Editorial

'Wonderful theory: Wrong species'

This is my last editorial as Managing Editor of the *International Journal of Medical Marketing*. I am proud to have been responsible for the conception, development and launch of this unique and necessary publication and I am indebted to all those who enabled its success. I will remain involved, as Strategy Editor, when Len Lerer takes over the onerous task of managing the journal. I regret that my research and consultancy interests no longer allow me the time required to manage what I regard as 'my baby'. In this last editorial, however, I hope readers will allow a reflection on what I have learned during my editorship, research, consulting and other activity associated with medical marketing.

The title of this editorial comes from a quote from the renowned scientist E.O. Wilson. He was applying his expertise in behavioural genetics and evolutionary biology to the rather more contentious field of politics. The title of this editorial is his summary of Marxism, but it made a connection in my mind with medical marketing.

Let me explain what I mean by this. The origins of marketing theory lie in consumer markets. Despite recent developments in DTC, patient power and other trends, medical and consumer markets remain very different beasts. The nature of the decision making process, regulatory issues, reimbursement and politics and ethics, all mean that medical markets are a different phylum from consumer or other business to business markets. Few medical marketers really dispute this. What I find interesting is that, despite a consensus among us that 'medical markets are different', no fewer than three approaches to medical marketing can be observed in practice and only one (by far the minority practice) makes any sense.

The three approaches to medical marketing I have observed in my work (I started in the industry wearing flared trousers and a very wide tie!) can be summarised in each of three caricatured sentences:

- 'Marketing theory doesn't apply in my market'
- 'Marketing theory works everywhere'
- 'Marketing theory is a guide to thinking. It only works when adapted to the context of the market'.

I have no doubt that most people reading this editorial will count themselves as being in the third camp, but all of my research and experience points to that group being a tiny minority of medical marketers. *IJMM* readership is of course a self selecting group, not a representative sample.

The first group is simply wrong. There are huge amounts of evidence that the theory and practice of strategic marketing planning enables superior competitiveness across a wide spread of industries, including our own. Equally, however, we know that marketing is much more difficult than the alternative, selling what we have made. This difficulty is the reason the first group exists, although they retro-justify it by looking away from the research evidence. This group, although probably the majority in the industry, need not concern us, as they are a dying

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breed, both individually and corporately. The ecology of the market will ensure that their extinction will accelerate in proportion to the rate of globalisation and deregulation of the market.

I am much more concerned about the second, naïve group. This group exists largely because of the activities of the many business schools and consultancies. Although these bodies disguise their offerings, they mostly teach forms of consumer marketing to medical marketers, conveniently glossing over the adjustment needed to reflect market conditions. The resulting marketing strategies are often fundamentally flawed, as my own PhD research showed. What is worse, the flawed strategies now have a patina of respectability, packaged as they are in jargon and process. Three examples serve to illustrate this travesty of planning:

- *Segmentation*. In consumer markets, the depth and breadth of data available and the scale of the markets make it possible, often necessary, to segment on the basis of descriptors (age, gender, income etc). When transferred into medical markets, this becomes segmentation based on speciality, therapy area or base technology. This is fundamentally wrong. Such segments rarely, if ever, pass the tests of true segmentation and therefore create an essentially flawed basis for the subsequent strategy. In medical markets, with their complexity of proposition and the importance of life cycle stages, motivationally based segmentation of decision making units is vital. Sadly, it rarely emerges from the consumer based models of most business schools and consultancies.
- *Portfolio Management*. The process of allocating scarce resources across different areas of the business creates the localised superiority of resources that is the antecedent of competitive advantage. In consumer markets, products are more or less synonymous with market segments. Assessing the commercial attractiveness or competitive strength of a product (the mechanics of portfolio management) therefore makes perfect sense. This is not so in medical markets. The complexity of the technology and associated development times usually means that one core product must extend across several motivationally based segments. This makes a mockery of product based portfolio management. Instead, it is necessary to allocate resources between market segments, not products. Again, this important adaptation of consumer processes to medical markets rarely results from the blind application of textbook planning.
- *Positioning*. The method by which an organisation tailors its proposition to the needs of a market segment is the final step in the process of strategic marketing. It involves adaptation of all parts of the marketing mix. In consumer markets, however, certain parts of the mix dominate. Advertising is supreme and is often the basis of positioning. Channels are important and pricing can be varied subtly. By comparison, advertising plays a minor role in positioning in medical markets. Sales teams are much more important, but the adaptation of product, service and support to segment needs are most often the core differentiators. This different mix balance in consumer and medical markets is very important. Unless it is considered, undue emphasis is given to advertising and not enough to adapting the real (rather than perceived) benefits of the proposition. As with segmentation and portfolio management, such sophistication is rarely produced by strategy making processes that are not adapted to the medical market.

The ignorance of the first group and the naïvety of the second, represent perhaps the large majority of medical marketers. I feel sad writing those harsh words, but justified on the basis of research and experience. I also feel heartened, however, by evidence of that 'happy few' who form the third group.

This third group eschews the head-in-the-sand position of the first group and the

head-in-the-clouds posture of the second. They accept the fundamental tenets of strategic marketing and recognise the limitations of consumer teaching. They understand that what is necessary is to do the hard work of marketing planning, and then make it harder by understanding and allowing for the peculiarities of their own market. Viscerally, this group understands that they are trying to create sustainable competitive advantage and that difficulty of the process is a validation of the outcome, not a reason to follow an easier path.

This group, the reflective practitioners, is the target audience for this journal. It is also the audience for which I research and consult. It is a small, but important group that I am anxious to nurture and develop. I will continue to do this by publishing in this journal. If, as a result of reading this, you wish to be more closely informed of my work, then I would be delighted to hear from you at PragMedic@aol.com.

Finally, may I end with my thanks to all those that have made the *International Journal of Medical Marketing* a success. My special thanks go the contributing authors, my editorial board and the staff of Henry Stewart Publications. I wish Len much success and fun in this role.

BRIAN SMITH
Managing Editor

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