

TODAY'S ECONOMIC ENVIRONMENT and the  
EVOLVING DYNAMICS of complex marketing messages

are DRIVING THE NEED for

# INTEGRATED MARKETING Communications

When the idea of integrated marketing first came to the forefront in our industry, advertising agencies had silos of services. The thinking was that if these resources were taken together and presented to a client as a way to solve the problem, that in and of itself represented integrated marketing.

**WE ALL SAW THAT WASN'T REALLY THE CASE.**

## THE STRATEGISTS ...

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Judy Capano

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According to InfoMedics, in 2000 alone, the U.S. pharmaceutical industry spent almost \$14 billion promoting its products to professionals and consumers. More than 70,000 representatives detailed physicians in excess of 60 million times. Yet the average length of the detail to high-prescribing physicians has declined to less than two minutes and yields a message recall of only 16%. The rising cost of promotion coupled with diminishing returns require new and smarter strategies that deliver greater access to physicians and communications effectiveness.

## The DRIVERS

**SINGER.** Integrated marketing is a hot new area, fueled by many factors. There is an urgent need for better productivity from marketing, for more connectivity between marketing vendors and services, and an understanding of how to achieve these things. Conventional ideas and silo thinking are falling short. And it's a priority issue; all industries are wrestling with it. For quite some time, integrated marketing was a buzzword agency networks used to sell themselves

as full-service. In our view, it's about finding system solutions to marketing problems. Especially in pharmaceuticals, there is so much marketing information and drug promotion going on, and an infinite number of channels distributing the information to the marketplace at the same time, that drug marketers need the broadest possible perspective to manage the complexities of their jobs. Systems thinking gives senior managers this perspective.

**WISE.** The economy is squeezing out any inefficiencies in the marketplace and

is driving the need for integrated communications. In healthcare marketing, everyone is looking at every dollar spent, and making

### AGENCIES NEED TO POSITION THEMSELVES AS STRATEGIC PARTNERS

with a vested interest in the individual product or client and not just the selling of services. Ultimately, if the clients are not satisfied they aren't going to come back with additional brands and business.



Mark Perlotto

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**THOM ROWLAND.** Business director, GI and cardiology marketing, Solvay Pharmaceuticals

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sure that each dollar is most efficiently used. That's why it's necessary to understand what is being done on every front and to use all the media in the most efficient way possible.

**ROWLAND.** Integrated communications is critical because of the complexity of the marketplace. Thirty years ago, there were fewer simultaneous dynamics, and we were able to get away with some imperfections or inefficiencies in the messages. Today, we have to have highly efficient messaging that is consistent every time. Regardless of who is receiving the message, whether it be physician or patient, the communication has to be consistent and everything has to be connected. Patients are accessing physician-level data, and physicians are being exposed to patient-level information. If there was a different message for physicians and patients, there would be confusion in the marketplace.

**COTHERMAN.** In the past, integrated communications was defined in the context of a single voice to all audiences. However, this became a very difficult concept for many clients to implement. While they were interested in applying the idea of integrated communications, there wasn't the same level of

Most agencies say they are full-service, and for the most part they are, but very rarely do they **PROVIDE SERVICES IN A TRULY INTEGRATED MANNER,** because each division head has its own P&L.

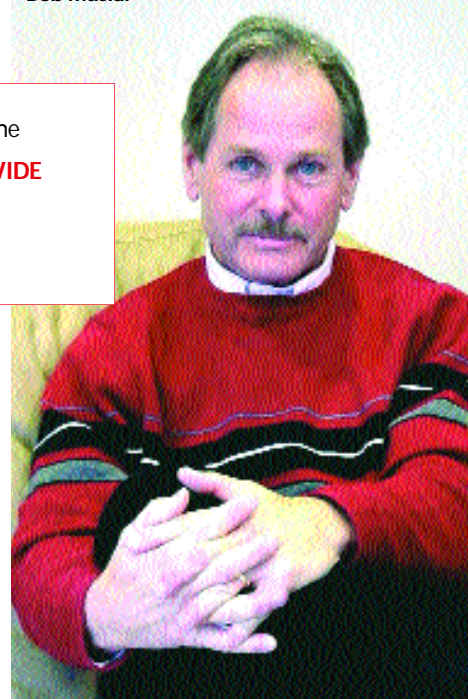
commitment to the brand that we are seeing today. There wasn't a true understanding of how all channels of communications would need to be integrated to make that happen. And oftentimes brand managers worked in silos, and as a result, people pursued their own course of action. All of that gets further complicated when we start to talk about the global environment. Pharmaceutical companies have separate profit centers in individual countries. And the companies in each of these countries make their own decisions on how they plan to communicate the brand to their respective markets. All of that has changed in the past five years. Clients are beginning to understand the importance of communicating a single message platform for their brand. And as a result, they are challenging their agencies to apply integrated communications to their brands — whether that means implementing a consistent message with one voice to all audiences, or more importantly, a common brand platform and is relevant to each particular audience. The challenge for communications agencies is making sure that all resources are marshaled and that everyone is marching to the same beat.

**CASO.** The need for integrated communications is very real. The most obvious example of nonintegrated communications is sometimes seen in global launches or campaigns where individual markets decide on key messages or develop individual branding or business plans that have no reference to the core messages that are being developed. We live in a global environment, and any inconsistencies in communications that are sent to one marketplace will be picked up by competitors in that marketplace.

**PERLOTTO.** Clearly there needs to be an integrated message to whatever target audience we are trying to reach — whether that's the

Integrated communications is another name for the traditional media mix we have been recommending to our clients for years. **THE POWER OF ALL THINGS COMBINED IS ALWAYS GREATER THAN ANY ONE MEDIUM.**

Bob Musial



professional or consumer — across the board to deliver a synergistic effect.

**HOULIHAN.** From a project manager's standpoint, integrated communications is critical. There are many different tactics, and they all must tie into one position, one message. We need everything — from brand promotion to medical education to publication planning — to be integrated into the brand to make the communication as strong as possible.

**BOLESH.** To build strong brands and bullet-proof corporate reputations there is a need for integrated communications. We say brands are 10% product and 90% communication. Pharma companies are dealing with such a wide range of customer segments and complex marketing mix, that if they don't make a stab at this they are dead in the water before they start out. Companies are generally doing good things in generally connected ways. The question comes down to execution and implementation.

**WISE.** To make integration work there has to be a process that drives a very clear brand vision. If we can lay out what the brand stands for and what the brand means, then everything we do, everywhere in the organization — both the agency and the client — can be held up to that brand vision. A brand can't be schizophrenic; if four different supplier agencies are taking the brand in four different directions there's a problem; a brand can't have four different voices, with or without integration.

**PIASECKI.** Before we embark on any initiative we bring together a multidisciplinary

Marci Piasecki





There is an **URGENT NEED FOR BETTER PRODUCTIVITY FROM MARKETING**, for more connectivity between marketing vendors and services, and an understanding of how to achieve these things. Conventional ideas and silo thinking are falling short.

group of individuals to determine what systems should be integrated and what makes sense for the client. Since there isn't competition among the groups in our agency, it feels very genuine and focused for our clients. It makes sense, and helps the agency to maintain credibility.

**PERLOTTO.** Integrated communications to a lot of people means cross selling within an individual network, which is not necessarily the smart way to go for a lot of agencies. There are instances where other services within networks and agency roll ups can be beneficial and synergistic. But to blindly sell those additional services just because they are in the network may not be in the best interest of the customer or the client, and then ultimately this isn't in the best interest of the agency. If agencies force a lot of different services within the same network on a client that weren't necessarily the best choices, it creates a credibility issue. That might have been great in the short term for revenue, but it burns the client-agency relationship in the long term. Agencies need to position themselves as strategic partners with a vested interest in the individual product or client and not just the selling of services. Ultimately, if the clients are not satisfied they aren't going to come back with additional brands and business.

**ROWLAND.** I've seen two trends on the agency side. First, an ad agency might try to build capabilities internally, so it goes out and finds talented people in various disciplines. That always seems to be a challenge because those entities become the stepchild of the organization. The revenue base, the talent, the management all has come through the ad agency, so the ad agency always dominates in

those situations. The other situation is when the ad agency acquires those capabilities. What seems to happen most often in this case is the top talent in the acquired company, which is often the ownership, ends up leaving after a short time. The agency brings in the name that had the expertise, but in a few short years, that expertise may not still be in house.

**PIASECKI.** We all buy into the concept of integrated marketing, but where we may have made a mistake in the past was how this was served up to, and ultimately perceived by, clients. If an organization is set up to offer multiple services, and the P&L is divided among all the divisions, there tends to be competition within the group. At the end of the day, if a tactic or any initiative falls into a gray area, there can be a fight for control within the agency. And, if we're not careful, this can become transparent to clients. We risk being charged with greed and poor communication. In response, we've decided to break down the silos, so everyone is always working toward the same end, with no internal competition.

**MUSIAL.** Most agencies say they are full-service, and for the most part they are, but very rarely do they provide services in a truly integrated manner, because each division head has its own P&L. They might have started off talking to each other, but it ended up being a fight over relinquishing portions of the budget. The term fully integrated became meaningless. Integrated marketing requires an enormous amount of discipline and leadership. I believe healthcare agencies are closer to making this work than traditional agencies.

To make integration work, there has to be a **PROCESS THAT DRIVES A VERY CLEAR BRAND VISION**. If we can lay out what the brand stands for and what the brand means, then everything we do, everywhere in the organization — both the agency and the client — can be held up to that brand vision.

## The PLATFORM

**COTHERMAN.** It's essential that pharmaceutical companies, their agencies, and other stakeholders focus and codify the brand value proposition as well as create a common strategy platform to launch the communications to each target audience. This is resonating with clients, and more of them are asking for this type of approach.

**ROWLAND.** At Solvay Pharmaceuticals, we have a comprehensive launch team that covers multiple disciplines. This is a large group that's not very agile, but is essential to handle the complexities of a product launch. Beyond that, on the marketing side, we have a strategic team, which is much smaller and much easier to manage. We assemble our key internal strategic players, and then we bring in our external partners — public relations, medical communication, advertising, and Internet — so we are all working through the issues together. At the end of our meetings, we all have a clear picture of where we are going and the division of responsibilities. For example, there are things that PR agencies can do that the medical-communication company also can do. There are always overlaps, so we need to make sure it's clear who's doing what piece. It's critical that we think about the team dynamics as we are setting up the system. We try to get the best people for the best fit for each specific area. No product, no launch, is exactly the same. Each company has its unique capabilities, unique experience, and unique talent; we need to make sure that we optimize those factors every time.

**WISE.** The best way to build a good integrat-



Ed Wise

ed advertising promotional platform is by breaking down the walls of communication. Ideally, the best way is to have a single brand champion who is managing the process and a single agency channel that is managing the entire process. Then integration becomes more of an organic process. In an ideal world, a single agency with broad capabilities but specific expertise in various areas is the best way to go. This breaks down any miscommunication and provides an understanding of what's going on in every quadrant of the business.



Marlene DeSimone

**SINGER.** Integrated marketing isn't about doing just one thing, say making sure the advertising has the same creative execution as a detail aid. There are many pieces, many layers, many interdependencies, and feedback that come into play — information technology, public relations, medical education, positioning, all have to be a part — and all of these should be synchronized with the salesforce. Each of these components is its own system of behavior, with completely different ways of doing business, of seeing the world, of describing it, and of implementing solutions. Getting them to know each other, plan together, and then operate in unison, isn't easy to do. In fact, we don't know any drug company that's really gone beyond scratching the surface of marketing integration. There needs to be a unifying structure that everyone can attach to.

**CASO.** For me, integrated communications is the consistency of continuity of message elements across all interactions. This also includes the timing of the communication. For example, is the communication a way to expand the reach and frequency of face-to-face interactions with the target audience? Then there are vehicles and formats that potentially could be individualized for audience access preferences. Traditionally, primary-care physicians like case studies; specialists like to read the scientific data in journals; surgeons like to be hands on, they like to have demos. Those are communications, but they also are tactics to reach out and communicate effectively with these people.

**PIASECKI.** Integrated communications is

another name for the traditional media mix we have been recommending to our clients for years. We would never recommend one effort independent of another, and claim that it would be better than several combined things. For example, we would never recommend that a client just do journal advertising,

Across any type of additional capability that the agency may want to offer, it had better have the best of breed and really think about how to **HELP ITS CLIENT TO STRATEGICALLY POSITION ITS PRODUCTS** to beat the competition.

or just do direct sales through reps. The power of all things combined is always greater than any one medium.

**DESIMONE.** I believe pharma companies would like their providers of services to be able to effectively provide a more well-rounded offering. With that, clients are going to expect the best customer service, the best proactive response to the customer, a seamless capability that doesn't require a lot of hand holding on their part or a lot of coaching to the agency or other service providers. They are expecting the agencies to form partnerships with external companies and develop the multiple services that can meet their needs. More importantly, if the agency doesn't have an expertise internally, then it shouldn't indicate that it does. I think that's where pharma became disillusioned. There were a lot of promises made, and the agencies weren't able to adequately fulfill what they stated their capabilities to be. They didn't get the right mix of resources that understood the marketing problem or provided the best solutions to address the issue. Pharma companies are going to expect that the agency is going to

Clients fear that integrated marketing is a huge complex strategy, but **IT CAN BE BROKEN DOWN PRETTY SIMPLY.** It's basic marketing with more channels. We have to understand the customer and the product, and the benefits the product has to the customer.

hire the best of breed. Across any type of additional capability that the agency may want to offer, it had better have the best of breed and really think about how to help its client strategically position its products to beat the competition.

**SINGER.** We see drug companies shifting away from an advertising-based perspective in their marketing. Once we start peeling away the logic of creating awareness and branding a drug in this kind of information environment, the assumptions underpinning many communications programs fall apart. Bridging internal brand teams, sharing financial incentives, changing organizational behavior, creating a shared understanding of business objectives, and finding new metrics to measure performance are just some of the operational issues to resolve before marketing integration can really take place.

**COTHERMAN.** Integrated marketing communications requires real discipline and strategies to make it work. It requires a client who is committed to the concept and is willing to do the hard things that are necessary to ensure that integrated communications will occur. It requires incredible dedication by the agencies and an unselfish attitude on the part of communications suppliers to understand the relevant degree of importance of their particular communication within the integrated communications model. In the old way of doing things, each agency supplier was very interested in the client relationship, working directly with the client, being responsible for their own area of discipline. As we move into this new communications model that stresses brand stewardship, it requires great faith and trust among all groups. These suppliers are



Jason Bacharach

looking out for the good of the brand versus the good of their own company. If a client has outside suppliers that are able to provide that type of discipline and focus and are willing to subordinate themselves to the brand and the brand value proposition, then the concept of integrated communications will work in

helping the brand succeed in the market. On the other hand, if the client has a set of communications suppliers that are all fighting for share of the limited marketing dollar pie and aren't pulling in the same direction for the good of the brand, the idea of integrated communications will fail.

**KAISER.** It's important for agencies to have the right attitude and not be territorial. It's also important that the team at the agency, whether it's advertising, public relations etc., understands the pharmaceutical business.

**CAPANO.** When the idea of integrated mar-

## Getting Market-focused Results in the Pharmaceutical Industry

**O**BSERVERS HAVE LONG ACKNOWLEDGED THAT HIGH PROFITS HAVE MASKED THE UNDERDEVELOPMENT OF MARKETING CAPABILITIES IN THE PHARMACEUTICAL INDUSTRY. But the winds of change are blowing. New industry dynamics are now putting pressure on profits, serving as a "heads-up" to all. And only those who move quickly to put their marketing capabilities on par with the best in other industries will reap any competitive advantage.

While pharmaceutical companies do spend heavily to research markets and communicate with physicians and consumers, most are grossly underutilizing the rich customer knowledge generated by these activities. A lack of customer-data mining and analysis, coupled with larger salesforces, more marketing channels, and more information, have resulted mostly in more confusion, causing pharmaceutical marketers to find it more difficult than ever to "know their customer."

As long as profits were high, this challenge was not a key issue. Patent protection and high barriers to entry were enough to limit competition and keep industry earnings up. Today, increasing price pressure from managed care, government, and generic manufacturers — along with increasingly crowded markets — is changing the industry dynamic.

### HEED THE CALL

In other leading industries, as products proliferated, companies have learned to focus on and make a science of understanding their customers, not just their products. Not so in pharmaceuticals. Product-centric brand teams currently still devise marketing plans with little regard for which of the company's other products are being marketed to the same customers. All too frequently, multiple product brand teams independently plan promotional activities for the same doctor, leaving it to field sales representatives to initiate any serious thought about how to coordinate the messaging and activities of multiple brands when calling on a particular physician.

Of equal concern, the growth of the salesforce has resulted in multiple, less experienced sales representatives all calling on the same doctors to promote different combinations of the same products. The result is greater complexity in coordinating messages across sales representatives and increased confusion for already time-starved physicians. Statistics bear this out: pharmaceutical salesforces grew by 80% between 1996 and 1999, while over the same period average ROI per incremental dollar spent on salesforces decreased by 42%.

### INTEGRATED GO-TO-MARKET COMPETENCIES ESSENTIAL

In recognizing the benefit of using proven marketing analysis and techniques, pharma marketers are no different from their counterparts in other industries. The reality, however, is that the complexity of the effort — and the messages — often gets in the way. This is especially true as pharma companies now find themselves not only dealing with the needs of multiple salesforces, but coordinating multiple outside agencies (for example, DTC advertising, medical education, market research, Web marketing, etc.).

Pharmaceutical companies must build sophisticated competencies in three key go-to-market areas: physician insight, ROI-based performance assessment, and targeting and segmenting customers.

### PHYSICIAN INSIGHT

Pharmaceutical firms often fail to build rich, actionable physician insight. A brand team preparing to launch a new product provides a prime example. The company may have vast amounts of real-world information about the market (i.e., which doctors adopt new products first, how a particular doctor responds to a particular marketing program, which doctors influence other doctors, etc.) yet, inevitably, multiple research agencies are hired to reinvent this information. And as soon as the launch is over, these agency reports sit on shelves in product managers' offices.

The cause of this problem is not that pharmaceutical brand teams lack the desire to retain information and integrate it into the company's knowledge base. The absence of information integration can most often be linked to negligible management support for build-

Pharmaceutical companies must build sophisticated competencies in **THREE KEY GO-TO MARKET AREAS:** physician insight, ROI-based performance assessment, and targeting and segmenting customers.



Marty DeWitt

keting first came to the forefront in our industry, ad agencies had silos of services. They had a medical education division, they had an advertising and promotion division, they had a

relationship marketing division, they had an online communications division. The thinking was if these resources were taken together and presented to a client as a way to solve their problem, that in and of itself represented integrated marketing. We all saw that wasn't really the case. We have to take the client's marketing problem and then strip away the silos

and disciplines within the agency environment and apply the thinking to the problem. The thinking itself is based on the particular product and the situation in which the brand exists and from that develop a solution that incorporates many different types of communication. That's integrated marketing. This concept is less about the advertising agency's



Joel Krauss

Targeting means focusing on a specific group of buyers with a set of touches that are **RESPONSIVE TO THEIR NEEDS AND PREFERENCES**, the key to which is integrating marketing's physician insights with sales' customer intimacy.

ing long-term marketing assets and the lack of governance and coordination across a company's

multiple marketing and sales organizations.

Companies committed to knowing their customers — and what is most meaningful to those customers — must correlate their new research into existing customer insight using databases, computer-based "dashboards," and paper-based reports that are customized to the needs of each user group.

### ROI-BASED PERFORMANCE ASSESSMENT

Measuring ROI enables the brand team and sales management to identify quickly the promotional programs that are paying off and those that are not. This enables faster, wiser decision-making regarding the tailoring of promotions, i.e., allocation of funds to the highest-impact marketing and sales initiatives and improving or eliminating ineffective programs.

Lacking any ROI assessment can be critical, and costly. One pharma company, for example, spent several million dollars on promotional educational programs for a single brand but was unable to track attendance or ROI of the individual programs. Actual physician attendance information never made it back to marketing, making it impossible to measure program impact. Once the company began tracking attendees and ROI, decisions were made that quickly improved ROI.

### TARGETING AND SEGMENTATION

While almost all pharmaceutical brand teams segment their customers, most pharmaceutical customer segmentations are overly focused on physicians' current prescribing volumes. Physician lifetime potential

and probability of change in prescribing behavior are two important factors frequently ignored.

Far too often, targeting is lost, completely replaced by a traditional mass-market broadside approach that assumes blasting a path into enough physicians' heads, enough times on enough days, will prove successful. Results in other industries suggest that such an approach is not just costly, but counterproductive in terms of desired impact.

Targeting means focusing on a specific group of buyers with a set of "touches" that are responsive to their needs and preferences, the key to which is integrating marketing's physician insights with sales' customer intimacy.

In pharmaceuticals, the challenge is even greater because segmentation is often not communicated to the salesforce in a way that is actionable — an essential tactic to develop focused resource deployment (especially when competing against new brand entrants).

In truth, it is difficult, if not impossible, for a brand team to know if their segmentation is correct without measuring the ROI of physician-targeted programs. And without analyzing results across a variety of customer characteristics, brand teams are either unable, or dependent on outside vendors, to adjust their customer segmentation to take into account the results of the latest promotional programs. Enabling marketing and sales to view, analyze, update, and act on customer segmentations is the only way to make segmentation valuable for what has been called "decision-science based marketing."

### PHARMAS, HEAL THYSELF!

To succeed over the long-term, pharmaceutical companies must adopt the best marketing practices of other industries and use customer data in innovative ways to improve their business. The first imperative is to develop the integrated go-to-market competencies needed, despite the fact that the complex nature of marketing and sales in pharmaceutical companies makes creating these capabilities a non-trivial set of tasks.

The keys to success include: have a vision of the long-term capabilities the company should develop; take a step-by-step approach, starting with initiatives that deliver near-term value; and quickly gain momentum by building upon early successes. The end result will be integrated, market-focused marketing and sales programs that lead to significant competitive advantage and are comparable with the best in any industry.

Source: Martin DeWitt and Joel Krauss, principals, Executive Advisory Group LLC.

structure and more about the client's actual marketing problem.

**MALLOY.** Companies need to integrate their technologies and their information strategies across core competencies. They need to create a history for themselves around their communications as well as create inter-dependencies around their communications, and this can't be done through sales aids and collateral pieces that are just print oriented. Companies need an information strategy and a database strategy that ultimately manages and records the things they are doing, and start to flow the information back and forth with the target audience. The traditional advertising approach of having very slick collateral materials around the efficacy story is just one slice of what they need. It's almost as if there has been a disposable orientation to the marketing strategies from quarter to quarter, rather than establishing a theme over the lifecycle of a product. The challenge for companies is to prospectively develop marketing plans that ultimately address an evolutionary strategy around information dissemination and the reciprocal nature of that communication to influence the target audience.

**ROWLAND.** Integrated communications requires the dedication and the time commitment to go through the process of making it happen. There are no short cuts; it comes down to spending the time to work through the issues together to build consensus.

**CASO.** Often there is not a clearly defined and widely communicated focus of what the integrated communication should be. In other words, marketing has to communicate to all the stakeholders and all of the people who are responsible for developing programs or communications activities what the strate-

Clients are beginning to understand the importance of communicating a single message platform for their brand. And as a result, they are challenging their agencies to apply integrated communications to their brands — whether that means implementing a consistent message with one voice to all audiences, or more importantly, **A COMMON STRATEGY THAT IS BEING EXECUTED FROM A COMMON BRAND PLATFORM** and is relevant to each particular audience.

gic imperatives are for the product in that calendar year. Everybody needs to be in sequence as to what the strategic imperatives are. Too frequently these imperatives are either not communicated effectively to the internal team or are ignored by the internal team. Then the ability to develop customer communications will be integrated only by serendipity.

**HOULIHAN.** I make it clear to our communications partners what our positioning is, what our message is, and what the objectives are for the brand. I make it a point to tell them that everything they do must adhere to the brand's positioning and strategy. When they come to me with their plans, I ask them how they see their plans tying into the brand strategy and message.

## The CHALLENGES

**BOLESH.** In many ways integrated communications is a challenge of scope — a conceptual challenge. The entire product team has to be sold on the concept of integrated communications, which is difficult because it is a long-term strategy. Talking about the long-term value of a brand isn't going to turn a sales rep's head or a clinical program manager's head on a day-to-day basis. They have objectives to meet. They need to see how an integrated communications plan is going to impact their lives and how it is going to help

**MARKETING HAS TO COMMUNICATE TO ALL THE STAKEHOLDERS** and all of the people who are responsible for developing programs or communications activities what the strategic imperatives are for the product in that calendar year. Too frequently these imperatives are either not communicated effectively to the internal team or are ignored by the internal team.

Scott Cotherman



them to meet their objectives. It's a difference between a short-term focus and a long-term strategic focus. That can be a big divide for any brand or company to clear.

**SINGER.** I think there is an assumption that consumer-marketing techniques can apply to drugs. We don't believe that's the case. We don't believe a drug can ever be branded for emotional bonding — the patent life is too short. Science and data are too big a part of the product offering. Pricing and formulary considerations are very significant. The competition is too intense, too well-financed, completely plugged into a company's marketing planning. There are multiple gatekeepers affecting a purchase decision. Many of the drugs in a class are the same, and so is the brand imagery used to market them. Decisions about resource allocation should reflect this, especially at the front line. What's the value of a 20-page laptop detail aid, for example, when most drug reps don't even get access to the physician? And when they do, the visit is less than two minutes standing at the sample closet. How does a laptop detail aid work in this context? For considerably less money, pain, and suffering a medical-education or public-relations program could probably deliver more value.

**MALLOY.** Pharmaceutical companies are having increasingly greater difficulty in getting the face time they need with doctors. The question is how to combat that lack of access. Our bias has always been that companies need to be more thoughtful and systematic in their approach to the information exchange that is being brought to the target audience. Companies need to think through the way they communicate. Strategies need to be complementary and evolve and integrate into each

Michael Caso





other. We don't think pharmaceutical companies can continue to approach the marketplace with the same dynamics and gain the access they are seeking.

**CAPANO.** Clients are increasingly trying to find ways to work across silos. It's easier for smaller brands because typically those functions rest with one or two or, at most, three people. For larger brands it's very difficult to do. This is a challenge for pharma companies. Budgets aren't what they were three or four years ago. The money isn't there to spend separately against each of the marketing disciplines. We have to find ways to create programs that are integrated because they will yield the greatest efficiency from the promotional spend. Integrated communication really boils down to appropriate resource allocation. In getting the right resource allocation and utilizing all of the elements of the marketing mix in an integrated way, there have to be strategies that cross over disciplines. Finding the way to make that work is a burden shared by both the agency and the client.

**COTHERMAN.** It's easier to implement an integrated communications program in the launch phase of a brand because everything is being created from the same data set and everybody is starting from the same place. There is a greater likelihood of success at the launch stage for integrated communications than, say, implementing the concept two years after product launch. Not that it can't be done, but it is more challenging to create a common strategy or common voice around sub-brands and bring those together in a unified communications strategy and tactic implementation.

**PIASECKI.** For a launch product, the benefit is that we don't have to undo behavior. At the very beginning, we can set the ground rules. A couple of years out, human nature becomes a greater factor because people have alliances with different people and become set in their ways.

**ROWLAND.** Integrated communications is harder to do for a product that already is launched and established. At that point, we are dealing with pre-established messages. So not only do we have to put out our new messaging, but also we have to deal with the existing perceptions.

**COTHERMAN.** Common themes and common strategies are more consistent than they ever will be at launch stage. Keeping this going during the brand's lifecycle is difficult

once the market starts to vote and respond to the message platform. The challenges that we might have in the healthcare professional's office might be very different from the challenges with the consumer audience. This doesn't negate the need for an integrated communications approach, common strategy, or common communications platform. This just means that we have to work harder at it during the development stages. And someone also has to be responsible for it. That could be someone at the client site who is in charge of the business. However, many clients are organized around therapeutic areas of expertise and not necessarily around brands. And there are few global brand managers for various pharmaceutical products at the majority of companies. As a result there is no one single person who is looking at the brand and asking: "What does the brand stand for? What are the essential communications points? Where must everything come together in an integrated communications plan?" A way to overcome this is by creating brand stewardship positions with very senior people involved. This brand steward is responsible for ensuring consistent communications across all channels. For one of our clients, we have created a brand architecture platform that serves as a rallying point for individuals who are responsible for delivering marketing or sales messages. Literally all of our creative briefs run through a single person, the brand steward. This individual uses the brand architecture to ensure that everything at the development stages match up with the tonality and the character of the brand. The brand steward also ensures that all communications are integrated, oversees the launch schedules, and is involved in new products development.

**DESIMONE.** I believe the VPs of marketing within the pharmaceutical companies think that there is a benefit to maximizing relationships with agencies of record — if these agencies can deliver the majority of the services. It makes a lot of sense to keep the focus of the brand under one group that can handle the multiple facets of how the product or brand is promoted.

**MUSIAL.** Human nature is difficult to overcome because of the pride of authorship and ownership. I've worked at agencies with team environments, where everybody had an equal voice from the president to the production person. As a result of everyone having an equal voice, there was no voice, because everyone wants ownership. It takes an extremely disciplined person with the right amount of leadership to overcome this obstacle.

**DESIMONE.** The pharmaceutical industry is struggling with how it can equip all of its cross functions within the company to better integrate communications. Within pharma there is a need for a repository of information so cross-function teams can provide information, ensuring that everyone is aware of everything that is happening with customers and what's working and what's not working. For example, if the clinical group is recruiting physicians for trials and the salesforce is unaware of such activities, there often is a disconnect between the cross functions that are reaching out to customers.

**CASO.** One of the problems that agencies encounter as they discuss the opportunities for integrated communications is that they don't have the ability to impact all the departments affecting integrated communications. They don't have as broad an access to many of the individual groups within a pharma client. Integrated communications really needs to start with the business plan based upon what the strategic imperatives for that product will be. Then the individual plans of all the various stakeholders would reflect the strategies and tactics to accomplish those strategic imperatives within their own responsibilities. Then the messages and the vehicles and the formats can be developed that would be appropriate to the individual customers. There are people at the client who deal with thought-leader development, managed-care markets, etc. who are talking to customers, that maybe the agency doesn't have as great an access to as would be the ideal. The marketing team needs to work closely with the agency in ensuring that the individual business plans that are developed are consistent with the messages, and effective

vehicles and formats are developed to be able to communicate with the range of audiences that the client wants to impact. When possible, the agencies need to be involved earlier and have greater integration in the planning cycles.

## The PULL

**ROWLAND.** The bottom line is that we need to engage every stakeholder as much as possible, and as early as possible. This means at launch we need the full breadth of communication tools being used so that there aren't any gaps. As little as 10 years ago, the general view was that if we knew what the physician was thinking we knew 90% of what we needed to know to be successful. Today, it's completely different. The patient has become much more important. It's amazing how often we find gaps in perception between physicians and patients. Learning how to deal with those gaps is critical. The descriptors patients use are often quite different from what physicians use. We have to spend a lot of time in those integrated strategic team meetings working through how to get consistency in the message across the different stakeholders in spite of the fact that they may have different views.

**WISE.** We are moving away from being product centric and more toward a customer-driven approach. We need to make sure that we are reaching each customer in the way that is going to capture that customer and get the most value out of each individual.

**SINGER.** The idea is to create a situation where there is push and pull at the same time, simultaneous, multiple message inputs. Historically, pharmaceutical marketing used a hunter strategy: each product manager searches for new customers with tactics that are bought, conceived, and deployed in isolation. The product manager leaves the brand and the cycle repeats. A farming mentality is



Thom Rowland

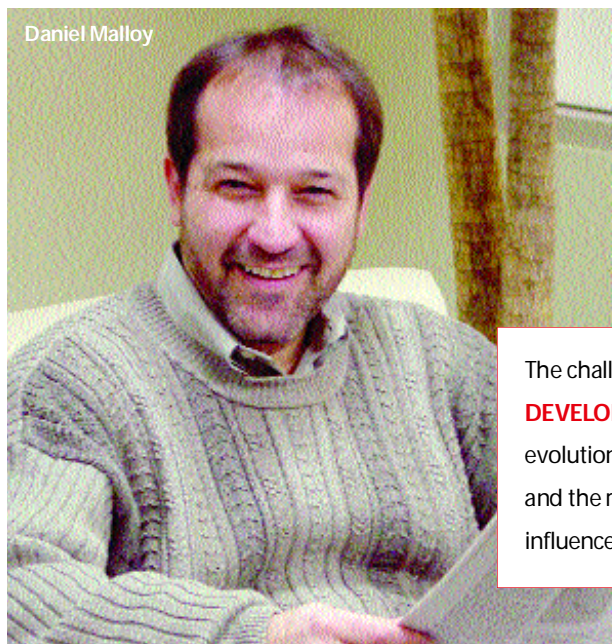
slowly emerging as the alternative, where the company and its information are the brand, and where customers are cultivated with trust in the brand information. We see this trend as being especially important to agency networks, shifting

Thirty years ago, there were fewer simultaneous dynamics, and we were able to get away with some imperfections or inefficiencies in the messages. But today, **WE HAVE TO HAVE HIGHLY EFFICIENT MESSAGING** that is consistent every time.

the dynamics among their advertising, public-relations, and medical-education business units.

**BACHARACH.** The need for integrated communications has never been more important. We operate under the premise of customer equity, which is a switch from the traditional brand-equity approach to marketing. Customer equity comprises the traditional components of brand equity — what a brand means to customers, what it delivers against — with relationship equity, which is how that brand message is delivered to customers as individuals. This is important because customers' mindsets have changed. Because of the Internet, wireless phones, messaging, e-mail, etc., customers expect 24/7 access to the people they do business with. And not only do they expect that access to the business, in return they expect the business to communicate with them, in an integrated way, via those multiple channels. So not only does the branding need to be consistent, but how customers are treated must be consistent as well.

**WISE.** The quality of the sales call is going down, in terms of the amount of time a physician wants to spend with a sales rep as is the amount of time actually being spent talking about brands and their benefits. The question becomes, how does the physician want to receive information and in what type of environment? If we can have physicians help decide how they want to receive that information they will be more responsive. But I don't think anyone has successfully cracked that code.



Daniel Malloy

The challenge for companies is to **PROSPECTIVELY DEVELOP MARKETING PLANS** that ultimately address an evolutionary strategy around information dissemination and the reciprocal nature of that communication to influence the target audience.

**MALLOY.** If pharmaceutical companies want to engage physicians in a more meaningful exchange they have to think about the information exchange from the perspective of what will be truly beneficial to that provider and think through how that ultimately complements their ability to gain access to that provider over time. That's a degree of integration that did not represent itself in the first wave. It comes back to the value proposition that the integration is supposed to deliver. In theory, the early cursory attempts at integration were really permutations of historical strategies around push strategies. It didn't represent anything dynamic by any stretch and it didn't address the value propositions of the target audience.

**PERLOTTO.** What many marketers miss is the reason behind the application of an appropriate marketing mix — recognizing that different elements of the marketing mix can play very different roles. Different prescribers respond to different marketing tactics — which is why it is so important to both know the desired target audience and why it is important to apply a balanced marketing mix to the overall brand promotion — to ensure that the product messages get through to the intended potential prescribers.

**WISE.** When we talk about pull marketing and integrated communications, we are really talking about relationship marketing with physicians — building a relationship with the doctor on his or her terms. We've seen it done with consumers and with patients. The

non-salesforce driven way to reach these physicians? The basis of good integrated marketing is about reaching customers when, where, and how they want to receive the information. It's about reaching the right customer, at the right time, with the right message, with the right media. It's basically understanding how a brand is going to integrate with a customer at all the various touchpoints.

**KAISER.** It's very important to evaluate how physicians want to receive information. It's also important to get feedback from the sales reps. I'm a big believer in research to find out from the stakeholders how best to get the message out there. It's so important to get everybody on the same page for the strategic plan for the messaging and define the channels and every element of the initiative.

**CASO.** Pull marketing is an evolution of what was inward versus outward marketing or product versus marketing 15 years ago. Push versus pull marketing is a term focused on how to implement or execute tactics. It's based on solid adult education principles. For years, people have realized that we need to identify the mode, format, and vehicle by which an audience demonstrates a preference for accessing information, and then we have to use that vehicle to deliver the communication. Maybe more testing needs to be done to determine what that particular mode for an individual targeted audience is.

**MUSIAL.** I am a big proponent of client retention and CRM. I would expect of all the major corporations in the U.S., about 10%

**BACHARACH.** A big benefit of CRM technology is the ability to evaluate which channels customers are responding to, so the company can then communicate in the customers' preferred media. Regardless of what channel we use to push a message out, we include other channels that the customer can use to respond to a message. For example, if we use e-mail to push a message out for a client, we always recommend including a toll-free telephone number. We want to be able to talk to customers in their selected media, because there will be a better return on investment.

## The RETURN

**WISE.** If there is a combination of DTC, traditional physician promotion, and medical education, we don't know which tactic truly is having an effect on an individual. I don't know that we can take apart the broader media in terms of getting pure ROI. Where we can get purer ROI is on direct-response media, such as the Internet or direct mail response. But, even with that direct-response media there is an influence of the broadcast channels. For example, if a physician is being exposed to a general branded message he or she might be more interested in clicking on the Internet site for the drug or responding to a piece of mail or a phone call. There is nothing pure about ROI.

**PERLOTTO.** When people talk ROI they are usually referring to the "return" on a single tactic. What they are missing as marketers is the big picture — which is much like running individual tactics without first deriving and settling on the appropriate overall strategy. This is a mistake. For effective marketing, the key is to first determine the necessary overall marketing mix that would be most effective for the brand before getting caught up in the minutia of ROI on individual tactics. Therefore, think about maximizing the ROI for the entire brand based on the marketing mix before attempting to measure ROI for an individual tactic.

**SINGER.** The dynamics of integrating marketing are complex. And the financial stakes are very high — we're talking about hundreds of millions of dollars of marketing investment, and billions in potential sales, per drug. And it may sound cliché to say that pipelines are drying up, but if blockbuster products aren't coming down the pike, then finding ways of marketing more efficiently makes a lot of sense. But what has business value? How do we measure it? What does success look like? This is what's driving drug companies to fundamentally re-evaluate their relationships with agency networks. The level



In many ways integrated communications is a challenge of scope — **A CONCEPTUAL CHALLENGE.** The entire product team has to be sold on the concept of integrated communications, which is difficult because it is a long-term strategy. They need to see how an integrated communications plan is going to impact their lives and how it is going to help them to meet their objectives.

sales call is becoming less efficient, so how can we maximize the limited time an individual has with that physician? If we know better what those physicians want to hear, and we understand their needs, we can make the most of those two minutes and build a better relationship with those physicians. And, what about the physicians we can't reach? Is there a

have any type of truly functional CRM programs, and with various industry sources stating an average attrition rate of 20%, it leads to a turnover of the customer base every five years. Customer relationship management and integrated communications are related, because technology should allow us the ability to communicate on a personal profile basis. We need to figure out how to reach consumers beyond the hurdles of privacy. And we have a long way to go.