

Guest Article

Pharma's Image Conundrum

Building Brand Loyalty and Consumer Confidence

Author: Carla Stratfold

PMN810-04



About the Author

As CEO, Carla Stratfold brings more than 20 years of experience to OnRequest Images, a leading provider of custom photography for the Global 1000 and many of the worlds best brands.

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This article is part of the November/December 2009 issue of *Pharma Marketing News*.

For other articles in this issue, see:

<http://www.news.pharma-mkting.com/PMNissueNovDec09archive.htm>

Published by:

VirSci Corporation

PO Box 760

Newtown, PA 18940

infovirsci@virsci.com

The pharmaceutical industry, like much of corporate America in this day and age, isn't immune to scandal and corruption. One need only look at recent events surrounding H1N1 vaccines, the swine flu epidemic, the alleged indiscretions with the ImClone insider trading scandal, Purdue Pharma's reaction to the apparent widespread misuse and abuse of its addictive opiate derivative, OxyContin, or GlaxoSmithKline's Paxil scandal and its purported fraud and misinformation.

In a time of intense national debate about healthcare reform, Big Pharma is not scoring major popularity points for all the good it does given the events previously mentioned. A recent poll conducted by the Lombardo Consulting Group reported that 78 percent of registered voters believe the role pharmaceutical companies and other special interest groups have played in the current health care reform debate thus far, have hindered reform efforts.

Couple this with the accusations that drug makers, despite promising to support Washington's healthcare overhaul, "by shaving \$8 billion a year off the nation's drug costs after the legislation takes effect," as reported in the *New York Times* "have been raising its prices at the fastest rate in years," which further positions pharmaceutical companies in a negative light.

As the scrutiny becomes more intense, there is a profound need for pharmaceutical companies to revamp and revitalize their brand images to improve consumer confidence and build brand loyalty.

DTC Ads Hurt Pharma's Image

Since the FDA relaxed its interpretation of regulations governing broadcast-media advertising in 1997, there has been a significant increase in direct-to-consumer (DTC) marketing and brand building, allowing pharmas to bring "greater awareness of many treatable conditions and potential remedies for them to consumers," said 30-year pharmaceutical industry veteran Bruce Grant, senior vice president of business strategy, for Digitas Health, a next-generation marketing agency.

But, adds Grant, it also brings to light several unintended effects. First, there is the likely perceived drop in status, expertise and institutional memory of healthcare-professional marketing within many pharmaceutical companies, "as budgets and 'fast-track' marketers increasingly shifted to DTC," said Grant.

Secondly, the application within DTC advertising of techniques "that, while appropriate to other categories of consumer marketing, exposed some pharmaceutical companies to both increased regulatory exposure and decreased public trust,"

offered Grant. "Rushing through the mandatory disclosure may be acceptable in a car-leasing commercial, but not in one for a prescription medication with potentially serious side-effects."

Lastly, there may be developing a greater focus "on the emotional and pre-rational elements of branding than on the 'science-based information [consumers] need to use medicines...to improve their health,'" concluded Grant.

DTC Ads Can Also Build Trust

That said, DTC advertising, including use of the internet and social media platforms, offers pharmaceutical companies a tremendous opportunity to build brand awareness and loyalty, market directly to target demographics, and control the way they portray new drugs and build emotional connections with consumers. Companies such as Johnson & Johnson, Eli Lilly, Abbott Labs, Merck (see "Case Study: Merck's Gardasil 'One Less' Campaign," pg 4) and AstraZeneca have all developed successful programs to brand-build and shore up consumer loyalty. But how is that accomplished?

Brand Loyalty Building Best Practices

Here are several key learnings and best practices that pharmacos can follow when building brand and consumer loyalty.

1. Take a global approach on strategy

"This might sound obvious, but in times of fewer molecules becoming blockbusters, a company needs to have a coherent brand strategy that is driven from global but brings in cultural differences and is sensitive to regional marketing knowledge and insights," explains Mark Sales at KantarHealth. "It is vital that the pharma company gets the strategy right at the global level, but also works to ensure it will be effective across a variety of geographies and audiences—drug reps, patients, physicians, HMOS."

2. Come up with the right positioning

There are several key steps to developing a brand strategy. First, because pharmaceutical drugs have a limited patent life, branding should begin as soon as possible. It's critical to develop all elements of the brand before it hits pharmacies or store shelves.

AstraZeneca, a leading pharmaceutical company with world-class biologics capability, is a prime example of a pharma that leverages an aggressive branding process for its pipeline products. It recognizes the importance of getting all key branding elements in place early in the new brand's inception in order to raise awareness and boost consumer confidence in the company and its products. Accord-

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ing to Jon Parton, the company's director of direct marketing, the company focuses on internal branding to ensure the brand personality defines the emotions and characteristics that they want associated with the product.

Building brand resonance is critical to the success of a particular company or drug product line. Speaking authentically and truthfully to consumers along the way is a consumer expectation. Companies must develop and deploy clear branding strategies early in a drug's lifecycle that strive for strong and effective emotional messaging.

In a noisy advertising/promotion landscape, companies must find creative ways to grab consumer and physician attention. Pharmaceutical companies must continue to evolve their branding strategies in order to stay relevant with today's consumers and gain greater market share over their competitors.

3. Reinforce the parent brand

It's critical for pharmaceutical companies to consider building a unified corporate brand, not just to support their individual products, but also to support their business. This is becoming a major priority for pharmaceutical companies because of the negative perception around the industry. Promoting a new drug product is one thing, but don't neglect the parent brand.

Until recently, many pharmaceutical companies based their corporate brand identity on a single position. For example, for a new fast-acting compound, a company may have built its entire identity around being fast by marketing this idea, including logo design, typeface—anything revolving around the perception of speed. However, in today's market, basing the entire company brand on a single positioning statement is risky. Companies are at risk of losing consumer confidence and damaging its relationships with target audiences if that particular positioning attribute comes under question.

To stay nimble, brand strategy should also include understanding of and embracing social networking techniques and the use of social media platforms on the Internet. Historically, pharmaceutical companies have been reluctant to embrace social media in an effort to comply with regulations of the Federal Drug Administration (FDA), which closely monitor the advertising and promotion of prescription drugs.

Despite this, many companies are leveraging social media to help enhance their brand. According to a ranking by social advertising company ViTrue, Pfizer, Johnson & Johnson and Novartis have the highest "social share of voice" among pharmaceutical companies. Pfizer, Bayer, Roche and Johnson &

Johnson are all leveraging social media elements in their branding campaigns including Twitter, Facebook and YouTube to help extend brand resonance with their key demographics.

4. Be open and honest.

Product safety can never be underestimated and is an obvious cornerstone to building the right positioning and strong relationships with consumers. Share as much information as possible.

Transparency is increasingly critical in building trust with consumers. It's important for several reasons, according to a study done by the Canadian Medical Association on health policy, and echoed throughout the industry. "First, the availability of detailed information about a drug's benefits and harms would allow interested individuals to review and analyze trial data themselves," the study says. "If independent analysts come to the same conclusions as regulators and other decision-making bodies, confidence in the decision-making process would increase. Second, a lack of transparency always gives the impression that something is being hidden. The drug evaluation system would be perceived as being more legitimate if the public were aware of how and why decisions are made and had an opportunity to provide input. Governments might also benefit from increased public trust. Finally, increased scrutiny of the decision-making process might lead to better decisions."

5. React immediately to safety concerns.

Consider Tylenol, no stranger to product recalls. Clearly the decision to withdraw a product is one that executives will wrestle with, but if patients' health is at stake it is the right thing to do, and ultimately the speedy withdrawal of a defective product may have a significant impact on the health of the corporate/parent brand. Additionally, the higher the profile or important the brand is, the more careful the pharmaceuticals need to be around the communication around the situation.

In a recent case involving the pain reliever Tylenol, its maker, McNeil Consumer Healthcare, recently voluntarily recalled certain lots of Children's and Infants' Tylenol liquid products that were manufactured between April, 2008 and June, 2008.

All products manufactured met internal specifications, but the company quickly implemented a recall because during that particular period, an unused portion of one inactive ingredient did not meet all quality standards. As a precautionary measure,

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McNeil decided to recall the affected Children's and Infants' Tylenol liquid products made during this time.

The precedent for handling the recall was likely set in 1982, when some Tylenol product in Chicago was found to contain traces of cyanide. Their swift and sure handling of the egregious tampering of its product became a model of transparency, quick action in telling consumers to stop taking all Tylenol products, and halting all production and advertising (including recalling some 31 million bottles of Tylenol product, with a retail value of \$100 million). Then-brand owner Johnson & Johnson were lauded for their socially responsible actions.

Johnson & Johnson chairman of the board, James E. Burke said, in regard to the comeback, "It will take time, it will take money, and it will be very difficult; but we consider it a moral imperative, as well as good business, to restore Tylenol to its preeminent position."

6. Leverage the right imagery to build your product and parent brands

Establishing brand image, as any marketing executive knows, is not only critical, but one requiring a deft hand. One of the most powerful success measures for brand building is developing a library of custom digital assets. Building a library of provocative imagery can be a significant cornerstone in branding campaigns that create an emotional connection with both consumers and doctors.

Companies such as Johnson & Johnson, Eli Lilly, Abbott Labs, Merck, and others have developed moving advertising campaigns that rely on strong evocative and provocative images that help not only promote effective products, but do much to build the company's pharmaceutical brands. Developing and leveraging digital assets such as imagery and photographs early in the branding process enables pharmaceutical companies to build emotional connections with consumers and communicate a unified brand message.

Several of today's leading pharmaceutical companies are leveraging the power of imagery to build their brand and create a connection with their target audiences. For example, Abbott Labs is a global, broad-based health care company that relies on the power of imagery to help connect their brand with their audiences. The company has built a diverse digital photography collection to match its core values including caring, pioneering, achieving and enduring. Today images on their Web site, marketing materials and advertising depict science and professionals that deliver the brand promise.

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Case Study: Merck's Gardasil "One Less" Campaign

Merck's Gardasil is the world's first cervical cancer vaccine. The imagery used in the "One Less Campaign" for Gardasil helped grab consumer and physician attention in a noisy advertising/promotion landscape. The images of young girls and their mothers built emotional connections with consumers and communicated a unified brand message (see "Best Practice" #6).

The campaign won the 2008 Phame Awards for Best Branded TV, Best Branded Print and Best Integrated Campaign. At the 2009 DTC Perspectives DTC National Conference, Merck also was a big winner and received seven awards overall, with Gardasil winning four of those awards.



Gardasil has difficulties that the marketing has, for the most part, overcome. These include price, effectiveness, and possible dangerous side effects (the CDC said it has received reports of 21 deaths and almost 10,000 side effects in women following vaccination as of October, 2008).

One misstep that has tarnished Merck's image was the allegation that it "bribed" state legislatures to make HPV vaccination mandatory for school girls. The legislative initiative—whether or not it was aided and abetted by bribery—backfired spectacularly (see "Gardasil: To Be Mandatory or Not To Be Mandatory -- That is the Question"; <http://bit.ly/62fjb0>).

Care must be taken, however, to appropriately match that imagery with a company's target demographic.

To maintain authenticity and sincerity, a company must know exactly to whom it is speaking, and represent its message with the right visual images, to assure there is no cultural, social or other disconnect in the minds of consumers.

When it comes to health care, instilling consumer confidence is critical. Employing the above concepts become paramount to pharmaceutical branding by enabling companies to position themselves correctly, remain responsible and transparent, and deftly develop confident, emotional connections with both consumers and physicians while at the same time reinforcing a company's core values.

Pharma Marketing News

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