

CAN
YOU
HELP
ME?

What today's consumers want
marketers to know

A Digitas Health White Paper



What's the biggest challenge facing pharma marketers today?

You read the papers. You've seen the numbers. You have to live and work every day in a perfect storm of challenges, including...

- The cascade of **patent expiries** that, between now and 2015, will erase over \$130 billion in revenues.¹
- The drought in **drug discovery** that analysts predict will take at least a decade to turn around.²
- The intensifying **margin pressure** from generic competition, healthcare reform, and growing managed-care demand for rebates.
- The increasingly hostile **legal, regulatory, and legislative** environment.
- And today's near-vanishing **consumer trust** levels, in which only 11% of Americans now say the pharma industry is generally honest and trustworthy.³

But the biggest challenge confronting every pharma marketer today is none of these. It's *irrelevance*.

My brand? Irrelevant?

How can an industry that spends over \$4 billion annually on advertising alone⁴ possibly be in danger of irrelevance?

By taking our eyes off our customers and failing to change the way we engage with them as their needs, values, and behaviors have changed.

For nearly a decade, mass-media, push-messaging DTC worked spectacularly. It delivered a genuine service to consumers by raising awareness of underdiagnosed conditions and the availability of new and effective treatments for them.

But success can be seductive...and dangerous if we fail to understand its source.

Too many of us took the wrong lesson and came to believe that the right schedule, the right spend, and the right number of GRPs could guarantee dominant share-of-voice and mindshare — and that this dominance would reliably translate into positive consumer belief and purchase intent.

It was never mere reach and frequency or share of voice that made DTC successful. It was the service that it delivered to our customers.

And to the degree that we have, as an industry, forgotten this, the very practices and assumptions that once brought us closer to our customers now threaten to pull us ever further from where our customers are...*and where they want us to be.*

Not in Kansas anymore

Our customers today — consumers and healthcare professionals alike — are swept up in a rising tide of expectations for customer-centric, service-based marketing, created by marketers such as Best Buy, Apple, Amazon, and Nordstrom. And increasingly, they measure all marketers against these high standards.

At the same time, they are living in a hyperconnected world, where the proliferation of new digital and mobile tools give them the power, not only to tune out marketing that does not deliver real service, but to consult, in its place, the experience of hundreds or even thousands of people like themselves.

The result is a climate in which unhelpful, interruptive marketing messages are relegated to an increasingly peripheral position in influencing consumer decisions.



Some hard facts

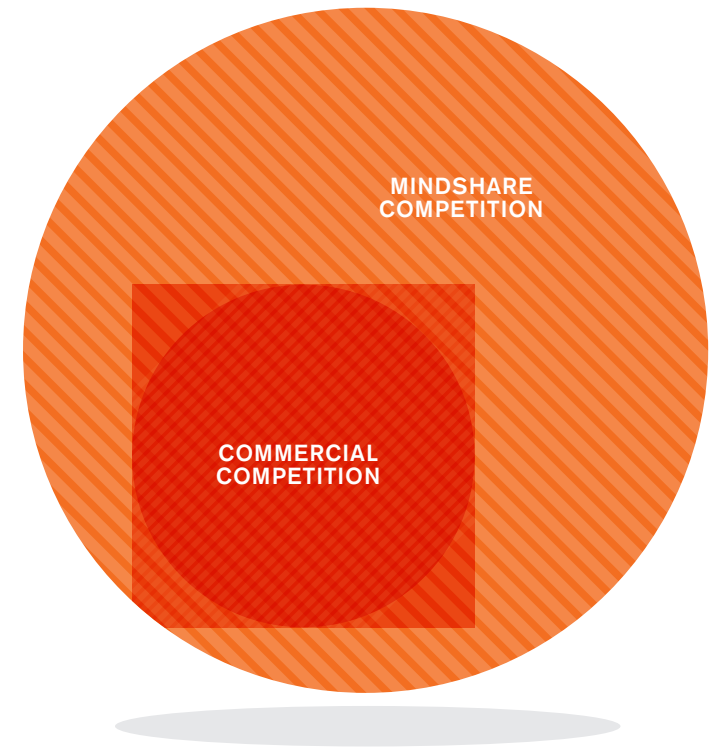
- 90% of US consumers who can skip TV commercials, do.⁵
- Only 14% of Americans trust advertising.⁴
- 90% rate peer recommendations as the strongest purchase influence.⁶
- Over 100 million Americans create or consume health-related user-generated content today.⁷
- Increasingly, they are making mobile devices their platform of choice for finding and accessing this content...even when a PC is available to them.⁷
- 70% of consumers regard this content as credible.⁸

It's not the medium... it's the message

Let's be clear. We're not saying that TV, print, outdoor, or any other traditional marketing channel or tactic is irrelevant; or that digital is the new panacea.

What we are saying is that *valueless* marketing — marketing that does not deliver a genuine service to our customers — is irrelevant in any channel; and deservedly so.

Every brand today has to compete, not only with its traditional commercial competitors, but with the much larger universe of competitors for our customers' mindshare — the friends, peers, social media, and third-party content sources that, in aggregate, can speak much louder than any single advertising campaign. And if those voices contradict what we're saying about our brand, we have a very large problem.



What digital offers, far more than just another selling channel, is a window into this larger, noisier world — a unique living laboratory in which we can learn, through listening to and interacting with our customers and their influencers, how to create responses that deliver value in *any* channel.

Our customers *don't want us to be peripheral*

Far from it. Research demonstrates strongly that they not only want but *expect* pharma to participate appropriately in the process of helping them make health decisions.⁹

Appropriate participation, from our customers' perspective, means...

- Making a commitment to **understanding** their needs, values, and behaviors.
- Providing **information** about our products that is directly responsive to those needs, values, and behaviors.
- Making it easy to access the **services** – such as patient assistance, reimbursement support, clinical trial participation, and other programs – that support our products.
- **Responding** in a timely manner to customer questions, concerns, and issues.
- And **distributing** this information and these services via the media channels they already use – paid, owned, and earned – and not insisting they come to us.

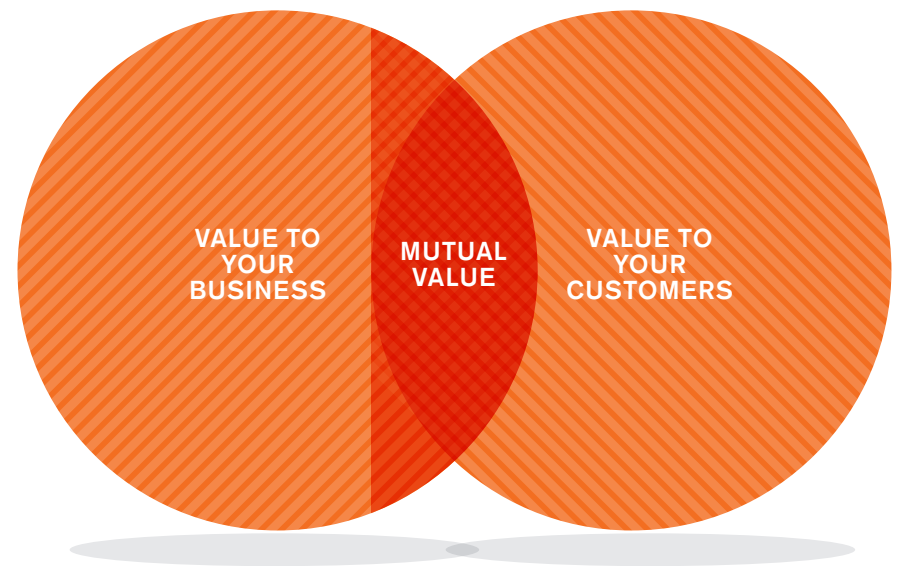
In other words – *helping, not selling.*

So how can pharma marketers move from selling to helping?

1. **Listen deeply** – Marketers today who aren't using advanced social listening to generate actionable customer insight (not just simple metrics, such as share-of-voice and sentiment) are operating blindly...and at great risk. Their probability of making crucial mistakes in engaging with today's empowered customers approaches 100%.
2. **Show you've been listening** – Customer insight is a tool, not for manipulating customers, but for serving them. Armed with that insight, today's smart marketers can move from asking "What do we want to tell our customers?" to asking "What have we learned

from listening to their needs, values, and behaviors...and what information, services, or other resources can we design and deliver that align with those?"

3. **Focus relentlessly on mutual value** – Just as purely self-serving marketing is valueless to your customers, purely selfless marketing is valueless to you. The key question to ask of any strategy, tactic, or program is "Will this benefit *both* our business and our customers?" Marketers who wish to be successful today will subject every concept to this test...and reject anything and everything that doesn't meet it.



Good news: Really helping means you sell more too

What do you do when, after more than three decades of growth, your brand suddenly falters? For **Starbucks**, a 42 percent drop in share price in 2007 was a signal to recall its founder and chairman, Howard Schultz, as day-to-day CEO.

Schultz faced a host of problems — underperforming locations, poorly trained staff, a deepening recession, and impatient investors. But one thread ran through all of these. Starbucks had failed to keep up with its customers.

“We had never had much competition,” Schultz told the *Harvard Business Review*. “Everything we did more or less worked. And that produced a level of hubris that caused us to overlook...a seismic change in consumer behavior.”¹⁰

Digital media proved crucial both in diagnosing Starbucks' problems and in developing solutions. “Social media [had] suddenly started defining Starbucks,” Schultz recounts. “Bloggers were putting holes in the equity of the brand, and it was affecting consumer confidence, our people, everything.”¹⁰

Despite what he describes as “great resistance...to allowing the outside world to tell us what we are doing wrong,”¹⁰ Schultz launched a website, *mystarbucksidea.com* that solicited customer ideas for improving Starbucks products, customer experience, and community involvement.

The more than 120,000 ideas submitted to date have been felt in all areas of company operations — in improved staff training, product mix, store design, and technology...in the elimination of product lines, such as books and CDs that were peripheral to the Starbucks value proposition in customers' minds and the introduction of others, such as their VIA instant coffee line that were central to it...in the launch of the immensely popular Starbucks card program (the #1 customer suggestion)...and in the retention of Starbucks' commitment to providing health benefits for all staff.

Schultz insists that social media is not just — or even primarily — a selling channel, but a tool for discovering and delivering value to customers. “The rules of engagement in traditional marketing are over,” he says. “Whether



you are creating a brand, building one, or running a big one...there is a seismic shift in how people are gaining access to information and, as a result, how they are behaving. Information can't be from the company to the consumer. It has to be a level playing field.”¹⁰

Starbucks' recent success on that playing field testifies to the power of this insight. In the three years since Schultz's return, Starbucks shares have rebounded more than 350 percent from their 2008 low, and the company now posts annual revenues of over \$10 billion.

How can we help you?

Historically pharma has trailed other industries in most areas of innovation by three to five years. But the time when this gap could be accepted as just a fact of doing business is past.

The important gap today is not between pharma and other sectors but between pharma and its customers. Their expectations have been set by those industries that have already made the transition to customer-centric, service-oriented marketing. And they will not long be patient with marketers who do not catch up with them.

It's urgent if we wish to remain relevant to our customers — who want us to be relevant, remember — that we close that gap quickly.

With two decades of experience as innovators in all disciplines of healthcare marketing — across all key customer groups — Digitas Health has the insight, the expertise, and the field-tested strategies to help you do this.

Let us show you how you can create measurable mutual value for your customers and your business.



1 Datamonitor, *Pharmaceutical Company Outlook to 2015* (01/2011)

2 *Forbes*, *The Long-Term Bullish Case for Pharma* (08/2011)

3 *The Harris Poll #149* (12/2010)

4 Kantar Media, *for 17 measured media*

5 Nielsen, *Trust in Advertising Report* (10/07)

6 Nielsen, *Trust, Value, and Engagement in Advertising Report* (07/09)

7 Manhattan Research, *Cybercitizen Health 2011*

8 *iCrossing, How America Searches Health and Wellness* (01/2008)

9 Digitas Health primary research (11/2010)

10 “We Had to Own the Mistakes,” *Harvard Business Review* (07/2011)