

Pharmaceutical Executive

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Market Research Q&A

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Q: Today companies have access to more data about prescriber behavior and patient attitudes than ever before. But what must industry do to obtain the maximum benefit from this vast sea of information?

C. Marshall Paul

President, ACNielsenHCI



C. Marshall Paul

A: Two major trends that will face the pharma industry in coming years will be a form of price control and the lack of new blockbuster products. Both of these issues are beyond the control of marketing, increasing the urgency of what can be done.

The key to industry success in the near future will be much greater marketing efficiency. Some strategies and tactics can be implemented immediately. Equally important—and more long term—is improving sales of existing products, which can be done by plugging the drain of patients who prematurely stop taking medications for chronic conditions.

Market research can make greater use of currently available promotional effectiveness programs to dramatically improve the cost effectiveness of both ethical and DTC promotion. Such studies can also be expanded to measure the effect of education and promotion on compliance. Current research confirms that in many therapeutic classes, three out of four patients are noncompliant. New databases are being developed to meet these needs.

The market research challenge will be to link exposures—education and promotion—to patient compliance to demonstrate

causality, unleashing the potential for increased sales.

Brian Cain

Senior Director, Global Market Research, Schering-Plough

A: In our department, we seek to optimize the data retrieved from external sources with internally generated analysis and reports. We must understand the business issues and drive new data sources into the fabric of decision making in order to provide real value. These new data sources have the potential to be pivotal factors in the way management sets the direction of our brands and businesses. That means we have to be functional experts who translate data into insights that can be acted upon, develop innovative solutions, and proactively influence decisions in our organizations. We must expand our knowledge and develop expertise in new data sets. It will not be enough just to mine data from new sources, we must develop useful insights out of them.



Brian Cain

Steven Leeds

Associate Director, Management Science, Novartis Pharmaceuticals



Steven Leeds

A: One of the most important things companies must do is to put more weight on actual overall physician past prescribing behavior, as opposed to relying more heavily on direct feedback from the most recent survey. For example, physicians might be asked about how many patients they see per month who have a certain affliction, and what it would take to prescribe a particular drug. Typically, the average of these physician estimates, from what usually constitutes a small (and in many cases a nonrandom) sample, is used for the basis of overall prescribing expectations. More important, what physicians say they're going to do, and what they actually do may be two different things. Past behavior is a much better indicator of future behavior—most certainly in the short term—than what an individual predicts he or she is going to do. "

Patricia Pesanello

Chief Knowledge Officer, BusinessEdge Solutions

A: Market dynamics have triggered the need for additional data sources, ones that provide greater customer insights beyond prescribing patterns. While technology offers vehicles to manage, analyze, and apply such types of information, key challenges in putting data to work are determining which sources of information should be used, how they should be maintained, and how to assure use of the information in the field.

New information sources such as behavioral characteristics and influence factors, even patient-centric information, provide an improved basis for segmenting and targeting physicians, as well as end users. They are also the basis of interaction-response models that suggest the most effective approach to affect the physician or group. When coupled with the systematic capture of the results of interactions, continual refinement of the model is possible.



Patricia Pesanello

The challenge is to develop the actual response model and determine which parameters to track by specialty or therapeutic areas—and then to develop practical decision-making tools and execute the model in the field. The sales force is an expensive but effective way of impacting sales and market share, so these new approaches need to be seamless and modify or replace current call planning and reporting practices. Most automated sales systems facilitate many of these activities. But to mobilize the sales force to use new approaches efficiently necessitates new directives, training, and coaching. Reps need to be trained to leverage the models during call planning and act upon office cues, maximize limited physician time, and engage in substantive dialogue with credible product information.

To derive new insights from call results, we need to move beyond free-form text to structured call notes that can be analyzed and used to refine models. New metrics of selling success which include the quality and duration of the call and the nature of doctor-rep relationship—all relatively hard to measure—require that new data sources be introduced into the continuous cycle of managing customer-call information.

Rob Sederman

President, C2 Consulting



Rob Sederman

A: When using market research data—whether proprietary primary or syndicated secondary data—companies tend to rely on averages or point estimates to make decisions. That overlooks opportunities that may exist in understanding the variability and distributions around key metrics.

Consider this: If a company's sales territories are ranked by market share, then grouped into quintiles, we find dramatic variability in the market share metric. For example, in one recent analysis a product averaged a 25 percent share nationally. The top quintile territories had market share of 50-75 percent, while the bottom quintile had 5-10 percent. In other words, this 25 percent market share product has some territories consisting of hundreds of target physicians with an average market share two to three times greater than the average. Yet, when a market research study is performed, companies typically rely on average ratings and how they relate to average market share in making critical

marketing decisions.

An alternative is to better understand the market and competitive forces driving data variability. That way, a company may make very different decisions about resource allocation and invest in the levers that are likely to have the greatest impact. We have the data—it's time to exploit it, rather than average away and ignore the variability we know exists. "

Sue Siewert

Director of Marketing Research, Schwarz Pharma, PMRG Board Member

A: Achieving connectivity of patient data to physician data and primary research will do for pharma marketing what scanner data did for consumer packaged goods (CPG). Patient data give us critical insight into end-user behavior; allow us to develop more useful patient profiles; help target messages to physicians, payers, and patients; better determine lifetime value of different patient groups; uncover "undertreated" and noncompliant patients; and much more.

Databases are dynamic and the possible analytics are numerous, so thorough analysis plans should be generated and reviewed by brand teams. This process can assure the path to useful, integrated patient, physician, and primary research deliverables. Learning and creativity will build on these types of team efforts.



Sue Siewert

To better solve marketing issues, we can learn from CPG experience. Many consultants who attended the Spring '04 Pharmaceutical Marketing Research Group conference had considerable CPG background. It seems we are only on the cusp of acquiring best practices with patient data.

John H. Starzewski

Vice-President, Regional Business Group, Wolters Kluwer Health, Pharma Solutions Division



John H. Starzewski

A: Making new drugs available to end users will be the challenge of the 21st century. In today's environment, more products are competing for the same market share with fewer differentiating characteristics. More convincing cases need to be made for the development of future blockbusters that can advance the industry to the next generation of significant therapeutics. In order to do this, the challenge is to distinguish which drug candidate is a better bet than the others. One way is to look much harder at the therapeutic advances that the drug represents as well as taking a more discerning look at the competitive environment for developing a new drug. This requires incorporating a broader and deeper analysis of the competitive landscape. As R&D and marketers begin to work together earlier in the process, they also need to look at advancing healthcare policies within global markets to ascertain their impact on the environment in which the drug will operate. Bringing a drug to market is not simply about the noise level in the arena that a drug operates in, it's about having a greater understanding of the competitive landscape for all the stakeholders in the drug's arena. A complete understanding of the competitive landscape for

introducing products will be the key to success. "

Andrew Aprill

Founder, Biovid

A: Compare pharma with the automotive industry. The auto industry is relatively simple;

there are three major sectors, all vying for influence—manufacturers, distributors and dealers, and consumers. Once you understand those, you are able to make strategic decisions and the amount of information necessary is much smaller than what we have to gather in pharma. One of our industry's key problems is determining who the decision maker is at any point in time—and that can and often does change—in different business contexts. It could be a patient, a consumer, an advocacy group, or a regulatory agency. It could be a physician, a nurse, an administrator, or a payer. Laid on top of this is the healthcare system dynamic.



Andrew Aprill

When was the last time Ford launched a product that fundamentally changed the marketing landscape in its industry? In pharma, scientific advances do that all the time. And those fundamental changes require new data and new models for making sense of those data. Today, the big shift is toward protein-based therapies, which requires new ways of collecting data and understanding, first, what to measure, and then how to integrate it into existing models. It's one thing that makes the industry exciting.

Leonard J. Vicciardo

President and COO, Health Products Research



Leonard J. Vicciardo

A: With all the marketing research resources available to learn about how physicians/patients respond to detailing, sampling, DTC and other marketing programs, pharmaceutical marketers have access to more data than ever before. Yet as more and more data gets collected to evaluate all of these marketing initiatives, its usefulness becomes more and more questionable.

The problem lies in the fact that because most research is conducted ad hoc, it exists in silos that do not provide a total view of how various marketing initiatives work relative to one another to drive business results. Not only is research generally not integrated to provide this view, it is rarely used on a consistent basis to inform and act as a key input to the strategic business planning process.

Most pharmaceutical marketers have lots of "data." To harness the power of their data moving forward, marketers should think about how they can more effectively integrate it into a robust planning, execution, and measurement process to drive better business plans and optimized marketing programs. We have found that the clients that consistently plan their research and analysis activities are significantly further ahead in their efforts to optimize the resources available in their portfolio.

Liz Coyle

Vice-President, Launch Management Marketing, IMS Health

A: It's no exaggeration to suggest that pharmaceutical marketing research must enter a new era. The value market research provides to the strategic and tactical decision making in companies has never been greater and is rapidly evolving.

The need for speed is one effect of this highly competitive environment, particularly when it's paired with political challenges on pricing, marketing practices, and distribution, as well as legal assaults on patent protection. In such an environment, the value of information increases exponentially. Having data, of course, isn't the same as knowing what it means and being able to apply it toward decisions that drive business results. Market research must go beyond having the data needed with the timeliness required. It must assess, interpret, and transform information into actionable insights for the organization.

To maximize peak sales, manufacturers need to use today's newer technologies and sophisticated analytics to monitor critical market dynamics to ensure that their results are on track. Evaluating key metrics—such as new drug sales, prescription switches, and new therapy starts, in combination with assumed or proven behavioral drivers—on a weekly basis creates a comprehensive repository of data that market research can interrogate to identify root causes for success or failure. Just "knowing the stats" is not enough. In *Moneyball*, author Michael Lewis makes a similar point regarding success in baseball. You don't get the insight and intelligence needed to drive an organization just by tracking and reporting on lots of interesting, recognized metrics. And tracking and reporting on too slow a cycle handicaps even the best research team. Every week of marketplace advantage has to be maximized. If pharmaceutical companies are not tracking and adjusting brand activity continuously, then they run the risk of leaving time and money on the table. "

Paul Skinner

Vice-President, Information Systems, Dendrite

A: Pharmaceutical companies have recognized that they need a different kind of data to run their businesses. I think it goes in about three different dimensions.

It needs to go deeper. You've got to have more precise data for segmentation down to smaller groups of individuals—the segment of one. We call that behavioral segmentation.

The data must be in a form that can be aggregated over different buying constituencies, and I don't think that much of the current data offers that kind of capability. If you look at the normal coin of the realm—NRX, TRX—you can't really get a sense of what the underlying patient communities are like.



Paul Skinner

And companies need data that tie together the different parts of the organization. Constituencies like marketing and sales aren't well tied together currently. They operate largely independently off different data sets. And the central business planning operates independently again from a different data set.

Think, for example, about the vital role that sampling plays in the pro-motional mix. It is an extraordinarily expensive enterprise, and it's important for the salespeople to have it. But I don't think that data are being used to optimize the use of samples.

Howard Ziment

CEO, Ziment



Howard Ziment

A: The crucial, linchpin issues that drive pharmaceutical marketing research in 2004 include an altering of the traditional relationship between marketing research departments and consultants, the continued consolidation on the consultant side and the fundamental changes this has brought in the capabilities of these companies, and finally, the increasingly crowded marketplace that exists on the consultant side. Pharmaceutical marketing research today is driven by our attempts to answer the big questions that plague marketing teams, such as:

True forecasting. Marketers want and should be able to accurately understand what the actual demand is for a new product or indication.

True micro-marketing. Market research must have the ability to fulfill the promise of individualized sales approaches to physicians.

True differentiation in messaging. Market research must articulate what separates brands and the ideas, phrases, and words that best communicate unique selling propositions.

True ROI analysis. Market research should be able to substantiate that marketing initiatives make money.