

# Marketing in the Future

The marketing landscape of tomorrow will look much different as lines continue to blur between consultancies and agencies.

An April 2019 poll conducted by Digi-day showed that 22% of client-side marketers planned to shift work from agencies to consulting firms. While the majority of respondents said they planned to remain with their agencies, the results show that consultancies are gaining traction with agencies' clients. We spoke with leaders from the industry on both sides who have been instrumental in the transformation to a model that encompasses both the advisory role of a consultant and the creativity ability of an agency.

The basis for the move toward a combined offering from large consultancies is driven by the needs of today's clients. As healthcare consumers expect more relationship building and custom interaction with the brands they choose, like they get from Amazon, for example, healthcare clients also need a service that provides consumers with a good experience along with a creative message and the data and technology to back the strategy up.

"The marketer has new challenges, a different kind of pressure," says Floren Robinson Pressman, life science lead — North America, Accenture Interactive. "There are higher customer expectations, lower budgets, and greater complexity. There are more channels, more content, more data, and more technology. There is also a need to be more efficient and deliver at scale."

Clients need a partner that can manage complexity, activate a brand, create the experiences that surround that brand, and drive transformation. The ability to do all of this requires a new breed of agency partner — one that is part business consultancy, part creative agency, and part technology powerhouse.

"We call this the 'experience agency,' and we believe it's the agency model of the future," Ms. Robinson Pressman says.



The trend in healthcare marketing has been to move from a transactional, episodic relationship to one that's much more relational and adaptive, notes Larry Mickelberg, managing director, life sciences agency lead at Deloitte Digital.

"This transformation is happening because in today's healthcare ecosystem, business-as-usual marketing will fall short," he says. "Today, it's all about experience.

Brands are using customer experience to facilitate a different type of engagement with audiences. And that engagement is really about a continuous, informed, and more humanistic approach to marketing."

However, from an agency point of view, Tim Pantello, president, communications, at Syneos Health, says beyond the experience design offerings, he thinks traditional consultancies can often fall short in providing core ad agency services.

"The industry has been talking about this for years, but the core of the traditional consulting offerings are not true agency services," Mr. Pantello says. "There have been a few acquisitions by consulting firms of healthcare agencies, but none of them have been truly successful or scaled to any significant meaning. None have impacted the core agency landscape nor threatened in any material way the core ad agency business."

But agencies still have lessons they can learn from consultancies in terms of how to evolve their infrastructure and processes in order to enable omni-channel success, he adds.

"When I say core ad agency business, I'm referring to the business of today, not the business of tomorrow, and that is a crucial point," Mr. Pantello says. "In light of the COVID-19 global pandemic, most clients will be tested to see if they can operationalize and pivot to layer on more digital capabilities in a non-personal selling model, at least for the short term. This crisis has put the need for omni-channel deployment and the orchestration of content by segment and geography at the center of commercialization success. Agencies that are able to capitalize on this moment will succeed."

### The Emerging Hybrid Model

While our experts say there will most likely always be agencies and consultancies



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**TIM PANTELLO**  
Syneos Health

that operate separately, the services that some will offer will continue to blend until there is a hybrid model. At times, the two entities may continue to compete against each other, but there also will be many opportunities for partnerships. The need to fulfill consumer expectation of an experience with a brand will undoubtedly draw the two together.

The growth of these new hybrid models will be driven by the speed and number of new launches, the need to integrate products and devices, the dynamics in experiential and marketing technology, and ongoing changes to policies and regulation, Ms. Robinson Pressman adds.

"A hybrid model will ultimately find its place in delivering value to brands because of its focus on human outcomes," she says. "The hybrid model becomes critical when the need to address more complex experiences requires creativity as well as being able to leverage capabilities such as AI, connected devices, and augmented reality."

In 2013, Accenture Interactive made its first move into agency territory by acquiring Fjord, a global design consultancy specializing in digital experiences and services. That was just the start, as over the next six years it acquired more than 30 agencies, the most notable being Droga5 last year, a 500-plus employee powerhouse with offices in New York and London.

"One-way messages and communications have shifted to experience as the preferred way to build customer relationships," Ms. Robinson Pressman says. "The role of the marketer has become less compartmentalized to channels and messages, increasing the need for partners that can reach across not only the marketing department but the entire enterprise to bring to life experiences that matter to the customers and drive improved outcomes."

Deloitte is another consulting firm that has



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**LARRY MICKELBERG**  
Deloitte Digital

established a digital marketing and design division in the past few years, through acquiring companies with capabilities such as building user experiences, digital marketing, design, and web and mobile development skills. In the United States, Deloitte bought the creative agency Heat in 2016 and before that had picked up several companies outside the U.S., including Acne, a creative agency; Market Gravity and Brandfirst, design companies; and CloudinIT, a professional services firm that helps customers implement Salesforce and Amazon web services systems.

"The lines are certainly blurring, but there are a couple of organizations – mine among them – that are one and the same in terms of what we do," Mr. Mickelberg says. "When Deloitte leads a transformational business initiative for a client, the agency team can help to frame that in a compelling marketing story. And where the agency team brings strategic and creative marketing muscle from brand planning to creative execution, the Deloitte team backs it



up with industry insight and proprietary tech and data analytics tools.”

Mr. Mickelberg says merging an agency within a consultancy requires more than bolting on services and trying to be all things to all people; rather it is a way to bridge the two worlds and create the future of marketing and advertising, he says.

Adding a creative digital unit to Deloitte was outside of its previous branding, so in an effort for synergy and brand building for the marketing arm, Deloitte created studios and a look for the agency side that is completely different than other Deloitte offices.

“Over the past couple of years we have been building brand recognition for Deloitte in this part of the market,” he says. “The studios — there are 48 of them around the world — are very creative, and the design is very funky; they’re super cool. They’re places where people want to do interesting, good creative work. We bring our clients through those studios so they can see a different side of Deloitte.”

### What Separates Agencies and Consultancies

For ages, healthcare advertising and communications agencies have acted as de facto consultancies — brand stewards — providing strategic market insights, positioning, and guidance, and recently adding their own data and technology services to their arsenals. For example, last year,

Publicis bought data-tech company Epsilon and IPG created Kinesso, a data-driven creative solutions engine. Earlier last year, there were rumors that PwC and WPP were in conversations to merge — nothing has transpired yet.

Nearly four years ago, a Forrester report determined that 76% of pharmaceutical brand marketers saw budgets for content marketing increasing. In 2016, creating and delivering campaigns was still the domain of lead advertising agencies, the report stated.

In 2017, four consultancies were in the top 10 of Ad Age’s ranking of the largest agency companies in the world. For the first time ever, the marketing services units of Accenture, PwC, IBM, and Deloitte ranked just below WPP, Omnicom, Publicis Groupe, Interpublic, and Dentsu.

There are good reasons to hire consultants and good reasons to hire an agency; modern-day demands require a mix of capabilities from both, within a hybrid model.

**FLOREN ROBINSON  
PRESSMAN**  
Accenture Interactive



Nearly half of digital advertising agencies worldwide said clients moving services in-house was a key challenge they are facing, according to a December 2018 survey conducted by Marketing Land. One-fifth of respondents cited large consultancies as taking their business.

According to several 2019 eMarketer reports, advertising agencies have always operated in a competitive market, but now, they must cope with consultancies encroaching on their turf. eMarketer says ad agencies are fighting back by bolstering their strategic consulting and data integration offerings in an attempt to offer one-stop solutions.

The trend — and the challenges — are real. Our expert from the agency perspective — who has also worked for consultancies in the past — offers his point of view. Mr. Pantello says agencies, when they are embedded in true healthcare organizations, can offer small to mid-size clients the ability to outsource their salesforce, marketing, medical affairs, managed care/access strategy, call center, and product management to one organization that can truly play to the strengths of consultancies and agencies. Many small to mid-size clients need and expect this bundle of value. In contrast, many of the larger pharmaceutical and life-sciences clients buy these services in distinct and separate ways.

“We have both consultancy and agency capabilities — and we go to market together more often today than ever before,” he says. “We have truly integrated capabilities for customers that need or want them, which has helped blend the cultures of the two different business models, with approximately 40% of our business being shared across a number of dimensions/services. We see the most integration across our value and access teams, where we bring together these two critical strategic advisory groups with our payer marketing experts — and can also bring in our real-world evidence and deployment solutions businesses.”

## FAST FACT

### IS THE SHIFT ON?

- ▶ 22% CLIENT-SIDE MARKETERS SAID THEY PLAN ON SHIFTING WORK FROM TRADITIONAL AGENCIES TO CONSULTING FIRMS.
- ▶ 52% OF MARKETERS PLAN TO KEEP THEIR WORK WITH AGENCIES.
- ▶ 26% ARE UNSURE.

Source: Digiday

According to Mr. Pantello, agencies excel at developing the customer and brand strategy and creative, including segmentation, positioning, messaging, creative/idea platforms, omni-channel content, as well as media planning inclusive of brand performance.

Having worked in both environments for many years, he also credits consultancies with acquiring a number of experience design skills, through the purchase of digital agencies, coupling their technology development scale, on-and-off-shore, and their historical management consultancy skills so that they can offer value tackling the complex integration of systems.

However, it’s important to remember, he says, that very few consultancies are actually acting and operating as “advertising” agencies — they are not developing brand campaigns or healthcare/pharmaceutical content.

“Quite frankly, it’s not where their expertise, costs, and talent align to meet the level of value expected and demanded from customers seeking agency skill sets,” Mr. Pantello continues.

On the other hand, Ms. Robinson Pressman says in today’s environment, many different capabilities are required for successful marketing campaigns, driven by the disruption caused by digital technology and changing consumer expectations and behaviors. This causes the lines between consultancies and agencies to blur, making it more difficult for clients to know where to turn for services.

“Historically, we have been able to distinguish agencies and consultancies by the creative marketing output and the processes needed to empower them,” she says. “But

today, whether we label these professional services partners as agencies or consultancies is less meaningful as time goes on.”

Marketers will need partners who can bring to life experiences that connect and support HCPs, caregivers, and patients; empower the business to move at the speed and with the quality that customers expect; plan for the future health landscape in an increasingly diversified marketplace; and provide integrated services at scale, from designing and building customer experiences, to communicating and running them.

“There are good reasons to hire consultants and good reasons to hire an agency, but modern-day demands require a mix of capabilities from both,” Ms. Robinson Pressman says. “Brand marketers should be looking for those with a hybrid model that best meets their needs. The label of the company that provides that service is irrelevant as long as the solution is the right one.”

### Is a Blended Model the Answer for the Future?

The future for marketing appears to be driven by customer-centricity, with brands focusing on delivering the best experience possible to their customers. This focus requires

more than a great creative campaign; it also needs data, technology, and analytics that usually come from a consulting firm.

“In a more traditional sense, a consulting firm works on things like technology, architecture, marketing strategy, analytics, and process and then the agency works on the actual substance of the brand and the creative campaign,” Mr. Mickelberg says. “This is definitely an outmoded way of working.”

The growing interconnectivity between patients and their providers has really changed marketing’s role from just push messaging and advertising and promotion to one of creating a personalized health narrative that speaks directly to each patient’s unique needs across digital touchpoints. Marketers need to provide the information, support, or tools that consumers need, when they need them across the health journey.

All of us as consumers have experienced this type of connectivity in other parts of our lives when we interact with consumer and lifestyle companies, Mr. Mickelberg says. “These companies have created a different set of expectations for us as consumers that we now expect to see in other parts of our lives, including healthcare. Leading pharma companies are going to consider supplementing or replacing traditional agencies with new partners and

new kinds of teams and platforms that are built around customer experience.”

Elements such as personalization, convenience, digital, real time, and value adds are all the things that healthcare marketing has to encompass to become as customer friendly as possible — and are expectations that will impact future marketing requirements.

Instead of traditional agencies, pharma companies will turn to more cross-functional groups that have strength in marketing, in technology, in media, and in science to shape culture, to drive advocacy, and to infuse brands with innovation, Mr. Mickelberg adds.

“We believe there will be more intimacy between the two business models — consultancies and agencies,” Mr. Pantello says. “We understand the distinct strengths of a variety of models and agencies will need to give customers something purpose-built for their needs. The competition today is as heated as ever; there are so many great organizations filled with tremendous talent. We need to continually evolve and enhance our blending of these skills at scale.” <sup>PV</sup>



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