

Contributed by Joseph Doyle

## WHAT BUSINESS ARE WE REALLY IN?

**M**any people might still think we are in the business of producing and selling pills. Those in the industry who continue to have this frame of reference propel us the way of the railroads, which did not realize until too late that they were really in the transportation business. Had they kept up with the times, railroad companies might have expanded their businesses into cars, planes, buses, ships, or trucks today. Instead, numerous other competitors seized the opportunity.

And therein lies the crux of the problem for the pharmaceutical industry. The mindset that clings to our admirable traditions — and routines — of R&D, launches, and doctor detail is out of step with 21st century realities. The same well-worn business paths need to be redirected within a broader context of what we really do. For, at the heart of the matter, a change in our viewpoint changes the way we, and our publics, view our work.

The remarkable strides the pharmaceutical industry has made in the last century are but a prelude for even greater days ahead, provided we are able to make the shift to a broader perspective that captures both contemporary and forward thinking. A case in point: a drug-delivery company recently changed its corporate description from being a provider of automated drug-monitoring devices to a provider of patient safety. That's an important distinction, for it states the benefit, rather than the feature, of its business and goes from another ho-hum drug-device company to the more attractive position of safeguarding patients in an age when medication (read: human) errors are a growing concern. By implication, this position embraces the healthcare professionals in charge of dispensing the drugs and has the desirable effect of elevating the company and its products above competitors.

### MORE THAN PILL-PUSHERS

It is time to do the same for the pharmaceutical industry. Rather than accepting the generalized view of our business as pill-pushers, we need to think of ourselves in updated terms. The products and services of the pharmaceutical industry are the features; advancing patient health and well-being (or something similar) is the benefit. Emphasizing this position generates much more goodwill, for who would not say that the products produce this benefit? Further, this approach aligns our interests and goals with those of the professional healthcare community and reinforces our support of them. Such a platform also encompasses the concerns of patients and professionals globally, and this is especially important as our world shrinks through merg-

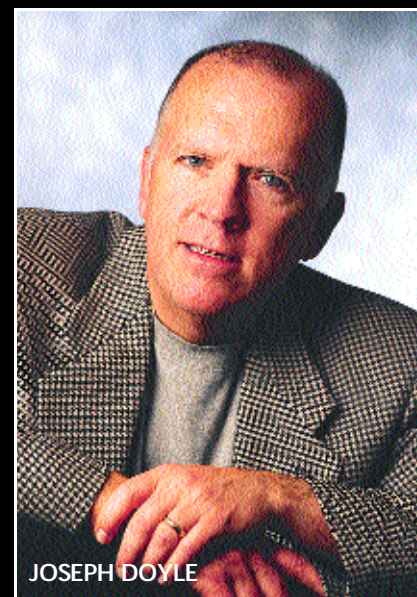
ers and acquisitions and becomes even more interconnected with transnational partnerships and interests in emerging biotechnology companies worldwide.

Taking the “advancing patient health” position also breaks the tyranny of others’ negative views, of which there are many. The drumbeat of criticism concerning high drug costs, questionable DTC advertising, and undue physician influence is muted when the message of patient health supercedes these concerns. Is the public willing to bet their loved ones’ quality of life, if not their very lives, on choosing the path of tethering the industry and dimming its light? Will Grandma (or her daughter or her PBM) be willing to risk current and future therapies, let alone more expensive and less-desirable alternatives, by hampering the pharmaceutical industry with excessive regulation and oversight? When the patient is a mother, father, son or daughter, the relatively minor cost of the drug matters little.

### THE INDUSTRY AS A BRAND

Changing the message changes the topic of conversation. Much like the brand management of a specific product, we need to view the pharmaceutical industry as a brand and manage it better internally. A change of stance signals only the beginning of a re-branding effort. A new position also means a focus on educating all our audiences on what the values of our industry truly are; that is, infusing it with brand equity. Building brand equity is accomplished by intensive communications as to our unique distinctiveness, personal relevance, product quality and efficacy, and credibility. Consistent demonstration of the benefits of the industry in human terms includes educating our constituencies as to the history of our advancements in (and taking credit for) eliminating the scourge of many diseases, increasing life expectancy, and better explaining the promising therapies in the near future.

We need to communicate the detail of the industry’s economics in pocketbook terms. No one I speak to knows or believes drugs constitute less than 10% of healthcare expenditures nor understands the cost-effective, yet powerful impact of lives saved and health restored. We need to illustrate the economic contributions to our nation and the global community in terms of jobs, productivity, and ripple effect on other industries (from computer and lab technology to carton manufacturers and even FedEx), and the need for continuing global leadership on Main Street and Wall Street. Doing so deepens our audiences’



JOSEPH DOYLE

understanding, raises esteem and thus value, and wins over hearts and minds.

By extension, the recast position also supports the pharmaceutical industry as an example of America's finest achievements, representing the fruits of American-style enterprise. As a world leader in healthcare innovations and care, we are what is right with America, a proud point of light in freedom's constellation of benefits. Our industry's contribution to the country's and to the world's health is one of freedom's rewards.

The reward of transforming the message — and defensive posture — from that of drug manufacturer to one of patient health improver comes at the point of purchase. Rather than resenting the relatively minimal expense of drug purchases and use, buyers and payers can come to see medicines as pathways to health and a fair price to pay for the benefits gained. Who would have predicted less than a decade ago that Americans would be willing pay \$3 to \$5 dollars for a cup of coffee and enjoy it so much that they would do so several times a day? Howard Schultz did, but he realized he needed to change the perception of coffee from a commodity to a luxury that people would see as a means to improve their quality of life at relatively reasonable price. The Starbucks story could well serve as a role model for the pharma industry.

In short, a broader, proactive, and consistently delivered message, and all the grassroots work that goes with it, begins with a change in mindset to an astute, attuned strategic positioning, backed by equally seasoned and sophisticated marketing communications, customized to each of our audience's concerns.

We live in a world of sound bites that influence perceptions and drive buying behavior, regardless of reality or truth. Reformulating the mindset, couched in terms that are readily understood and favorably viewed among our audiences, frees us from the tyranny of others' slings and arrows.

Changing our brand's perception in our multiple buyers' mind is no small task. Do we have the collective will and foresight to do so?

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*Joseph Doyle, R.Ph., is president and CEO of IHealth communications, a full-service medical and healthcare marketing communications company located in Irvine, Calif. ♦*

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