

# BEHIND THE MIRROR:

The Science — and Art — of Market Research

**Tapping into the psyche of physicians and consumers is critical in today's competitive environment.**

The challenge is to meld qualitative and quantitative research methodologies to gain meaningful results and actionable tactics to reach these powerful groups.

## **PHARMACEUTICAL COMPANIES KNOW THAT MARKET RESEARCH IS CRITICAL**

— data provide customer insights, competitive intelligence, behavioral tendencies, and product positioning. And market research increasingly is becoming an important component for linking R&D and marketing teams. The most successful companies know that to position new products effectively in the market and to increase brand equity, they have to understand physician and patient attitudes, behaviors, and perspectives.

Although pharmaceutical companies rely on many different types of research methodologies to gain quantitative market intelligence, a mainstay for gathering qualitative feedback is the focus group. But pharmaceutical companies may not be getting all they can from their focus-group market research efforts. Specialists who conduct focus groups and other types of market research say pharmaceutical companies can realize value beyond the objectives of the primary research, as well as gain better insight and data for their money by developing better designed studies, identifying more targeted objectives, and using improved technologies.

There are no studies that track how much pharmaceutical companies spend on various market research methods, but according to Richard B. Vanderveer, Ph.D., CEO of V2 Inc., qualitative studies are estimated to account for about 40% to 50% of the market research dollars in the pharmaceutical industry.

“The rest is generally spent on quantitative types of market research, ranging from the use of the Internet to conducting surveys, tracking studies, modeling discrete choice studies, and using statistical metrics,” he says.

## **Qualitative, not Quantitative**

Focus groups, experts explain, can be used for several purposes, such as deter-





Phil Deschamps

mining the knowledge, attitudes, and practices of participants. Or focus groups can be used to test concepts, through which a company can get guidance on clinical trials, make a go/no go decision for a product, or test promotional elements.

Experts say while focus groups can provide valuable insights, the results are inherently qualitative.

"Focus groups shouldn't be used for quantitative measurement," Dr. Vanderveer says. "The unit of analysis when 10 doctors are together is really the group. It doesn't make sense to say 6 out of 10 doctors in the group said 'x.' Because physicians play off each other, we don't get a pure read of the knowledge, attitudes, and practices of any one physician in the group."

In fact, some clients run focus groups as quasi-quantitative studies, says Ken Berwitz, president of Ken Berwitz Marketing Research and president of National Qualitative Centers Inc.

"Clients have the moderator ask one question, get an answer from everybody, and then ask the next question, with no probing, interaction, or synergy from members of the group," he says. "This really isn't a focus group. The purpose of the focus group is not to come to conclusions; at least it shouldn't be. The purpose should be to get ideas and direction, which are then tested quantitatively in a statistically viable way."

Experts say companies should use market research to go beyond the preconceived beliefs that their marketing people already may have.

"Today, many pharma product managers are relatively young," says John Trombetta, senior VP of Thomson Advanced HealthMarket Research. "They come out of the field, and they make a decision based on this limited experience. The market research then becomes a way to validate their decisions."

Another mistake companies make is to use research results as the only, or majority, vehicle for decision-making rather than using research as fodder for a marketing decision, says Phil Deschamps, president of Gerbig, Snell/Weisheimer.

"Human nature is to rely on objective metrics to make decisions," he says. "The lure of being able to say 'market research said so' is a shield. Market research should be used as a sword to help us make better marketing decisions."

The key is integrating data from various sources to gain a big-picture perspective, says Ron Brand, group director of salesforce effectiveness consulting at IMS Health.

"Primary research is important, but it shouldn't be used in isolation," he says. "There is additional information that can be brought to bear for seg-

**MARKET RESEARCH REALLY SHOULD BE USED AS A SWORD TO HELP US MAKE BETTER MARKETING DECISIONS.**



Justina Lambert

**IF WE COULD START DOING RESEARCH PROACTIVELY WITH PLENTY OF TIME, THEN WE COULD USE THE DATA MORE TO PLAN RATHER THAN TO REACT.**



Ken Dietel

**THE INTERNET IS A GREAT WAY TO TARGET AN AUDIENCE TO ASK QUESTIONS, OR TO TRACK PHYSICIAN BEHAVIOR. THE BEAUTY IS THAT IT CAN BE DONE SO QUICKLY.**

mentation purposes. To extract greater value, marketers have to link those primary variables with a physician's demographics and behaviors in terms of prescribing patterns and with other influences such as managed care. Combining all of these elements presents a more complete and actionable picture."

When it comes to market research, one of the earliest decisions a company needs to make is selecting the right methodology for its objectives, whether it's a focus group, a survey, a one-on-one interview, or an online session. To determine the right research method, companies need to start by considering all the business decisions that require third-party input and how best to gain meaningful data from participants.

"The spend on market research should match directly to the value of the information being sought, which matches directly to the size of the decision being made," says Philip Patrick, president of PharmaStrat Inc. "For example, a company may want to determine whether to do a Phase III clinical study in support of a drug. Arguably, this is one of the larger decisions a company makes during drug development. This could be a \$10 million decision. When considering a slight refinement in a print ad or other

relatively small decisions, spending a large amount of money on focus groups in multiple cities might not be the best way to col-

lect that insight."

According to Dr. Vanderveer, focus groups should be used to develop a body of knowledge beyond the specific objectives of a particular research project, this allows the company to keep its finger on the pulse in a particular treatment area.

Justina Lambert, VP of marketing at Sigma-Tau Pharmaceuticals Inc., points out that a focus group is just one aspect of a research model that can be used to evaluate a marketing environment.

"When we do focus groups, we also conduct back-up surveys," she says. "Companies have to be diligent to align all of the data results. There is a tendency to ignore results that might not be in the company's favor and focus on the results that the company wants. The reason to use multiple tools is to

ensure that different viewpoints are captured based on different techniques. If a company only

latches onto the answers that it wants, then the company is defeating the whole purpose of market research."

Because research results can be interpreted in various ways, pharmaceutical marketers must ensure that personal bias and individual personalities do not skew results, especially in a focus-group setting.

"The problem lies in misinterpreting or overinterpreting data from



Philip Patrick

focus groups or other research," Mr. Deschamps says. "The classic example — and this probably happens more often than not — is when marketers try to pull quantitative data from qualitative research. This is very dangerous and can lead to poor decisions."

"The power of the focus group is to observe not just words, but the body language and emotions exhibited around the table," he says. "When focus groups are well-executed, the market-research team records not just what the subjects say but their body language and demeanor to determine their feelings toward whatever they are being asked to react to."

Just as important as interpreting the information, is the need for a well-controlled environment.

"During focus-group sessions, often there are people who have very strong opinions or personalities and naturally that person begins to influence the opinions of the other participants," Ms. Lambert says. "During one focus group, we had a participant who was very outspoken

about our product and had a negative perception about dialysis patients in general. After a very short period of time, we started to see the other focus-group participants clam up or follow the lead of this outspoken person rather than presenting their own opinions and ideas. That skews the entire focus group. But by using back-up survey data we can ensure the results of a focus group are valid."

Focus-group participants are not the only ones who can skew a session; personalities on the other side of the glass also must be considered.

"People who work on a brand invest a lot of time and effort, and they become champions of certain points of view," says Jules Korzeniowski, president of The Conectics Group. "When these beliefs are challenged in a focus-group setting, it's surprising to see how the data can be reinterpreted."

To guard against bias, one solution is to have more than one person interpreting the results.

"Different people should be assigned to listen for or observe differ-

**THE SPEND ON MARKET RESEARCH SHOULD MATCH DIRECTLY TO THE VALUE OF THE INFORMATION BEING SOUGHT.**

**Winning Strategies for Market Research**

**PHARMACEUTICAL COMPANIES THAT GET THE MOST FOR THEIR MARKET RESEARCH DOLLAR HAVE SEVERAL THINGS IN COMMON, SAYS CHRIS BOGAN, PRESIDENT AND CEO OF BEST PRACTICES LLC. THESE BEST PRACTICES INCLUDE:**

- Conducting market research earlier in the development cycle. This helps companies to shape a product's positioning and message early on. "Everybody says they do market research early in the process," Mr. Bogan says. "But what they've really done is a market sizing exercise, which should be done. What we're talking about is market research that is brand-specific, therapeutically relevant, and designed to help the early design and development teams understand what doctors need. This enables a unique positioning for the brand when it comes to market."
- Developing marketing research specialists who are familiar with specific therapeutic areas. These specialists can help guide market research so that it is faster, less expensive, and provides richer customer insights.
- Understanding how to use outsourced resources appropriately. The best companies are able to identify the critical issues

that need to remain under the direction of in-house staff and which ones can be done by an outside firm.

- Using old tools more creatively and often earlier in the process. An example, Mr. Bogan says, would be the earlier use of conjoint analysis, a technique for determining the value that people place on the features of a product.
- Applying new tools to pharmaceutical market research, such as those used for consumer products. "An example is to conduct end-user customer research to evaluate patient outcomes from a patient's perspective and not necessarily from a doctor's perspective," Mr. Bogan says. "The data can help doctors understand that a successful holistic treatment involves understanding different patient types and how to treat them appropriately."
- Distributing and sharing market research within a global enterprise. "In a large global enterprise, there's the potential for repetitive and redundant research that's done from country to country," Mr. Bogan says. "Sharing research is critical because outside the larger nations, the quality of market research goes down."
- Identifying a minimal critical standard for



Chris Bogan

**WHAT WE'RE TALKING ABOUT IS MARKET RESEARCH THAT IS BRAND-SPECIFIC, THERAPEUTICALLY RELEVANT, AND DESIGNED TO HELP THE EARLY DESIGN AND DEVELOPMENT TEAMS UNDERSTAND WHAT DOCTORS NEED.**

excellence in market research. This can help keep market research budgets in check and maintain consistent quality across markets, brands, and therapy areas.

- Organizing a group of people within the pharmaceutical organization that can analyze and make decisions about promotional investment.

John Trombetta



ent elements,” says George Glatcz, general manager of Health Process Management. “In an ideal research scenario, different people would be focused on the analytical part, the emotional part, and the practical part. Most companies don’t do that. There needs to be a team of people who listen to and look for the different communication styles of physicians.”

## Improving the Process

To get the most from their market-research dollars, companies need to invest the time and resources for proper implementation. Because a focus group can cost anywhere from \$50,000 to \$250,000, proper planning is necessary to yield the best results.

“We get caught up in the hectic nature of our businesses, and we often do market research at the last minute,” Ms. Lambert says. “Sometimes this is because we are reacting to a market condition. But, if we could start doing research proactively with plenty of time, then we could use the data more to plan rather than to react.”

Pharmaceutical companies are very price conscious, according to Mr. Trombetta, but they don’t always compare apples with apples.

“Sometimes companies look for the quickest, easiest, and cheapest approach for market research, but that may not always be the best way,” he says.

Dr. Vanderveer suggests that technology can be a valuable tool for interpreting the data and gaining additional insights from the information collected.

“Technology can make for a better presentation of research results,” Dr. Vanderveer says. “There should be more editing of the focus group, where carefully produced results are presented to management. I’ve seen examples where management had one perspective on a marketing situation and the people who interact with the doctors had a different perspective. A very convincing way to show upper management what the real world is like is to put together a realistically edited presentation of in-depth interviews.”

One way to get a “real-world” perspective, according to Mr. Deschamps, is to get physicians out of the physician mode.

“The methodology of the focus group, the ability of the moderator, and the questions should be structured to remove doctors from their analytical comfort zone,” he says. “Doctors are trained to look unemotionally at situations and to come up with the best logical and left-brain approach to treat their patients. In the context of a focus group, where more often than not a company is trying to determine product positioning or marketing concepts, it is important to have the physician become a consumer.”

Mr. Deschamps says the way in which physicians respond to questions also is important.

## PHARMA COMPANIES ARE VERY PRICE CONSCIOUS, BUT THEY DON'T ALWAYS COMPARE APPLES WITH APPLES.

“When the moderator asks, ‘how would you diagnose a particular patient?’ or ‘what’s going through your mind?’, it takes physicians back to their comfort zone and we lose the opportunity to have them provide a sincere, honest reaction because these are questions they answer many times in the course of a day,” Mr. Deschamps says. “Someone listening in on a focus group we may hear a lot of conversation, but we’re really not learning anything new. By taking physicians out of their comfort zone and asking the right questions, we can tap into their emotions. Such as,

‘what emotion do you have when you see a patient with a certain disease?’ Or, ‘how did you feel when you were able to satisfactorily treat the patient?’ By getting physicians to open up emotionally, focus groups give marketers some insight into their psyche and provide information that we can capitalize on.”

Another area in which market research in a focus group setting can fall short, is by trying to do too much within the allotted time frame.

“Often clients add too many components and the outcome is a history of pharmaceuticals part one,” Mr. Berwitz says. “When that happens, the moderator is forced to cut off rich discussions, which would have yielded important information, in order to cover everything on the agenda. Companies need to prioritize and identify the most important elements to be addressed. Instead of having 10 issues up for discussion, cut the number

down to six. Unless those critical issues are identified and there is enough time to fully explore them, all the richness of the focus group is lost. Focus groups can’t be treated as economy centers.”

To fully realize the data that can be mined from a focus group, companies must be realistic in their expectations and carefully design the questions that are to be asked. They must ensure that the moderator is well-versed in orchestrating the flow of the discussion, asking probing questions at the appropriate opportunity, and maintaining the right timing.

“The questions that the moderator is asking are vital to ensure that the company is getting the exact information that it is looking for,” Ms. Lambert says. “Often companies have a list of questions, then leave them in the hands of the individuals or the group who is conducting the focus group. Naturally at the end of the process, the company may very well not get what it is looking for.”

Some experts say, however, there is too much emphasis placed on the focus group itself and not enough importance on trying to change physician behavior.

As such, Mr. Korzeniowski notes, marketers have to expand their definition of market research, and incorporate data from varied resources, particularly the salesforce.

“Data that come back from the salesforce about physician behavior

## UNDERSTANDING HOW PHYSICIANS BEHAVE IN THE REAL WORLD IS ONE OF THE BIGGEST PARTS MISSING FROM THE MARKETING PRACTICE RIGHT NOW.

George Glatcz



Ron Brand



## THE KEY IS INTEGRATING DATA FROM VARIOUS SOURCES TO GAIN A BIG-PICTURE PERSPECTIVE.

are market research," he says. "There are many tools today that provide specific, measurable data; salesforce automation tools are very sophisticated, so now it's possible to determine what is happening at the line level and even at the pharmacy level."

"Understanding how physicians behave in the real world is one of the biggest parts missing from the marketing practice right now," Mr. Glatcz says. "We know what physicians want to tell us. We know how to influence their behavior by putting them into controlled situations. But we really don't watch how they practice every day. Marketers take qualitative information from focus groups and try to match that with quantitative information. Both data sets should be seen as complementary. Neither traditional qualitative nor quantitative research provides a complete picture of how physicians will act in a given situation. To gain a better understanding, marketers also need to consider forms of research that provide insights into behavior, such as observational studies."

"Behavioral change is not about tracking physicians' prescribing patterns," Mr. Glatcz adds. "What is important is to understand what influenced a physician to switch from one therapy to another. Often times, pharmaceutical companies do not make an effort to find these answers."

An evolving area of market research is the use of the Internet, which according to Ken Dietel, VP of strategic marketing research at The Conectics Group, is a great way to target questions for a specific audience or to track physician behavior.

"The beauty is that these studies can be done quickly," he says. "Also people can respond when they are available. Based on our experience, the best time for a physician to participate is after hours or on weekends or holidays, which is not when research is conducted ordinarily."

One pharmaceutical company that is using online focus groups is Reliant Pharmaceuticals LLC, which has done a few pilot programs.

"One of the key reasons we looked to online tactics was cost savings — travel savings of our staff and of participants and rental facilities," says Ron Calderone, chief information officer at Reliant. "If we can make it easier on participants, this is a benefit. And it clearly benefits us because we're able to capture information in a more structured environment." ♦

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PharmaVoice welcomes comments about this article. E-mail us at [feedback@pharmavoice.com](mailto:feedback@pharmavoice.com).

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