

Editorials

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On 9th March, 2007, the INSEAD Healthcare Management Initiative (HMI), in collaboration with *The Journal of Medical Marketing*, Executive Insight and Johnson & Johnson, hosted a meeting of pharmaceutical, biotechnology, medical device and marketing managers. This popular event, featured in depth here, provided a timely opportunity in a period of flux and change, to reflect on the current state of health marketing and to examine how to re-build and re-tune the life sciences marketing machine.

While many in the industry talk of new paradigms in R&D or marketing, there are no easy answers. Change itself immediately raises difficult questions. Are claims of the decline of resources and people-intensive health products and services marketing true? What are the implications of serial cutbacks in sales force size for marketing strategy and for the structures of pharmaceutical companies?

Interestingly enough for an editor, the event offered a double-edged opportunity after four years in the job to measure retrospectively one's ability to predict what was going to happen in the market. After all, the written evidence was right there on the screen in front of me. Though tempting to ignore such evidence for the sake of one's own pride, the opportunity to take a closer look at what we had to say is clearly one not to be missed. This was clinched with the realisation that the process of looking back on how our views and strategies have developed over time might be instructive in terms of how to look forward; it could suggest an emerging pattern.

What then did we have to say for ourselves? How did we see the future unravelling? Were we right or were we

wrong? Were we hedging our bets? In my first editorial I took the safe option — I declared that there were no easy answers. Back in 2003–2004 there was a sense of uncertainty on my part:

'We cannot predict the speed of transition in the life sciences market. Just because nothing much has changed today, does not mean that we will not see a quantum shift in the balance of prescribing and reimbursement power tomorrow' and 'Consumers or patients will emerge as a powerful force in all industrialized countries and we will be forced to forge new alliances with a range of new players in the health arena'.

A growing awareness of shifts in relationships was noted and was beginning to become increasingly evident. By 2005 we observed significant changes in the roles, structures and services of health:

'Physicians want a more mature and honest relationship with pharmaceutical companies. The best way to influence markets today is to first listen — at least this allows us to avoid costly mistakes' and 'In every boardroom, leaders are grappling with similar questions — how do we renew our business model with the minimum of internal trauma and the smallest amount of turbulence in the financial markets?'

Questions were beginning to be asked about how the industry could respond most effectively:

'What is the role of branding in the pharmaceutical marketing context? Perhaps we can learn the importance of being more nimble, reactive and innovative from other sectors?'

There were also shifts in what was considered possible. By 2006 'Personalized medicine, not so long ago discounted as a fad', was seen as 'becoming a reality'. There was also a greater degree of focus on implementation and an increasing

worry about tactical marketing. Was the industry just going through the motions in respect of its focus on such marketing? Was it going to be sustainable? Were we just going through the motions for want of a better tactical approach? 'The weakness of tactical marketing lies in its lack of sustainability and more importantly, its inability to deliver in a time of cost-containment, thin pipelines, regulatory and media scrutiny and constrained market access and influence'. As Bill Kilgallon recently pointed out, the key factor in strategic thinking in future in this area was likely to be 'how to convert data into knowledge that can drive financial performance and increase shareholder value'.

There was also hope elsewhere expressed in terms of the future possibilities of 'a new area of expertise — market access specialists' which itself was 'being developed with some difficulty as it is necessary to overcome the reticence to work across the multiple silos of health economics, public affairs, regulatory and key account management'.

Overall what appeared to be occurring was the 'search for an integrated view' an advance which inevitably involves a 'process of shaking off influences'.

Looking to the future in the early part of 2007 there was more strategic clarity but still no certainty:

'We need to fine-tune the pharmaceutical business model. On the sales and marketing side of the value chain, the necessary adjustments are not very clear. We can certainly slash the size of the sales force or try to extract the maximum from new marketing channels and niche products, but is this enough?'

Such is the evolving pattern and the underlying context for our own debate. I did leave off further analysis with a perhaps predictable 'We live in exciting times' approach by saying 'As ever, "networked healthcare" — 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'. Was this all motherhood and apple pie? Were we simply back where we started? Perhaps the day's events would make perspectives clearer? Perhaps it would start to show us what would be the next big ideas and the new paradigms in life sciences sales and marketing?

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