

Advertising Agency HOT TOPICS

Advertising agency executives provide their insights on two of the hottest topics of the day:

BAN ON DTC ADVERTISING and PRICING

► Ban on Direct-to-Consumer Advertising

In late 2015, the American Medical Association called for a ban on DTC advertising of prescription drugs and medical devices, drawing the conclusion that the billions of advertising dollars being spent to promote prescription products was helping to inflate the cost of prescription drugs. Physicians cited concerns that a growing proliferation of ads is driving demand for expensive treatments despite the clinical effectiveness of less costly alternatives.

In a statement issued at the time, AMA Board Chair-elect Patrice A. Harris, M.D., said the support of an advertising ban reflects concerns among physicians about the negative impact of commercially driven promotions, and the role that marketing costs play in fueling escalating drug prices, adding that direct-to-consumer advertising also inflates demand for new and more expensive drugs, even when these drugs may not be appropriate.

According to research from Kantar media, advertising dollars spent by drug makers have increased by 30% in the last two years to \$4.5 billion.

In response, the Association for National Advertisers (ANA) believes firmly that such a proposal would set the U.S. back decades in terms of the information available to consumers and patients. Given that the AMA proposal came only weeks after presidential candidate Hillary Clinton's call to ban the tax deduction for DTC advertising, it is clear that there is a major renewed focus on this important speech category. ANA believes that consumers should have more information about their health, not less. DTC advertising, under the FDA's strict oversight, is providing extremely valuable information to millions of Americans about their healthcare.

The AMA policy also calls for convening

a physician task force and launching an advocacy campaign to promote prescription drug affordability by demanding choice and competition in the pharmaceutical industry and greater transparency in prescription drug prices and costs. The proposed new AMA policy responds to deepened concerns that anticompetitive behavior in a consolidated pharmaceutical marketplace has the potential to increase drug prices. The AMA will encourage actions by federal regulators to limit anticompetitive behavior by pharmaceutical companies attempting to reduce competition from generic manufacturers through manipulation of patent protections and abuse of regulatory exclusivity incentives. The AMA will also monitor pharmaceutical company mergers and acquisitions, as well as the impact of such



KEN BEGASSE
CEO, Concentric Health
Experience

The real issue here isn't the value of DTC to the public. Rather, it's an attempt to rein in escalating drug prices. DTC advertising is a convenient scapegoat because it's publicly visible. And for the small number of brands that do advertise, there is an easy-to-identify high price tag. The fact is, drug pricing is set much like all product pricing — it's based on value and volume and is set well before any marketing activity begins.

What the AMA is advocating essentially censors our ability to reach the American public. Although DTC advertising isn't right for every brand, it does play a valuable role in educating the public and facilitating proac-

tions on drug prices. Patent reform is a key area for encouraging greater market-based competition, and new AMA policy will support an appropriate balance between incentives for innovation on the one hand and efforts to reduce regulatory and statutory barriers to competition as part of the patent system.

In light of such a potentially dramatic turnabout in terms of advertising and marketing strategies, PharmaVOICE asked advertising executives for their perspective on the potential ramifications of AMA's proposed ban on DTC advertising. The responses were a mixed bag and the conversation will likely continue throughout the year.

tive, patient-driven healthcare — a key tenet of the ACA. DTC education increases public health awareness; helps patients and caregivers recognize symptoms, side effects, and possible solutions to their health issues; and empowers patients to seek out information and have better dialogs with their physicians, which can lead to better outcomes.

The elimination of DTC would lead to a shift into more digital marketing to both patients and physicians, but this is an insufficient replacement for DTC.

There's no better channel than television to efficiently drive awareness and activation on a mass scale. Digital engagement promises to be the essence of the brand experience, and people will find you over time.

However, nothing can replace the immediacy and large-scale impact television can have on activating your target audience to seek information.



JAY BOLLING
CEO, PulseCX

DTC ads help patients have better discussions with their physicians and provide greater awareness of treatments. A physician survey conducted by the FDA demonstrated that when a patient asked about a specific drug: 88% of the time they had the condition the drug treated; 80% of physicians believed their patients understood what condition the advertised drug treats; and most physicians agreed that because their patient saw a DTC ad, he asked thoughtful questions during the visit.

While a ban on DTC — broadcast and print advertising — would limit the reach and speed of patient communications, for example it would take longer to reach the same volume of prospective patients, it wouldn't impede our ability to engage patients. In fact, today's most successful DTC campaigns don't rely solely on branded broadcast/print advertising, but leverage multiple touch points and engagement strategies such as interactive websites, patient advocacy networks, social media, third-party partnerships, unbranded broadcast/print, paid search, direct marketing, etc.

A DTC ban will likely accelerate the emphasis on digital media and disease awareness campaigns that are educational and non-promotional in nature. It will prompt additional emphasis on relationship building through permission-based CRM campaigns, and prompt companies to adopt a more tailored approach that focuses on patient engagement vs. awareness. As a result, issues such as corporate transparency, social responsibility, added value, and access to care will all be important components of future communications in a DTC-ban environment.



JAY CARTER
Senior VP, Director
of Strategy Services,
AbelsonTaylor

I just don't see this happening. First consider the first amendment issues: does the state have a right to disallow free speech from a drug company because they make a profit? Lawmakers avoid the first amendment like it's the third rail. Second, consider a recent study showing that DTC advertising not only grew sales for promoted products, but also stimulated drug adherence, and the use of other — presumably less expensive generic — products for the disease states discussed. The latter two

points are good for healthcare and people, and will likely have a positive impact on health outcomes. Finally, we're going to be in an election year soon, and how much does the legislature really get done during election years?



MATT GIEGERICH
Chairman and CEO,
Ogilvy CommonHealth
Worldwide

While it's certainly within the AMA's rights to dislike certain aspects of DTC advertising, it would be nothing short of a constitutional assault to limit the freedom of speech tenets so clearly underpinning this form of communication, which has been proven time and again to improve patient care. If an Orwellian ban on consumer communication of prescription drugs were ever enacted, we would be traveling backwards in time, to a place where health literacy, engagement, and outcomes were neither rights nor a compelling determination of our citizens.



MATTHEW HOWES
Senior VP, Marketing
Innovation, Palio, an
inVentiv Health company

AMA's anti-advertising argument lacks internal logic. On one hand the association claims older, more affordable drugs are just as effective as newer, more expensive alternatives promoted in DTC ads. If cheaper drugs are as effective, why not simply prescribe those drugs more often?

On the other hand, the association claims "patient care can be compromised and delayed when prescription drugs are unaffordable." This acknowledges that newer drugs are more effective. If so, wouldn't you expect to pay a premium for them?

AMA's argument is further convoluted by trying to frame the ban as a response to anticompetitive behavior in the market. It's hard to imagine taking freedom of speech away from corporations, and even harder to imagine that removing a key competitive lever would not decrease competition.

But let's play out the scenario. Consumers would be left in the dark about the latest healthcare advancements. They may be less likely to contact a clinician and diagnose problems earlier. The already poor dialogue

between patients and doctors could worsen. And stigma around diseases like hepatitis C and lung cancer could become more pervasive.

To counterbalance these issues, pharmaceutical companies would redeploy their resources to develop more unbranded educational content and adherence programs. A heavier investment in content strategies could be a good thing for advertising. It would necessarily drive creation of new roles, new models, and new partnerships in the industry.

Anti-advertising proponents could make more effective arguments if they focused on the benefits of a ban, instead of whining about ad proliferation.



JOE KUCHTA
CEO, GA Communication
Group

It is interesting — and odd — that the AMA is calling for this ban now. Seems to me that as an industry we

have been working through physician concerns and the sensitivities of doing responsible DTC since the early 2000s.

We now live in a world of intensely educated people when it comes to their health conditions, the diseases they battle, and the treatment options available. Certainly the Internet and 24/7 instant access to information that was previously only available to trained clinicians has made everyone smarter. Is that wrong? Is that threatening to physicians? It

shouldn't be. The vast majority of physicians we engage with have found a way throughout this period to navigate their patient discussions when they come armed with this type of intelligence.

As companies increasingly reach out through many media channels to communicate this sought-after info, the burden is and has always been on doing so with utmost accuracy and responsibility. Every pharmaceutical and device company that I know — as well as their agencies — have clearly understood this and have embraced that responsibility. And as we all know, the FDA also effectively polices it.

Banning deceptive, inaccurate, and misleading information is a noble cause. We should all work hard to eliminate that type of communication. But categorically saying all DTC activities should cease and desist would be removing a significant way in which many

Physicians cited
concerns that a growing
proliferation of ads
is driving demand for
expensive treatments
despite the clinical
effectiveness of less
costly alternatives.

people become aware and then much more knowledgeable about the choices they have in their own care.



NEIL MATHESON
Global CEO, Huntsworth Health

DTC advertising is a means to an end and not the end itself. It is one of many tactics that should be integrated into patient awareness, education, and engagement programs. The purpose of a DTC program is to build awareness, inform, and to drive engagement with online content. DTC plays an important and valuable role in generating disease awareness, helping patients identify with symptoms and encouraging them to seek treatment, building awareness of the availability of new treatments, and enabling patients to engage in a meaningful dialogue with their physicians. In a patient-centric world the role of DTC is even more critical as patients take an active and informed approach to decisions regarding their own health and well-being. Without this important tool it would be very difficult to improve patient outcomes and quality of care through integrated programs that facilitate education and enhance patient-physician relationships.

If such a ban was implemented the money that is presently being spent on DTC initiatives would be best diverted into programs that drive patient engagement online and facilitate the dialogue that is necessary for physicians and other healthcare providers to understand patient needs and improve outcomes. Listening to patients, aligning their needs with physician expectations, and ensuring that informed decisions are made collaboratively to deliver the best possible patient outcomes will deliver the value that all stakeholders now demand from the healthcare system.



ED MITZEN
Fingerpaint

I may be an outlier here, but I would love for this ban to go through. It would force us as marketers to get more creative, and also drive the work to be more about disease awareness and patient care, instead of driving one particular brand in the eyes of consumers. It would help dramatically increase the public's perception of pharmaceutical manufacturers, as they finally would see all the great work being done to help eradicate disease and improve human wellness. I am probably not the only one who

tunes out when they see a drug ad on TV nowadays, as they have gone from valuable communication tools to fodder for Saturday Night Live and Howard Stern. The ads have become a "sea of sameness," where they all look alike and provide little to no differentiation for the brands. We can do better as an industry.



MARYELLEN ROYLE
President, Tonic Life Communications

No doubt, a ban on DTC advertising will have ramifications for both consumers and industry. However, regardless of how — or if — a ban is implemented, as healthcare communicators and marketers, we continue to have a responsibility to help consumers navigate an abundance of clinical information to better understand their risk factors for disease, seek appropriate health solutions, and manage their overall health.

Critics of DTC ads may be ignoring the fact that most consumers are very aware that DTC ads are just one source of information. They are already seeking information from a plethora of other sources — doctors, family, patient groups, social networks, editorial, government — to help inform their decision-making process before they agree to a new procedure or start a new therapy.

The healthcare advertising and PR industry needs to continue to deliver strong and accurate brand and disease awareness materials and expand their reach to consumers, beyond traditional paid ads, to other channels where consumers are looking for this information. We're a creative bunch, and I'm confident that our industry will stay ahead of any changes that come our way.

By no means is this the first or will it be the last time we're required to shift strategy to be successful.

MARC SIROCKMAN
Executive VP & General Manager,
ArtcraftHealth
The AMA's proposed ban on direct-to-con-



sumer advertising of prescription drugs and medical devices would level the playing field and create more pressure on pharmaceutical companies to develop innovative ways to communicate with prescribers. Currently, big pharmaceutical companies with larger budgets have the ability to advertise through a multitude of channels, whereas smaller companies do not. If direct-to-consumer advertising were banned, all marketers would have the same opportunities to target their markets effectively while having to innovate ways to market specifically to prescribers rather than to consumers.



ALEXANDRA VON PLATO
Group President of North America,
Publicis Healthcare Communications Group (PHCG)

Because we've been focused on the DTC TV and print advertising, we've actually constrained the brand's narrative. Brands have a story to tell. They have an origin story — how they were made, what they are made from, who discovered them — there's the scientific story, and there are many personal stories.

We have to use longer formats in powerful ways, episodic content to create more surface area and more ways to communicate with people across more channels.

DTC has been a great service to consumers in terms of creating engagement and making them more informed.

The next generation of DTC communications will not be advertising dominant; it's going to be content dominant. It's a way for pharmaceutical companies to package valuable substance with the sell. And that's going to help us help people understand complexity better and ways for patients and healthcare professionals to have more information and be more informed.

► Pricing and the Cost of Prescription Drugs

The proposed DTC ban is just one of the results of increasing scrutiny on the price of prescription medications, which will no doubt continue to be a hot topic during 2016 as the presidential election also continues to heat up.

In late 2015, the Kaiser Family Foundation released a report saying a high cost of prescription drugs remains the public's top

healthcare priority. In the past few years, prices on generic and brand-name prescription drugs have steadily risen and experienced a 4.7% spike in 2015, according to the Altarum Institute Center for Sustainable Health Spending.

According to a recent IMS Health report, global spending on medicines will reach \$1.4 trillion in 2020.



KEN BEGASSE
CEO, Concentric Health Experience

This issue must be addressed for our industry to regain the public's trust. Drug pricing must be tied to value, real clinical value. It starts with our industry eliminating profiteers of circumstance, who offer drugs that are so overpriced compared with their discovery or acquisition costs that those who need these drugs can't get them. These few are driven solely by profit, not by patient benefit or scientific innovation, and they tarnish all the good our industry does.

We can create positive sentiment if we help the public understand the value of our innovations. We need to reinvigorate the appeal of our industry by changing the perspective of medicine, gaining trust and admiration that looks beyond the price tag and instead garners amazement of humankind's insatiable desire to heal itself. The American people need to see the scientists behind the companies who are responsible for changing the course of disease in the 21st century. Hepatitis C, HIV, cancer,

and cardiovascular disease, all diseases with high mortality, have become treatable conditions over the past decade. These miracles are valuable assets to use in our discussion. The time is now. We are embarking on an exciting era of innovation in health.



JAY BOLLING
CEO, PulseCX

To combat the negative publicity about prescription pricing, the industry has to change the conversation to one about value and not price. Unlike other expensive consumer goods, prescription medicines save people's lives and cut healthcare costs. They are very expensive to develop and most never see the light of day. PhRMA has all the statistics — we just need to communicate them: only 12% of drugs entering clinical trials ever make it to patients; on average, it takes more than 10 years and \$2.6 billion for

just one medicine to make it to market; and thanks in part to innovative medicines, U.S. death rates have dropped significantly in the past decade — HIV/AIDS almost 85% since its peak, cancer about 22% since its peak, and cardiovascular 31%. Spending on retail medicines has consistently accounted for just 10% of healthcare spending.

The U.S. healthcare system could save \$213 billion annually if medicines were used properly. Every additional dollar spent on medicines for adherent patients with congestive heart failure, high blood pressure, diabetes, and high cholesterol generated \$3 to \$10 in savings on emergency room visits and in-patient hospitalizations. In the fight against Alzheimer's disease, new medicines approved by 2025 that delay the onset of the disease by five years would reduce the number of people with the disease by about 40% and avoid \$367 billion annually in long-term care and other costs by 2050.

In the past few years, prices on generic and brand-name prescription drugs have steadily risen and experienced a 4.7% spike in 2015.

Source: Altarum Institute Center for Sustainable Health Spending

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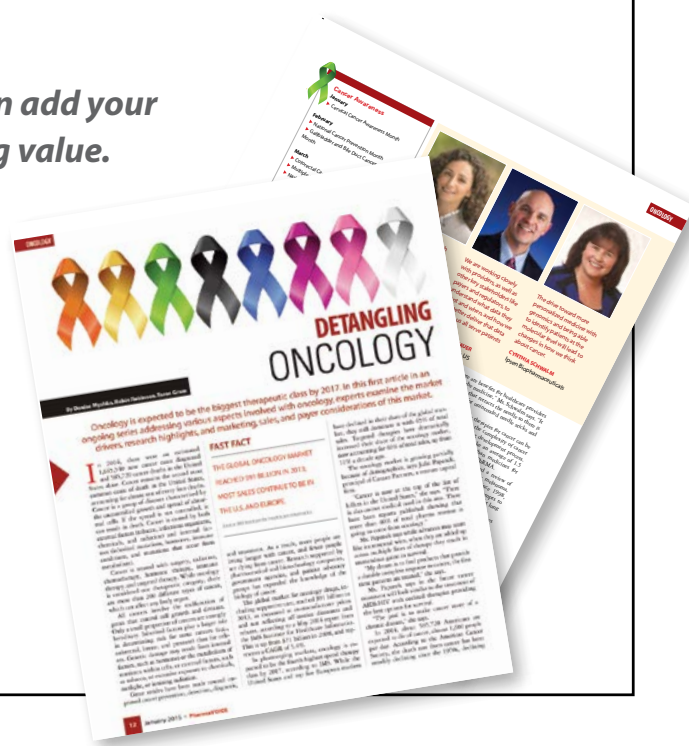
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MATT GIEGERICH
Chairman and CEO,
Ogilvy CommonHealth
Worldwide

Changing negative public opinion about drug pricing will require a resolute, coordinated communications approach far less grounded in the notion that high drug prices are necessary to fuel the high cost of drug discovery. Research confirms that once someone is settled on a point of view, it becomes more and more difficult to sway his or her opinion by providing more facts and data. In many cases, this actually tends to further reinforce the individual's established position. Instead, and also proven via research, the industry should consistently, relentlessly express the real, human, moving, emotional stories about patient health outcomes that are so central to the industry's collective mission. This is the key to changing the public's opinion and shifting the perception of the industry to a higher plane.



MATTHEW HOWES
Senior VP, Marketing
Innovation, PALIO, an
inVentiv Health company

In the United States, we love free markets, but do we love free medicine more? That's the underlying question when it comes to the topic of drug pricing. The economics of drug development are not well understood by the public at large, nor is the reality that Americans shoulder the burden of drug development costs disproportionately to the rest of the world. To address this gap in understanding, the pharma industry has a unique opportunity to lead a national, public debate to resolve the question, "Should the economic rules of supply and demand still apply when it comes to saving lives and caring for the sick?"

It's hard to embrace capitalism and get your hands around pricing caps at the same time. This is partly why the debate over drug pricing is an emotionally charged one. It pits a closely held identity as a free-market society against deep-rooted beliefs in promoting social responsibility and protecting public interests.



NEIL MATHESON
Global CEO, Huntsworth
Health

There are two commonly used pricing methodologies — cost-plus pricing and value-based pricing. The phar-

maceutical industry has traditionally used a cost-plus approach as a basis for drug pricing with the goal of quickly recovering the significant costs of drug development, and with the newer biologics manufacturing, and maximizing profits through to the end of the available patent life. Other factors impacting price are the size of the potential market for the drug sales (the number of potential patients/prescriptions) and sales and marketing spend— which some critics wrongly suggest is the sole driver of the high price of drugs.

Today's value-based world calls for innovative pricing strategies that focus on the 'true value' to the patient, healthcare professional, payer, and the healthcare system as a whole. That value must be measured in terms of improved quality of care with resulting reduction in utilization of high cost health services such as ER visits, hospitalization, surgery, and other expensive interventions. Effectively managing other contributors to poor health such as obesity, lack of exercise, smoking, stress, and malnutrition is also critical to the value equation.

The industry must focus on delivering real value through relevant and meaningful patient outcomes with a resulting reduction in overall healthcare system costs rather than being lured into a debate about the high cost of pharmaceuticals, which only leads to an attempt to justify and defend drug prices based on high research and development costs.

Communications programs can then be developed to support this value-based strategy. The industry must be more proactive in this regard and lead the discussion rather than react to it.



MARYELLEN ROYLE
President, Tonic Life
Communications

The debate about the pricing of ethical drugs is not new and will continue to be a hot topic for as long as pharmaceutical companies remain in business. It is worth stating that the industry often struggles to clearly explain pricing and sometimes resorts to defensive strategies to explain the pricing approaches taken. With this said, the pharma industry is committed to innovation in the interest of patients — improving healthcare and saving lives, as evidenced by incredible advances in treating cancers, infectious diseases, and rare diseases over the past 30 years. Innovation and the study of disease require investment. Moving forward, improved transparency and emphasis on education about today's drug discovery and development process will help the public and

critics better understand the pharmaceutical business and be less weary of its motives.



MARC SIROCKMAN
Executive VP & General
Manager, ArtcraftHealth

The industry can address the complex subject of pharmaceutical drug pricing by discussing the quality and prolonging of life and demonstrating the value of their products in this context, particularly in relation to other drugs and options. It is critical to include the general public in this discussion, and social media may be the best avenue to target them appropriately.

Traditionally, the pharmaceutical industry has relied on policymakers as a means to gauge drug pricing. Now, direct communication to patients on an elementary level about the value and benefits of a drug can be a transparent and straightforward way to address the complex issue of its price. A strong PR campaign could effectively assist in communicating the appropriate message in each unique situation.



ALEXANDRA VON PLATO
Group President of North
America,
Publicis Healthcare
Communications Group

We need to put another conversation into the market because patients want choice. You go to a doctor because you want her opinion. We want people to take a stand that they want their physicians to have more choice and more control. The industry needs to support healthcare providers (HCPs) more. We have to create advocacy for the people who are on the front lines of healthcare, such as doctors, nurses, and other HCPs. They're the ones who need rights and choice when it comes to prescribing. It's the medicine they want patients to have and not what the health insurance company wants to pay for. That's what the pharmaceutical companies can do that they are not doing. We need to move from asking how much things cost and what's broken to what people want; they want the best medicine and they want their doctors to have the choice to use it. Choice is something people are willing to pay for. We can change the conversation to one of choice and excellence. **PV**



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The View from the C-Suite

Agency executives provide their insights on the key trends they believe will impact the industry in the coming years.



KEN BEGASSE

CEO, Concentric
Health Experience

PERSONALIZED HEALTH-CARE

Healthcare has become personal and it's targeting the young. The rise of personalized data applications and devices has created a movement that is pervasive, engaging, and cool. My 11-year-old son wanted nothing more than a Fitbit for Christmas. He desires control and appreciates his health. As a stakeholder in health, our industry needs to recognize how swiftly this movement is growing and begin to build usable and relevant content to engage patients who use these devices. As with any medium, there are super-users and passive users; segmenting, collaborating, and co-creating content with these users will transform the health experience of medicine. The future agency will need to have a robust team of user experience strategists, creative developers, and technologists who focuses on a simple, usable experience that enhances the brand value.

ENTERING A RENAISSANCE OF INNOVATION

This is a prolific era in healthcare. In the next five years, almost 200 products aim to launch and the pipeline has more than 2,000 products in late-stage clinical development. A majority of these products are in the areas of high science, oncology, and rare disease. These new products represent the promise of entire pharmaceutical organizations; their futures are literally tied to the success of these products and launches. These products also represent the value of innovative research and development. To help communicate this, clients will need to trust that their agencies have the aptitude and acuity needed to successfully launch high-science brands into an evolving marketplace. To capitalize on this trend, agencies will need to sharpen their scientific acumen, return to the heritage of scientific thinkers, and build stronger, deeper, integrated medical and content strategy disciplines.

COMMERCIALIZATION EFFICIENCY

Cost containment is a key concern for our clients and a critical component to any client/agency relationship. In recent years, the rise of procurement has focused on shifting the cost of ownership toward agencies. To do so, negotiations focused on rates, consolidation, and volume discounts. They failed to address the inherent and insidious factor of inefficiency. They simply induced the agency to use less valuable talent, driving up the hours and creating bloated timelines and estimates. They failed to measure and attribute efficiency to an agency's value as a partner; it was simply an equation. Thankfully, this is changing. I believe both agencies and procurement are becoming more closely aligned than ever. No longer are we negotiating rates as the sole basis of cost containment; we are now focused on a true value proposition that rewards value-chain efficiency and effective deployment of resources and talent. This shift may quell the battle and create powerful allies between procurement and agency management, helping clients have predictable pricing while allowing the agency to focus on attracting top talent and investing in processes and tools that foster developmental efficiency. Agencies will need to take an enlightened approach that is built on mutual benefit to eliminate waste and incentivize innovation and effectiveness.



JAY BOLLING

CEO, PulseCX

REP ROLE/ACCESS

Customer influence in the pharmaceutical industry has shifted over the last decade, moving away from a focus on physicians, toward a greater emphasis on payers and patients. This shift means the role of the pharmaceutical sales rep is changing too, and pharmaceutical sales training must adapt. Pharmaceutical marketing has traditionally been more brand-centric, but the following changes in the marketplace have made it clear that a more experience-centric model is now necessary to sustain access and engage customers: sales rep/physician interactions are changing; new channels of com-

munication are opening; due to the increasing demands on doctors' attention, office staff are becoming more involved in product decisions; nurses are often the front line when it comes to patient support (e.g., distributing samples and co-pay cards).

When a drug is first launched, physicians want pharmaceutical reps who are experts on the product. As products mature, they're typically more interested in services, such as formulary information, samples and co-pay cards. In essence, physicians don't want to waste their increasingly limited time, and they may question the value of rep interaction if the reps don't/can't anticipate their needs.

Pharmaceutical sales training must focus on techniques reps can use to deliver a more service-intensive approach (rather than an educational or promotional one). They need to discover what doctors want (in terms of education, service, support), and find the best ways to provide it. As the industry becomes less brand-centric and more customer-centric, a mix of personal, experiential and technical skills is essential to today's pharmaceutical sales training – i.e., understanding what customers need and customizing the delivery and offerings accordingly, is the key to a winning sales strategy.

INFLUENCER MARKETING

Influencer marketing is a form of marketing that has emerged from a variety of recent practices and studies in which focus is placed on specific key individuals (or types of individuals), rather than the target market as a whole. This new form of marketing identifies and targets individuals with influence over potential customers. In the past, brands may have focused on popular bloggers and celebrities, but today there is a new wave of "everyday" consumers that can have just as large an impact as a result of their subject matter expertise and credibility with their followers. Social media has fundamentally changed the balance of power between customers and brands because it enables peer recommendations to play a much greater role in purchasing

eed their photos
igital

The View from the C-Suite

decisions. According to a McKinsey study, marketing-inspired word-of-mouth (WOM) generates more than twice the sales of paid advertising, and these customers have a 37% higher retention rate. Given the importance of peer recommendations and their amplification through social media, influencer marketing has become a widely discussed topic among marketers. This is especially true given the prevalence of influencers in the growing millennial and mom demographics.



JAY CARTER

Senior VP, Director of
Strategy Services
AbelsonTaylor

PERSONALIZED MEDICINE

It's about more than just cancer today. There are brands being developed in multiple disease states that leverage personalized medicine. It feels a bit like the late 1990s and the emergence of monoclonal antibodies; you had to have experience to be credible and there weren't all that many models. Also, each monoclonal was pretty unique, making copying a model useless. I think that the one thing that will unify the marketing of personalized medicine brands is that success will require the active participation of the consumer. That will generally require a more educated consumer. We as agencies need to get an understanding of consumers' challenges and needs in order to win.

CHANGING WORKFORCE VALUES

Today's agency staff members are changing their workplace on a regular basis to get multiple experiences. That has a huge impact on staffing models, and how much an agency can or should invest in training its staff. One of the biggest requests of employees is to be trained, but you have to ask yourself what the value is of training someone who will leave the following year. Beyond the business factors, many of the industry's current leaders — me included — take great pride in creating a great place to work, and frankly sometimes it's a little difficult to feel like you're creating

a great workplace when you look at the current levels of turnover. There's an upside, too; we benefit greatly from the well-trained new blood steeped in other organizations' ways.

PRICING

The rhetoric about the industry's pricing that is heating up now will only intensify as the 2016 elections near. A key block of voters are the nation's 65+ population, and they share a concern over affordability of medications. It's easy to make the industry a scapegoat, even when studies repeatedly show — aside from some outliers — that pharma is not the cost-driver for healthcare spending, and that new brands brought to market generally offer cost-effectiveness as this is part of the exercise to determine price.



NANCY FINIGAN

President, GA
Communication Group

CULTURE

Employees don't need to look for new opportunities today; they practically drop on their doorstep. Ensuring that we are developing our people, creating an environment for collaboration, and cultivating a culture that attracts and retains great talent is a primary focus for our agency. This is coming to life in many ways, including the opening of a new open-concept, employee-designed space that is the embodiment of our commitment to creativity, and teamwork. It's the anti-office. What I do care about is keeping our employees excited to come to work every day and I see that as one of my top responsibilities as president.

MARKETING EXCELLENCE

Clients care less and less about healthcare experience and more and more about marketing excellence. Our client leaders are emerging from an expanse of industries that we never would have imagined. These are industries where the approach to customer retention, technology adoption, data integration, and risk are about as far from pharma-centric as you can get. We've embraced this change inside and out. For example, we've recently hired

an agency leader who was a global strategist on the McDonald's business. She's now leading our agency efforts in rare diseases and hospital products. We've also moved our most senior digital strategists to account leads on some of our largest and most innovative clients. What matters today is not where you came from but what you can do. And that expertise comes in many colors.

DIGITAL COMMUNICATIONS

As digital communications continues to evolve at an unrelenting pace, we must learn to trust a much younger generation to drive our business. The days when leadership was only earned through years of hard work, long hours, broad therapeutic experience, and a proven track record are over. Instead, in today's communication age we must embrace young, technologically savvy, data-driven, creative, specialists across the agency and then nurture the leadership skills they need to create solutions, relationships, and our business. It is incumbent upon more experienced leaders to get comfortable with the idea that expertise and value do not necessitate years of experience.



MATT GIEGERICH

Chairman & CEO,
Ogilvy CommonHealth
Worldwide

THE "C" WORD

More than ever before, our clients are launching game-changing, high-science therapies with extraordinary clinical trial results in multiple, previously difficult-to-treat disease areas. The word "cure" isn't used frequently or lightly in this business, but it's popping up more and more these days, reminding us all of the true, patient-centered quest at the beating heart of the industry.

THE "V" WORD

It's no surprise that drug pricing is all over the news these days and this scrutiny and pressure will only intensify as the election cycle progresses

The View from the C-Suite

and changes in the American healthcare system take deeper root. As the players and incentive structures realign and as real world evidence and health outcomes data mount, “value” is truly the new coin of the realm.

THE “D”WORD.

As more and more of our clients are moving to a more contemporary, multichannel marketing posture, the role of “data” has become central to serving the right content to the right customer, in the right context and via the right channel. Screens, gadgets and engagements of all forms and formats drive the new health marketing and communications ecosystem, but data are the fuel — and all marketers need to fill their tanks, because the journey is just beginning.



NEIL MATHESON
Global CEO,
Huntsworth Health

AVAILABILITY OF TALENT

A period of rapid change, driven by the consumerization of healthcare and digitalization of healthcare communications, has led to a serious talent shortage and a marked increase in targeted headhunting, aka poaching. This in turn has resulted in cost pressure due to high recruitment costs, an escalation in remuneration expectation, and an expectation of accelerated career progression. This is specifically an issue with the new generation of talented young people that we need to deliver engaging content through the digital channels that are now the foundation of all of our communications solutions.

The added challenge is that we still need experienced strategic thinkers to drive value at the client interface but many of these experienced individuals have not been able to adapt quickly enough to the new digital world in which we operate. There is a surplus at the experience end and a corresponding deficit at the digital delivery end of the talent spectrum. This is aggravated by traditional agency structures that cannot provide the environment for

the next gen creative power to realize its potential and the inability of more seasoned managers to understand the expectations of the talented new generation and mentor them effectively.

The end result is churn, which leads to instability and increased people costs in a market that is driven by applying a markup on our people costs.

THE ABILITY OF OUR CLIENTS TO ADAPT AND CHANGE TO THE NEW WORLD

Digital channels have blurred the lines between traditional components of the marketing mix and traditional structures are no longer effective in managing the communications solutions that are required to maximize effectiveness and optimize efficiency. For example, if we look at social media and where it fits in the marketing mix and how it's managed through traditional client-agency relationships we find that while traditional PR is trying to stake a claim for being the social media experts the reality is that social media is an essential part of all digital agencies service offering, traditional advertising agencies are trying their hand at it, and even medical communications agencies have a social media capability. And so often the delivery of traditional PR is isolated from the rest of the brand promotion mix anyway.

The point is that we can no longer look at traditional labels for services in a world where our focus must be on generating engaging content and utilizing the appropriate channel mix to deliver that content to the right audience, in the right place, at the right time. In addition access to content should be on multiple levels and multiple surfaces across multiple audiences. The integration between content delivered via the rep's iPad, access to the same expanded content online but the physician, and the same content delivered in an appropriate manner to the patient/consumer is now also essential and traditional structures are not designed for this level of integration across audience and media.

IMPROVING EFFECTIVENESS WHILE ALSO IMPROVING EFFICIENCY

The traditional marketing structures that continue to select traditional agencies with traditional service offerings also create inefficiency through in-

consistent strategic implementation and duplication of tactics. Multiple brand team members working with separate agencies with a lack of strategic discipline perpetuate the problem. This will become an increasingly difficult barrier to overcome as brand teams try to integrate with other departments such as medical affairs and corporate communications on initiatives that support value, reputation, and overall health and wellbeing rather than the brand in isolation of these other important value drivers.

While these antiquated structures and traditional responsibilities for outdated marketing mix components impact both marketing effectiveness and efficiency these components are also negatively impacted by procurement strategies that are driven by cost-saving and a resulting focus on driving down hourly rates or overall project costs, rather than focusing on measuring medical/marketing communications effectiveness using metrics that determine the overall results of a campaign/program against the cost of implementing the campaign to determine the true value in terms of how the campaign/program improved behavior by physician or patient and the impact on patient outcomes of that behavioral change.



ED MITZEN
Fingerpaint

THE CONTINUED RISE OF SMALL- TO MID-SIZE BIOPHARMACEUTICAL COMPANIES

Small to mid-size companies will continue to drive the big growth opportunities for marketing firms. When I owned Palio back in the early 2000s, 90% of our work came from the top 20 drug companies in terms of size. Today at Fingerpaint, 90% of our work comes from firms with very little name recognition. The innovation in our industry is being fueled by small, emerging firms. The larger traditional powerhouses are going to continue to be forced to acquire firms just to keep pace with growth targets.

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TALENT

Eighty percent of most agencies' costs are personnel related, meaning that hiring top talent is vital to creating great breakthrough work and maintaining a healthy, growing firm. While this is certainly not a new trend, competition to attract and retain great people will continue to be high. And as the millennial generation continues to penetrate the workforce, companies will need to build a culture that is desired by this vital workforce. With a thirst for technology and a true desire to make the world a better place, the successful marketing firms of the future will evolve to be less about corporate financials, and more about doing inspiring work that makes everyone feel like they are a part of something special.



MARYELLEN ROYLE
President, Tonic Life
Communications

THE EVOLUTION OF PATIENT ADVOCACY

The traditional brick-and-mortar advocacy group is still essential and effective at driving awareness, providing resources and support for patients and their caregivers, and raising money to support research. However, the individual patient is almost as important as the "org." Whether as bloggers or contributors to communities like PatientsLikeMe and Inspire, individual patient voices are powerful and are playing critical roles in empowering patients and effecting change. We, as communicators, must remember that engagement with these patients can and should be a two-way dialogue, where we provide support and information but also listen and learn from their personal insights to build better education programs as marketers and communicators. The ultimate goal is to help patients live better, despite their disease or condition.

PROPHYLACTIC HEALTHCARE

Advances in genetic testing and monitoring, pervasive digital connectivity, and the "Angelina Jolie effect" have empowered consumers to proactively take charge of their health. Healthcare com-

municators have a responsibility to help consumers navigate an abundance of data to better understand their risk factors for disease, seek appropriate health solutions and manage their overall health.

EMPHASIS ON INNOVATION

The need to defend the industry from critics is not new; skepticism about drug pricing, access to effective medicine and concerns about marketing tactics are themes that surface often and even more so, every four years within the debates held to elect new government leaders. Our industry has a very powerful innovation story to tell. Advances in the development of uniquely personal and highly effective therapies have made it possible to treat and manage diseases that 15 to 20 years ago would have killed or significantly limited patients. From cancer and HIV to ebola and rare disease, our industry has fostered innovation comparable with that of the technology revolution. There is much more work to be done, but we need to educate our stakeholders along the way about what we are doing, how we are doing it and why we are doing it in order for them to support us and know that we are well-intended.



MARC SIROCKMAN
Executive VP &
General Manager,
ArtcraftHealth

ACCESS TO PROVIDERS

Continual access to prescribing healthcare providers will be an increasing challenge during the next year. Pharmaceutical marketers will be especially challenged as hospitalists and large payer organizations become primary targets of acquisition and consolidation in the healthcare industry. As healthcare providers no longer own their practice or their time, the number of no-see physicians will only increase. Because of this, it is critical for marketers to develop an innovative strategy that will address the target audience through more direct-to-consumer channels.

DIGITAL COMMUNICATIONS

The overwhelming saturation of digital communication has led to the need for unique and innovative

ways to target consumers, HCPs, and caregivers. There is no one-size-fits-all approach that can influence these audiences effectively during the decision-making process in the delivery of care. Because consumers can research the vast amount of information readily available via the Internet, they now have greater control in making their health-related choices. Although patients may like having the ability to find answers to questions on their own, this power can create barriers for marketers to reach this audience and for their healthcare providers to ensure their patients are receiving the appropriate information and treatment.

MERGERS AND ACQUISITIONS

The shrinking and growing of pharmaceutical companies through mergers and acquisitions is an increasing challenge to marketing agencies. Since the number of pharmaceutical companies is continuing to decrease through this process, the audience that marketers have to target is shrinking as well. As a result, agencies find themselves competing for fewer opportunities that were previously more plentiful. Marketing agencies and their clients must now focus on communication, education, and marketing strategies that build and enhance trusted relationships between consumers and those clients.



**ALEXANDRA
VON PLATO**
Group President
of North America
Publicis Healthcare
Communications Group
(PHCG)

PURPOSE-DRIVEN BRAND MARKETING

Moving from positioning to purpose is all about identifying the significant stand a brand can take in the market, one that allows a brand to navigate between audiences and channels. We continue to have more clients asking for consumer through professional capability. They want one agency to be able to address both of those audiences in an integrated way. Defining and understanding

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a brand's purpose, and how to align the brand's objectives with the customer's objectives, is necessary to be able to generate ideas that are big enough and then can be tailored to meet the needs of multiple audiences.

MOBILITY FIRST

We are designing purpose-driven brand strategies that allow us to create and drive content across multiple screens and points of engagement. Instead of leaving mobile for last, brand strategy need to start with the number one place that people look for information: their mobile device.

Our clients understand that they used to think that if a big idea worked on TV, it was a good idea. The fact is that many still look at print concepts as the top filter for identifying the

brand idea and we predict this will change.

Marketers are learning that they have to acknowledge that this tiny screen — that agencies and marketers are so intimidated by — has become the first priority and not a tack on one. We have to learn to design for mobile natively, and find our purpose-driven brand idea that prioritizes mobile in the right place: the top of the list.

SHIFT FROM AD STRATEGY TO CONTENT STRATEGY

As brands begin to embrace digital, they realize the way to communicate and engage customers in digital media, including mobile, is a very different set of drivers. The primary driver of engagement needs to be to create value on the customer's terms. That means content.

Brand content strategy will emerge as a key ca-

pability for agencies in 2016. The content strategy capability consists of direct creation (i.e. video, infographics, text), as well as the ability to form partnerships and alliances with content creators and publishers for distribution across paid, owned and earned channels.

Content strategy is also a way to enable healthcare brands to participate in the social sphere. We believe that a lot of customer groups benefit when our clients are involved in those conversations, and the cost of entry is content that is offered up in a timely and relevant way. Also, for healthcare brands, the ability to play in social media is largely based on the ability to create content that communities value or with sharable value that meets compliance with regulatory guidelines. It's our job to make that possible.

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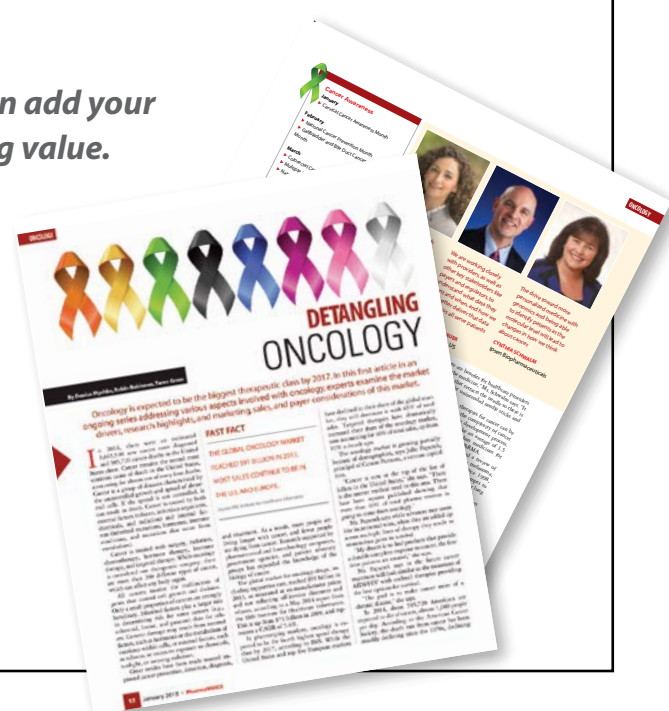
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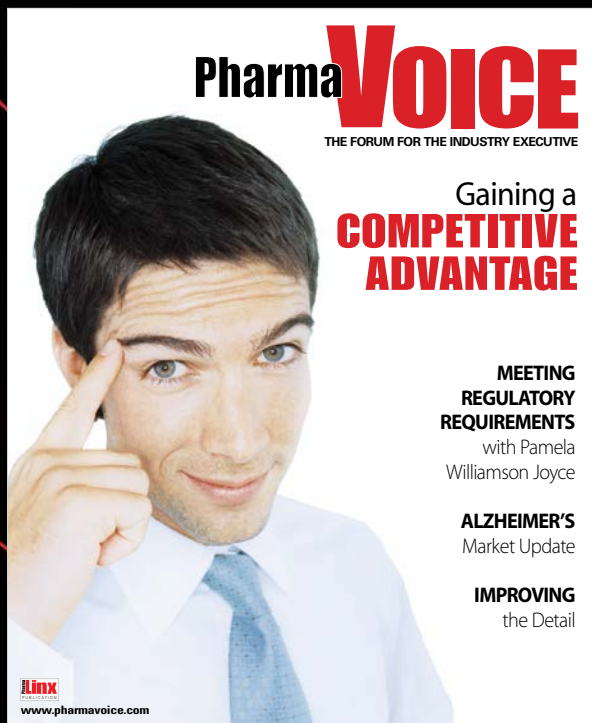
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