

The Future of Market Research — In One Word: CHANGE

The resounding takeaway from the recent Pharmaceutical Marketing Research Group's annual conference in April was that change, and in some cases revolutionary change, will be necessary to address current and future market conditions.

One of the keynote sessions, "CEO Reflections on a Tumultuous Year and Predictions for an Uncertain Future," which was moderated by Brian Cain, VP of global customer insights, at Merck & Co., addressed the strategies companies will need to adopt to navigate the shifting market research landscape.

Panelists Lynnette Cooke, global CEO of Kantar Health, Harris Kaplan, founder and CEO of Healogix, Jim Kirk, practice leader of Quintiles, and Richard Vanderveer, Ph.D., CEO of GfK Healthcare, provided their predictions on what market research and healthcare will look like in the coming year. (To view the video of this session, go to pmrg.org/eventsawards.)

According to Dr. Vanderveer, change is both necessary and possible in the industry, and everybody needs to start to think about how to effect change.

"It's not just the concept of change, it's massive change, and we need to fundamentally rethink marketing research, the pharmaceutical industry, and most importantly, all of healthcare," he says.

As regulation becomes more pervasive across the industry, Mr. Kaplan says several trends will emerge. There will be more REMS programs associated with launches, which will impact what can be done in terms of positioning. New product adoption will begin to slow; there will be fewer reasons for primary-care physicians to be early adopters unless the drug is an absolute breakthrough. There will be more niche busters rather than blockbusters; pharma is becoming very interested in drugs that can occupy smaller spaces as opposed to broadbased drugs, such as Lipitor and Diovan. And there will be more emphasis on evidence-based medicine.

"As a result, the sales model will change," he says. "And the implications on market research will be many, one being a sanitization of communications. If there is less color in the language we can use, this will have a major impact on studies."

Ms. Cooke agrees transformation is needed in terms of market research.

"We need to be prepared to rethink the entire launch strategy along with our clients and what that means is integrating different factors earlier in the launch strategy," she says.

Ms. Cooke contends that as brands become more global, pharmaceutical companies and market research companies, alike, will have to change and adapt all of their market research activities.

"There will be more global brand building, which doesn't mean there



Market research companies need to think more broadly about the types of customers the industry will be working with and find ways to reach out to them. They need to think beyond traditional forecast models that focus on physicians only.

JULIANA MASTROSERIO

Johnson & Johnson



Ethnographic research will continue to offer a rich and unfiltered view of the issues. But many organizations are encountering hurdles to conducting such projects as a result of internal scrutiny and regulation.

CHRIS SEPE

Consultant

still won't be a great deal of local activity, but there will be much more knowledge sharing, and this will require greater global coordination," she says. "Many of the marketing research activities that everybody has been talking about, in terms of shifting budgets, are actually still taking place. They might not necessarily be as iterative or sequential as they were in the past, but they are happening. Today, they're integrated into other activities, such as market access, outcomes, pricing, and reimbursement, as opposed to being completely separate from those activities."



Members of PMRG are very concerned about government regulation and what it means in terms of reporting requirements for honoraria payments to physicians or other healthcare professionals.

DR. DEBBIE KOSSMAN
PMRG

Mr. Kirk says both agencies and companies will need to evolve to meet the needs of the future.

“Clients will have to earn their success in the marketplace by winning the battle before Phase III trials,” he says. “From the agency side, we have to earn the right to be a major player with clients, which have ever-more limited budgets and ever-higher stakes in developing products.”

To accomplish this, Mr. Kirk says agencies need to employ “vigor.”

“We need to be valuable, innovative, global, outstanding, and responsive,” he explains.

Valuable is not just about being the keepers of product history and data; agencies need to bring value and insights to the forefront. Companies also have to be innovative. In a world of evidence-based medicine and evidence-based marketing, new ways of thinking will be required. When it comes to global, it’s not just geography and emerging markets. Companies need to think about all of the different audiences involved — regulators, formularies, governments, etc.

To be outstanding, agencies have to differentiate themselves, find what they are good at, and stand out from the pack. And finally, responsive agencies need to do things cheaper and faster, and at the same time better.

Debbie Kossman, Ph.D., PMRG’s 2010 president and senior VP of National Analysts Worldwide, also says change is very much on the minds of members of the PMRG. They are concerned about changing government regulations and what these mean in terms of reporting requirements for honoraria payments to physicians or other healthcare professionals.

“Our members are very concerned that they might be seen as exerting undue influence as opposed to merely soliciting information,” she says. “The constraints in terms of healthcare funding in the future are something that PMRG members are concerned about as well.”

CHANGING RESEARCH NEEDS

There is a general consensus that sponsor

companies are asking market researchers for different types of information on which to base their strategies based on changing market dynamics.

“We are definitely starting to ask market research agencies for different types of research,” says Juliana Mastroserio, senior market research manager, at OMJPS — Internal Medicine, Johnson & Johnson. “The main reason for this is that the healthcare landscape has changed radically over the past 10 years. The traditional pharmaceutical marketing model, based on reach and frequency of detailing to physicians, which worked well in the 1980s and 1990s, is no longer viable in today’s marketplace.”

Ms. Mastroserio adds that with the advent of healthcare reform, as well as a still-recovering economy, there is and will continue to be more focus on how healthcare dollars are spent and by whom.

“The pharmaceutical industry’s customer base is changing, with fewer and fewer physicians able to make independent prescribing decisions,” she says. “Our own research demonstrates that not only are physicians running into lack of insurance coverage for branded products, they are also frustrated by step edits, prior authorizations, and, with unemployment still a critical issue, many cite an unwillingness to burden their patients with higher co-pays.”

When it comes to selecting market research companies, Ms. Mastroserio says it’s important that agencies are informed about how the healthcare landscape is changing.

“They need to think more broadly about the types of customers the industry will be working with and find ways to reach out to them,” she says. “They need to think beyond traditional forecast models that focus on physicians only, for example.”

Many industry executives say they are seeing a shift in budgets away from pure market research to integrated strategies that include outcomes, formulary, and pricing elements.

Ms. Mastroserio says anyone who works in this industry knows that market research budgets have been slashed, which means that not only are there have fewer dollars to spend on

market research, but headcounts have been reduced as well.

“Like everyone else, we have to do more with less,” she says. “We don’t have the luxury of running huge studies that take months to complete. We don’t have time to read and summarize 100-page reports. Moreover, we and our management are tired of doing the same old studies over and over that yield great data, but few true insights. We want to work with suppliers that can help us find new ways to gather information, whether it’s through new technology platforms or new methodological designs. We want suppliers that can help us bring the voice of the customer to life, through more concise and impactful presentations that take advantage of existing audio-visual technologies.”

Chris Sepe, an industry consultant, says reduced market research budgets will have an impact on several day-to-day initiatives.

“Projects will now be required to answer multiple objectives; there will be an increased focus on integrated, synthesized multi-source data; and preferred supplier lists will limit the number of vendors that can be used,” he says.

SOCIAL MEDIA

When it comes to the integration of traditional and new media, this will have a big impact on launch strategies.

According to Mr. Sepe, social media is still a relatively unharnessed data source for market researchers.

“There are pros and cons to social media,” he says. “The pros are the wealth of information that allows for the early detection of issues; the cons are the lack of control over the information and participants. Overall, researchers can do a much better job in leveraging social media by better identifying and systematically monitoring this resource.”

Dr. Kossman says the Web provides an unprecedented ability to tailor questions to individual responses.

“So if one respondent answers one way, we can go off in one direction, then we can shift gears entirely for someone else,” she says. “The Web also provides quality control because we can immediately resolve illogical or contradicting answers and in particular. It facilitates real-time questions about what people are thinking, or feeling, or doing right at the moment we poll them.” ♦

PharmaVOICE welcomes comments about this article. E-mail us at feedback@pharmavoice.com



To access a FREE Podcast on this topic, go to pharmavoice.com/podcasts.

ViewPoints

Our experts provide their insights on the trends that are impacting marketing research, how social media is going to change the research landscape going forward, client requests for different types of research, and the role ethnographics will play in market research in the future.

RICH DURANTE, PH.D.

President and Co-Founder, Observant LLC



One of the most recent impactful changes in pharmaceutical research has been the trend towards utilizing online bulletin boards (OBBs). OBBs are a relatively new method of leveraging the Internet to obtain qualitative data. One of the things that make OBBs so attractive is that they directly address a number of the shortcomings of standard qualitative approaches. Specifically, this approach tends to yield a more representative sample, as issues related to geographic and sample selection biases are minimized. Furthermore, we have found that engaging with the moderator at a time that's convenient to the respondents yields more thoughtful, elaborate responses, which ultimately yields more extensive insights.

Observant LLC is a strategic market research partner focused on serving clients from leading organizations in the pharmaceutical and biotechnology industries. For more information, visit observant.biz.

SHERRY FOX

President North America,
The Planning Shop International



The biggest trend is the impact of the recent big mergers and acquisitions, particularly Pfizer with Wyeth and Merck with Schering-Plough. There have been significant budget cuts, and, despite an improving economy, it is more challenging than ever to win business. Five years ago, a client would call, ask for a proposal, and award the project, usually within a week. Now the sales cycle is much longer, procurement pressures force multiple bids, and the actual project, when awarded, is worth less. It is a much more frustrating business environment than even three years ago. *The Planning Shop International is a market research company that helps healthcare clients build their brands. For more information, visit planning-shopintl.com.*

KENDALL GAY

Principal and Senior Qualitative Research Consultant, KGC Inc.

Healthcare is rightly evolving toward patients having to take more personal responsibility for their health, or else their quality of life and the associated economics won't be tolerable. Researchers will need



to be there to observe and experience what people/patients/customers are doing to stay healthy and what will influence their healthcare decisions. There are two corollaries to this: the U.S. popula-

tion is living longer, healthier lives, and doctors are devolving from being the center of the healthcare universe. Life expectancies are increasing, which means the definitions of such things as geriatric medicine, elder care, quality of life, Medicare, etc., must also change. Second, consumerism in healthcare is here to stay. Loyalty and deference to the almighty physician are gone. It's all about customer service, and if a healthcare consumer doesn't get good service, that consumer will simply go to the next provider. Electronic medical records will only facilitate the consumerization of healthcare. So, as researchers, we need to be present in experiencing all of these changes from a patient-centric view not only to help guide evolving definitions but to guide clients in how best to communicate to these new markets and to the new roles physicians will be playing. *KGC Inc. offers market research support at every phase — from pre-launch positioning, to optimizing marketing strategy, to maximizing profit potential in the latter stages of the product life cycle. For more information, visit kgc-qualitative.com.*

HENRY GAZAY

CEO, Medimix International



A number of changes are currently impacting marketing research, in particular in the healthcare sector. The access to healthcare professionals through online platforms and the ability to poll a large quantity of

respondents at the click of a mouse have increased sample size, lowered cost, and shortened turnaround time of surveys. The social media phenomenon that allows the monitoring and analyzing of vast quantities of discussions without intervention of an interviewer fosters the development of new tracking tools. The possibility of deploying online forums at any moment, anywhere in the world, replacing costly and lengthy traditional focus groups, has permitted the conduct of research in more remote countries. The deployment of continuous trackers with dash boarding and drill-down capabilities offers an unprecedented granularity of information. Real-time marketing information is

now the norm. The lower cost of massive online quantitative surveys results in inverting the usual paradigm of marketing research whereby the qualitative phase was always made first to prepare for the quantitative part. More and more, clients are interested in a quantitative, first (to measure how much) followed by a qualitative (to understand why). The emerging markets are more often researched. Brazil and China in particular are almost always on the map of global projects.

Medimix International specializes in providing dynamic healthcare marketing research and services to worldwide clients. For more information, visit medimix.net.

GARY HALPERN, R.PH.

Principal and Executive VP, SBR Inc.



Social media has, and continues to create meeting places for people who were, just a few years ago, disconnected by space, time, and circumstance. Social media can provide an understanding of emerging trends and factors that will influence everything from politics to healthcare. Thus, the use of social media for information gathering will gain in popularity and importance. But participants in social media sites may not be fully representative of the universe. Hence, social media should not be considered a substitute for well-designed and executed qualitative or quantitative research.

As with social media, the role of ethnographics continues to increase as a market research tool. But we must be cautious for two reasons. First, the interaction that occurs between a patient and a physician is extremely personal and private. One must question how the inclusion of a recording device or observer changes the natural interaction between a physician and a patient. If it is the case that either is less open then insights gained from ethnographic research could be biased and misleading. The second reason is continued concerns about healthcare costs and privacy. The visibility of ethnographics may only further intensify the microscope under which the pharmaceutical industry is viewed.

SBR Inc. conducts marketing research and provides consulting services to the pharmaceutical industry. For more information, visit sbr-inc.com.

HARRIS KAPLAN

CEO, Healogix



We are being asked to do more research regarding future opportunity landscaping and to provide an integrated view from all external customer stakeholders as to how the future competitive environment will look when new products, either

licensed or developed, are launched. Clients also want a better understanding of how physicians are likely to adopt and use a new product, specifically in which patients they will use it, and potentially incorporating this understanding in how they do their clinical or postmarketing trials or negotiate with payers. *Healogix is a global marketing research and consulting firm that serves pharmaceutical, biotechnology, device, and diagnostics manufacturers. For more information, visit healogix.com.*

HARRIET KOZAK
U.S. President, The Research Partnership



The economic downturn has caused pharma brands to place a greater emphasis on value. This means our research programs have to be increasingly creative, innovative, and cost effective, as clients have smaller budgets but have a growing need for intuitive insights and

strategic guidance, which can directly impact business strategy. *The Research Partnership is a full-service global market research agency dedicated to the pharma industry. For more information, visit researchpartnership.com.*

JEFF KOZLOFF
President and CEO of Verilogue



Pharmaceutical marketers, taking a page out the consumer packaged goods playbook, are now regularly demanding authentic, naturally derived, voice-of-the-customer insights. Observing customers in their natural environment provides researchers with unfiltered access to physician and patient decision-making. Next-generation ethnographic research will leverage technology to remove the researcher — and any bias — from the data collection process and will use online databases to examine nationwide trends to home in on and reveal strategic solutions to a range of pharma marketing challenges, including patient adherence, sales rep training, and targeted therapeutics. Now and in the future, recall-based research will continue to give way to real-time dialogue insights.

Verilogue brings patients, physicians and the healthcare industry together to share information, enhance disease understanding and participate in medical marketing research. For more information, visit verilogue.com.

ROB RAMIREZ
Vice President, Ipsos Health

Pharmaceutical companies find themselves challenged



to move to a customer-centric model. But we also need to recognize that although it sounds simple this model is complex and multidimensional. Among other things, it includes the broadening of focus from

treatment choice to multiple leverage points, such as disease awareness, diagnosis, patient adherence, etc.; the influence dynamics of multiple stakeholders on brand performance; and the raised expectations of those stakeholders who no longer accept a transactional relationship and are now demanding a value-based relationship with pharmaceutical companies. To create value, agencies need to drop the old playbook and focus on new approaches, such as integrated stakeholder influence models and understanding the drivers of patient adherence, to deliver a competitive advantage to clients in the new pharmaceutical commercial model.


Ipsos Health is a full-service, specialized custom research agency dedicated to delivering commercially meaningful market research that positively impacts brand performance for clients in the pharmaceutical, biotechnology, and medical-device industries. For more information, visit ipsos.com.

JEFF SHELTON
President, Answers & Insights Market Research Inc.



Doing more with less is the most frequent phrase we have heard from clients in the past year. For many clients, we have discussed ways we can help them meet their needs this year, without cutting quality by using

technology and our vertical integration. Many clients are trimming budgets so that only the most needed projects are conducted. *Answers & Insights is a woman-owned company specializing in healthcare market research. For more information, visit answersandinsights.com.*



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JOHN TAPPER, PH.D.
President, Marketing Insights Practice, Kantar Health

Social media has both provided a forum and a



catalyst for peer-to-peer communication, and as a side-effect done this in a way that is uniquely measurable. Because social media is something we can record and examine, it represents an incredibly

rich source of grass-roots opinions. At the same time, there is just so much of it, that the real challenge is making social-media monitoring meaningful. The winners in social-media research will be able to make sense of the cacophony in a broad and meaningful way—and that is no easy task.

There is nothing like real, immersive research to paint a powerful picture of your customers and prospects. The challenge for healthcare researchers is to find ways to be truly immersive without violating patient privacy or interfering in the patient-physician dynamic. This is difficult, but creativity aided increasingly by technology is making this possible, and as a result ethnographic approaches will grow in their importance — though these approaches will never enjoy the kind of popularity enjoyed by more traditional approaches, simply because of the legal, social, and ethical difficulties.

Kantar Health provides solutions to ensure optimal decisions and actions across the brand life cycle, from assessing opportunities and sizing markets to developing products and building access strategies to positioning brands and creating messaging to managing stakeholder relationships and monitoring treatment outcomes. For more information, visit kantarhealth.com.

RICHARD B. VANDERVEER, PH.D.
CEO, GfK Healthcare



The most important trend impacting healthcare marketing research today is the transition from research focused on promotion to research, conducted with a wider variety of stakeholders, focused on making

healthcare more effective and more efficient. In turn, this means that to meet clients' needs for information, this trend is also manifested by a movement from research focused primarily on tactics to research with more strategic implications.

GfK Healthcare provides fully integrated healthcare marketing research throughout every phase of a brand's life cycle. For more information, visit gfkhc.com.

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