



BACK TALK

BY HOWARD ZIMENT

The research engine

Sir Martin Sorrell, chief executive of WPP, told *The Times* of London last year that a big growth area in the marketing service industry will be information insight and consultancy — “a posh phrase for market research.” As we stand here at the beginning of 2005, Sir Martin was right on the money. The business of pharmaceutical market research — where there’s a dependency on it to support products that are in the pipeline as well those already in the mainstream — is a healthy and consistent contributor to the bottom line.

That said, however, there are some crucial, linchpin issues that are driving pharmaceutical market research unlike ever before. They lie on both sides of the equation: how we run our business and how we differentiate what we do from the glut of consulting firms that have assembled behind the experienced market research firms.

On the business management side, the issue that is most prominently talked about at industry conferences, whether in presentations or at cocktail hours, is the issue of procurement. Procurement has come to mean how corporate America does business with its agency consultants, and it’s defined by the relationship between labor costs and profit. Market research has become a production item in the eyes of our pharmaceutical clients. As such, it is evaluated as part of our core business, like salaries and overhead, and not so much as intellectual capital. The procurement issue has fundamentally altered the relationship between market research departments and the consultants who serve them.

How market research makes this transition from intellectual capital to outsourced commodity is important, but not as critical as how focused researchers remain on delivering superior decision-making tools to clients. Here is where we need to answer the big questions that plague marketing teams in the areas of

forecasting, micro-marketing, messaging and ROI analysis.

We need a level of accuracy in market research that assures upper management how much to invest in inventory and how to define that demand for the investment community. We need to deliver on the promise of individualized sales approaches to physicians, as well as determine the best idea and phrase that clearly communicate product attributes. Finally, we need to prove whether marketing initiatives make money.

I believe this is the right end of the equation to focus on in 2005 because the tools are already in place. There are tools available that:

- Help translate stated demand for a new product into calibrated demand that is an actual expression of the potential for a new product or indication today and going forward to ultimate peak share.

- Take attitudinally driven physician segmentation schemes and relate them to physician call decks so that each doctor is “tagged” with his or her membership in an articulated physician segment. And since we market to attitudes to change perceptions and ultimately behaviors, these tools make micro-marketing, with tailored messages to each physician, a reality.

- Allow for powerful, systematic identification of unique selling messages. Better yet, some of these tools allow for identification by segment, making them even more powerful.

Though not yet solved, advances have been made to do a better job of isolating the marketing activity and its comparative result.

Overall, pharmaceutical market research is in great shape going forward, and as more important questions emerge, such as how to best use new patient-level data, our researchers will be ready.

Howard Ziment is chief executive of Ziment Group, a unit of WPP.

Calendar

JANUARY

24-25 — The Pharmaceutical Marketing Training Institute presents “Clarifying the Regulatory Framework of Pharmaceutical Marketing: The Dos and Don’ts of Communicating Scientific and Promotional Information,” in New York. To register, visit www.pmti-international.com or call (888) 670-8200.

24-26 — The 9th Annual Drug Delivery Partnerships, at the Sheraton San Diego Hotel and Marina. To register, e-mail register@iirusa.com or call (888) 670-8200.

28 — The Association of Medical Publications presents “Journal Advertising: A Global View.” A reception honoring the Association of Healthcare Media Directors follows the main program, in the McGraw-Hill Auditorium, New York. For more information, call AMP at (908) 233-8147.

31-Feb 1 — The DeSilva & Phillips M&A Conferences 2005, at the Pierre, New York. Monday’s event is the Medical Communications M&A Conference; Tuesday is the Media M&A Conference. For more information, e-mail conference@mediabankers.com.

31-Feb 1 — The 2nd Annual Pharmaceutical Marketing Compliance Congress, at the Ritz-Carlton in Washington, D.C. Speakers include Thomas Abrams, director of DDMAC. To register, call (800) 817-8601 or visit www.marketingcompliance.com.

FEBRUARY

22 — The Drug Information Association’s Marketing & Sales Special Interest Area Community presents “Best Practices Within a Successful Product Launch.” From 1 to 4:30 p.m. in New York. To register, visit www.diahome.org.

MARCH

1-3 — The DTC National 2005, at the Boston Marriott Copley Place Hotel. Speakers include Paula Garrett, consumer marketing manager for Cialis, and Regina Shanklin, director of consumer marketing for Plavix. For more information, call (973) 328-9997.