life, but it's not science-based, so only some medical devices fit the bill.

What's so special about them?

During the various stages between conception and birth of a therapy, products need to be tested for safety and value for money. Health-care professionals must then be persuaded of this, while companies also need to stick to regulations when selling and promoting the product.

Running such an obstacle course means that only one out of every 5,000 to 10,000 inventions reaches the finish line. Nevertheless, the life-sciences industry is big business, with the U.S. industry alone representing \$271 billion of global sales in 2007.

These unique challenges make life-sciences marketing a field worthy of study in its own right, insist the authors.

Decisions, decisions

Having defined the industry and stated their case, the authors set about identifying the decision areas most important to patient welfare and business performance. They also isolate which of these decisions would benefit from future research, at each of three key stages.

- *Therapy creation.* Useful and practical ideas are put forward for optimizing the therapy pipeline, forming innovative alliances and positioning the therapy in the market. For example, Novartis encountered hurdles getting U.K. government approval for its therapy to treat mild forms of eczema, while a similar product by competitor Fujisawa targeted at severe eczema gained official endorsement. When Novartis resubmitted its product, this time for severe conditions, it was subsequently approved. A similar thing happened with AstraZeneca: its asthma

remedy was first approved when positioned for severe cases, and then it was able to enlarge the market for mild to moderate sufferers.

- *Therapy launch.* The authors outline ideas for timing the entry into the global market and the steps for selecting key opinion leaders. One cannot underestimate the importance of having product champions. Their effect on other physicians' prescriptions can be huge. There are two key types: clinical and market leaders. Clinical leaders tend to support quantitative assessments of effectiveness, so large-scale studies in top-ranked medical journals, preferably carried out in institutional settings like hospitals, will likely gain greater legitimacy in their eyes. Market leaders, on the other hand, tend to be more tightly connected to local patient and physician communities, and respect the generally accepted practices and experiences of their peers. Differentiating yourself in ways these two key groups recognize may result in more satisfaction and loyalty.
- *Therapy promotion.* The authors encourage more research on managing the sales force, communications and stimulating patient compliance. The authors propose that companies could gain substantial returns if they communicated unfavorable as well as only the positively biased information during their sales calls to hospitals and physicians. Furthermore, while 10 times more money is spent advertising therapies to consumers than physicians, there is no study on the effects of this advertising on consumer demand for a specific therapy the next time they go see the doctor, and it is down to the doctor whether the request can even be accommodated or not.

Regarding stimulating patient compliance, the research revealed that marketing professionals had little or no idea how important this was to patient welfare. In contrast, patients were adamant that if companies encouraged compliance, it would have a really positive effect on them. After all, if patients don't actually end up taking their medicine, what's the point in making it at all?

Life-sciences firms have attempted to encourage patient compliance with a few programs, but nobody has actually sat down and analyzed their effectiveness or how they could be improved.

To date, there are generally two kinds of patient compliance programs: customer relationship management (CRM) and technology-enabled. The former includes direct mail or call campaigns, such as Pfizer's 'Staying on Track' program, which urge people to stick with their therapy. The latter includes devices like SIMPill, a smart pill bottle that reminds patients to take their pills via SMS.

As a Johnson and Johnson representative noted in one of the interviews, "There's a gamut of new technologies, like smart pill bottles, coming available now to support compliance. We should consider them in our product delivery designs."

But what kinds of programs and devices are effective for what kinds of diseases? The authors propose that, as a disease progresses and becomes more complex, CRM-enabled programs are more effective, but that as symptoms become less obvious, technology wins out. These propositions, and the myriad others put forward in the paper, need to be looked into.

Over to you

This article has implications for both marketing practice and academic research. With medicine becoming more and more personalized, it seems that companies need to develop a more integrated, across-the-board view of patients' health, rather than limiting themselves to a particular area like pharmaceuticals. Firms such as Philips, with its historical structure of product divisions, could find this tricky.

Also, the authors discovered that the importance of key decision areas for different groups varied. Life-sciences companies need to resolve the conflict between what's good for them and what counts for the patient, in order to gain long-term legitimacy.

"This article shows that a bright future for this nascent field within marketing is imminent," say the authors. While cynics may still argue that life-sciences marketing is essentially no different from any other kind, the authors respond that "the least we have hopefully achieved ... is to define the playing field on which cynics and enthusiasts will interact."

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