

MASTER BRAND

BY KIM RIBBINK

BUILDING A POWERFUL CORPORATE IDENTITY

Most pharmaceutical companies concentrate their branding efforts on building identities for their marketed products and, in some cases, on a therapeutic category as way to improve disease awareness. But as the number of products coming from less fruitful pipelines become fewer, negative media reports continue to beset the industry, and the weak economy takes its toll, companies will need to present a more unified corporate identity, according to industry experts. A corporate brand, or master brand, can resonate with all of the stakeholders in a company — from employees and prospective employees, to customers, to the financial community, and the media. A strong corporate identity can help a company ride out bad times and give the entity even greater credibility in good times. A strong corporate brand can even contribute significantly to a company's market capitalization, according to data (see page 18 for more information).

But before launching into a corporate branding campaign, executives need to understand what the company stands for, what they hope to convey, and how their staff and customers view the corporation. Above all, the company must create an identity that it can live up to, so that the corporate brand can help leverage marketed pharmaceutical brands, and the brand, in turn, can leverage the company.

ESTABLISHING THE BRAND

DETTORE. One way companies can communicate and build brand awareness and brand equity is to consolidate funds and support branding strategies from a master brand perspective. Through DTC advertising, companies are trying to put forward the corporate identity in the customer's mind — to the professional as well as the end consumer. With tough economic times and shrinking pipelines, advertising dollars are being reduced. With that in mind, companies can promote multiple products and then use the limited dollars in a much more impactful and cost-efficient manner by leveraging the trust that is imparted from the corporate master brand. This trend is increasing as more companies are rethinking the overall packaging and marketing of their products. Companies can now start to get more “bang for the buck”

For the first time, individual companies must establish their own identity with consumers. Executives should focus on identifying their company's most unique and positive characteristics and communicate them in a single, simple message that can be translated for each portion of the business and each audience.

MICHAEL KEMPNER

PHOTO BY TODD PLITT, IMAGEBOX PHOTOGRAPHY

by extending more product lines, core brands through line extensions, service offerings that support the brands and their extensions, or even new products within a therapeutic area.

WALDBAUM. Without a corporate brand, companies will not be able to compete in the future. For some pharmaceutical companies, the key to developing a successful corporate

brand is developing a strong product brand. For example, Pfizer has been quite successful in building its corporate identity through its marketing of Viagra. But, most consumers would not be able to identify Schering-Plough as the manufacturer of Claritin.

NORTON. There are a number of compelling reasons for pharma companies to build and

maintain a strong brand identity, not least of which is to defend the equity that they currently have. There are studies that show that a company's stock price is directly related to brand identity. From that aspect alone, it's smart to establish a corporate brand. In the 1980s, Pfizer didn't have a very good pipeline. While the company invested in research it also was one of the first companies to invest in a

IDENTITY ARCHITECTS

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Potential pitfalls to a branding effort include under funding the campaign, vague objectives, inadequate account planning and research to track progress, shortsightedness, and lack of internal support. Many corporate-branding campaigns are misunderstood and filled with self-serving copy.

RICO VIRAY



corporate image, with corporate image advertising. One has to wonder if that helped Pfizer garner comarketing rights to products such as Lipitor, Celebrex, and Zyrtec.

DONIGER. An essential building block for even considering a corporate branding program is a stable of effective products that have themselves been successfully branded in the marketplace. If the objectives of a corporate-branding program are to be respected, admired, and trusted, and as a result build loyalty and attract investment, having successful market-proven products are the keys to success.

GRINNAN. Most pharmaceutical and health-care companies are under the clear understanding that they are no longer just competing biochemically or pharmacokinetically with other companies, and they are often competing with new products that have only incremental benefits over existing compounds. In addition, they have broadened their marketing focus to include the patient, not just the physician. This shift in strategy is being reflected in what they're doing with their corporate branding. Companies are beginning to focus on providing messages that convey better health for the consumer in general, rather than trying to focus on the biochemical science behind the drug or the fact that they have world-class scientists on staff. They are trying to show the patients that they understand them and are working on their behalf. Pharma companies have, in some ways, changed their brand images from chemical and biochemical giants to large, sensitive companies that are focused on patient care and health.

TAKING BRAND NEW STEPS

EBELING. For a company, especially after a merger, it is important to establish a strong brand name. And frankly, we are 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. That's especially true for a newly formed company; it's important to do a bit more and it takes time to build trust.

Companies have to earn the customer's trust. They have to make sure that they are credible and that their activities with patients and physicians meet and substantiate their claims. We believe there is a strong synergy between the creation of strong individual product brands, such as Diovan or Gleevec or Zelnorm, and a strong corporation name, like Novartis. To build a strong corporate brand we create campaigns that build on the images of our individual brands. Our main objective is to show that as a company, we understand patients, their needs, and that through innovation we address those needs. We see Novartis as the origin brand, which we have defined through a print and radio campaign "Think What's Possible." That campaign, in turn, is based upon the capabilities of the individual brands, and then we link those individual brands back to the theme of Novartis.



It would be interesting for pharmaceutical companies to consider a more integrated brand architecture when they're looking at corporate branding.

MARTHA BOWMAN

ARONIN. For small- to mid-size companies, having a strong corporate image from a very early stage is extremely important for recruiting and hiring, building infrastructure, and even raising money. Ovation was successful in securing financing last year, and a lot of that had to do with the company's brand and image because that helped the financial community understand what set Ovation apart. A strong corporate brand also is important when dealing with other companies on a variety of issues, including prod-

uct acquisitions. The hardest thing for specialty pharma companies to do today is to differentiate themselves to big pharma. Our marketing and sales teams spend considerable time educating stakeholders, not just about Ovation's product portfolio, but also about the company's business model, its therapeutic focus, and its potential as a long-term partner.

MILLIGAN. The starting point for our corporate identity was a set of two workshops, one with the entire senior management team and another with all other employees. Before each workshop, we put out a questionnaire asking each participant how he or she viewed the company in terms of its mission and culture. We even included some basic questions as to who our customers are and what market we address. We also did research into how other companies, including competitors and corporations outside pharma, brand themselves. That gave us a sense of how other companies position themselves and how credible that positioning is. Talking about these

Some people tend to think that a corporate brand is just a logo or advertising, when it's really about everything the company says and does on an ongoing basis.

JAMES GREGORY



A common thread that ties a company's products together gives customers a reason to believe that the company's offerings are valid and good and have value.

KEN RIBOTSKY

issues was a wonderful chance to express who we think we are, what we stand for, what we want to become, and what the gaps are between how we would like Endeavor to be and how it is today.

ARONIN. Our message and our image have stayed fundamentally the same, but they have evolved to include the customer and where the company is in its lifecycle. The mission and the message were established from the beginning, with the help of input from many people who understand the state of the pharmaceutical industry and the needs of the marketplace.

KEMPNER. For the first time, individual com-



panies must establish their own identities with consumers. Marketing and communications executives should focus on identifying their company's most unique and positive characteristics and communicate them in a single, simple message that can be translated for each portion of the business and to each audience.

MUSSINA. Successful brands are built on a clear, honest understanding of a company's unique capabilities. We talked with employees, clients, key opinion leaders in the industry, and we analyzed the industry to gain insight into how to accurately and clearly communicate Inveresk's values and unique strengths to meet the needs of customers. The process helped us target and validate Inveresk's core brand.

CASTEL. In our early years, Serono was defined by a single product, which was Pergonal, a fertility drug. 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 also, more recently, into neurology. The company's product portfolio was expanding, which meant equating Serono to a single brand was no longer an appropriate image. We needed to evaluate how the company as a whole could begin to

Some of the value of building a corporate brand is that it helps us keep focused, which for a small company is essential.

KATHLEEN MILLIGAN



The global consolidation within the healthcare industry has allowed corporate brands to become a greater force when introducing individual products to the marketplace.

JAMES DETTORE



Our corporate brand campaign shows that we truly aim to understand the needs of patients and that we truly try to help them.

The patient is what it's all about.

THOMAS EBELING



There are some within the pharmaceutical industry who still think that corporate branding is not worth the investment. However, savvy brand managers are seeking ways to extend the life of their products by strengthening their corporate and product brands.

MAXIM WALDBAUM

leverage its brands and how the brands could leverage the company. On another front, Serono had produced its products by extracting human proteins from different substances. The company then produced the very first recombinant versions of its drugs — fertility drugs and growth hormone — and was transformed into a biotechnology company. We built the 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.

HOLMES. In 2002, we acquired two leading companies each with their own brand identity, which challenged us to position SFBC as one of

the global providers of clinical services in the industry. It was clear after the rapid integration of these two companies that a strong corporate brand needed to be developed so that SFBC could position itself as a unified organization with a single message to enable it to sell a broader range of services under one strong brand.

MACRIE. Since our founding 30 years ago, Cardinal Health has delivered strong internal growth, as well as growth through acquisitions — having acquired more than 40 companies since 1980. The company is organized around two key markets — healthcare products and services and life-sciences products and services. But, despite leadership positions in those markets, many people, even our own customers, did not understand all of the things that we did, nor were they aware of all the capabilities we have. We recognized the opportunity to deepen our customer relationships, improve employee recruitment and



retention, and investor understanding if these key constituencies had better awareness of the breadth of our services. Once we determined the benefit, we developed our branding strategy. We started, as most good programs start, from the inside out. We looked at our own capabilities, our vision, our mission, where we wanted to go. Then we went outside to research what our customers and other key stakeholders were looking for and looked internally to determine what our employees were looking for. We also scanned the competitive environment, tried to understand where we would fit from a positioning perspective, and where we would have the greatest success. We used all of that information to build our brand platform, which is organized around two key concepts: our brand promise, which is about delivering partnership, innovation, and integration; and our brand personality, which is about being real, robust, and relentless. Those two concepts together form the foundation for Cardinal Health going to market as one company.

A company has to proactively look at its branding architecture and then create the appropriate strategy to implement what it wants to do in terms of corporate identity.

MICHAEL NORTON



With so much negative press, companies have an opportunity to really establish themselves as a brand, get their message out, and be in control of the image.

MARIA CASINI

HOLMES. In collaboration with a marketing agency, we first administered a questionnaire to key individuals within SFBC's divisions to gather strategic information to identify our "corporate personality." We were interested in obtaining information about the points of differentiation from the competition; core values for the company; the essence of the brand; and characterizing the overall image through a specifically designed process. This important



process helped us define SFBC. From the beginning, the goal was to promote the overall services offered by SFBC International instead of the various subsidiaries within SFBC. By doing so, we are able to project SFBC as one unified organization offering a full spectrum of services through its various subsidiaries. The new logo was then created from that process to reflect the "human touch," which is so important to the organization.

CASTEL. The approval of our product Rebif for multiple sclerosis in the United States and the path that brought Rebif to the U.S. market was a defining moment for the company. There was a product on the market that had an orphan-drug indication, and by means of a head-to-head study we were able to prove clinical superiority and overcome the orphan drug exclusivity and bring Rebif to market. That brought forward a better product for patients and spoke volumes about the tenacity of the com-

We've been able to start to integrate all of the capabilities that we've amassed across this entire healthcare continuum so we can help meet our customers' challenges.

SARI MACRIE



pany and the commitment that we made to MS patients. So while the spotlight might have been on one particular product and therapeutic area, it also helped to brand the company because it became exemplary of how we work as a company and what our attitude is as a company.

GRINNAN. When Glaxo and SmithKline came together, what they tried to do from a graphic perspective was to develop a unique brand that conveyed the strength, the size, and the focus of the broader global organization. And, at quite significant expense, the company changed every single written material within the corporation to encompass that new branding, which was GSK. The company was very clear in working with us, for example, that we were to make the appropriate changes and follow the exact corporate specifications in changing those logos. They wanted to show their own people, their consumers, and their competitors that GSK was a new organization with renewed focus, with renewed strength. In my opinion, the company has succeeded in accomplishing that because GSK is now perhaps better known than Glaxo Wellcome or SmithKline Beecham were before.

VIRAY. Branding is branding whether it is for a product or a corporation. The objective is to create a value proposition or customer relationship unique to the company. So the same principles apply. The difference is that corporate branding draws on the company's culture and values, people, programs, concern for patients, investment in research, and global or local presence.

MACRIE. Last December, we dissolved all of the old company names and collapsed them into one company name — Cardinal Health. That was a huge undertaking and was extremely important to us because that is how we're going to build brand equity in the market — all of our customers are interacting with a single company named Cardinal Health. Essentially, we moved to a master brand.

CASINI. I'm not sure pharma companies appreciate the value of corporate branding. Their focus and energy, for the most part, has been on individual product brands, and on getting a brand out to market before a competitor's. In the past five years, because of mergers and acquisitions, there has been more internal focus as companies change and redefine themselves. The time seems right for these "new" companies to build relationships and develop strong corporate brand identities.

OAKLEY. Companies have been on a merger-and-acquisition spree, so they are all things to all people — they are over-the-counter, prescription, and animal-care products. In this

case, only the individual brands matter, and the corporate brand becomes about good citizenship. There is a huge opportunity, once the cycle reverses, and spin offs occur or new companies start. There could be a corporate brand built around a line of eye care or men's health or heart products. And once trust is established around this brand, the value would extend to the complete product line.

VIRAY. It's important for pharma companies to establish a corporate brand to differentiate themselves from their competition and to create functional and emotional associations to their corporate brand. People who know a company are more likely to have a favorable opinion of that company. And, as competition intensifies and consumerism is accepted by pharma, corporate branding creates a customer relationship based on organizational associations, provides credibility to products and services, crystallizes what the company stands for, and affords a sustainable competitive advantage.

BRANDING BARRIERS

BOWMAN. Because products exist for a limited time, pharma companies typically put the majority of their efforts and dollars toward

building product brands not corporate brands. For many years, corporate branding was limited to investor relations and was done on behalf of the financial analysts and shareholders. I don't think many companies gave full consideration to how a corporate brand outlasts a product patent and can have positive impact on employees, field sales, payers, physicians, and ultimately patients.

GRINNAN. Brand managers don't push to make sure that, for example, the Pfizer name is prominent; the focus is to differentiate the brand. Our customers ask us to develop unique brand campaigns for their products by leveraging packaging innovations. The only significant corporate branding being done is to make sure that the company identity on packaging and on the Website is consistent, in terms of corporate colors, fonts, and the overall graphic design. Corporate branding efforts are subservient to the branding that's done for an individual brand.

RIBOTSKY. According to some statistics, the average consumer company spends between 1% and 6% of its income on its corporate brand, and it seems pharma companies spend less than that. Pharmaceutical companies are

set up as R&D and sales organizations around a product or products. Anything that they do from a corporate perspective tends to be an afterthought. They have not recognized the value of a corporate brand. This is changing but the change is pretty slow.

MASTRION. Most pharmaceutical companies are built on the back of salesforces that have a street-level view of selling, which doesn't have anything to do with a corporate brand. They understand brands at the detail level when they talk to a physician about the benefits of a certain product over another. Reps do a lot of fact-based selling, and branding is more of an emotional-based approach to selling. Not until the

advent of DTC did pharma marketers begin to understand that emotion-based selling and brand-based selling are extremely powerful tools, much more so than fact-based selling.

VIRAY. Pharma has not needed to engage in corporate branding in previous years because the target primarily has been the gated community of healthcare professionals. Pharma companies have evolved into very strong houses of brands known only to the medical community. In the past decade, however, key decision makers and influencers have increased in number and discipline. Pharma now has to talk to an audience that includes consumers, physicians, payers, and legislators. This climate change has led compa-

nies to recognize the need for corporate branding to sway public opinion, influence legislative action, maintain investor relations, and improve employee morale. Increasingly, pharma companies are engaging in long-term, multimedia image campaigns to combat shifting economic, political, and medical forces.

DETTORE. Many times, there's resistance to corporate branding — not necessarily from a communications perspective, but from a budgetary and turf perspective. Product managers focus on product performance, and products cannot perform without sufficient advertising support. On the other hand, top management is trying to foster and build shareholder value

Branding Value

Every company has a brand, regardless of whether it works to build that brand, according to experts at CoreBrand. Companies that build the brand consciously and carefully will get more value than those that don't. Those companies that do build the brand can create significant value for the brand as it relates to market capital.

BRAND EQUITY

CoreBrand Equity is an objective determination of the dollar value of a corporate brand and the exact amount of market capitalization attributable purely to the corporate brand.

CoreBrand Equity is determined by comparing CoreBrand Power among companies of similar size. CoreBrand uses a company's financial information in a statistical model to determine the percentage of market capitalization directly derived from the corporate brand.

The pharmaceutical industry's average for CoreBrand Equity as a percentage of market capitalization is 5.3%. Each one of the top 10 most valuable corporate brands in the pharmaceutical industry contributes more than \$1 billion to its respective company's overall market valuation. The top three in the category — Johnson & Johnson, Pfizer, and Merck — contribute more than \$9 billion each to their companies' market valuation based on the CoreBrand analysis.

CoreBrand Equity, however, is lower in the pharmaceutical industry than in

other industries. On average, for all companies, a corporate brand impacts stock performance by 6.4%. Companies with a low percentage of market capitalization being driven by the brand (less than 6.0%) have an opportunity to generate additional positive leverage on their company's overall stock market value through additional corporate brand-building efforts.

James R. Gregory, CEO of CoreBrand, says his company looks at how high a company's brand is performing relative to that base level of brand power. CoreBrand also evaluates how much elasticity the brand has and whether the brand can contribute more.

"Only J&J does a great job of building its corporate brand on an ongoing basis," he says. "With the rest, it's hard to think about what their products are and how their corporate brand relates to them."

BRAND POWER

CoreBrand Power is a proprietary metric that gauges how familiar and favorable a company is to key business decision makers, a group defined as VPs or higher at the

top 20% of U.S. companies (based on sales revenue). These data offer valuable insight into branding strengths and weaknesses of specific companies and industries.

"On its own, the brand power score of a company doesn't really mean anything," Mr. Gregory says. "It only has meaning when looked at it in the context of its competitors and how that changes over time."

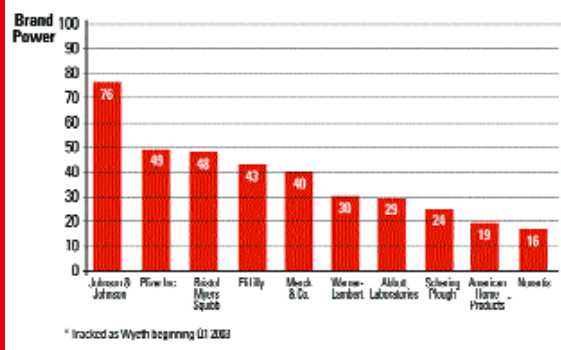
Brand Equity 4Q 2002

Company	Brand Equity as a % of Market Cap	Brand Equity Dollar Value (\$billion)
Pharmaceutical		
Johnson & Johnson	18.05%	\$29.44
Pfizer	11.18	20.74
Merck	7.99	9.96
Lilly	10.22	7.35
GlaxoSmithKline	6.30	7.02
Bristol-Myers Squibb	11.94	5.79
Abbott Laboratories	6.13	3.86
Novartis	1.76	1.84
American Home Products*	3.24	1.67
Schering-Plough	4.73	1.55
Medtronic	1.15	0.64
Baxter	3.53	0.62
Amgen	0.83	0.53
Bausch & Lomb	15.74	0.30
Cardinal Health	0.90	0.25
Industry Average	6.91%	\$6.1

* Tracked as Wyeth beginning Q1 2003

Brand Power 4Q 2002

Pharmaceuticals Composite Top 10



* Tracked as Wyeth beginning Q1 2003

by maximizing return-on-investment of multiple individual product brands. There is a fine balance between taking an entire category that has been built upon product branding and allowing the corporate brand to play a role. Much money, time, and effort are invested in branding products, and if this focus is taken away from products to support the corporate brand, those individual products falter, which in turn can hurt shareholder value. A strategic balance can be achieved by allowing certain consistent endorsing messages to be associated with the corporate brand while individual brand messages remain targeted and specialized. This allows the maximization of both the product brand and the corporate brand, without jeopardizing shareholder value.

NORTON. Unless there's a real passion at the CEO level, a corporate branding effort won't succeed. It's not just about corporate-image advertising; it involves everyone in the company creating a brand identity for the company, and that requires leadership from the top. The problem is if leadership is busy engineering acquisitions, improving research, and making deals, it's very difficult to give corporate brand identity the proper attention.



JEFFREY ARONIN

MASTRION. To create a corporate brand that is a positive and true emotional reflection of what a corporation is requires the inclusion of all the internal key constituents, from the chairman to the head custodian, administration personnel, mail-room personnel — people who represent every aspect of the company. The next step is to hire a branding company and build a consensus of what the brand is internally. Without buy-in from all the internal constituents, a corporate brand will be false and will not survive in the marketplace. Once there is buy-in from internal constituents to a corporate brand direction and statement, then the process can go out of house to include the target audiences. External feedback gives the company a chance to react with regard to the choices it has made.

BOWMAN. One of the barriers to a

more robust corporate branding effort is the organizational structure within the pharmaceutical company, where one department handles investor relations, another handles corporate communications, and these are often the people charged with corporate branding. But the corporation is represented by the science and the products, and to have a successful corporate branding effort, the marketing and product teams have to be involved. Ideally, pharma companies need to involve both corporate communications and product marketing leaders in a corporate branding initiative to make it successful. There's very little consid-



What's more emotional and more personal than health and welfare? What's more trust building than delivering on a promise that makes a difference in someone's life? It's not about providing simple data. It's about connecting with people and building trust in a brand honestly, emotionally, and with integrity.

VERN OAKLEY

There are several dangers to companies if they do not build a strong, identifiable brand image. Without that image, the company doesn't give its own people a real direction or a clear vision of what the company is.

If a physician understands that a new product is from company X, and that is a company that is always there for the physician, that has good scientific data, that produces products that work well for patients, then that physician will likely use that company's product even if there is a competing product on the market that is just as good. That's where corporate branding becomes a huge asset.



GUY MASTRION

The only resistance to corporate-branding programs comes from a knowledgeable audience who is subjected to ads or public-relations efforts that project high-sounding commitments to the industry, or self-congratulatory pronouncements, when long-term evidence of corporate immersion in the industry is not there.

JAY DONIGER

Pharmaceutical and biotechnology companies are looking for drug-development services companies that are providing dynamic, integrated solutions to their outsourcing needs. By projecting a unified corporate brand, we will be able to significantly capitalize on this opportunity and improve our market position.

GREGORY HOLMES

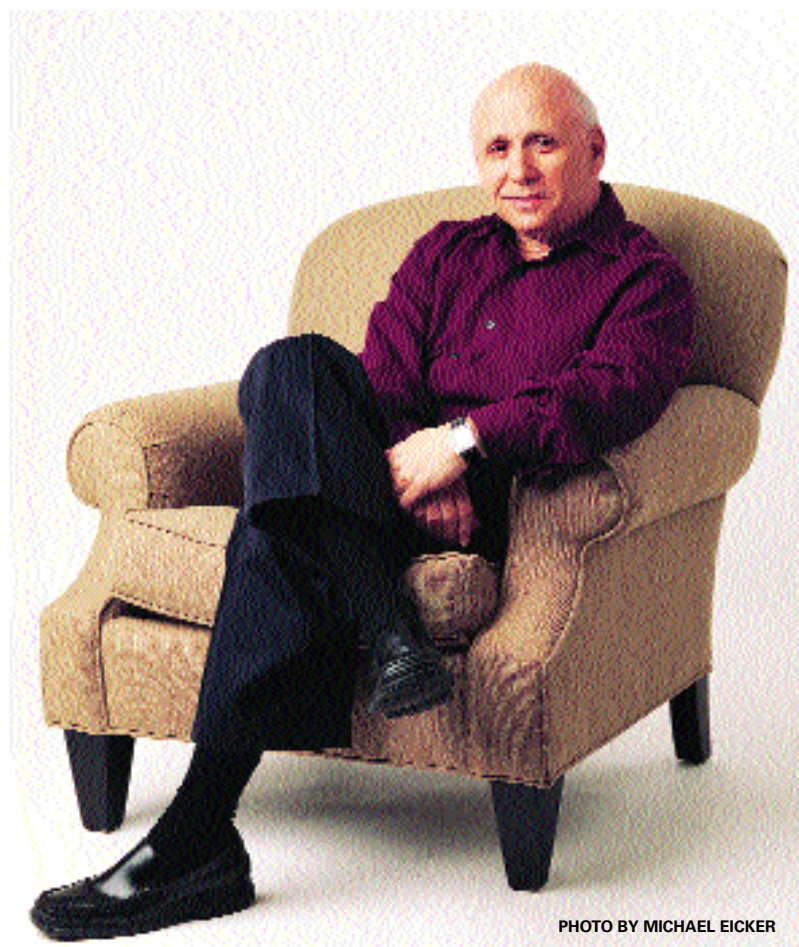
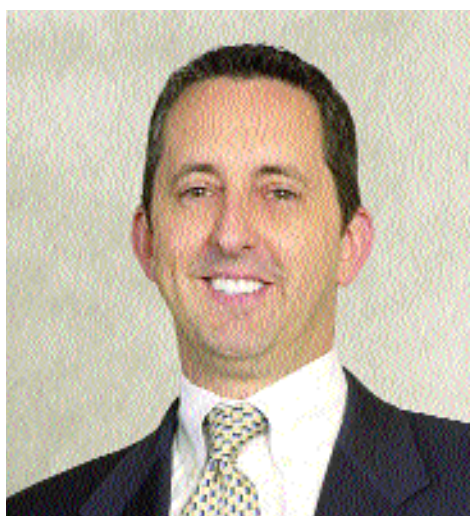


PHOTO BY MICHAEL EICKER



We've clearly identified how Inveresk is different from the host of other contract research companies clamoring for attention in the marketplace.

KURT MUSSINA

eration about how to integrate all brand levels, including corporate branding. By that I mean more formally tying the corporation to the franchises or therapeutic areas they are experts in,

and then connecting all of that to their products. So when a product is advertised, for example, it would be clear to customers which company produced it, why this company is a leader in the particular therapeutic area, and the specifics about why the product is the one they should consider. An integrated approach in pharma is difficult. Currently, there is one department leading corporate branding, some franchise directors, multiple departments leading product branding, and each typically works in a silo.

OAKLEY. Corporate branding is not the answer. The pharma industry is in a no-win situation. It has become a political football and a scapegoat. The answer lies in bold moves that will change the way healthcare is delivered. There will be status that will accrue to the brand of the first company to lead in this reformation.

PRACTICAL BRANDING

RIBOTSKY. Companies have to give their customers a reason to connect, and generally it's on some type of emotional level. Features and benefits are great, but many products have the same features and benefits. Pharma companies have worked so hard to develop better products based on science that they oftentimes forget that beyond the immediate health benefit, there is an emotional benefit connected to the prod-

uct that they're providing. They have to dig deep and find out what it is that their customer bases want from them, especially when there are alternative products or therapies that can have the same end result.

CASINI. It's very difficult to measure the value of corporate advertising. But it can work for companies that are very clear on what they are and how they want to be positioned among their competitors. There is value in building a perception and relationship with customers.

WALDBAUM. Building a successful corporate brand upon products depends upon the products themselves being successful, familiar, and hugely recognizable. All of which adds to a feeling of trust that pharmaceutical companies want to develop relationships with the physicians and pharmacists who dispense their products and with the end consumer. One of the most successful corporate brands in the industry is Johnson & Johnson. J&J was able to build its corporate brand by developing products that were helpful and trusted, which, in time, resulted in a trusted corporate brand. As a result of being a trusted brand, J&J has successfully weathered challenges to its brand that would otherwise have obliterated other companies without a similarly developed corporate brand.

EBELING. We illustrate in concrete examples how we care for patients and physicians. Our campaign shows that we truly aim to understand the needs of patients and that we truly try to help them. It's not as changeable as other classical corporate campaigns, because of the patient focus. The patient is what the "Think What's Possible" campaign is all about.

DONIGER. When we discuss corporate branding, we need to be mindful that while the audiences are, for the most part, the same as those for product branding — predominantly the physician and patient/consumer (in the case of DTC) — there is the addition of the investment community to take into account when planning a branding strategy. So while the audience is largely the same, the objectives, and therefore the messages, strategies, and tactics required to achieve a coherent corporate branding program are entirely different.

DETTORE. More and more companies are starting to take a percentage — typically 20% to 25% — of the advertising dollars for a product brand and allocating that to the overall corporate master branding philosophy. A 50-50 split on product versus corporate might be attainable when the economy starts revitalizing itself.

EBELING. To become a successful company that has gained market share and has strong positions with individual brands, it's important to have a corporate campaign as well. From our perspective that lets the customer community — the physicians and the patients — see the picture that Novartis presents as a company and helps these constituents associate with individual products as part of a strong corporate brand. Therefore they will have trust and confidence in the company, which will help us to get a stronger market position and give investors greater confidence in the quality of the company. Corporate branding cannot be the foundation, but it is a very important strengthening activity.

KEMPNER. Developing an image that can get the pharmaceutical company through the rough spots of product failure, pipeline issues, as well as FDA and other regulatory issues is mandatory for survival and success. This is similar to the airline industry where consumers tend to favor companies with strong corporate images, and these same airlines are coming out on top when the industry as a whole is under scrutiny. In the end, pharmaceutical companies with a healthy public image will be better equipped to overcome the obstacles that will undoubtedly arise.

SEARCHING FOR BRAND DIRECTION

CASINI. A common theme with corporate advertising is the stream of happy, smiley faces and the companies saying that they're committed to excellence. Any company can say that. Companies really need to define some core values and establish a true brand personality the way that they do with their individual brands. They have to be consistent over time with that so it's believable. It's not just "we're excellent."

BOWMAN. The big challenge for a pharma company is to find a truly differentiating position, and then express it in a way that's unique. It's an interesting exercise to go to the home page of the top 15 pharma companies and look at their positioning lines — their "claims to fame." They all look and sound very similar. For example, GSK, "Do more, feel better, live longer"; Aventis, "Our challenge is life"; Amgen, "Dramatically improving lives"; Genentech, "In business for life." Companies have to work harder at creating a tagline that's different from the others. The biggest challenge

right now in a world where everything is so similar is to define a uniqueness about how a particular company or corporate entity goes about improving lives. Then, the challenge is to find a different way to express that identity in words and in visuals. Part of being excellent is not just having a good strong position that's believable and acceptable, but having one that truly differentiates a company.

MUSSINA. Inveresk has been in business for more than 35 years and serves one of the largest and most diverse client bases in the industry. The challenge has been to concisely articulate how the company's values and processes produce the high quality of services that clients appreciate. Historically, there has been little perceived differentiation among contract research service providers in a crowded marketplace, and our research validated our perception that the biopharmaceutical industry needed to more thoroughly understand Inveresk's expertise and range of services.

RIBOTSKY. One important consideration is the human resource side of the business. Unless the

We reach out to all of the different stakeholder groups that are important to us — all of the people who would be interested in our products — people who use our products, prescribing physicians, and analysts in the investor community.

CAROLYN CASTEL



people within a pharma company understand what that company stands for, they live in murky waters. People don't really understand why they're there, they don't have the passion, and this can breed mediocrity. So the spirit of innovation that produces needed pharmaceuticals can be at risk when the company doesn't have a clear image, a clear promise of what it's going to deliver not only to the outside world, but also to the people who work for it.

ARONIN. There are several dangers to companies if they fail to build a strong, identifiable brand image. First, without that image, the company doesn't give its own people a real direction or a clear vision of the company's mission. Second, without that identity, a company can't clearly separate itself from others. It becomes a me-too enterprise, and in today's environment that's dangerous. So an identity provides vision, direction, and focus. We've been able to set ourselves apart as a company that is focused on the needs of the CNS community. We have set ourselves apart as a company that can execute acquisitions with some of the giants of the industry and can be very successful very quickly. And we've had to stress that internally and live up to it.

DONIGER. Corporate branding today is an exercise in putting a recognizable, promotional face on a wide range of professional and consumer-related support programs and initiatives, which in a broad sense are public-relations oriented. The danger in trying to apply classical product branding techniques or tactics to a corporate image branding campaign is one of overstating or trivializing a usually considerable corporate investment of time and resources. The challenge becomes one of not projecting a branding image for the company that is the combined equivalent of Jonas Salk, Stephen Spielberg, Alan Greenspan, and Mother Teresa. Obviously, the public won't buy it. The greatest service we in the "image" industry can offer is to counsel against trying to project the sometimes over-inflated perception a corporation has of itself.

NORTON. Companies want to be careful that they don't create an identity they can't sustain. Sometimes in a workshop a company says it

would like to be seen as innovative. But if the company is truly innovative it must be innovative in its products and the way it deals with people. It needs a state-of-the-art customer-relations department, the best way of handling returns, and an innovative way to fill its channels. Without all of those factors, calling itself innovative is an empty promise and the customer will perceive that.

MILLIGAN. Overall it is a bit easier for a small company to create a brand image because a small company must be quite focused. But what can make it a little harder is that so many possibilities are still open to a company in its formative stages, many of which could change the nature of the company considerably. If the company acquired a product outside an area it is currently in, that could really change the nature of the company.

ARONIN. It's important for a company not to box itself into a particular niche. What we've tried to do is stay true to the fact that we will focus on niche opportunities and that we will help patients and advocacy groups get products approved that other companies can't or won't. But we've tried not to remain so narrow that we tie our own hands. Opportunities are going to arise that we may not have anticipated when we opened our doors.

CASTEL. A company's corporate identity doesn't only give it a characteristic in the outside marketplace, it also helps to drive the strategic vision internally. It becomes a rallying point for employees — be they within the sales and marketing arena or in the discovery area. Serono has had quite an evolution as a company. It's important from that perspective that employees understand where the company has been, the accelerated pace at which we've reached where we are now, and also what we expect to become, which is to continue to be a top-tier player in the biotech arena and continue to expand in other areas in which we can excel.

MASTRION. Where people, particularly on the sales side, get frightened with corporate branding is that they are forced to put a stake in the ground that says, "The company is this, and this is how we feel about ourselves, and how we conduct our business." This is not the sales mentality, which tends to be more customized to the situation. So the distillation of a brand in the marketplace is counterintuitive from their perspective. The strength in a corporate brand, though, comes from a statement or a brand promise that can have meaning to all of the people that the reps work with and sell to. If phrased and executed properly, the whole feel of the brand and the brand experience, the look, the tonality, the wording, actually can grow in meaning and become much bigger than any single aspect of selling. It's a true brand experience that can and should be embodied in the salesforce. But this is often lost in the shortsightedness of closing a deal because this type of work does not always offer an immediately measurable return on investment. Every sales person knows that the time and effort he or she expends getting to know a key physician will come back to them in sales. These relationships are built on emotional connections. It's this same sort of effort and the same sort of connection that is required to get to know a brand. To bring that understanding to bear in a selling environment creates an experience that will make future selling efforts much more intuitive and can strengthen the skill of the salesforce while it builds the brand's equity in the marketplace. ♦

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