

CHAPTER

1

Reimagine Everything

Reimagine every element of the Pharmaceutical Marketing Mix

Plug into the anti-obvious power of the rebel,
or get those opposing minds to
Plug into your purpose, to solve your problem,
to reimagine your process.

— *Max McKeown*

Why Reimagine?

Just when the caterpillar thought, the world was over, it became a butterfly!

—Proverb

What is Reimagining?

Reimagining, in simple terms, means to imagine or conceive something in a new way. However, there is more than mere semantics to the word *Reimagine*. Reimagining is an organizational vision that challenges its members to push the limits of innovation and look beyond traditional industry norms.

Why Reimagine?

Before answering the question, Why reimagine, let us understand what we exactly mean by ‘reimagining.’ Reimagining means to think again or anew, especially to change or improve. Why Reimagine? The emergence of an era of consumerism and digital and data disruption are placing new demands on business, and operational models make reimaging the new strategic imperative. Additionally, two major reasons necessitate reimaging. One is digital disruption. The other is the COVID-19 Pandemic.

Digital Disruption

Digital disruption affects every industry, and the pharmaceutical industry is no exception. Consequently, it is creating a host of problems for companies. Here are some of the major problems. Digital disruption is:

- breaking down long-standing business models
- changing customer expectations rapidly
- blunting the competitive edge of leading firms

What is the best way to solve these problems? The only way to solve these problems is by embarking on a digital transformation. Companies should transform and reinvent themselves as digitally

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powered, next-generation enterprises to remain competitive. However, digital transformation is not just about technology, nor should it be led by it. Instead, the transformation process should begin with the customer. Because digital disruption often manifests itself as a disruption of the customer experience. Digital disruptions offer superior customer value propositions across the dimensions of cost, control, convenience, customization, and community. Consider, for example, how Uber has transformed the experience of hailing a taxi or how Tesla has changed the experience of owning and driving a car.

That is why the most affected functions in organizations by digital disruptions are customer-facing functions such as sales and marketing. Digital disruption reaches a company through its marketing function because it impacts the customer experience more directly and immediately than manufacturing, finance, or human resources. Marketing, therefore, is ideally positioned to combat digital disruption and become the firm's competitive edge by leading its digital transformation program.

Marketing, therefore, must reimagine and transform itself to harness the power of new and emerging technologies. The outcome of such a transformation is a new concept of marketing that looks very different in terms of strategy, processes, people, and systems. Data drives the reimagined marketing while automation powers it and analytics optimize it.

Many people mistakenly think that reimagining marketing means becoming more digital or adopting digital marketing. However, digital is just a channel providing new mechanisms for engaging customers. Rather, reimagining marketing is about transforming operations and skillsets across the entire marketing organization.

Reimagining marketing involves reimagining every element of the marketing mix. It involves all aspects such as how work gets done, how technology is used, how to engage with customers, and how to organize people and processes.

Disruption in a business environment is inevitable. When disruption is inevitable, there is only one option. To be the disruptor because if

you don't disrupt your business, someone else will disrupt. The message is loud and clear! Disrupt, or be disrupted!

The COVID-19 Pandemic

That the novel coronavirus (COVID-19) pandemic has changed the world would be an understatement. In less than a year since the virus emerged, it's upended day-to-day lives across the globe. It has changed how we work, learn and interact and interact. Its social distancing guidelines have led to a more virtual existence, both personally and professionally. How and when did it originate?

While the exact origin of the COVID-19 is not clear yet (at the time of writing), WHO (World Health Organization) was informed on December 31, 2019, that a few cases of pneumonia of unknown origin in Wuhan City, China. A week later, on January 7, 2020, the Chinese authorities identified a novel coronavirus as the cause and temporarily named it '2019-nCoV.' Very soon, the virus spread worldwide in an unprecedented manner, causing the worst-ever damage globally, resulting in huge loss in terms of human lives and economy. The number of human lives lost globally due to the pandemic was over 167.4 million between January 7, 2021, and May 23, 2021. The world economy too suffered heavily, resulting in a 4.5 percent drop in 2020, which in monetary terms is a huge loss of 3.94 trillion US dollars in one year.

Impact on Pharma Industry

The rapid onset of the COVID-19 pandemic at its peak brought in-person engagement to a grinding halt. The 'in-person' engagement has been the standard that health and life sciences companies use to interact with their physician customers and other healthcare provider customers. Even after its slowing down, in-person engagement levels have come down significantly. COVID-19 forced pharma companies to explore alternative ways to engage their customers. Pharma companies, who have already started engaging their customers remotely through digital channels, have stepped it up. Those who have not started digital or remote engagement began adopting digital engagement. The standard practices are changing

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because of COVID-19 and will likely continue to change as this is a behavioral trigger point for the industry.

The New Normal

COVID-19 has transformed nearly every aspect of life as we know it. No other event has so pervasively affected our lives, from work to family to home. Virtually every aspect of our day-to-day activities has been profoundly altered. Everything has changed. Consider these, for example:

- Social distancing has become common.
- Telemedicine is being encouraged even though medical centers and physicians' offices are reopened.
- Most health authorities and governments recommend no gathering of >100 people, avoiding certain rotating geographic hotspots.
- Conferences, major sporting events, and concerts are not expected to return until fall 2021, and to their former levels ever any time soon.
- Some level of contact tracing is in place in most countries.
- Contactless transactions, including healthcare, will become the norm for payments and data transfers.

Can we ever go back to how we managed our business pre-COVID-19? Unlikely. The changes have set in for too long and significantly impacted us adapting quickly, and trying many new things to keep our businesses afloat during this global pandemic.

Managing in the Post-COVID-19 Times

Managing the post-COVID-19 times offers us unique challenges as well as opportunities. Consider the challenges first. The key questions to answer are:

- What changes to healthcare will affect our industry?
- How will consumer behavior evolve?
- What will the Pharma brand launches look like in the future?

- What shifts are likely in the sales-rep access to physicians in the future?
- How can pharmaceutical companies remain viable, profitable partners in the healthcare exchange?

Opportunities for Pharma

The COVID-19 pandemic has accelerated many pre-existing trends such as:

- an increase in the use of health tech and telemedicine
- a decrease in sales-rep access
- a focus on customer experience
- the momentum of digital transformation across pharma organizations, which have been lagging

The pandemic has sharpened the focus on these trends and brought urgency. Also, it revealed new opportunities to upend a stagnant status quo to make dramatic improvements in areas that, until now, had not received focus. In May 2020, The Intouch Group and DHC Group released a white-paper titled—*The Aftermath: COVID-19 Insights & Recommendations - How the Pandemic Will Forever Change Pharma Sales & Marketing* that highlights the following opportunities:

- Opportunities to support telemedicine and a broader ecosystem of connected health
- A shift toward a data-driven, customized concierge approach for medical reps
- Virtual medical events offering further reach
- Enhanced PSPs (Patient Support Programs) with the patient at the center
- More meaningful methods of decreasing the cost burden on patients
- A movement toward remote clinical trials and the digitization of product launches
- Enhanced access to, and interoperability of health data interoperability of health

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The pandemic has created two significant opportunities for pharmaceutical companies—one is at the convergence of health and technology, the other being to improve its declining reputation. Above all, the pandemic offers an unprecedented opportunity to positively affect the pharmaceutical industry's image, moving from the present perception of a greedy, profit-focused industry to a more authentic, life-saving, game-changing value the industry brings.

Rahm Emanuel, former Chicago mayor and former White House Chief of Staff under President Barack Obama, said some time ago: *Never allow a crisis to go waste. It is an opportunity to do the things you once thought were impossible.*

Organizations waiting for change can never be disrupters as they wait to be disrupted.



Reimagine the Pharmaceutical Market

The Pharmaceutical Market

Traditionally, pharmaceutical companies worked to develop mass-produced, mostly chemically developed drugs to treat various disease conditions, large afflicting patient populations, and promote these to physicians who then prescribe to patients. Although this blockbuster model is rapidly becoming outdated, many global pharmaceutical companies still cling to this model, which is bound to change soon. Consider these reasons for the impending change, for example:

1. *Rising costs*: Costs have been rising continuously for over two decades across the Pharma value chain—from R&D to manufacturing to marketing, making the discovery and development of new products very expensive. In addition, increasing generics competition, patent expirations, dwindling new product pipelines, the growing importance of biosimilars, and the ever-increasing cost-containment pressures from payers and the various governments have led to more price pressure on the pharmaceutical market.
2. *Changing consumer preferences*: Modern consumers (patients), having used seamless, integrated experiences across devices offered by other industries such as travel, entertainment, and retail, expect the same from pharmaceutical companies.
3. *A basic shift* from curative to preventative approach in treating disease

Changing Landscape

The healthcare landscape is changing rapidly. With the advancement of technologies and changing needs of patients, clinicians, and payers for care outside the hospital, breadth of treatment is increasingly available at ASCs (Ambulatory Surgery Centers) and patients' homes. Thus, examinations, therapies, and treatments are

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migrating outside the hospital and into new points of care. Factors driving this trend are:

- The rising cost of care pushes patients to find more accessible care options that meet their needs better.
- As hospitals acquire independent practices, the growing cost of care makes patients seek alternative care options.
- Sites of care are shifting.
- Providers' organizations are consolidating.
- Health data is exploding.
- Reimbursement rules are changing.
- Telehealth has reached high levels of adoption.

COVID-19 pandemic pushed some of these care delivery changes, and others are the result of the increasing influence and mandate of key stakeholders like empowered patients and their increasing influence on the ecosystem.

Shifting of Points of Care: Implications for Pharma Marketers

The digital revolution has impacted the environment in physicians' offices too. The average waiting time for patients in a physician's office is twenty minutes past their appointment time to see the doctor, according to *The Vitals Eighth Annual Wait Times Report 2017* in the US. As a result, physicians' offices have redecorated their waiting areas to engage the waiting patients. While the medical practices still have posters and wallboards, most POC (Point-of-Care) marketing now takes place digitally.

What are the implications for Pharma marketers of this shifting and expansion of points-of-care? First, the increased digital channels such as interactive exam room tablets, touchscreen wallboards, check-in tablets, and sponsored Wi-fi connections offer brands more ways to engage with patients, extending the reach and impact of the brand's digital assets. Thanks to the advanced technologies, patients can now access brand websites, method of administration videos, safety information, patient testimonials, and other materials

online from the waiting areas in the physician's office, including the exam room. In addition, some companies offer digital content on mobile devices to help educate and inform patients.

As Nancy Phelan, Outcome Health's senior vice president of commercial growth, has rightly observed, *Leveraging technology during the moment of Care to inform and empower patients in the minutes before, during, and after their consultation has a measurable impact on the patient/doctor discussion as well as treatment adoption.*

Impact of POC (Point-of-Care) Messaging

Pharma brand managers believe POC (Point-of-Care) messaging has significant advantages over the digital display as it targets specific patient groups. In addition, It provides a greater opportunity to impact patients when choosing a treatment or a prescription drug. As a result, there seems to be a change in the focus of POC channels from brand awareness to patient education and adherence or support program registration.

The Point of Care Communication Council noted a high patient-reported impact from POC messaging. According to a study on the effect of POC messages on patients, 68 percent of patients asked for a brand they had been exposed to in POC marketing, and 65 percent indicated that they were more likely to switch brands after seeing POC messages. Furthermore, the study showed an impact beyond the office too. Thirty-one percent of patients were more likely to fill the prescriptions after seeing healthcare advertising at the point of Care.

While Point-of-Care marketing is allowed in the US, most countries do not permit it. For example, In Spain, Italy, and the UK, only healthcare professionals (HCPs) or patient organizations can communicate about PSPs (Patient Support Programs) to patients. Therefore, pharmaceutical companies in these countries must not promote any PSP openly and to the general public. Moreover, the communication materials in the context of PSP must be factual, educational, and neutral and not contain any promotional overtures.

Change in Approach

So far, Pharma has been following its traditional one-to-one customer approach. However, its success in the changing healthcare ecosystem calls for a shift in customer approach for a more dynamic business-to-ecosystem (B2E) mindset, observes Pratap Khedkar in his article, *It's time for biopharma to elevate its role from 'supplier' to 'partner'* published on July 6, 2021, on ZS Associates blog, zs.com.

An ideal healthcare ecosystem is full of life and activity with many partnerships and collaborations to provide a better patient experience, improve health outcomes, and control costs. However, some key players, such as pharmaceutical companies, HCPs (Healthcare professionals), provider organizations, and health plans, largely carry out their functions in silos.

Pharmaceutical companies should dive deep into the huge data available and understand and acknowledge each stakeholder's goals and objectives to uncover new opportunities to align priorities and collaborate. Pharma should think beyond their current level of thinking and center their business operations on HCPs (Healthcare Professionals), and other stakeholders as the decision-making power of other stakeholders, such as patients and provider organizations, is increasing.

Future of Healthcare

The healthcare market is in for a transformation. While several factors drive it, two factors play a major role in mandating it. Firstly, customers, being almost pampered by other industries providing seamless experiences with their products and services, also expect similar experiences from pharmaceutical companies.

Secondly, the outside players, including big tech players and startups entering the field, make it more competitive. For the past few years, tech companies have invested in machine learning and artificial intelligence solutions in data & analytics, genomics, and administration to launch products and services addressing the unmet needs of patients with regular therapies and chronic diseases.

While pharmaceutical companies focusing on the curative part of the disease have often not paid adequate attention to this overlooked area, this is an area of great importance in the holistic picture of medical treatment. In contrast, innovators and disruptors like tech companies and startups enter the market by discovering and capturing the uncovered opportunities across the patient journey.

Therefore, healthcare companies, including pharmaceutical companies, must accelerate their digitalization of internal processes and upping their offering.

In addition, the changing regulatory environment is also driving the change toward the digitalization of the healthcare industry.

Evolving Healthcare Ecosystems

The Healthcare industries are moving toward new digital ecosystems and data-driven services to unlock new revenue streams by providing holistic solutions throughout the patient journey. These ecosystems help deliver superior patient care by connecting different players in mutually beneficial collaborations.

Why A New Ecosystem?

Although an old English phrase, *A Jack of all trades is a master of none but often better than a master of one*, is often used in a derogatory sense, it may be more apt to describe the current situation of our healthcare in general. While the highly specialized contribution of specialists and super specialists is quite significant in our healthcare, a gap exists in our traditionally siloed, treatment-specific approach to providing optimal patient care. It seems to result in fragmented, even uncoordinated Care perpetuating the exponential increase in the utilization and cost of Care. As a result, health equity remains a dream and, if not remedied, may remain so even in the future. So, the dilemma continues, and the key question remains: *How do we help patients address their health and wellness challenges before they face significant personal and financial problems?*

The answer to this question may lie in a new ecosystem that is collaborative and multi-disciplinary to meet the healthcare challenges

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of today and tomorrow because these challenges are becoming increasingly medically complex, socially diverse, and technologically sophisticated populations.

So far, pharmaceutical companies and other healthcare stakeholders' approaches have focused on healthy patient outcomes. However, they have not paid the required attention to behavioral health initiatives. Yet, these initiatives are increasingly gaining importance in addressing a patient's health and well-being. Pharmaceutical companies cannot afford to ignore these factors as they are related to health equity and social determinants of health (SDoH).

The following five cases illustrate how some big tech firms and healthcare players powered by technology are transforming the healthcare landscape as we know it. For example, whoever has thought of Amazon, the world's largest online store, would be a leading primary care provider in the US? And Walmart, the global retail giant's foray into healthcare? Also, could anyone visualize that an unstaffed *Ping AI Doctor One-Minute clinic* powered by artificial intelligence will help bridge the physician shortage and improve healthcare access?

