Building pharma brands driven by customer-focused innovation will enable companies to differentiate their products in a crowded marketplace.
focus is on discovering the unspoken drivers of behaviours. Consider the work of Clayton Christensen, which inspired the processes developed by Procter & Gamble (P&G) through the first decade of the 21st century, and his perspective of uncovering the ‘Jobs-to-be-Done’ principle; what we hire a product to do. The underlying observation is that ‘Jobs-to-be-Done’ has three core elements, the functional, the emotional and the social. Two of those three are more aligned to brand than to the features of a product.

This insight is used to fundamentally drive product and brand development. In FMCG, brands are created early in the development process, and marketing teams work very early with their counterparts in R&D at the beginning of the development of new product ideas. Together they identify opportunities, develop and test prototypes and brand concepts.

Brand development also follows a much more thorough and systematic approach. Brands are viewed as a set of tangible and intangible benefits in the mind of customers. The development of these benefits is based on a comprehensive analysis of the market, the customer, the competition and other environmental factors. This analysis enables identification of the right target group and to develop a unique brand identity and positioning. This identity will differentiate the brand versus competitors, in order to achieve a competitive advantage in the market.

What is the value of brand building in pharma?

Of course, FMCG and healthcare markets are vastly different and I am not advocating that pharma copies everything from the FMCG world. However there is learning to take in terms of mind set, focus and process, which are highly relevant.

It is also fair at this stage to state my bias. Our approach to building joined-up strategies, which we describe as Strategic Fusion, is unashamedly marketing and customer centric in much the same way as Peter Drucker describes. Ideally it involves the entire organisation, not just those with marketing or commercial in their title. We believe in marketing-driven innovation, where the product is not the sole responsibility of R&D and the customer is not the sole responsibility of marketing.

What is the value of brand building in Pharma?

After all I have heard it said that in the increasingly tough market access environment we all face, brands do not matter. Pharma products must be grounded and driven by science and supported by a strong platform of evidence.

Again, I agree that these elements are vital for a successful pharma business, however, customer-focused innovation will enable scientists to focus on the areas of opportunity, and clinical teams to build the evidence base that will meet customer needs and provide the opportunities to deliver market access and differentiation.

It is clear that the competitive environment is becoming harsher in healthcare and the necessity for health systems to adopt cheaper product options, primarily generics, will only accelerate the decline of branded sales post patent expiration, unless the industry manages itself differently. This is why we consider that real brand value can represent a new competitive advantage.

The creation of brands built on customer innovation would enable companies to differentiate their products versus its competition using both tangible and intangible benefits. In view of the increased number of competitors and the relatively lower number of really distinctive products, it is even more important to provide brands that can inform the behaviour and attitudes of patients and doctors.

Again looking outside of our own industry for inspiration, few companies have gained such customer devotion as Apple. In the world of technology where product features and capabilities are so important, it is easy to see that it is the products that sustain Apple’s competitive advantage. However, it is also a world where ‘me-too’ products can be fast tracked to market, and so it is really the set of values across everything Apple does that enables such strong connections to their brand. It is also worth noting that Apple has brand value in itself, it is not purely the iPhone, iPad etc., the Apple brand underpins everything. How many pharma companies have built value into their corporate brand with customers? Steve Jobs recognised that a brand is so much more than a logo. He knew that Apple customers need to feel a certain way in their interactions across the Apple organisation, and he built such a strong brand that it changed the way consumers think of technology and competitors are still trying to catch up. At the last count the Apple brand alone is estimated to be worth $87 billion.

How can we build emotional connections to our brands?

In a healthcare world where both healthcare professionals (HCPs) and patients are often overwhelmed with information and data, the role a brand plays will become all the more important to ensuring success. How can we achieve this? Surely healthcare is a much more rational decision-making process?

We believe that the rational mind is always immersed in the emotional unconscious mind. The size of the rational element may vary and it is always within the emotional sphere, even though we may not be conscious of it. Successful healthcare brands need to be built from a foundation of both rational and emotional elements.

To explore this point let us look at two key customer groups: patients and HCPs. The emotional response they experience will vary depending on therapy area and patient group. These emotions may range from empathy,
There are two types of organisations each with distinctive approaches to product and brand development process

<table>
<thead>
<tr>
<th>Product driven company</th>
<th>Customer connected company</th>
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<tbody>
<tr>
<td>• Organised by the product manufacturing process</td>
<td>• Organised to enable consumer insights across the R&amp;D and marketing process</td>
</tr>
<tr>
<td>• R&amp;D and marketing exist in silos</td>
<td>• Integration of R&amp;D and marketing</td>
</tr>
<tr>
<td>• Focus on finding the molecule not addressing customer need</td>
<td>• Focus on ‘guided creativity’ engaging and empowering its customers throughout the development process</td>
</tr>
<tr>
<td>• Research efforts directed to the product in development. Engage with customers at phIII; too late to shape the product itself and focus on quantitative testing of concepts and advertising</td>
<td>• Research efforts are a continuous effort exploring multiple customer information sources. Focused on exploring the future, hypothesis and concept building and co-creation</td>
</tr>
<tr>
<td>Key question: Do you like it?</td>
<td>Key question: What could it be?</td>
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</table>

Successful brands are like large oaks; particularly in today’s increasingly payer dominated, price sensitive environment, they start from the small acorns of the single new patient for whom a HCP decides to prescribe. Be clear on the profile of the patient, or patients, for whom you believe your brand is the best treatment choice, and understanding the needs and motivations of both patient and prescriber. This is an absolutely critical foundation that R&D, marketing and sales teams need to have to give a prescriber the confidence to write that first script, build ongoing brand confidence and change long-term prescribing behaviours. As with the FMCG approach described earlier, this can only be uncovered by a deep understanding of the market and customers: how they live, feel, think and ‘buy’.

After reading this article you may still believe that pharma is a customer centric industry. If so, I hope this article has stimulated your thinking none the less, but I will leave you with a worrying trend we have observed. In the current round of pharma company restructuring, we are aware of a number of organisations at global, regional and country levels which have slashed their market research teams and budgets to the bare minimum. Steve Jobs once said that Apple’s DNA was as a consumer company. Can an industry which sees primary market research as a cost item rather than an investment in the future success of its brands truly say the same?

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