

(Pharma) marketing of the future

Pharmamarketing and customers

Increase in health literacy

The increase in health literacy is associated with the expansion of the possibility of gaining access to medical information (mostly over the Internet), with the understanding of “health management” as a form of investment and the change in legislation in health systems worldwide (growth of co-participation). The impact of rising *health literacy* means that doctors in many fields of medicine cannot keep pace with the information of their patients and they have an even greater problem *communicating* with well-informed patients. Healthcare workers worldwide are “going back to school” today or to e-learning and gaining skills in the field of *healthcare communication*. It appears that the pharmaceutical industry may be and is a valid link in the development of these skills, be it with regard to problems of communicating individual diseases (disease management), grant schemes or co-organisation and marketing support in the form of communication campaigns and the piloting of some projects (MSD, Apotex, Pfizer and others). What arises from our current survey (HMCgroup, 2007, data on file) is that according to the data of specialists, the percentage of patients well-informed in some fields is already at the level of 25 %. The latest projects to appear in the world are that in child health and the development of *child health literacy*, already from the child’s age of 2 using interactive web applications and games. These formats are aimed at the development of the key areas of child health where a lower level is assumed of the health literacy of the parents.

Increase in the purchasing literacy of doctors and pharmacists, toxic marketing and the marketing resistance syndrome

The marketing and sales model of most pharmaceutical companies has become a commodity for the purchasing literate client network of health workers, often without good added value (fluktuující repové (fluctuating repos, annoying pressure on prescriptions, commodity “service”, product information toxicity and information smog). *The marketing resistance syndrome* has developed in a number of health workers, known from other fields (FMCG), and in most surveys respondents do not even think that a model of cooperation with a pharmaceutical company would bring them something more than the already mentioned, unless we are thinking of what is not written down and what, moreover and fortunately, applies only to a certain segment of the healthcare market (the corruption “cafeteria”).

Clean or hybrid models of *Key Account Management* are appearing globally as a reaction to the marketing resistance syndrome, also fed in the Czech Republic with current generic substitution, of course it will take many years before they acquire the true substance of *consultative selling* and gain valuable and literate contents as is the case in some other fields (e.g. legal and financial services, private banking).

Value and behavioural marketing

A mature and hypercompetitive environment (everybody offers the same thing) causes a typical purchasing reaction and behaviour of customer segments. Most businesses cannot cope with hypercompetition and only grow at the speed of growth of the entire market (see IMS data), because they cannot fully and correctly understand and interpret this behaviour. Customer behaviour, which is taught as a separate subject at many business schools in the world, (in the Czech Republic only the CMC Graduate School of Business in Čelákovice), is becoming a field for new types of research and interpretation of human behaviour, above all in the hypercompetitive environment.

It appears that the *value and lifestyle typology (lifestyle typos)*, unlike the traditional marketing segmentation, defines the framework of new types of high value added projects. These first are important for understanding the contents of marketing activities with regard to doctors and pharmacists (e.g. why there is not so much generic substitution as we originally expected), the other aimed at the general population for DTC (direct-to-consumer) marketing. Czech health insurance companies will soon be engaged in the purchasing behaviour throughout the healthcare chain and client values when constructing *healthcare plans*, as will pharmacists when applying *pharmaceutical care* and doctors and medical establishments in the system of *managed care*. These pharmaceutical and distribution companies, which correctly understand the spectrum and development of modern purchasing motivation in a changing and reforming healthcare system, will significantly introduce to the market other marketing products and projects for key customer segments rather than their competitors (projects of inter-field alliances and networks, projects supporting integration of pharmaceutical and managed care, community projects in the field of prevention,...).

Pharmamarketing and methodologies

End of the Kotler P-mix, marketing strategies and plans

The era of Kotler's P-mix-based product marketing ended for most markets including the pharmaceutical in the 1990s. Product-based marketing projects became insufficient, with the exception of those that correctly described and resolved so-called *unmet needs* in medicine. Stagnating market shares or only hysterically pushed up sales are the best example of the *crisis in product marketing and management worldwide*. If you have the feeling that product managers today have their hands tied and the output of their activities repeatedly do not find a more significant response on the market, you are right that the market does not see this and hear it. If we want to make greater headway on the market or its segment today, the form of marketing activities is and will be driven more and more by an understanding of the structure of customer preferences, purchasing model (*C-marketing mix, Lauterborn, R., 1995*) and values (*in the Czech Republic and CEE value marketing C-mix, Exner, L., 2004*).

We will devote attention to the C-mix based forms and applications in one of the next articles of Pharm Business Magazine, because it deserves a separate interpretation.

The creation of marketing strategies experienced similar significant changes to those of the mix. Major work businesses have finally abandoned the SWOT analysis and it is clear that the marketing strategy of the future will evidently be of a system nature, will be based on a *system analysis and evidence-based trend analysis*. For example, in this sense the recently published Blue Ocean Strategy methodology (*Blue Ocean Strategy, Chan, K., 2005*) in our opinion is equally impotent just as its SWOT-based analysis. Some currently relatively bizarre methodologies working with customer perception will come to the fore in future such as *neuromarketing* and its application (interpretation of customer behaviour based on the knowledge of neurosciences and neuro-depictive methods), which are used today on FMCG markets.

Pharmamarketing and management

Pharmaceutical CRM is changing to CVM (Customer Value Management)

Many people are holding discussions about the meaningfulness of CRM. The initial euphoria of the robust systems of the 1990s quickly dispersed worldwide, above all in the USA by about 2000, and was replaced by the frustration from the enormous procurement, operating and managerial expenses, scepticism from low validity of output and poor added value output. At the same time, the *knowledge gained from many other fields of more than 20 years draw attention to the fact that CRM is a marketing process, not a software system*. Although we probably all know this, yet in practice we ignore it.

The future of CRM evidently does not lie in combination with a reporting system and matrix and frequency targeting (ABC type), although everything would run on “touch-free supermobile” technologies. The magic of CRM will dwell in the understanding and assessment of *customer value management*, in creating ZIP strategies and customer alliances and networks with a long life cycle. All this above all in relation to added value for end customers (patients and clients) because the healthcare system is here for them and not vice-versa.

If commercial teams will also be able to create a meaningful interpretation of their own and customer activity, new CRM generation products and projects will emerge. These will combine not only reports of dealers, but also *extranet-based customers* (e.g. *P4P registers of managed care projects*), *an integrated system of consumer surveys* and an interpretation of *Business Intelligence* systems on various technological foundations. Although this may seemingly appear over-combined and complicated, the opposite is true. The best CRM is what your employees contribute the least to in the first line.

Commercial engineering

Sales are part of marketing, not marketing the support of sales. This relationship resembles the historical relationship and discussion between surgery and the “rest” of medicine on the subject of “who is more” and “who belongs where”. Of course, in both cases the fight is long since over. Although creators from advertising agencies and experts from “the media” will continue to present their guaranteed recommendations, it was repeatedly shown that intuitive decision-making and management has statistically worse results than a rational system procedure.

The future of marketing management lies on the principles of procedural management, quality management and above all *procedural integration and orchestration of the activity between individual marketing areas* (within and outside a company) – based on *commercial engineering*. This phenomenon has also affected other fields and this will include marketing if it wants to be a real field. Among other things, this is how the system of procedural corporate memory is built, which you will appreciate above all with the departure of key marketers from the company or when inducting juniors. We will deal with the further benefits as well as the principles of procedural marketing management sometime in future.

In the next part of the series on the future of marketing, we will devote attention to new trends in Brand Asset Management.

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