



What Are We Doing Here, Anyway?

Somebody needs to tell me what business we are in.

Yes, after almost 40 years of doing the same thing for a living, I am fairly well aware that I and my colleagues at GfK and our competitors, as well

as those in appropriately named departments in pharmaceutical companies, are in the "pharmaceutical marketing research business." But in the year 2009 more than ever, I need to ask the question, "To what end?"

Let me give you an example of the quandary that I, and I suspect a few others, face. In March, I spoke at the PMRG conference in Las Vegas. As is increasingly the case in recent years, the conference was extremely well attended, with more than 500 registered participants. As usual, my conversations with attendees indicated that while there was indeed some interest on the part of some vendors in seeking out new clients or enhancing old relationships, as well as some interest on the part of clients attending in determining what new agencies and/or services were available for their use, the new PMRG is primarily about letting its constituents from both sides of the table get a general feeling for what is happening in their profession. As the architects of this revived organization have told me quite candidly, the new PRMG is less about "content" than it is about "community," a philosophy further demonstrated this year by webcasting some of the key presentations and by granting continuing education credits for attendance at certain sessions. This session was once again, I believe, an unmitigated success, in part because it brought starkly into focus some questions that have become increasingly vexing.

Take, for an example, the agenda for the Monday opening of the general session. The day began with an excellent presentation by the keynote speaker, Dr. Jeffrey C. Bauer, who carefully explained that although the cost of health care has been rising at double-digit rates for some time, the ability of federal and state governments and private employer insurers to absorb these cost increases has hit a wall. Government is busy paying for wars and bailouts, and the recessionary state of the economy has lessened the ability of businesses to cover the increasing costs. Thus, more of the expenses of health care and health insurance are being passed along to patients, primarily in the form of increases in insurance payments by those lucky enough to still have a job and be among the 60 percent of the employed who have health insurance. The answer, as Dr. Bauer explained, is to use the same type of process improvement procedures, e.g., Six Sigma, the Toyota Production System, etc., that have been employed successfully in other industries to reduce the 30 percent or more of health care spending that is estimated currently to be wasted, and to provide better health care at the same time. It would mean establishing the one best (most efficacious and most efficient) method of treatment and ensuring

that it is applied in all appropriate patients. Quantitative results, pooling together large numbers of practitioners and patients, are required to be analyzed to help set the standards, while quantitative data must also be utilized to ensure that the standards are being complied with. Direction on how to accomplish these objectives are outlined in Dr. Bauer's book, *Paradox and Imperatives in Health Care*, which was written with Mark Hagland, and distributed to conference attendees compliments of PMRG. Read this month's Orange Pages module for more details about Dr. Bauer's book.

Once Dr. Bauer completed his presentation and answered questions, we were taken back to the PMRG-as-the-place-to-learn-new-methodologies days and presented with a two-hour panel discussion on how to design studies for measuring return on promotional investment. Not only was the material presented relatively old, but it seemed surreal to hear terminology like "This promotional activity produced an average of three new prescriptions per physician" after Dr. Bauer's presentation. He had told us that the most important thing to do in the future of health care was to decrease waste by increasing the precision and standardization of medical treatment, and we were then being told that doctors' treatment choices should blow in the wind, in rather helter-skelter fashion, based on one promotional intervention? Seemed a little incongruous.

After lunch, I made a presentation that, in summary, demonstrated based on large-scale surveys in the public sector and available on the Internet that a baseline of patients has long attempted to minimize health care costs by going to doctors only when unavoidable, not filling prescriptions and taking less than the prescribed dosage. I demonstrated that as health care costs have risen and incomes have not risen with them, patients are slowly but surely beginning to demonstrate more such behavior. Especially significant in their rise are the use of generic medications and the avoidance, to the greatest extent possible, of specialty (i.e., high cost) pharmaceutical products. Moreover, many employers that still pay for all or most of an employee's health care are pushing patients increasingly in these directions by the use of multi-tier co-pays and other devices. I left the audience with the question as to whether skimping in the short run might well allow conditions to worsen and actually increase health care costs in the long run.

As I wrapped up my own presentation and joined my PMRG colleagues for a coffee break, I began to discuss with them the content they had encountered so far. Not surprisingly, several pointed out that it seemed paradoxical that while the U.S. health care system in general is not only financially destitute but also providing relatively low quality care in comparison to that offered by some far more parsimonious countries, and patients are responding to rising costs by cutting back on health care, we still dedicate much of our marketing research efforts to helping fine-tune and evaluate promotional programs designed to have prescribers generate more prescriptions, with these scripts most usually being for the high-priced /patented/specialty products.

Believe me, I get it! For almost 40 years I have been conducting research designed to help pharmaceutical companies gain more market share and sell more drugs. I understand that in the United States we have approached health care expenditures as a bottomless pit of money, but we have hit the bottom.

Based simply on the microcosm of our profession's activities that I encountered on the opening day of this year's PMRG conference, I sensed for the first time the schizophrenia in our situations. On the one hand, we are reasonably expected to assist our companies' sales efforts by helping develop forecasts, understand physician prescribing decisions, assess detail aid, etc.

On the other hand, we are expected to operate in a reality-based world in which we recognize that in a strategy aiming at increasing effectiveness and efficiency, the concept of "physician decision" has little meaning, since increasingly specific diagnostic processes and increasingly standardized therapies will make such idiosyncratic decision making a thing of the past. In such a world, the old you-hold-'em I hit-'em, reach times frequency school of product promotion will have little or no role, since feeding back to physicians

the quantitative outcomes of their therapies and compensating prescribers on a “pay for performance” basis will direct interventions rather than having them based on caprice or whim.

Going back to the Monday morning session at PMRG, the audience was left with an image of a pharmaceutical industry promoting to practitioners in sound bytes, attempting to extract from them enough additional prescriptions to make the promotion a good investment. Again, in most cases such promotion is in support of more expensive, specialty drugs and virtually never in support of generics, which are gaining in popularity with employees and employers alike. Put another way, we as pharmaceutical marketing researchers can continue to collect information that will try to sway prescribers in the direction of prescribing our product, ignoring such growing trends as more precise diagnostics, genetic markers and standardized treatment protocols. Seth Godin calls this “sheepwalking,” as we continue to do what has worked in the past well beyond the point at which it ceased to be adaptive behavior. In most cases, this is what our management expects us to do, wants us to do and compensates us to do. As has been discussed for years, even to get access to practitioners to continue to make such promotional interventions becomes increasingly difficult, as the time that they spend listening to “reminder details” is part of the waste that most practitioner organizations are attempting to eliminate.

Alternately, we could recognize that “disruption” is required across the scope of the practice of medicine and pharmaceutical communication practices alike. Rather than help fine-tune ways in which practitioners can waste their time, we can then dedicate our research talents to helping the practitioners and our companies evolve medicine into its next manifestation, i.e., moving away from intuition-based medicine, moving toward precision-based medicine, and in the process of doing so helping eliminate the waste that is now both rampant and expensive. Helping practitioners establish the best methods of therapy, researching optimal ways to assist in generating patient compliance and other issue-based research will replace promotional research as the day-to-day activities of the pharmaceutical marketing researcher.

Another significant change from the present is that, from an ethical perspective, it can be assumed that less of this work will be conducted on a company-proprietary basis and more on a collaborative basis than is currently the case. Since the primary technique for waste reduction is standardization and quantification facilitated by standardized IT, the concept of trying to accomplish this by having a Pfizer approach, a Merck approach, etc., appears to be both impractical and illogical.

In summary, that is the strategic choice we as pharmaceutical marketing researchers are going to have to make. Either we continue to help test and evaluate promotional materials, which increasingly flies in the face of what it is that medicine is trying to accomplish, or we lend our shoulder to assisting medicine, and society, in developing more effective and more efficient medical practice. These should be interesting times indeed.



Richard B. Vanderveer, Ph.D., CEO, GfK Healthcare

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topline.newsletter@gfk.com

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