

Brand Marketing in an ERA OF OUTCOMES

Outcomes data are increasingly becoming the “common currency” across stakeholder groups in healthcare. Outcomes will become much more than just a new marketing lever coming into play, or an ad hoc consideration of the marketing process as a whole. We believe outcomes that customers — patients, physicians, provider organizations and payers — value will become the primary building block of marketing strategy over the next few years.

Recently, various groups have been established that focus on outcomes data and the impact it has on healthcare. The International Consortium on Health Outcomes Measures (ICOHM) has been established to promote and develop such a common language to help standardize measures and better understand value.¹ The Patient-Centered Outcomes Research Institute (PCORI) helps people make informed health care decisions, and improves health care delivery and outcomes by producing and promoting high integrity, evidence-based information that comes from research guided by patients, caregivers and the broader health care community.² In two years since its inception in 2012, PCORI has awarded 51 projects totaling \$88 million in support of its mission.

Focusing on outcomes is a viable way to align competing interests of customers, regulators, legislators and advocacy groups.³ Many collaborations between payers and providers to improve upon the quality and cost of healthcare delivery focus on outcomes. Pharmaceutical companies, who have largely been absent from these collaborations, could use this concept as a better way to align their internal functions responsible for developing and commercializing new products with their external stakeholders.

Physicians and provider organizations increasingly will be reimbursed and incentivized based on outcomes for their patient populations. This is already happening with global payment contracts between selected payers and providers in Massachusetts. Physicians and provider organizations will begin to view pharmaceuticals in the context of how they contribute to achieving the desired outcomes for their patient populations and will value the pharmaceuticals and associated services accordingly.

From our experience, we know many phar-



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maceutical companies are making significant investments in real-world evidence (RWE). The primary driver behind these investments is the desire to have RWE to assist in pricing and market access negotiations. RWE can inform every stage of a medicine's development — from the earliest days of discovery — by providing a deeper understanding of disease, treatment patterns and product performance.

We believe that pharmaceutical companies primary source of sustainable competitive advantage in the future will be their ability to deliver the right mix of clinical, quality and value outcomes to the right mix of customers. In order to achieve the full potential of this competitive advantage, real world and outcomes data need to be incorporated into marketing strategies.

Outcomes-Based Marketing Approach

The increasingly important role of outcomes in commercialization will require a deliberate,

planned evolution from how marketing strategy is currently developed and executed to an approach we call Outcomes-Based Marketing (OBM). This approach consists of a set of six integrated choices that every marketer will need to address in order to win in the future marketplace. (See *Chart 1*) These choices provide strategic clarity and consistency throughout a product's lifecycle.

1. WHAT OUTCOMES ARE VALUED BY CUSTOMERS? The aim of traditional marketing strategy has been to maximize product utilization. OBM begins with understanding what clinical, quality and value outcomes customers place importance on and how they define, measure and use those outcomes in making health-care decisions along a patient's journey through his/her disease. The end goal becomes optimizing product utilization by getting the right product, to the right patient at the right time.

2. WHAT OUTCOMES WILL DRIVE SUSTAINABLE GROWTH? Once you understand what outcomes customers value, you have to determine and choose which ones will drive the marketing strategy. This involves assessing the attractiveness of those outcomes relative to your product profile, your competitors' expected products, outcomes data availability, RWE plans, associated services as well as your company's ability to deliver.

3. WHICH CUSTOMER SEGMENTS WILL WE DRIVE OUTCOMES FOR? From a strategy development perspective, it is necessary to understand the interactions between and among different customer groups that influence prescribing behaviors. We believe that those interactions can best be understood through an integrated segmentation model which includes one view of patients, physicians, provider organizations and payers. Such a model also enables an understanding of how and where customers' interests align in driving selected outcomes with your company's interest of optimizing product utilization.

4. HOW WILL WE ENGAGE AND MOTIVATE OUR TARGET SEGMENTS TO DRIVE OUTCOMES? Physician access restrictions will not abate. Patients' and payers' access to and, in some cases, control over healthcare data won't recede. Customers will increasingly set the terms of engagement. It's imperative that pharmaceutical marketers understand how the customers want to engage with their company, not how

their company wants to engage with, or more likely, try to activate the customer. Semantelli, a company that offers clients a set of cloud-based tools that automate the collection of healthcare-specific social media content, is an example of a technology that provides understanding of how customers desire to and actually engage with one another.

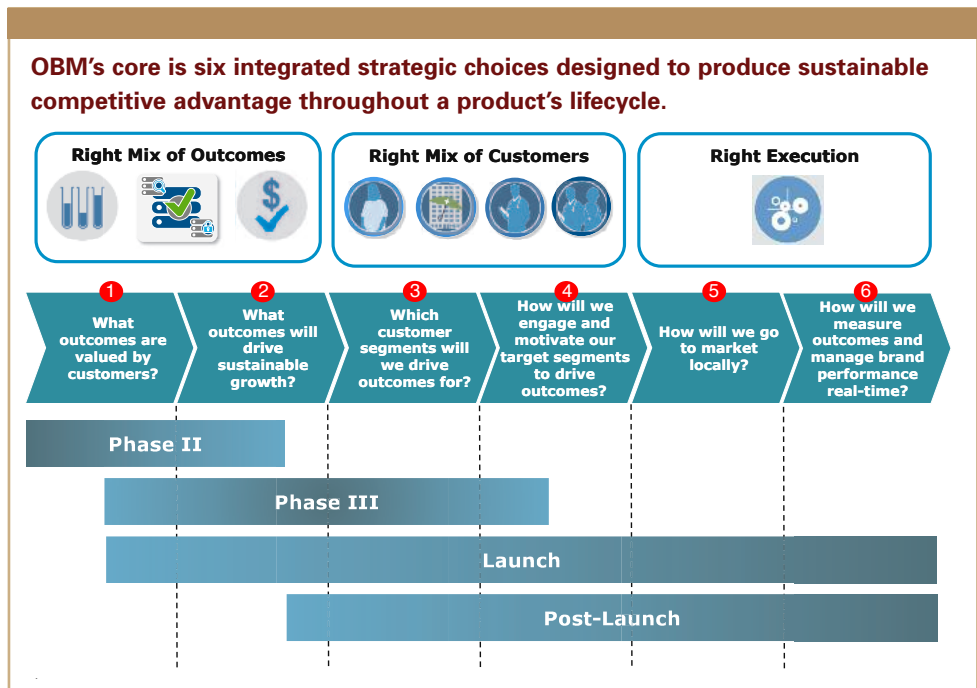
5. HOW WILL WE GO TO MARKET LOCALLY? Local markets vary significantly with regards to the influence of payers and provider organizations like integrated delivery networks. These variations already require a highly customized and targeted approach to customers. Access to sophisticated patient level and claims data is beginning to allow marketing and pricing strategy to be developed for specific geographies and customers within those geographies.

6. HOW WILL WE MEASURE OUTCOMES AND MANAGE BRAND PERFORMANCE REAL-TIME?

Developing outcomes measures that are credible for customers will be challenging and take time, but payers and providers have been able to do so for new global payments contracts. Organizations like ICOHM and PCORI are developing common outcomes measures to facilitate the understanding of healthcare value. With regards to brand performance management, new information and digital technology companies like Appature and 360 Vantage are enabling campaign performance to be measured and analyzed near real-time. While regulations and policies on content approval will likely continue to be slow relative to other industries, there is ample opportunity for pharma companies to significantly improve the speed with which they manage marketing campaigns and deploy assets.

Getting Started

For marketing organizations that adopt an OBM model, the journey will involve other critical functions, for example, clinical development, new product commercialization, market access, health economics and outcomes research (HEOR) and RWE. A compelling case for change, a view of the destination and a road map outlining the key steps in the journey and the capabilities that must be built along the way will be needed. But there are practical ways to begin this journey that can take into account the commercial and organizational risks, change management issues and a model of learning through doing pilots of increasing complexity that build demand, capability and knowledge of what works organizationally. Below are three ways of getting started that vary based on a brand's position in its life cycle.



1. FOR IN-LINE AND LAUNCH BRANDS the first step would be to assess to what extent the existing brand strategy is fit for a market place increasingly driven by outcomes. An OBM strategy diagnostic allows the brand leader to identify, understand and prioritize critical strategy gaps — content, process and commitment — and develop an improvement plan to address them. In conjunction with the OBM diagnostic framework, the strategy needs to be assessed against four criteria: degree of completion, organizational commitment and alignment, quality of the strategic thinking and conditions for success.

2. FOR A COMPOUND IN LATE CLINICAL STAGE DEVELOPMENT, but without a launch strategy yet, the challenge is to develop an OBM strategy within the constraints of the outcomes likely to be delivered by the phase III study. This may lead to the identification of additional evidence needs as some of the desired outcomes may not be covered by the current development plans. This is also a good time period for establishing a RWE strategy and generation plan.

3. FOR NEW COMPOUNDS AND NEW INDICATIONS APPROACHING THE PHASE III GO/NO GO DECISION, pharmaceutical companies have more flexibility to build the right mix of outcomes into the development program. The challenge at this stage is building a shared understanding of valued outcomes, including how those outcomes are likely to evolve over the next few years, to align the development, market ac-

cess, new product commercialization and marketing functions on holistic evidence generation strategy, including randomized clinical trials data and RWE.

The shift to a market increasingly driven by outcomes has begun. Drivers of this change include factors like: the growing number of lives contracted under a global payment model based on outcomes, not fee for service; unrelenting pressure by governments to reduce health costs while improving quality and outcomes; ability and willingness of payers and pharmaceutical companies to do effective outcomes-based contracts; and the improving availability of credible outcomes measures and real-world data. **PV**

Notes: ¹ www.icohm.org; ² www.pcori.org; ³ *Health Affairs*, March, 2013, p. 516

IMS Consulting Group is the world's leading, specialized advisor on critical business issues in life sciences. We have developed innovative analytics, with the power to link a broad range of customer data to drive unique, higher-value brand strategies. And, our groundbreaking analysis of New Commercial Models in the leading developed markets offers a comprehensive framework to help clients transform their commercial models by country and therapy area.

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