
Editorial

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The global pharmaceutical market is registering its smallest growth increase over the past ten years and according to IMS this 5–6 per cent year-on-year improvement is increasingly being driven by innovative, expensive medications in therapeutic areas such as oncology, and a growing contribution from the ‘emerging markets’. This news came out at a time when we are still digesting news on a wave of mergers and acquisitions in the European pharmaceutical sector further reinforcing a global consolidation trend. Getting to the heart of these certainly connected facts requires some reflection on the future of the fully integrated pharmaceutical company, the so-called FIPCO.

The rationale for pharmaceutical mergers lies in the efficiencies and benefits that they purportedly generate across the value chain. The opportunity to rationalise sales and marketing organisations and reduce general expenses invariably seems attractive and this transformation, often undertaken with the support of the large consulting companies offers the opportunity for a strategic reorientation and creating a motivated, efficient global sales and marketing team. At the other end of the value chain, mergers bring with them the promise of attaining the ‘holy grail’ of R&D critical mass. Management will talk of industrial-scale discovery, ‘more shots on goal’ and greater efficiencies and synergies in product development. Overall, the discourse of scale or size as a means of succeeding in challenging markets, especially in Europe, is attractive and convincing. While discourse and reality do indeed diverge, there is certainly a good

case for industry consolidation, a trend that we have seen in energy, consumer goods and transportation.

Consolidation does not, however, promise to be a panacea to an industry faced with market access, reimbursement and image challenges. At the end of the day, consolidation is just a first step in the process of rightsizing pharmaceutical giants for today’s (and the future) markets. We may well see the recrudescence of approaches and ideas that were believed unfeasible some years ago. Is it possible, that some companies will be reborn as development only, lean, mean marketing machines? Perhaps the next wave of biotechnology companies will mostly be spinouts from pharmaceutical companies. Are we going to see stand-alone sales and marketing structures for the newer markets in Asia the less-developed world?

Against this backdrop, we still see many manifestations of pharmaceutical sales and marketing ‘business as usual’. The near future will not be about quantum leaps forward in sales and marketing structures, but more about evolving excellence in a world of networked healthcare. *Journal of Medical Marketing* is currently publishing a series on the challenge and opportunities of networked healthcare and will be hosting (in collaboration with INSEAD and Executive Insight) a meeting on New Paradigms in Pharmaceutical Marketing in March 2007 (details can be found in this issue). The aim of these publications and activities is to drive forward discussion and shared thinking on the new role of sales and marketing in a rapidly evolving health sector context.

Life sciences marketing is far from moribund, but we need to be cognizant that its future will involve a range of new players and partners, especially the health consumer or patient. New technological opportunities and the blurring of the lines between health products, health services and health systems (including payers,

insurers and decision makers) make for exciting times for the sales and marketing team.

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