

The Changing Role of the Traditional Pharma Brand

Experts say the industry needs to reinvent its role to create value in diagnostics, prevention, and digital health solutions beyond its traditional brands.

According to a Strategy& report out earlier this year, healthcare will be centered on patients who are empowered to prevent diseases rather than seeking treatment by the year 2030. Patients will receive personalized health solutions in ways that are integrated seamlessly into their daily lives. All of this will be enabled by data and algorithms and provided within a healthcare system that

is organized and regulated in an entirely new way, the report says. This shift will require transformation in every part of the existing healthcare system, especially in the traditional pharma space.

As big tech companies enter the prevention and diagnostics markets with their own product developments, they, not biopharma companies, are likely to drive the change into

this new world of healthcare. As the world turns its focus toward prevention, diagnostics, and digital solutions instead of solely on treatments and care, the industry will need to bring value to patients, physicians, and payers, beyond its drugs.

Thus, we asked our experts, what role will the traditional pharma brand play in terms of value in the future?

Not Just About Medicines



LYN FALCONIO
Chief Marketing Officer,
Publicis Health

We are coming to a time when pharma brands are playing two important but seemingly contradictory roles — both at the same time — in the value equation. On one hand, pharma brands will become more like lead actors, while on the other hand, pharma brands will take on a more supporting role. As a lead actor, pharma brands will help fuel faster scientific discoveries and personalized medicines, leading to more cures and more precision medicine. As a consequence, pharma marketers will need to make sure decisions around brands are smarter, faster, and more agile.

In a supporting role, pharma brands have become one component of the overall treatment effect. Treatment is no longer about the pill alone. Increasingly, myriad social determinants of health are driving better outcomes than simply what the drug effect can produce

on its own. There's no doubt that pharma brands continue to play important roles in the total treatment equation, but drugs alone are no longer the exclusive or primary factor in successful treatment and outcomes.

Generics and Biosimilars



JEREMY LUTSKY
Counsel
Manatt, Phelps &
Phillips

It is difficult to predict what role the traditional pharma brand will play in the future. Pharmaceutical/medical device companies are constantly working on new products and some products that replace products with better efficacy or safety. A big issue for companies are patent rights and the fact that to date the approval processes can take up to 10 years or more. As a result, patent life for approved products can be relatively short. Next come generics, which already disturb the role of pharma brands. Generics of course allow for low-priced alternatives to brands and authorized and non-authorized generics are in-

creasingly cannibalizing higher price branded products. Another important issue to consider is the increasing use of biosimilars. Biosimilars by definition are products that are highly similar to existing brands if not identical. Companies are investing in biosimilars that are competitive to traditional brand products. Like generics, biosimilars may be developed and approved much quicker than traditional brand drugs and are often a lower priced alternative. Biosimilars remain somewhat controversial in that the FDA and other regulatory bodies must ensure that the biosimilars are in fact close enough to the brands to meet the needs

THE TOP 10 MOST LUCRATIVE DRUG BRANDS IN 2018 WERE VALUED AT ABOUT \$87 BILLION.

Source: PharmaIntelligence

of patients and ensure their health and safety. Biosimilar technology is sure to improve and as a result become more prevalent in the marketplace. Companies may turn to generics and biosimilars as they may be more profitable than branded drugs, again given the long and costly approval pathway for branded drugs and the ability for generics and biosimilars to undercut drug prices. Finally, another issue to consider is the focus on drug pricing in the United States and the potential to ultimately limit the prices companies may charge for branded drugs. If drug prices are capped, this may limit investing in drug development and change the value paradigm for manufacturers.

Patient-Support Systems



OLIVIER CHATEAU
Co-Founder and
CEO, Health Union,
@olivierchateau

Traditional pharma brands can continue to drive value for people living with chronic conditions if they invest in support systems, specifically around treatment options. It seems unlikely that

pharma will ever come close to the retail model of allowing consumers to return items that don't fit or work for them. However, companies can still build support systems that integrate both the benefits and risks of their brands.

Pharma companies need to understand that patients are only looking to have a relationship with a brand through the lens of that specific treatment, not necessarily around overall condition management. Pharma brands can and should certainly partner with companies that fully understand the experience of patients with specific chronic health conditions, which will help them understand where their therapies best fit within that ecosystem. Value will also come from the degree to which brands embrace transparency in how they communicate with patients. That means being honest about expectations and, when it comes down to it, over-delivering on those expectations wherever possible.

User Experience

JENNIFER BUTLER
Chief Marketing Officer, Medisafe

Pharma brands have an evolving and exciting

role in creating a user experience to support their patients. Traditional pharma companies are focused on creating a brand identity that is differentiated and also top of mind for patients.

However, pharma brands now have the ability to influence much more than that as they can support an experience across their patients' journey on therapy. Digital platforms now offer opportunities for brands to support patients in their daily lives and through complexities of medication management. These digital experiences create more touchpoints with patients during moments that matter by establishing a trusted relationship.

By building strong brand experiences through emotional connections and trusted relationships, pharmaceutical brands can provide guidance and support to patients, increasing adherence on therapy and extending persistence.

Ultimately, digital platforms can provide significant value to a pharma brand by delivering sustained and even extended revenue streams. **PV**



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