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The Evolving World of Pharma Marketing

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“Technology, user experience design and data analytics provide a solid foundation for building personalized long-term connections with patients and health providers. The goal is to foster and enable patient education and preventative care.”

About The Author

Anton specializes in User Experience Design. Since 2012, he’s been leading cross-functioning digital teams, delivering large scale projects for clients like BBC, Nissan, Pfizer and Visit California. He takes pride in making projects enjoyable, productive and successful, while helping clients make decisions based on insight and expertise.

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The Evolving World of Pharma Marketing

Pharmaceutical Marketing Today: It's About the Drugs. Not the User.

Pharmaceutical marketing is big business, and it continues to grow at a rapid rate. In fact, the marketing spend in the pharmaceutical sector has increased by almost 70% in the past twenty years, and now totals nearly \$30 billion dollars.¹ This type of spending will continue to rise as pharmaceutical companies expand more aggressively into emerging markets and continue their research and development of profitable drugs. The question is, will this strategy continue to work for pharma in the evolving new world of patient advocacy,

preventative care and strong 'proof of outcomes' demands? We believe the future of pharma marketing looks bright. Those businesses that embrace the power of digital innovation and a customer-first business model will succeed in building more effective interactions, deeper loyalty and lasting brand preference. Despite the squeeze of cost-control, regulatory restrictions, global competition, and higher patient/provider/payer expectations, the marketing world of pharma will adapt going forward to focus on the user, not the drugs.

1. <https://jamanetwork.com/journals/jama/fullarticle/2720029>





The 'one-size-fits' all approach won't work anymore

Traditional marketing strategies in this industry have revolved around vigorous product marketing and promotion of the prescription drugs that the decision-makers think will make money. Commercial success is attributed to aggressive digital marketing and promotional activity² – usually targeted to the physician. Responding to the needs and expectations of patients, providers and payers hasn't typically been the number one goal. But that's about to change.

The current state of pharmaceutical marketing is complex – in terms of the products marketed, and also in terms of the way they're marketed and to whom they're marketed. Traditional marketing channels for pharmaceutical drugs usually take two paths. The first marketing channel is direct-

to-consumer. While most countries don't allow mass-marketing advertising for prescription drugs, the US is the exception. The second marketing channel is 'direct-to-provider/payer'. That's called 'detailing'. Today's pharmaceutical companies often approach physicians directly and sell them on certain identified prescription drugs – likely even offering free samples. Pharmaceutical firms today don't normally differentiate between these two channels. They tend to take more of a 'one size fits all' approach. This runs counter to today's way of thinking, which is all about personalization, customer experience and targeted omni-channel marketing of the right product, at the right time, to the right user and using the right media.

2. <https://pharmaphorum.com/views-analysis-digital/nine-pharma-trends-for-2020/>

Pharmaceutical companies tend to take more of a 'one size fits all' approach. This runs counter to today's way of thinking.

The shift to value-based healthcare has arrived

With mounting evidence that healthcare is shifting to more of a personalized, outcome-based approach, it stands to reason that pharma sales and marketing strategies must shift as well. Our fast-changing market demands more value than ever before from pharmaceutical manufacturers. In this case, value means more cost efficiency, proven patient outcomes and greater contribution to the overall healthcare experience throughout the value chain. Those pharma companies that shift their attention to what providers, payers and patients are asking for will profit from the growing worldwide market on preventative care. The key will be becoming a key player in the integrated health management model that ties traditional pharmaceutical marketing into mobile communications, and other online platforms for diagnosis and marketing.³

The tight regulatory environment surrounding pharmaceutical marketing continues to be a challenge to providing value-based healthcare. Pharma companies must be careful with the

promises they make, so they can stay above reproach in the eyes of regulatory authorities. Notably, there is no evidence to suggest that the regulatory landscape for marketing pharmaceuticals will become clearer and easier any time in the near future. Currently, there are only two markets that allow direct-to consumer-marketing for pharmaceutical products: the US and New Zealand.⁴ Many jurisdictions continue to tighten regulations on pharmaceutical companies, a sure sign that product marketing will remain complex, and product innovation will be challenging. An alternative to the heavy regulation of mass-marketing advertising might be found in less traditional, more relationship-focused digital marketing channels that better align with the new environment of patient/provider/payer control, values-based outcomes, chronic disease prevention, the internet as an information gathering tool, and specialized marketing of specialty information to a targeted pool of relevant patients.⁵

3. <https://mccannhealth.com/wp-content/uploads/2015/10/McCann-Health-Pharma-2020-From-Vision-to-Decision.pdf>

4. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3278148/>

5. <https://mccannhealth.com/wp-content/uploads/2015/10/McCann-Health-Pharma-2020-From-Vision-to-Decision.pdf>

“The pharma world is seeing a shift to a more service-oriented model, similar to financial institutions. Just as banks now collaborate with clients to manage their personal finances, pharma companies are slowly recognizing the opportunity to collaborate with consumers and their health providers as valuable partners in their personal health journey. Technology, user experience design and data analytics provide a solid foundation for building personalized long-term connections with patients and health providers. The goal is to foster and enable patient education and preventative care.”

Anton Morrison, Vice President, Experience Design, Appnovation



The number of seniors in the US is expected to double to 100 million by 2060.



Changing the Consumer Experience

Around the world, people are living longer. By 2050, there will be two billion people around the world who are over 60 years old. As well, the number of seniors (65+ years old) in the US is expected to double to 100 million by 2060.⁶ This aging demographic will boost the market for prescription drug treatments to about \$1.2 trillion by 2024.⁷ Without a doubt, demographics is a powerful driver of change. And the move to an integrated health management and health marketing approach will be a key component of this transition.

6. <https://www.visualcapitalist.com/future-pharma-market/>
7. <https://www.visualcapitalist.com/future-pharma-market/>

A multi-disciplinary approach to healthcare

The healthcare system is responding to the evolving trend towards integrated health management by implementing a multi-disciplinary approach to healthcare. Pharmaceutical companies are responding with personalized and improved offerings that have been fine-tuned to address patients' specific needs throughout the healthcare value chain.⁸ Integrated health management helps ensure older patients (and, in fact, all patients) receive the best possible case management. Not only are healthcare providers becoming more focused on providing preventive care versus reactive care, they are also becoming more attentive to acute conditions, disabilities and even drug side effects that may be related to age. Data-driven case management strategies may include a more comprehensive care plan before discharge, a system to help identify patients who require follow-up, or implementation of a post-discharge program to help monitor patients.⁹ Healthcare technology is the key to enabling a patient-centric approach. This approach could perhaps be achieved using predictive analytics tools, powered by artificial intelligence and machine learning to help determine which patients are at highest risk of hospital readmission. Or it may be mobile apps and wearables to help monitor patients' at-home recovery. Or perhaps it's intuitive data analytics tools to provide insights that enhance the patient experience and facilitate positive treatment outcomes.¹⁰ It could be something as simple as packaging information better and more consistently online to accommodate the evolving ways patients research and consume drug information.¹¹ Regardless of which technologies are used and how they are levered, those pharmaceutical companies who insert themselves into this value chain in a meaningful way with patients, providers and payers, will build value, trust and loyalty with their constituents. And in doing so, they'll be miles ahead of the pharmaceutical companies who cling to one on one doctor visits and sales sampling that worked in the past.

8. <https://www.appnovation.com/blog/four-digital-health-trends-set-reinvent-and-re-energise-pharma>
9. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4606859/>
10. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4606859/>
11. https://www.digitalpharmasummit.ca/wp-content/uploads/2019/12/FPM_Ebook_2020.pdf

The advent of personalized, omnichannel marketing.

As the outcomes-based approach to healthcare grows in popularity, now is the time for pharmaceutical agencies to benefit from a new personalized, omnichannel approach to marketing. This means enabling different strategies for marketing directly to consumers and in detailing to physicians, as well as payers. And pharmaceutical companies must find creative ways to adapt. For example, advanced pharma marketers are moving into 'precision marketing', which is all about targeting on digital platforms with custom messaging for a specialty segment of consumers who need the information most.¹² Others are experimenting with programmatic advertising in the rapidly evolving world of pharma marketing.

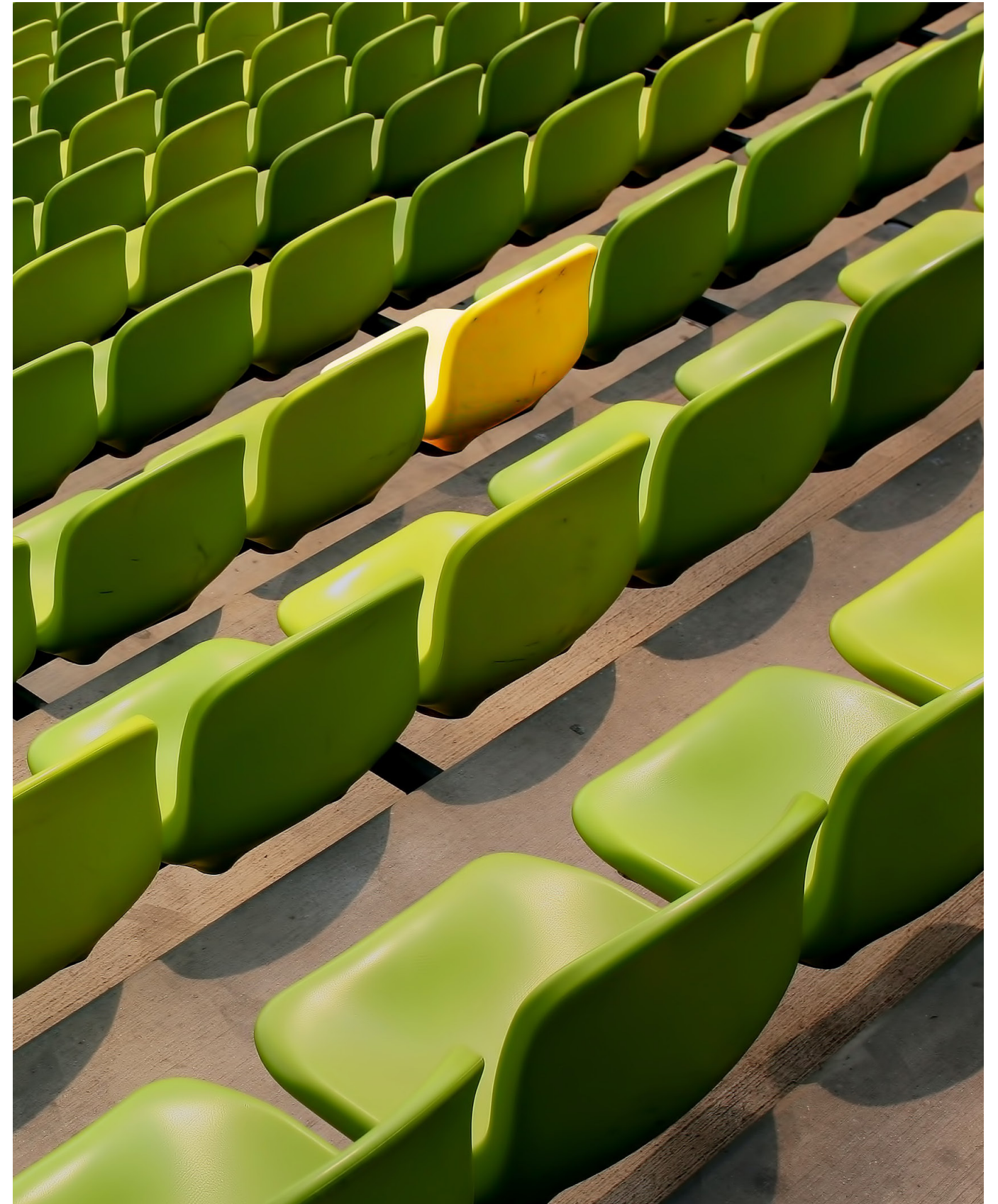
12. https://www.digitalpharmasummit.ca/wp-content/uploads/2019/12/FPM_Ebook_2020.pdf

This is a marketing tool that automatically optimizes digital campaigns using machine learning, which serves ads to users based on their online visits and behavior.¹³

To be successful with specialty marketing to smaller segments with custom treatment offerings, an investment in technologies to leverage the power of big data is a prerequisite. That's virtually the only approach to collecting and appropriately utilizing valuable insights from the vast and unmanageable pools of data currently out there in the health IT ecosystem.¹⁴

13. <https://www.pharmaceutical-technology.com/comment/pharma-digital-marketing-looks-take-personalised-approach/>

14. https://www.digitalpharmasummit.ca/wp-content/uploads/2019/12/FPM_Ebook_2020.pdf



Moving Beyond Drugs

While drugs occupy the vast majority of marketing dollars for pharmaceutical companies, these companies will need to look beyond drugs to differentiate themselves and create extra value for consumers. Within the next decade, drugs will only be a piece within the digital ecosystem that primarily

functions as a long-term partner with patients, constantly monitoring and providing feedback. This collaborative, interdependent ecosystem improves health outcomes because it tailors therapy to individual patients' lifestyle needs.¹⁵

15. <https://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/the-road-to-digital-success-in-pharma>

Disruptive technologies in pharma marketing

Pharmaceutical companies need to take note when marketing their drugs; patients today require a different approach to addressing their health problems. Mobile technologies, social media, the cloud, and the Internet of Things (IoT) are just some of the new realities that are disrupting healthcare today.¹⁶

Savvy pharmaceutical marketers see the opportunity that lies in leveraging tools that can monitor a patient's health and provide real-time, personalized feedback

to help improve outcomes.

When pharma businesses can prove that their products deliver the value-add that consumers and healthcare professionals demand, they'll have no trouble selling more product – and at a higher price.¹⁷

Making just minor tweaks to the marketing approach, along with taking advantage of disruptive technologies, can have a huge impact on growth and performance.

16. <https://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/the-road-to-digital-success-in-pharma>

17. <https://www.pwc.com/gx/en/pharma-life-sciences/pdf/ph2020-marketing.pdf>





Unlimited possibilities with personalization and segmentation

For example, a care plan for a Parkinson's patient could include a "chip on a pill" to monitor drug-taking. This, along with a smartwatch or other sensor to monitor a patient's condition, could set the stage for more robust engagement with healthcare professionals. Other technologies could provide the ability to send reminders about prescribed treatments and appointments. Such services are likely to improve outcomes beyond the need for expensive speciality drugs. Medication

will always play a role in improving patient outcomes, but when it is combined with greater personalization and targeting, there's no limit to what can be achieved.¹⁸

A well thought-out strategy for data analytics and segmentation, customer journey mapping and omni-channel marketing is what drives customer insights, targeted segment nurturing and actionable insights that form the basis of powerful relationships and unforgettable experiences.

¹⁸ <https://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/the-road-to-digital-success-in-pharma>

Social Marketing: A New Approach

Social marketing is a tool used in many industries that combine marketing theory with social sciences like behavioral economics to develop programs that achieve a clearly defined set of goals. Its purpose is to observe the underlying behaviors of patients and the value that is needed to change those behaviors.¹⁹

Social marketing has been successful in delivering public health behavior changes for many years. It is an effective tool in understanding the methods for delivering information in a way that induces behavioral change. Individuals have known for a while that smoking is bad for their health, but they still practice this behaviour. Instead of targeting the negative health impacts of smoking, social marketing would look at the underlying value for

individuals to change their behaviour; this could include non-health related benefits that are, in fact, even more important to these individuals.

For pharmaceutical companies, this means taking a holistic view of how to market medicine. They can no longer focus solely on the positive or negative health impacts of taking a drug. Instead, they need to delve more deeply into the social, cultural, economic, and ethical impacts of their medicine, and utilize these insights to personalize their approach to consumers. For example, if a certain group values preventive and community medicine, pharmaceutical companies must devise approaches to target this group, knowing that traditional pharmaceutical marketing won't work.

¹⁹ <http://www.pharmexec.com/patient-communications-why-pharma-leaders-should-think-social-marketers>

The Right Information for The Right Channel

Along with taking a more holistic view in pharmaceutical marketing, ensuring the proper information is presented via the most appropriate channel is key. Patients proactively seek specific information when addressing their health concerns.

20. <https://www.pharmaceutical-technology.com/comment/pharma-digital-marketing-looks-take-personalised-approach>

Using the right channels helps make the appropriate assessment tools available for an early diagnosis. It also helps ensure they have the information they need at their fingertips to decide what steps they'll take next.²⁰



Easy information flow can bring big opportunities

Patients are faced with a vast amount of information available online. Yet despite this information overload, close to 85% of patients believe they can take responsibility for their own health and access the online resources they need.²¹ Nevertheless, the need for pharmaceutical companies to inform and influence patients and other stakeholders is more important than ever. The ease of information flow can open up a whole new set of opportunities in marketing. The

21. <https://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/the-road-to-digital-success-in-pharma>
22. <https://www.mckinsey.com/industries/pharmaceuticals-and-medical-products/our-insights/the-road-to-digital-success-in-pharma>

shift in types of interactions like virtual care, patient portals, and other online resources can allow pharmaceutical companies to derive value by building advanced digital marketing and engagement capabilities similar to companies in other consumer-goods industries.²²

As mentioned above, the regulations for this industry are only becoming tougher as the scrutiny on personal data privacy increases. This will be the biggest obstacle for pharmaceutical

companies to overcome in the coming years. Meanwhile, technological companies like Google, Apple, and Facebook are still able to collect personally identifiable data and present personalized advertisements. Therefore, an industry with a vast experience in collecting personal information like the pharmaceutical industry needs to leverage the knowledge and expertise in other industries to ensure that protecting consumer data remains a priority.

Transforming marketing data into actionable insights

Digital marketing provides the greatest opportunity for pharmaceutical companies to personalize their approach and target consumers more effectively. As the digital infrastructure develops even further, advances in big data and artificial intelligence will help transform marketing data into

actionable insights.²³

Pharma companies are embracing digital innovation for the opportunity it provides to better connect with patients and providers – anytime and anywhere. More and more, pharma companies are engaging their stakeholders with

creative and intuitive digital solutions that contribute to overall health outcomes. More often, marketing is starting to encourage healthy living, support patient education and improve engagement between patients and healthcare providers.²⁴

23. <https://www.pharmaceutical-technology.com/comment/pharma-digital-marketing-looks-take-personalised-approach/>
24. Appnovation, Connected Healthcare: 3 Pillars of Patient Engagement, <https://www.appnovation.com/blog/connected-healthcare-3-pillars-patient-empowerment>

The Opportunity

In order for pharmaceutical companies to continue thriving, they need to engage with patients, who are becoming more aware of their health and are more focused on holistic health outcomes. This means expanding their offerings and capabilities to beyond drugs with a focus on continuous patient outcomes, utilizing behavioural insights to drive how they market specific drugs, and using the appropriate channels to deliver the right information.

Becoming visible, active partners in consumers' management of their health might feel like an ambitious target at the moment, but tech evolves fast. In just a few years, the early health tech-adopting pharma companies may have earned the right to sit beside consumers in their homes.

Investing in emerging technologies isn't without risk. And for pharma firms in particular, regulatory considerations do not come without risk. Still, for those firms that embrace the power of technologies and put the customer first, the opportunity is endless.

Who **We** Are

We help businesses advance and inspire, create positive transformation, and champion digital innovation. Our expertise and knowledge is your expertise and knowledge: At Appnovation, we seamlessly integrate strategy, user experience, development, deployment, training and support.

We create breakthrough digital solutions by engaging and collaborating with our clients to understand the unique challenges and goals for every initiative. Embracing the power of technology, our global team delivers digital transformation that drives innovation, growth and ultimately business value.

Appnovation. Inspiring Possibility.

Learn more at appnovation.com

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