

# PharmaVOICE

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## Letters

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Every company has a brand, regardless of whether it works to build that brand. But, how a company builds that brand will determine the value generated from its efforts.

According to experts at CoreBrand, companies that build the brand consciously and carefully can create significant value for the brand as it relates to market capital. Using a statistical model, CoreBrand determined that each one of the top 10 most valuable corporate brands in the pharmaceutical industry contributes more than \$1 billion to each respective company's overall market valuation. The top three in the category — Johnson & Johnson, Pfizer, and Merck — contribute more than \$9 billion each to its company's market valuation. (For more information, see page 18.)

J&J, Pfizer, and Merck may be setting the bar, but other pharmaceutical and life-sciences companies — long-established entities and startups — are recognizing the traction that a strong corporate identity can bring to their overall initiatives. And, in light of recent mega-mergers, companies such as Novartis are employing a master-brand strategy to increase awareness.

"For a company, especially after a merger, it is important to establish a strong brand name," says Thomas Ebeling, CEO of Novartis Pharma. "And frankly, Novartis is not yet such an American household name as Pfizer and Merck so it's important that customers quickly identify Novartis and associate positive attributes to the name. Companies have to earn the customer's trust and make sure that they are credible and that their activities with patients and physicians meet and substantiate their claims."

According to Maxim Waldbaum, partner and chair of the intellectual property group at Salans, for some pharmaceutical companies, such as Pfizer, the key to developing a successful corporate brand is developing a strong product brand.

"Pfizer has been quite successful in building its corporate identity through its marketing of Viagra," he says. "But, most would not be able to identify Schering-Plough as the manufacturer of Claritin."

Other companies have developed a master brand as way to reposition themselves in



Carolyn Castel

We built the Serono corporate brand first by using our original products. As we widened our product base into other therapeutic areas we defined our new corporate image. Now, the corporate brand supports those product brands, and vice versa.

the market as their product lines expand and the company's direction shifts.

According to Carolyn Castel, executive director of corporate communications at Serono, in the early years, the company was defined by a single product — Pergonal, a fertility drug. But, as the company began to grow and expand into different therapeutic areas, such as growth hormone therapies for pediatric growth disorders and for AIDS wasting, and, more recently, into neurology, equating Serono to a single brand was no longer an appropriate tactic.

"We needed to evaluate how the company as a whole could begin to leverage its brands and how the brands could leverage the company," she says. "Additionally, as the company began producing recombinant versions of its drugs, it transformed into a biotechnology company."

According to Martha Bowman, executive VP of marketing at DeLor, there isn't a pharmaceutical company out there that doesn't have a corporate position, it's just how actively executives communicate it and how deeply executives weave it into the whole organization.

"Some companies, such as Merck and Pfizer, consistently have spent money over the years to build leadership by having the best salesforces, the best investor relations, a line up of strong well-known products," she says. "But even these companies are missing the boat by not more clearly establishing the connection between the company and where its expertise is, and the products that support that expertise."

Taren Grom  
Editor

Developing a master brand