



bloggers, the beltway & your future

The successful pharmaceutical marketer is the one who can most effectively deal with the new power brokers who will influence whether a product is a success. On the one side is Washington, inside the proverbial beltway. The concentration of power that will occur once healthcare reform measures are enacted by Congress will represent a fundamental change in how drugs are selected and reimbursed.

The second group of new power brokers lives wherever they want. For them, geography is irrelevant. They are the growing group of online commentators and social networks who influence physicians, patients and government. Collectively, they go by the name “social media.” They have their own blogs or use Facebook, Twitter or one of a few thousand other outlets, all on the Internet.

It is truly ironic that as power over pharmaceutical selection and reimbursement is consolidating and concentrating in Washington, the information flow about these products is diffusing throughout the vast Internet world. Together, these new trends will have a profound impact on the success of your product.

So far, few, if any, pharma companies have found the right way to engage social media. The FDA has given companies virtually no guidance on what constitutes appropriate or inappropriate activity on the Internet — other than to determine that display ads, such as the ones that used to appear on Google, did not have sufficient risk information on them and could no longer appear.

As power shifts away from traditional communication to online and away from a diverse group of decision makers to Washington regulators, pharmaceutical companies are going to have to radically transform the way they think about their product marketing. So what can you do about it right now?

SOCIAL MEDIA

As product selection and reimbursement are concentrated in Washington, the best hope for preserving power for patients is to engage and mobilize thought leaders on the Internet. Pharma companies need to become engaged in this process at two levels:

Engage online thought leaders as you would other important stakeholders. Your corporation

HEALTH REFORM'S BIGGEST CHALLENGE

We seem poised to achieve actual health reform. Whether it happens will be borne out in the next few months, as Congress balances reform needs with costs, but the odds look better than ever before. Reform offers the pharmaceutical industry a mixed bag, making its actual impact difficult to predict. On the one side, the more people with coverage, the more they are likely to use the health care system and benefit from pharmaceutical therapies. But on the flip side, there will be a strong effort to save money by cutting costs across the board, including pharmaceutical spending, and to conduct comparative effectiveness studies to see whether the newer and more expensive treatments are any better than older ones.

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should have an active dialogue with those online who will shape your corporate reputation and are active in the therapeutic areas that matter most for the company. These discussions can be about policy, access to medicines and so on. You don't need to create your own platform for your voice to do this; indeed, launching a blog or Twitter feed may be the most difficult (and possibly least effective) thing you can do. But leaders of online communities are as important as leaders of NGOs (non-governmental organizations) or disease awareness groups, and relationships with them should be cultivated carefully and with as much intention as they are with traditional stakeholders. And by all means, do not treat them like reporters and "pitch" them on your latest release.

Initiate social media conversations in ways that deliver results but also mitigate risk. Brands should be investing in non-branded communication programs online that truly take advantage of the power of the medium to build grassroots advocacy and support and an echo chamber of positive dialogue about the health solutions you can deliver. Most brand efforts online are still too centered on advertising, rather than on investing in building relationships and working to create grassroots support for things like adherence, disease awareness, prevention, and so on. There are ways to build latent product demand and assert the value proposition for therapies without opening the door to adverse event reports or discussions of off-label use, but they require care, experience and a professional touch.

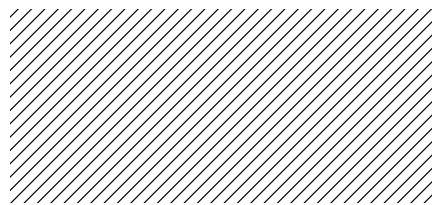
Building a strong base of trust among online communities is very achievable and will translate to an advantage in communicating with these audiences as FDA creates the rules.

WASHINGTON

Companies must help the politicians in D.C. set the agenda for pharmaceutical product issues. The reality is that policy makers are going to make more and more decisions based on perceived value to the healthcare system — the movement toward "comparative effectiveness" studies is just the beginning of D.C.'s effort to place further restrictions on the use of certain

treatments. How can you be sure that your product stands out?

Think about the intersection of policy and your product. What's the value of better compliance? Of greater quality of life? Are there disease categories where expedited review or higher reimbursement will fit into the agenda of controlling healthcare costs? In a world of limited resources, these are the types of questions that will be increasingly addressed by policy makers. On the positive side, there may be real opportunities to grow market share by effectively engaging with the system. For example, perhaps a portion of the money spent on product promotion aimed at individual patients could be better spent creating policy level demand for appropriate incentives for early diagnosis, adherence, counseling, and so on. In some cases, it is easier to change a system (even as difficult as that may be) than it is to change the individual behaviors of millions of patients through a communication program.



VACCINES MAKE A COMEBACK

Not long ago, the pharmaceutical industry had all but neglected vaccines. Research and development was expensive, as was the cost of manufacturing. Add to this the threat of litigation and the low profit margin of products, and many companies were prompted to abandon the business. Just how many? There were 26 vaccine manufacturers in 1967. By 2004, this number dwindled to just four. Thankfully, the tide is beginning to turn.

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Engage others in a campaign to highlight the value of your product. In the long run (or increasingly the short run) payers will not pay for products when they don't understand the value proposition. This isn't simply a job for your payer group armed with clinical data and price charts — it's your job to communicate with payers, policy makers and patients about how your product is solving their problems and, increasingly, how your product is succeeding in doing so in comparison with other products. Doing this in a disciplined way builds brand strength. This conversation must be multi-directional — you need to create ways in which payers can become your advocates; stakeholder groups are engaged with you early in the process, appreciate the risks and benefits of the product and are prepared to engage with policymakers and regulators; and patients themselves are given a voice in advocating for treatments.

Many brand marketers may be frustrated with their experience of running D.C.-focused campaigns. Often these campaigns fail to achieve the hoped-for breakthrough effect, likely because:

The campaigns rely on a consumer marketing approach for non-consumer audiences. They utilize celebrities and have clever taglines but they don't create true buy-in from the stakeholders who matter. They may get some limited press, but they don't create lasting value.

The campaigns are confused about whether or not they are unbranded initiatives designed to speak to policymakers and stakeholders about an important topic or simply a softer way to promote the brand.

Branded communication should take place inside the beltway. The explicit value case for your product can be made through a variety of communication vehicles to target policymakers, regulators, and so on. In fact, this should be a routine part of your communication mix over the life of the product.

In short, product managers must spot these two trends in power brokers, both within social media and Washington, D.C., and develop programs and practices that engage these environments. That clearly is how the future is shaping up for the pharma industry. **FP**



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