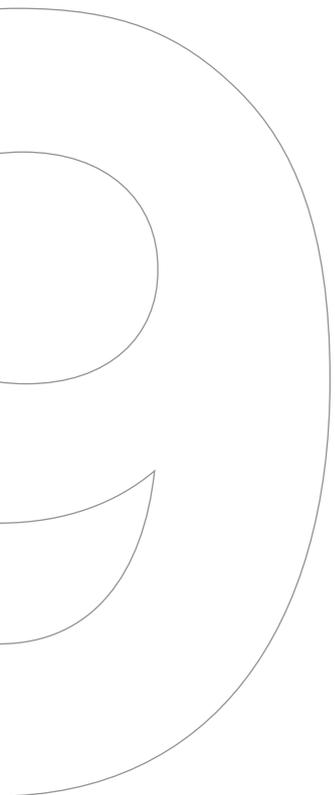


AUTUMN 2014
—
VOLUME #02
EDITION #10

**REMAPPING
THE MARKET**

—
Does pharma's global
model need a shake up?



10

02
WE ALL SPEAK
DIGITAL

05
BEYOND THE
BORDERS

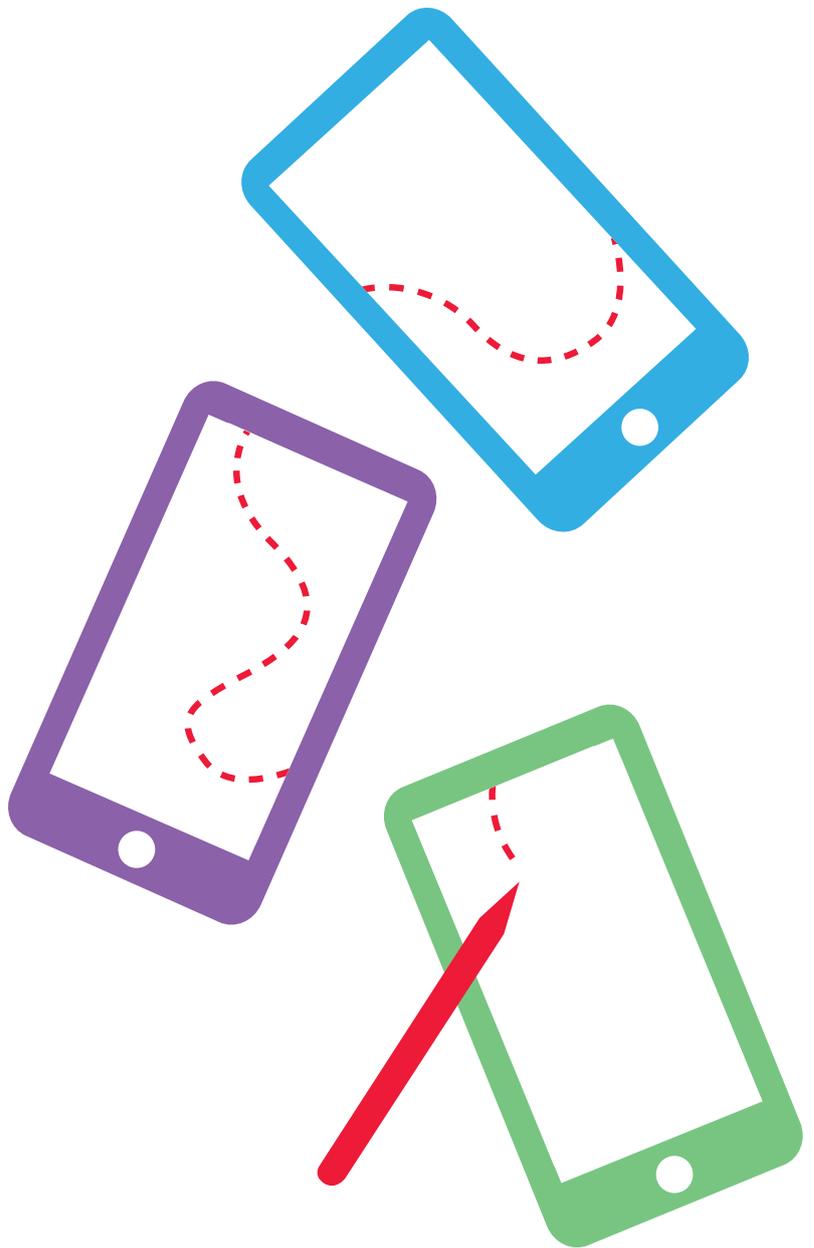
06
WHO ARE YOU
WORKING WITH?

08
UNIVERSAL VALUE

011
IN SUMMARY

REMAPPING THE MARKET

Does pharma's global
model need a shake up?





WE ALL
SPEAK
DIG-
ITAL

Digital has succeeded where armies, politics and religion have failed; taking over the world. Where once there was Alexander the Great, Augustus Caesar, Genghis Khan and Napoleon Bonaparte, we now have Mark Zuckerberg, Larry Page, Jeff Bezos and (until recently) Steve Jobs. We speak one language, adopt new behaviours, and follow the same brands. So what does this mean to pharma and its global approach to business?

¹ "Line now has 390 million users..." by Saiyai Sakawe, <http://bit.ly/1sduiNq> (Accessed: Aug 2014)

² "How markets grow up" by Joe Webb, <http://bit.ly/1vsLemZ> (Accessed: Sep 2014), p.4

³ "India on the internet" by Arnab Mitra, <http://slidesha.re/1lYAia4> (Accessed: Sep 2014), s.9

The global invasion of Apple, Paypal, Instagram and others has conditioned what people have come to expect from digital experiences. They've set a standard that is recognised worldwide and moulded a uniformity in digital behaviours. Consider how intuitively a person can use an iPad, or the like, share and comment behaviours that are inherent in all social networks. Platforms may vary, but the means of interaction remain the same.

Line, Japan's most popular social network¹, features a timeline and homepage akin to that of Facebook. 69% of internet use in Germany is via a computer, where as in Kenya usage swings dramatically towards mobile (98%)². Yet in both, the average time an internet user spends online is around the 3 hour mark.

Furthermore, the digital global standard is extremely far reaching. The 'unconnected' global population is ever dwindling. India is experiencing 58% year-on-year growth of internet users amongst its rural communities³, whilst mobile phones are a common commodity even to remote East African nomadic herders who live without regular access to electricity or running water. In such communities, digital healthcare support, however basic, is all the more valuable. It might be difficult and costly for a patient to reach the nearest healthcare professional, but if they can quickly and inexpensively seek medical advice online, or even via text or phone call, symptoms that might otherwise be ignored can be alleviated.

Does pharma's global
model need a shake up?

4 Statistic derived from Manhattan Research: Taking the Pulse Europe, Segmentation: Cardiologists, <http://bit.ly/1r5jaOZ>. (Accessed: Sep 2014)

Of course there are those that don't have access to the internet but healthcare professionals are rarely among them. The old argument that professionals are not interested in engaging digitally is no longer valid. 78% of cardiologists across the EU5 (France, Germany, Italy, Spain and UK) use smartphones professionally⁴. Doctors are no different from accountants and restaurant managers; they are busy people, who want access to information as quickly as possible. In fact, the only difference is that, for HCPs, their cause is perhaps even more vital than in most of the other professions.

For both patients and professionals, wherever they are in the world, digital communications are inherent in their everyday lives. Digital is, so to speak, a global language of engagement. Its adoption has been so rapid and widespread because it makes the lives of those that speak it better and easier. It allows pharmaceutical companies to connect with stakeholders that would have previously been unreachable, and more generally, engage in more open and useful communications. As such, it seems obvious that digital should be the central driving force of any global healthcare campaign.

5 "Social, Digital & Mobile in Europe in 2014" by Simon Kemp, <http://bit.ly/1eXK85j>. (Accessed: Sep 2014)

64%

of the Norwegian population uses social media⁵

1 in 3

physicians in the U.S. are a member of professional network Doximity.com, making it the largest organisation of physicians in America⁶

6 <https://www.doximity.com/press>. (Accessed: Sep 2014)

7 <http://www.facebook.com> (Accessed: Sep 2014)

8 Statistic derived from Manhattan Research: Taking the Pulse Europe, Segmentation: Oncologists, <http://bit.ly/1r5jaOZ>. (Accessed: Sep 2014)



The Facebook 'Like' icon is recognised in over 200 countries.⁷ What pharma brands are so universally recognised?

12hr

a week spent online by oncologists for professional purposes in the EU5 (France, Germany, Italy, Spain, & UK)⁸

9 Statistic derived from Sysomos analytics tool (Accessed: Aug 2014)

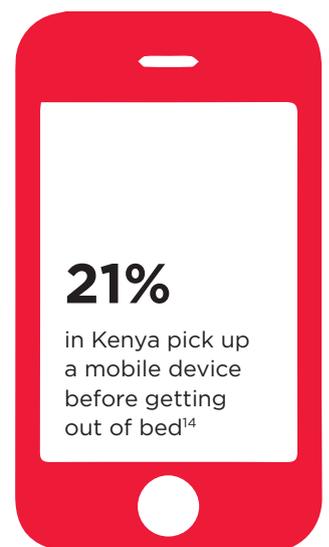
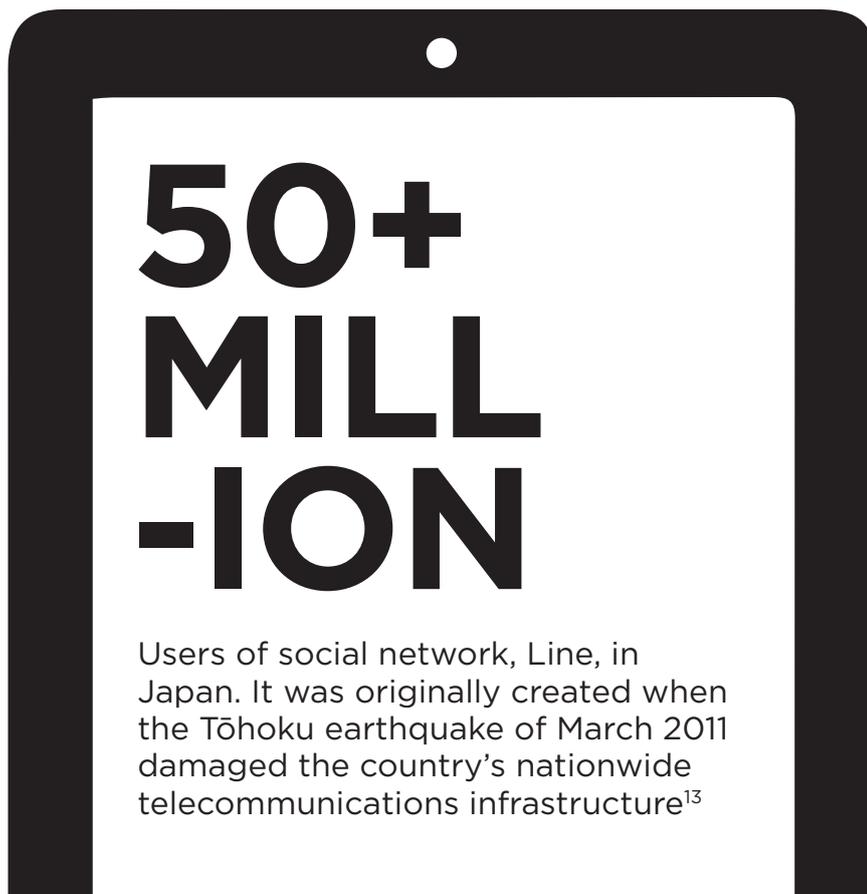
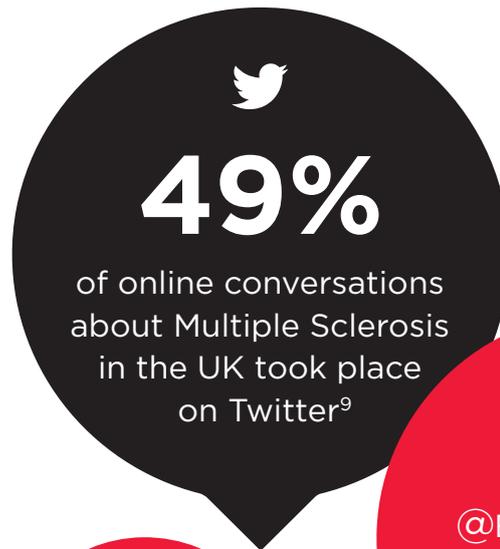
10 Accurate as of September 2014, <http://bit.ly/twCmHJ1> (Accessed: Sep 2014)

11 "Digital Healthcare in Latin America" by Michael Oleaga, <http://bit.ly/lvafaD7> (Accessed: Sep 2014)

12 "How markets grow up" by Joe Webb, <http://bit.ly/lvsLemZ> (Accessed: Sep 2014), p.4

13 "Chat app Line passes 400 million users..." by Kaylene Hong, <http://tnw.co/liY3EqS> (Accessed: Sep 2014)

14 "How markets grow up", p.5



REMAPPING
THE MARKET

—
Does pharma's global
model need a shake up?

BEYOND THE

05

" We cannot solve our problems with the same thinking we used when we created them. "

Albert Einstein

THE BORDERS

BEYOND THE BORDERS

There's something of a contradiction in the way pharmaceutical campaigns are conducted currently. Increasingly, messaging strategies focus on the individual. Equipped with closed loop marketing methods, pharmaceutical companies have looked to offer patients and professionals personalised stories, tailored to their circumstances.

However, these strategies are always used in conjunction with a universal brand, created regionally, if not globally, and delivered as a one-size-fits-all framework to local markets. Can such seemingly opposing methods operate in tandem successfully, or is it time for pharma to reconsider how it structures its communications?

| | BENEFITS | CHALLENGES |
|------------------|--|---|
| GLOBAL | <ul style="list-style-type: none">• Centralised budget, resulting in greater investment in a single creative• Wealth of insight & experience• Worldwide consistency of brand | <ul style="list-style-type: none">• Meeting needs of all markets• Internal buy-in• Approval: too many stakeholders slow the process |
| FLEXIBLE / LOCAL | <ul style="list-style-type: none">• Greater sense of ownership at market level; improved buy-in• Streamlined development (fewer stakeholders)• Understanding of local market | <ul style="list-style-type: none">• Significantly smaller investment in creative• Absence of experience of global team (especially important to emerging markets)• Inconsistent presence across markets |

¹⁵ <http://bbc.in/1pkVJK1>
(Accessed: Oct 2014)

For years, campaign boundary lines have been drawn according to vast regions (e.g. US, EMEA, Asia-Pacific) and have been diligently stuck to, perhaps unwisely so. In an era in which 45% of Scottish people do not feel adequately represented even within the British Isles¹⁵, do such sweeping geographical groupings really offer any indication of market similarities? Add to this digital's ability to transform single countries beyond perceived regional expectations, and directing campaigns according to territory begins to seem even more arbitrary.

With this in mind, perhaps pharma needs to adopt a more flexible, agile approach that allows for greater input locally. It'd be more fitting with CLM techniques, ensure campaign relevance, and ease local market buy-in. Equally, it may create as many challenges as it tackles; in which case, giving the issue a sideways glance offers an alternative perspective. It could be said that the concept of defining markets by

region is redundant regardless of scale. If modern technology has undermined the lines of latitude and longitude that formerly defined our cultures and habits, then it might be time for pharma to find a new way to map out markets. Maybe the criteria such as technological uptake or cultural characteristics, would offer a more useful mode of classification.

Should HCP preferences be the primary means of division? Perhaps different therapy areas would benefit from different distinctions. Furthermore, why should companies use the same market distinctions as each other, rather than define markets in ways that best suit their particular business? Could a smarter choice of market distinctions offer a genuine competitive advantage? There may be considerable cost and regulatory practicalities to consider, but these should not blindside us from questioning our current mode of practice or inhibit attempts to pioneer new approaches.



WHO



**ARE YOU
WORKING
WITH?**

The pervasiveness of information technologies may have established a global digital standard, but their presence does not eradicate the nuances of behaviour specific to each market. There is a range of factors, beyond mere geography, that influence the characteristics of a market and those that work within it.

TECHNOLOGICAL UPTAKE

Cautious

Hesitancy to adopt new technologies can often be attributed to a wariness of the perceived cost vs. effectiveness in the face of limited budget and resource. Time must be taken to explain the case for digital, using examples from more digitally savvy markets. Rushing will not help; it's important that such markets not only buy-in to adopting digital, but that they understand the why and how digital tools and tactics are used.

Mid-level

Willing but lacking confidence, some markets would benefit from the guidance of leadership teams with good experience. They might be making use of some digital channels but perhaps aren't using these to full effect. For example, they may be eDetailing but aren't utilising tracking technologies to learn about their customers. Direction delivered with clarity and conviction from the central team can benefit them hugely.

Early-adopter

Early adopters are open-minded and keen to embrace anything digital. Such markets are a good arena for more experimental innovation, as long as a Google-esque ethos is adopted; failure is fine, as long as lessons are quickly learned. It's vital to ensure that new digital tactics are used strategically in a manner that compliments other channels.

HEALTHCARE MARKETING

Traditional

Traditional markets believe in doing the same things they've always done well, frequently relying on a representative field force as their only form of engagement. Often, they express anxiety and hostility in the face of trying something different. It might be a challenge to migrate towards digital but some elements can be introduced more easily. Feedback loops are valuable and can be simply executed. Customer reporting via call sheets (whether completed digitally or printed) and content evaluation sessions are just two ways that a closed loop approach can be integrated into a traditional system.

Mixed

Some markets progress elements of their campaigns without understanding or advancing the strategy driving these tactics. For example, some invest in interactive eDetails but still use 'shouty', unsophisticated messaging. Others have uncoordinated multi-channel campaigns with no integration between touch points or consistency of brand. To counter this, time must be taken to educate stakeholders on the purpose of the brand strategy and to engage them with the brand vision.

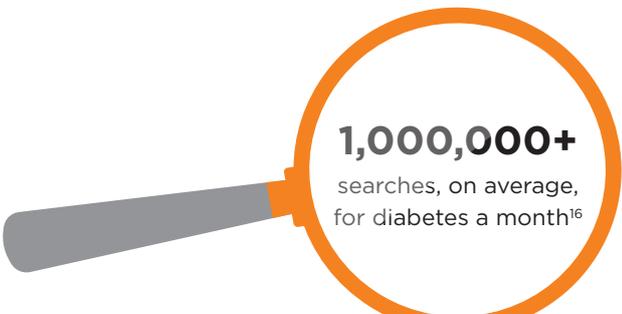
Sophisticated

Fully integrated strategies engage patients and professionals across a range of channels to deliver a seamless healthcare experience. Sophisticated market teams utilise CLM methods to evolve campaigns to meet the changing needs of the market. They should be encouraged to set a benchmark and enrolled in the mentoring of less advanced markets.

¹⁶ Source: Google AdWords (Accessed: Sep 2014)

¹⁷ <http://bit.ly/1lVm5bw> (Accessed: Sep 2014)

¹⁸ <http://bit.ly/1lVm5bw> (Accessed: Sep 2014)



1,000,000+
searches, on average,
for diabetes a month¹⁶

CONT.

CULTURAL CHARACTERISTICS

Reserved

Some markets are shy about expressing their opinion. Sometimes a strong sense of hierarchy derived from cultural sensibilities discourages team members from expressing their views for fear of being incorrect. If not carefully managed, this can lead to a slow design-by-committee process, characterised by email chains with all imaginable stakeholders copied in. Assigning key decision-making responsibilities and encouraging open debate of opinions is key with such markets.

Eager and open-minded

Up and coming market teams are often eager to impress & keen to take insight where offered. Whilst they might be naïve in their experience, with the correct guidance, best practice models can be quickly adopted and tech champions can flourish.

Thoughtful

Some are highly considered in their decision-making and will not be rushed to feedback until they feel totally comfortable. It's an admirable approach, but one that should not be respected to the point of obstructing a project's progression.

Strident

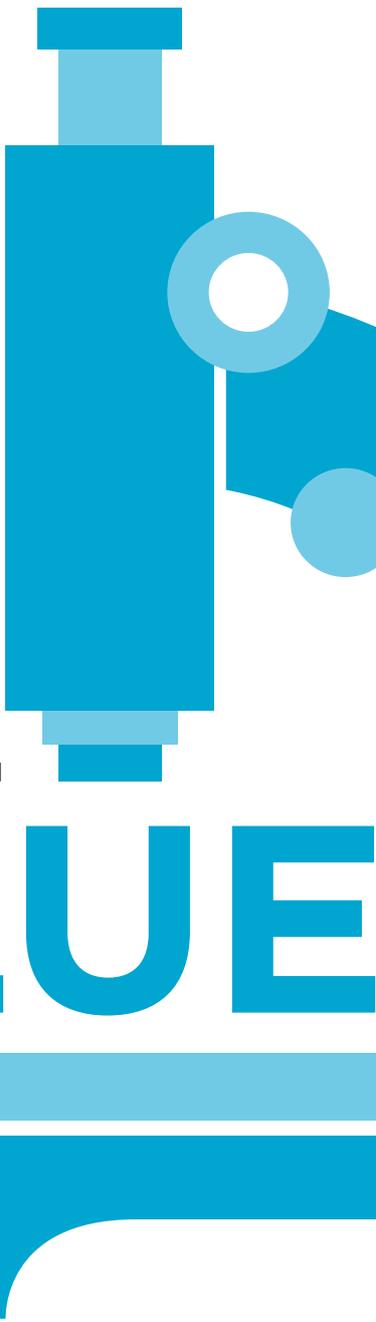
Confident market teams are an asset but still require management to ensure that their talents are utilised and they feel valued. Their success and ambition can be harnessed through opportunities to shape their own initiatives, contribute to global strategy, and guide the success of other markets through sharing best practice.

40+%

of patients say that information found via social media affects the way they deal with their health¹⁷.

60%

of doctors believe social media increases the quality of the care they provide¹⁸.



UNIVERSAL VALUE

*" No matter how many sales reps a company fields or how many samples it hands out, if a new treatment doesn't offer more value than competing therapies, healthcare payers simply won't buy it. "*¹⁹

PwC, Pharma2020 report

In markets worldwide, greater focus than ever is being placed on patient outcomes. It aligns all stakeholders, regardless of region; payers, professionals and patients. The financial strain on healthcare providers around the globe means that the 'value' treatments deliver is under ever-increasing scrutiny.

EARN TRUST WITH PROOF

According to a 2012 poll carried out by PwC, 80% of US health insurers require evidence of cost savings or clear clinical benefit to include new products on their formularies²⁰.

The same survey showed that nearly 50% of insurers expect to have outcomes-based contracts with pharma companies by the end of 2015. In Germany, the AMNOG health bill passed four years ago decrees that new therapies must be independently assessed against a comparator within twelve months of release, and priced according to the improvement they offer²¹.

These are two of many instances within a global market demanding treatments that offer clinical and economical benefits, evidenced by cast-iron, real-world data. 'Good pharma'²² is no longer a dreamy ideal or a public image nicety. It's a business model that pharma companies will have to abide by if they want to survive, and one that permeates all aspects of the business. Operating amidst this climate, the job of the marketer changes entirely. Crafted messaging and market presence mean nothing if a sales force representative falls silent when asked "can you prove it?"

¹⁹ "Pharma 2020: From vision to decision" by Dr Steve Arlington et al for PwC, <http://pwc.to/1slQfak> (Accessed: Sep 2014), p.11

²⁰ "Pharma 2020: From vision to decision", p.9

²¹ "Pharma 2020: From vision to decision", p.9

²² Available for free from the HAVAS LYNX library: www.havaslynx.com/work/library

A UNIVERSAL GOAL ACHIEVED THROUGH UNIVERSAL SERVICES

Whether digitally based or not, pharmaceutical marketing can no longer revolve around a traditional content-driven, push-marketing approach. Instead of contributing to the sale of a product, communication campaigns must contribute to a product's treatment success (which will in turn contribute to sales, thus fulfilling the role of marketing). This means providing services and tools that enable patients and doctors to overcome difficulties and so bring about better outcomes. The best way for pharma to deliver this kind of value to those it needs to reach is to exist within the digital ecosystem. The audience here is large, and those within it share the same expectations in terms of experience (as defined by the most popular platforms). What is more, as digital's global domination continues, this audience will get larger and (technologically) savvier, and so the benefits to pharma will become greater and greater.

Taking this into account, pharma needs to shift its thinking towards solutions with universal applications in order to catalyse significant innovation. If healthcare stakeholders are united by universal aims, then global marketers should be looking to create universal services that achieve these aims. Similarly, if these same stakeholders are united by universal digital expectations, then these services should be delivered via universal platforms. Though there may be market-specific nuances, if the strategic purpose is the same then it should be possible to easily tweak services from market to market.

" There are two global consistencies that pharma must plug into to enable future success; the universal drive for better patient outcomes in healthcare, and the universal expectation of experience in digital. "

David Hunt, CEO of HAVAS LYNX Europe





UNIVERSAL VALUE

DELIVERED VIA



UNIVERSAL SERVICES

AVAILABLE ON



UNIVERSAL PLATFORMS

COMMUNICATED THROUGH



TAILORED MESSAGING

CASE STUDY



A need for pharma's expertise?

Healthcare providers' desire for curated digital services is no more apparent than in their attempts to arrange certification of healthcare-specific apps. Both the NHS and the Greater New York Hospital Association (GNYHA) have attempted to use certification processes to assemble toolboxes of apps that would be useful to professionals. Perhaps due to the sheer number of apps and variety of suppliers, both have struggled.

Happtique (from GNYHA) suspended its app certification programme at the end of 2013, having certified only 16 apps from 10 different developers in 18 months²³. NHS Health Apps Library launched in 2013. Although still in operation, it had only around 100 apps on offer after its first year, a drop in the ocean when you consider there are approaching 50,000 apps in the health/fitness and medical sections of the iOS App Store.

Even if greater volumes are achieved, certification may not be the answer. Which would serve healthcare professionals better:

- an incohesive collection of 'approved' but independently created apps from a range of developers of varying experience

or

- a considered toolbox of apps, intended to complement each other, developed by a trusted supplier?
-

²³ "Happtique's recent setback..." by Satish Misra, <http://bit.ly/KyDM4r> (Accessed: Sep 2014)



Shifting the focus (at a global level) away from creative and messaging to more strategic services could lead to a change in the dynamic between global, regional and local teams that might better utilise both parties' skillsets.

Global brand teams would concentrate on defining the global brand strategically: establishing a scientific platform from the clinical data; developing the services and tools that will deliver value; outlining the core brand identity. They would relinquish control of creative to secondary tier brand teams (a reconsidered version of the current 'regional team'), who shape the brand image according to culture and context. Local teams, who know the specific agendas of their markets, would be responsible for creating localised messaging and content. Thus, global teams deliver a strategic framework, which is then rendered by a cultural team, before local brand teams insert messages tailored to resonate with their market.



Given how much money is lost in the friction caused by adapting global creative to fit local campaigns, an approach such as this may offer greater efficiency over the current standard. Additionally, because strategic toolkits would initially be conceived without branding, it would be easier to share and reuse elements between different brand teams.



SUMMARY

*" Toto, I've a feeling we're
not in Kansas any more "*

Dorothy, *The Wizard of Oz*

Digital has transformed the world and the pharmaceutical market place.

As global citizens, it has brought us closer together at a startling rate, in ways politics and religion never could. It has facilitated riots, uprisings and changes in government. In our modern world, trends, ideas and behaviours spread globally at the click of a button.

For pharma, the pervasive nature of digital technologies has invited a greater number of competitors into our sector. To reach those we need to engage, we must now hold our own with the biggest brands on the planet. We have to play by the rules of Facebook, Apple and Amazon, and thrive doing so.

As such, we will have to change how we work. New approaches to global communications that leverage digital expectations will enable us to meet the needs of a global market that is demanding that we deliver more for less.

This is not about technology or enterprise level solutions. It is about new ideas and constructs that offer patients better lives, at prices payers can afford, and still deliver return on investment.



52 Princess Street
Manchester UK
M1 6JX
T +44/0 161 228 7756
F +44/0 161 236 3266
europe@havaslynx.com

200 Madison Avenue
New York USA
NY 10016
T +1 212 532 1000
F +1 212 251 2766
ny@havaslynx.com

Berkshire House
168–173 High Holborn
London UK
WC1V 7AA
T +44/0 161 228 7756
F +44/0 161 236 3266
london@havaslynx.com

