# Keyword Pharma

## Expert Reviews

# *Can Strategic Marketing be Measured?*

Examining why strategic marketing is of pivotal consequence to the success or failure of a brand

by Mike Rea

KeywordPharma publications are available to purchase individually as e-documents from www.ThePharmYard.com

## Other related KeywordPharma titles available from www.ThePharmYard.com

### Using ROI Data for Effective Decision Making in Pharmaceutical Marketing

A KeywordPharma **Expert Review** by **Dr Andrée K Bates** Published January 2006

ThePharmYard product code kwp002 ISBN-13: 978-1-905676-02-6

Dr Andrée Bates outlines commonly used approaches to ROI as used by the pharmaceutical industry and argues that many of these techniques rely on historical analysis that is fundamentally flawed in today's environment.

All KeywordPharma publications are available for purchase individually in e-document format at www.ThePharmYard.com – along with hundreds of other titles from independent publishers.

## KeywordPharma – inspiring best industry practice

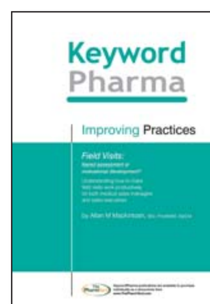
Written by pharmaceutical industry specialists, KeywordPharma publications are designed to be authoritative, relevant, succinct and helpful to pharmaceutical industry executives in their day-to-day work and in their longer-term career development. Available to purchase individually as e-documents, they build into a specialist knowledge library for everyone working in and around the global pharmaceutical industry.
For more information visit www.KeywordPharma.com

**Conference Insights**

Reports written by specialists about key themes and topics as presented at leading pharmaceutical industry events.

**Expert Reviews**

Niche topics made accessible by pharmaceutical industry specialists, with comprehensive references for further in-depth study.




**Improving Practices**

Valuable practical guides that support personal development and management excellence within the pharmaceutical industry.



*Can Strategic Marketing be Measured?*
First published March 2006 by NetworkPharma Ltd
89 Oxford Road, Oxford OX2 9PD, UK
Tel: +44 (0) 1865 865943
Web: www.networkpharma.com email: support@networkpharma.com



Text and illustrations © 2006 Q2 Audit Ltd
© 2006 in this format NetworkPharma Ltd



A CIP catalogue record for this title is available from the British Library.

ISBN-10: 1-905676-05-0 ISBN-13: 978-1-905676-05-7

Managing Director: Peter Llewellyn; Editor: Chris Ross; Production/editorial: Gill Gummer; Typesetting and artwork: Blenheim Colour Ltd



No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronically, mechanically, recorded or otherwise, without written permission from the publisher. The publisher and author have made every effort to ensure the accuracy of this publication but cannot accept responsibility for any errors or omissions. Registered names, trademarks etc. used in this publication, even when not marked as such, are not to be considered unprotected by law.

## Bulk print sales and multi-user electronic licenses

All KeywordPharma publications are available for reprinting in bulk quantities on demand. We will be pleased to discuss any branding requirements you have – for example you may wish to include company logos and advertorial. Likewise, individual e-documents can be licensed for multiple-user access, either on web sites or on company intranets and, if appropriate, adapted to your own requirements. All enquiries should be directed to the Managing Director, Peter Llewellyn, at NetworkPharma peter@networkpharma.com

# Can Strategic Marketing be Measured?

Mike Rea

## Executive summary

In an industry where analyses suggest that only one launched drug in four repays its investment, there is a significant need to measure marketing effectiveness. The past decade has seen an increasing realisation that 'commercialisation' and 'development' are one and the same. Yet the overwhelming majority of proprietary measurement tools focus their attention on elements within the tactical marketing mix, but are unable to examine the effectiveness of strategic marketing.

This *Expert Review* argues that marketing has a role to play in identifying, redirecting and appropriately commercialising the three drugs in four that currently stay below the cumulative break-even line, and that ensuring the quality of strategic marketing is of pivotal consequence to the success or failure of a brand. Furthermore, leaving assessment of the strength of strategic planning to beyond the implementation of promotional campaigns, and ultimately to a point beyond product launch, is far from optimal in ensuring an appropriate return on overall investment.

This review also puts the case for earlier implementation of rigorous, externally triangulated assessment of strategic marketing plans, to ensure that brand trajectory is fully optimised.

## Contents

- Introduction 4
- About the author 4
- Measuring marketing 5
- The importance of measuring strategic versus tactical marketing 9
- Redefining measures of marketing 9
- Conclusions 11
- Acknowledgements 11
- Reference 11
- Further reading 11

# Introduction

It has been said that the only way to measure marketing is to "do it, wait and see what happens and measure that." This is one step on from the infamous statement by William Hesketh Lever, "Half the money I spend on advertising is wasted, and the trouble is I don't know which half". Within an industry in which analyses suggest that only one launched drug in four repays its investment, there is clearly a significant need to measure the effectiveness of marketing to ensure that resourcing is appropriate, both in terms of scale and direction. With such high stakes, the pharmaceutical industry has begun to embrace the more active concept of measuring the impact and effectiveness of the components in the marketing and sales mix, and applying the lessons learned. This kind of marketing audit is becoming more commonplace in an increasingly cost-driven environment. Indeed, there are now few scenarios in the life cycle of a pharmaceutical brand where a watchful-waiting approach would ultimately be considered an appropriate risk.

Pharmaceutical marketing, in contrast to consumer-orientated disciplines, was once considered to have a relatively back-seat role to play in the success or failure of a product. In such a model, the compound, as opposed to the brand, was considered to lie at the core of sales success, and was the factor that underpinned whether a product rose above the break-even point. This model assumed that the strength of the product lay within its pharmacology and clinical evidence base, rather than in how the brand was built and communicated to key prescribing audiences.

The past decade or so has, however, seen significant changes in the perception and practices of pharmaceutical companies in driving products to market, with an increasing realisation that commercialisation and development are one and the same, implying an equal partnership between brand and product development. Although such an approach is widespread, the depth and timing of such integration remains variable within even the top 10 pharmaceutical companies, demonstrating that company reporting structures can still potentially hamper best practice in product commercialisation.

**Mike Rea**
March 2006

## About the author


Mike Rea is CEO of Q2/IDEA Group, a leading consultancy group in pharmaceutical marketing, which includes ID Pharma, IDEA Pharma Consulting and Q2 Audit.

He has worked in international healthcare communications for almost 20 years, and has developed global marketing solutions for most of the world's top 10 pharmaceutical companies. Mike's principal point of interest is the incorporation of best practice into pharmaceutical marketing strategy, and he has helped lead the strategic direction of over 50 pharmaceutical brands.

Mike is the author of *Medical Marketing Manual: Branding Pharmaceuticals*, is a frequent expert reference for articles on pharmaceutical branding and has chaired several international conferences on pharmaceutical marketing.

Mike can be contacted at: mike.rea@q2ltd.com

# Can Strategic Marketing be Measured?

## Measuring marketing

The overwhelming majority of proprietary measurement tools available from external agencies to measure return on investment (ROI), and indeed those created internally by pharmaceutical companies, focus their attention on elements within the tactical marketing mix. Many ROI measures can provide an indication of the cost-effectiveness of, for example, a public relations programme or a sales-force campaign. The challenge has always been that marketing is regarded as successful or unsuccessful when a product outsells its target or outperforms its market. However, this is an amalgamated, distal outcome that measures a composite of inputs to the marketing plan. Thus, it is impossible to distinguish whether the marketing strategy, tactics, or both, have led to a successful or unsuccessful outcome.

> *ROI measures are not able to examine the effectiveness of* strategic marketing*, which should underpin all tactical elements used in promotional campaigns*

Such measures are therefore not able to examine the effectiveness of *strategic marketing* – the strategy that should underpin all tactical elements used in promotional campaigns. A wealth of information is therefore generated on whether individual tactical elements have proven their worth in driving product sales. Little or no data are typically available on whether strategic elements such as the product positioning and brand essence are of sufficient quality to ensure that the tactical elements they inform have a high chance of impacting the market. Validation of these strategic elements is typically conducted through a combination of internal critique and Delphi-style consensus, and market research with target audience groups. It is commonly perceived that there is no other way in which the quality of these strategic elements, and the return on the quantity of investment, can be measured. This is exacerbated by the timing of strategic planning, which by its nature precedes product launch, preventing analysis of its effectiveness on product revenues.

## Defining marketing

Before something can be measured, it needs to be defined more closely. There are a number of traditional definitions of marketing (Table 1), and although marketing is clearly hard to define, from these attempts at definition it can be seen that marketing relies upon a number of factors:

- The analysis of customers, competitors and the product.
- Combining this understanding to identify market segments:
  - consumers (e.g. primary versus secondary care; analysis of payers, whether private or public)
  - what customer needs are; what products or services might be developed to meet their needs
  - how consumers might prefer to use the products and services
  - in pharmaceuticals, what patient types and subtypes can be segmented (e.g. patients with major depression as a type; those with severe treatment-resistant depression as a subtype).
- Deciding on targeting the most profitable segment(s).
- How to design and describe the product such that customers/clients will buy from the organisation, rather than from its competitors: the unique value proposition.
- Positioning the product.

*"Marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individuals and organisational objectives."*

**American Marketing Association, 1985**

*"Marketing is a human activity directed at satisfying needs and wants through the exchange process."*

**Kotler, 1972**

*The all-embracing function that links the business with customer needs and wants in order to get the right product to the right place at the right time.*

*The achievement of corporate goals through meeting and exceeding customer needs better than the competition.*

*The management process that identifies, anticipates and supplies customer requirements efficiently and profitably.*

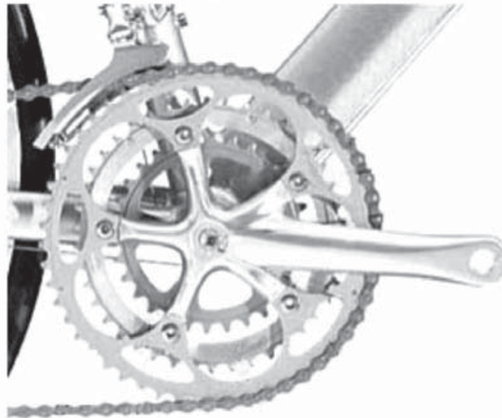
*Marketing may be defined as a set of human activities directed at facilitating and consummating exchanges.*

**Table 1. Traditional definitions of marketing.**

Tactical marketing

Rear wheel cassette

Strategic marketing



Crank

**Fig. 1. Strategic versus tactical marketing: the concept of gearing.**

- How the company or products should be identified to be most identifiable (i.e. naming and branding).
- Delivering on the positioning through the provision of studies designed to yield claims within appropriate indications, and communication of the brand to consumers via campaigns, which can include advertising, public relations, sales and customer service.
- What pricing mechanism and approach should be used:
  - how each of the target markets might choose to access the product, etc.
  - how much customers/clients might be willing to pay and how.
- Making a commercial return.

All of this was characterised many years ago by Kotler[1] as the 4Ps:

- **Product** – making what customers want
- **Place** – delivering it via the channels they want to use
- **Promotion** – making them aware of its existence
- **Price** – making it available at a price they will pay.

*Marketing does not equal promotion*

From these definitions, it is clear that marketing does not equal promotion. Promotion is clearly an important component of what constitutes marketing, but it is only one component. Furthermore, as segmentation, positioning and branding provide the direction for promotion, these strategic components can be considered to have greater significance than promotion *per se*. In addition, strategic marketing has an impact much earlier in the process than promotion, and may do so at a time when no sales-based measure of success is available in the pre-launch phase. Thus, strategy is analogous to the marketing foundations that support the edifice of promotion – the visible component of the marketing strategy. As with any structure, a solid foundation is key to the success of the edifice that it supports.

Another analogy for the influence of the marketing strategy over the tactical elements that it informs is the concept of gearing. On a bicycle, changing up or down a gear in the rear wheel cassette has a lot less effect than changing up or down a gear at the crank (Fig. 1). Strategic marketing can be considered as the crank: minor changes at this level have a more significant impact on progress than tinkering with tactics at the rear wheel cassette. An excellent sales and promotional programme will still struggle if, for example, the positioning, segmentation, chosen indications and pricing are ineffective (or low-geared), whereas a basic programme may suffice if these strategic components are high-geared. This model also suggests that assessment of any one element of the tactical mix for different drugs could be misleading, as the strategic context and gearing will inevitably differ. The model then introduces the concept of contingency: the success or failure of components of the tactical mix is contingent upon the gearing set by the strategic programme.

*The success or failure of components of the tactical mix is contingent upon the gearing set by the strategic programme*

## Defining investment

There are a number of ways to consider investment. As commercialisation of pharmaceuticals is fundamentally all that pharmaceutical companies do, typically the financial *cost* to an organisation for a given activity is by far the most widely accepted definition. However, cost is a blunt tool: it has a floor, so all cost is always greater than zero and, furthermore, only cost that is offset by return is regarded as investment. Investment in research and development (R&D) is a well-understood risk in the industry, because there is a hard, proximal output in terms of the numbers of candidates that populate the pipeline. It is clear therefore that if $X billion is invested in pre-clinical and early-phase development, and Y compounds make it to market delivering $Z billion in sales, a simple model of ROI can be constructed. In contrast, most senior industry figures have developed the view that it is impossible to measure investment in strategic marketing in terms of its cost: good decision making costs the same as poor decision making, rendering invalid the hypothesis that the level of up-front investment is a predictor of success. Defining investment in strategy is therefore more complex than an assessment of cost of headcount and external expertise used to formulate strategy.

## Defining ROI

### Quality is as important as quantity

The increasing noise surrounding ROI in the pharmaceutical industry reflects a basic tenet: you can only measure parameters for which you have a yardstick available. However, the essential premise underlying ROI is that investment is a measurable single parameter, and that return is measurable on the same scale. Furthermore, the hypothesis presumes that investment is modified by the way in which that investment is conducted; that is:

return = X **x** investment *for a given input*

where X is the factor or factors that modify the relationship between investment and return: the X factor that determines whether ROI is high or low. Overwhelmingly, therefore, the equation has been considered as a *financial* calculation, and various measures have attempted to translate non-financial surrogates into a financial value, to determine the X factor (e.g. frequency of advertising leading to awareness). This approach, however, is analogous to trying to determine how fast a car goes by examining only its price. Cost is clearly not the only measure of investment: an expensive car can be slow and an inexpensive one fast. Quality, as well as quantity, is therefore of paramount importance. In the pharmaceutical industry context, this ROI model would assume that an inexpensive campaign with a successful outcome would have a better ROI than an expensive campaign. However, the quality of the inexpensive campaign could have been the deciding factor rather than the cost. Commissioning multiple campaigns of a similar type could therefore result in a poor outcome, as the quality of subsequent campaigns may not match the capital investment.

If the traditional ROI hypothesis is written as 'altering a financial investment produces a causative increase or decrease in financial return', and this is applied to *strategic* marketing, it immediately and evidently becomes invalid – spending $X behind a poor decision has a significantly different outcome than spending $X behind the right decision. Once stated this way, the fallacy that all marketing is measurable using a financial scale is evident. Strategic marketing is primarily a *quality-based* parameter, where financial inputs are decoupled from quality outputs. Therefore, a measure of quality is essential as an end in itself. Once this assertion is accepted, the goal of defining a quality measure, and the importance to pharmaceutical companies of doing so, is evident. A brand with an average or below benchmark quality measure or gearing will never compete with a brand spending as much but with a marketing strategy of superior quality.

> *The increasing number of failures at regulatory submission may result directly from failures of strategic marketing*

Many recent examples suggest that increasing number of failures at regulatory submission may result directly from failures of strategic marketing: these failures have been in the *quality* of decision making, which has had a multiplicative *negative* effect on the level of investment. These failures have had a substantial effect on top-line product sales and, perhaps most importantly, have impacted on patients. Two recent examples have both involved a failure to power studies adequately, or initiate separate studies to examine subgroups of patients who may accrue benefits, or greater benefits, from a particular agent.

***Relenza®*** – although the influenza agent Relenza (GlaxoSmithKline) was shown to confer benefits in reducing time off work in a heterogeneous patient population, the lack of robust evidence for benefit in reducing significant morbidity or mortality in those at most risk (elderly patients, especially those with underlying respiratory disease), where payers perceived the benefit of Relenza to lie, prevented a smooth approval: one from which Relenza has never recovered. In this example, the US Food and Drugs Administration rejected the original submission that demonstrated clinically marginal benefits in a population that had a very wide age range, with the majority of individuals being fit and well prior to their influenza. At the committee stage, the small number of patients included in the studies likely to have serious sequelae from influenza (respiratory failure and death) was highlighted, and GlaxoSmithKline

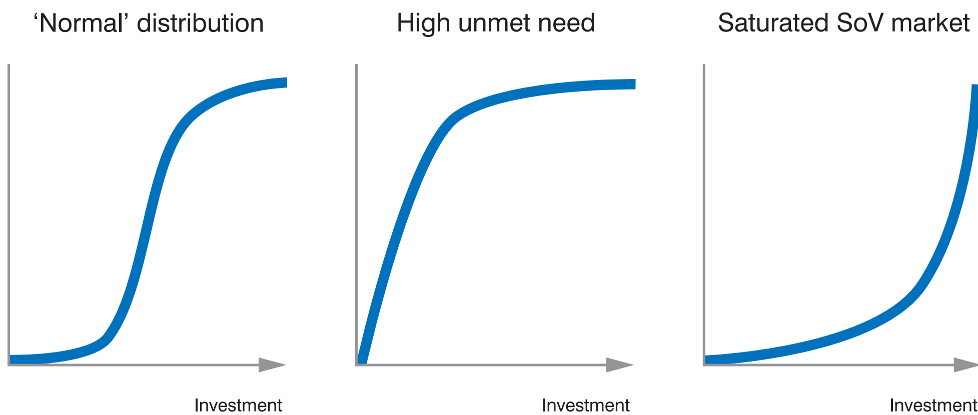



**Fig. 2. Context is important in determining investment levels.**

was asked to conduct further studies before approval would be granted.

***Iressa®*** – the chemotherapy agent Iressa (AstraZeneca) is another example. Although the overall patient populations examined showed no significant benefit from Iressa in later trials, it is evident that there may be subpopulations of patients who do benefit. However, the studies were not formally designed to test this hypothesis, and so the opportunity to appropriately position the drug in a population with a favourable risk/benefit profile was missed.

Each of these situations would have been avoidable with a more robust and effective commercial strategy. Conversely, there is no doubt that the drivers behind the considerable success of Lipitor® (Pfizer), used for the treatment of high cholesterol and triglyceride levels, were qualitative (positioning, brand message, redefinition of efficacy, aggressive trial programme), multiplied by significant investment. Even at a mundane level, a well-organised and objective-led advisory meeting will cost the same as one with no clear objectives. There is, it seems, little alternative but for the industry to attempt to rate quality *independently* of cost.

## Context, not just the level of investment, is important

The concept of gearing also applies to the context into which a drug is being launched. It is impossible to compare directly the effect of a marketing campaign for one drug with that of another, even in the same class, because the context differs. As illustrated in Fig. 2, the kind of market into which the drug is being launched will affect the way that investment provides a return. A product being launched with desirable attributes into an area of high unmet need will have a very different return curve than one being launched into a saturated market, where promotion may need to outstrip the competition before seeing any level of return. Therefore the extent of investment appropriate in one scenario does not translate into another.

The competitive environment is clearly also an issue when examining the appropriate level of investment. In the traditional ROI equation, investment is always a positive value: this assumes that *any* degree of investment has a positive effect. In reality, the level of investment has to be compared with others in the market to ascertain whether it is above or below industry standard. There is a cost to be 'in the game', and there is the possibility that spending below that amount has a cumulative *negative* effect. For example, investment in the sales force is clearly contingent upon the competitor investment. There is not a direct linear relationship between the first dollar of spend and the millionth: spending less than the competition has to be viewed differently than spending more, in terms of the expected output.

> *The kind of market into which the drug is being launched will affect the way that investment provides a return*

Considered further, there are clearly a large number of variables which will also impact the gearing of any promotional activity, including:

- the compound's positive and negative attributes
- the target audiences and how they segment
- the presence or absence of direct or indirect competition
- the licensed indications, and the clinical endpoints chosen
- the alignment of the brand's positioning with the goals of the audiences
- the cost-effectiveness within the chosen indications.

These and other variables mean that any comparison *between* drugs must examine the complexity of the context within which they are performing before deciding upon the effectiveness of the promotional activity. A highly geared strategic programme will give the impression that certain promotional activities are working well, when the same promotional activities work less well for lower-geared brands.

## The importance of measuring strategic versus tactical marketing

Marketing as a discipline within the pharmaceutical industry often occupies a somewhat uncomfortable position between R&D and sales. In the past, the pharmaceutical industry has tended to use a narrower definition of marketing than is ideal, with a focus more upon activities that have a direct cost or a proximal marker of effect (e.g. advertising measured by increased awareness; sales promotional activities measured by immediate effect on sales). However, most marketing, particularly strategic marketing, has only a distal impact on sales. The emphasis in the industry has been shifting, however, from serendipitous discovery to targeted discovery, not only in the R&D sense of designer molecules, but also in the commercialisation sense of designing molecules more directly aligned with market need. The tighter regulatory environment has meant heavier at-risk investment in development, while also narrowing the commercial opportunity (narrower indications with more patients in trials before licensing), so decisions made a priori about targets and commercial opportunity are acquiring *greater* significance than in the past. This should move the pharmaceutical model ever closer to the consumer models discussed in these definitions, where strategic analysis, valuation and decisions on commercialisation are regarded as part of the matrix with R&D, and therefore as part of the investment to be measured.

> *Most marketing, particularly strategic marketing, has only a distal impact on sales*

As we have seen, strategic marketing is a significantly more powerful lever for market success or failure than tactical or promotional marketing. Strategic decisions have been responsible for all major successes and failures in the pharmaceutical industry in recent years. The lack of measures that can be used to predict the likely success or failure of strategic decisions that provide the foundations for subsequent clinical development, and more distally promotion, represents a significant area of risk for the pharmaceutical industry. It is unsustainable for strategic marketing to continue without a measure of effectiveness in an industry that typically lives within 20–30-year investment horizons, and where billions of dollars are invested in R&D with the expectation of a significant ROI. Commercial decisions, including choice of therapeutic area, candidate selection, target product profile, target patient profile, definition and measures of efficacy and positioning, all need to be made as early as Phase I. There has, however, been no way to test the strategy or the plans that inform these decisions. Clearly, waiting 5–10 years to assess the *quality* of the pre-launch or strategic marketing is undesirable, as it allows no time for corrective action to be taken.

> *Strategic marketing is a significantly more powerful lever for market success or failure than tactical or promotional marketing*

## Redefining measures of marketing

### Objectively measuring quality

Given the lack of hard endpoints, it is tempting to conclude that it is impossible to measure quality in strategic marketing, and that the X factor or factors are beyond the definable. To be content with this conclusion, however, ignores the truth behind the powerful statement ‘hope is not a strategy’. As we have seen, many billions of dollars of investors’ money lie on laboratory floors as a result of this seemingly impossible task. However, lessons from many industries point towards a way to overcome the difficulties in defining a quality measure. Some industries struggle with a harder task: knowing what ‘good’ looks like is often based upon collective, subjective judgements (e.g. in the entertainment industry, winemaking or tea production). In the pharmaceutical industry, however, drawing conclusions from success or failure is a much more objective prospect. Forensic case studies of deceptively successful compounds, or unpredicted failures, as well as moderate performers, yield many lessons for the experienced investigator.

The obfuscating factor in forensic examination of pharmaceutical case studies is the contingent nature of strategic marketing – a compound’s positioning is dependent upon the quality of the market research, advisory meetings and assumptions about the probable attributes, as well as the quality of the process of deriving the positioning. However, that key insight provides the first guide: looking for a single metric or template that works across all brands would be impossible – like attempting to tune a piano by tightening or loosening all the strings at the same time. So, the first imperative is defined: a measuring scale must allow for each brand to be evaluated against its *own* objectives and within its own context. It is also essential to look beyond the binary: for example, simply having a positioning is not in itself predictive of success or failure; having a systematically derived positioning with properly tested insight, premises and assumptions, and a best practice-based approach is, however, a component of successful brands and one that is lacking in unsuccessful brands.

That is, positioning quality is a robust, causative and predictive component of success. Building up a quality construct or qualitative index from such components, therefore, produces a more specific picture of quality than was previously available. Developing a robust qualitative index is then a function of identifying an exhaustive set of components, all of which must be present and of testable individual quality. This approach results in an objective yardstick that has both validity and reproducibility, allowing valid comparisons to be made of the quality of marketing between brands.

> *A measuring scale must allow for each brand to be evaluated against its own objectives and within its own context*

## Objectively measuring investment

Constructing an investment, or quantitative, index is relatively more straightforward, although still complex. It begins with a hypothesis that no two brands face the same challenge: therefore a valid quantitative index must be built upon elements that are standardised against objectives and historical parameters. For example, an undifferentiated 'me-too' brand in Phase 3 being launched into a primary care market has different imperatives than a novel transplant immunosuppressant in Phase 1. There are many historical analogues and financial models that provide benchmarks for investment in each case.

## Constructing a standardised measurement scale

There are two ways to apply measurement to a marketing plan: with complex feedback, or with reference to a standardised scale. Many internal processes already rely upon internal experts from senior personnel to provide complex and constructive feedback on strategic marketing. However, such processes are typically limited by time, which then limits a full audit of the premises, assumptions and testable components within any plan. Furthermore, such a review struggles to make reference to the competitive landscape, and must 'take as read' the claims within the plans.

A self-referential review, which does not apply the same scale used to rate competitors, yields less valuable information for senior management, analysts and the brand team itself as it makes no reference to the environment. Yet many measures of marketing excellence employed within the pharmaceutical industry compare one brand with others from the same company. Such an approach may provide a ranking of compounds, but provides no information on how they stand within the all-important competitor environment. There is little point being ranked the best amongst a portfolio of poor brands.

> *There are two requirements therefore: a full independent audit and a rating scale triangulated across the whole industry*

There are two requirements therefore: a full independent audit (to investigate fully the strategic marketing plans and other testable components) and a rating scale triangulated across the whole industry, measuring qualitative and quantitative components against a benchmark score. This is an important consideration in an era in which senior management needs to know more than the clinical data to make a judgement about a brand's prospects. Many recent high-profile compounds that have delivered against their *clinical* objectives have spectacularly underperformed against their *commercial* objectives. The independent qualitative and quantitative assessment therefore provides a level of detail that complements both internal expertise and the more traditional analytics by providing an understanding of the gearing of the strategic programme that underlies the tactical programme (Fig. 3). Importantly, it provides a proximal marker of effectiveness well before any measurement of impact could take place.

# Conclusions

Measuring marketing is increasingly becoming an essential component of pharmaceutical commercialisation, yet analytics applied only to tactical marketing focus too much attention on the less significant components in the mix. The gearing provided by the strategic component of any programme far outweighs that found within promotional activity. The strategic component of commercialisation is significant in its complexity and reflects the large number of variables in context, opportunity and qualitative decision making that have an impact on eventual market success and return on overall investment.

Traditionally, analyses of strategic quality have been conducted individually, and without reference to a scale that allows comparison between brands, and within the same brand's programme over time. Such measures have almost exclusively been quantitative and, by focusing on sales return alone, have been unable to assess pre-launch strategic decision making until its impact, either positive or negative, has been felt. Furthermore, until a qualitative index was developed, it was almost impossible to standardise measurement of strategic marketing. Companies using this index use it in the way that they use Good Clinical Practice – to ensure that their processes are deployed robustly and

2

Qualitative index

Qualitative evaluation ✔
Quantitative evaluation ✘

Qualitative evaluation ✔
Quantitative evaluation ✔

0

Quantitative index

2

Qualitative evaluation ✘
Quantitative evaluation ✘

Qualitative evaluation ✘
Quantitative evaluation ✔

0

**Fig. 3. Independent assessment of both quality and quantity of strategic marketing provides a more robust assessment of how a brand is likely to perform.**

efficiently on each brand and to assess each brand's strategic programme for its ability to effectively gear the promotional activity.

## Acknowledgements

In writing this *Expert Review*, I have been assisted by colleagues Dr Alexander Gray and Stephen de Looze. Dr Gray is Medical Director at Q2 Audit Ltd and IDEA Pharma. He has been responsible for creating and leading strategic medical input for major brands in different therapeutic areas, working closely with brand teams providing statistical, medical and marketing input. Stephen de Looze is VP Client Service Operations at Q2 Audit Ltd and IDEA Pharma. Stephen has worked in brand management, new business development and general management positions within the pharmaceutical, medical device and medical capital equipment industries. Companies include Boots PLC, 3M Inc., Reed Elsevier PLC and Quintiles Inc.

## Reference

1. Lilien GL, Kotler P, Moorthy KS, eds. *Marketing Models*. Prentice-Hall International, 1992. ISBN: 0135446449.

## Further reading

Aaker DA, Joachimsthaler E. *Brand Leadership*. Free Press, 2005. ISBN: 074320767X.

Brown JS, Duguid P. *The Social Life of Information*. Harvard Business School Press, 2000. ISBN: 0875847625.

Christensen CM, Anthony SD, Roth EA. *Seeing What's Next: Using the Theories of Innovation to Predict Industry Change*. Harvard Business School Press, 2004. ISBN: 1591391857.

Gardner H. *Art, Mind and Brain: A Cognitive Approach to Creativity*. Basic Books, 1984. ISBN: 0465004458.

Gladwell M. *The Tipping Point: How Little Things Can Make a Big Difference*. Abacus, 2002. ISBN: 0349113467.

Kapferer J-N. *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*. Kogan Page, 2004. ISBN: 0749442832.

Kim WC, Mauborgne R. *Blue Ocean Strategy*. Harvard Business School Press, 2005. ISBN: 1591396190.

Kotler P, Saunders J, Armstrong G. *Principles of Marketing*: *European Edition*. FT Prentice Hall, 2004. ISBN: 0273684566.

Levitt S, Dubner SJ. *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything*. Allen Lane, 2005. ISBN: 0713998067.

Markides CC, Geroski PA. *Fast Second: How Smart Companies Bypass Radical Innovation to Enter and Dominate New Markets*. Jossey Bass Wiley, 2004. ISBN: 0787971545.

Rothenberg R. *Where the Suckers Moon: The Life and Death of an Advertising Campaign*. Vintage Books, 1995. ISBN: 0679740422.

Schrage M. *Serious Play: How the World's Best Companies Simulate to Innovate*. Harvard Business School Press, 1999. ISBN: 0875848141.

Smith DVL, Fletcher JH. *The Art and Science of Interpreting Market Research Evidence*. John Wiley and Sons, 2004. ISBN: 0470844248.

Surowiecki J. *The Wisdom of Crowds*. Abacus, 2005. ISBN: 0349116059.

Treacy M, Wiersema F. *The Discipline of Market Leaders: Choose your Customers, Narrow your Focus, Dominate your Market*. Perseus Books, 1995. ISBN: 0201406489

Wise R, Slywotzky A, Weber K. *How to Grow When Markets Don't: Discovering the New Drivers Of Growth*. Little Brown USA, 2005. ISBN: 0446692700.

## **ThePharmYard** – Access medical and pharmaceutical industry information

KeywordPharma publications are all available to purchase individually as e-documents from ThePharmYard – along with hundreds of other documents from independent publishers such as John Wiley & Sons, Dove Medical Press, The Medicine Publishing Company and CSF Medical Communications. ThePharmYard is free to everyone to access when needed, no registration required. Pick and choose and buy just the information you need, when you want it, as you want it, and use it straight away.

ThePharmYard already has hundreds of articles on offer, many of which are not easy to get hold of elsewhere, and more are being added all the time. A small selection of what can be found at ThePharmYard is listed here. Check out www.ThePharmYard.com and search using the product code or browse the database.

### Drug reviews:

*Finasteride in Benign Prostatic Hyperplasia*
ThePharmYard product code: csf129b

*Alfuzosin in Benign Prostatic Hyperplasia*
ThePharmYard product code: csf128b

*Irbesartan in Hypertension and Cardiovascular Disease*
ThePharmYard product code: csf127b

*Seretide® in Chronic Obstructive Pulmonary Disease (COPD)*
ThePharmYard product code: csf126b

*Symbicort® in Chronic Obstructive Pulmonary Disease (COPD)*
ThePharmYard product code: csf125b

*Inegy® in Lipid Disorders*
ThePharmYard product code: csf124b

*Alendronate in Osteoporosis*
ThePharmYard product code: csf123b

*Metformin in Diabetes*
ThePharmYard product code: csf122b

*Strontium Ranelate in Osteoporosis*
ThePharmYard product code: csf120b

*Lamotrigine in Epilepsy*
ThePharmYard product code: csf119b

*Quetiapine in Schizophrenia*
ThePharmYard product code: csf118b

*Salmeterol in Asthma*
ThePharmYard product code: csf117b

### Expert briefs:

*The Indian Biopharmaceutical Industry*
ThePharmYard product code: chltn007

*Mexico's Pharmaceutical Potential*
ThePharmYard product code: chltn006

*The Indian Contract Research Industry*
ThePharmYard product code: chltn005

*Japan's Biopharmaceutical Challenge*
ThePharmYard product code: chltn004

*Unlocking Asia's Pharmaceutical Potential*
ThePharmYard product code: chltn003

*Neglected and Emerging Diseases: The Next R&D Challenge*
ThePharmYard product code: chltn002

*Pharma R&D in Europe: Past, Present and Future*
ThePharmYard product code: chltn001

**Core Evidence**

Published by Core Medical Publishing

ISSN: 1555-1741

This is the first international peer-reviewed journal to rigorously evaluate the evidence for rational drug selection based on outcomes central to informed medical decision making, with the goal of improved quality of care. Individual articles are available for sale from ThePharmYard, including the following selected titles:

*Dasatinib: The Emerging Evidence of its Potential in the Treatment of Chronic Myeloid Leukemia*
ThePharmYard product code: core001

*Aliskiren in Hypertension: Evidence for its Potential Therapeutic Value*
ThePharmYard product code: core002

*Lapatinib: The Evidence for its Therapeutic Value in Metastatic Breast Cancer*
ThePharmYard product code: core007

*Exubera® (Inhaled Insulin): An Evidence-based Review of its Effectiveness in the Management of Diabetes*
ThePharmYard product code: core008

*Topiramate: The evidence for its Therapeutic value in the Prevention of migraine*
ThePharmYard product code: core009

*Eplerenone: The evidence for its Place in the treatment of Heart failure after Myocardial infarction*
ThePharmYard product code: core010

*Dutasteride: An Evidence-based Review of its Clinical Impact in the Treatment of Benign Prostatic Hyperplasia*
ThePharmYard product code: core011

**Access 100s of relevant e-documents at www.ThePharmYard.com**

## Licensing updates:

*Bayer Helps J&J Expand Cardiology Franchise*
ThePharmYard product code: pventures126

*Therapy Focus: Neuropathic Pain*
ThePharmYard product code: pventures125

*Can European VCs and Universities Make Money from New Biotech Spin-Offs?*
ThePharmYard product code: pventures124

*Kos Pharmaceuticals Agrees to Take on Jerini's Icatibant in North America*
ThePharmYard product code: pventures123

*Astellas Joins Theravance in Fight against MRSA*
ThePharmYard product code: pventures122

*Enzon: Reconstructing an Oncology Pipeline*
ThePharmYard product code: pventures121

*Therapy Focus: Colorectal Cancer*
ThePharmYard product code: pventures120

## Industry reports:

*Early Stage and Discovery Deals: Strategy, Structure and Payment Terms*
ThePharmYard product code: bhead010

*Late Stage Deals: Strategy, Structure and Payment Terms*
ThePharmYard product code: bhead009

*India – The Emerging R&D Collaborative Opportunity*
ThePharmYard product code: bhead008

*The Licensing Agreement in Pharmaceutical Business Development – 2nd Edition*
ThePharmYard product code: bhead006

*Strategies for Biogeneric Success*
ThePharmYard product code: bhead005

*Intellectual Property Strategies for Pharmaceutical Development*
ThePharmYard product code: bhead002

*Business Opportunities in China: The Impact of the WTO*
ThePharmYard product code: bhead001

*Legal Aspects of Outsourcing in the Pharmaceutical Industry: A Practical Guide*
ThePharmYard product code: bhead092

**Reissuing Pharmaceuticals in the NHS: Challenging the Chain of Trust**
Published by Bridgehead International

Dr Geoff Crumplin examines the introduced DoH policy on reissuing medicines in the NHS to show how it may represent a significant challenge to the integrity of the Chain of Trust, which offers protection to both manufacturers and patients.

ThePharmYard product code: bhead091

## Research and development articles:

*A Critical Dialogue: Communicating with Type 2 Diabetes Patients about Cardiovascular Risk*
ThePharmYard product code: dove071

*Drug-eluting Stent: A Review and Update*
ThePharmYard product code: dove070

*Pathophysiology of Tumor Neovascularization*
ThePharmYard product code: dove069

*Optimal Lipid Modification: The Rationale for Combination Therapy*
ThePharmYard product code: dove068

*Peptide Crosslinked Micelles: A New Strategy for the Design and Synthesis of Peptide Vaccines*
ThePharmYard product code: dove067

*On the Way to Building an Integrated Computational Environment for the Study of Developmental Patterns and Genetic Diseases*
ThePharmYard product code: dove066

*Silk–Fibroin-coated Liposomes for Long-term and Targeted Drug Delivery*
ThePharmYard product code: dove065

**Medical Marketing Manual**
Edited by Paul Higham and Peter D Stonier

Published by Euromed Communications

The Manual has been written by senior medical and marketing executives in the pharmaceutical and allied service industries as a guide to the commercial development of medicines, particularly the interaction between the research, development, medical and marketing functions.

The Editors have used their wealth of experience and knowledge in both the medical research and marketing spheres to provide a unique publication, which in 18 chapters and several supplements covers all important aspects of the subject.

Each chapter and supplement is available to purchase individually as an e-document from ThePharmYard, including the following titles:

*Branding Pharmaceuticals*
ThePharmYard product code: emed058

*Going Over-the-Counter: the Medico-marketing Implications of Changes to the Legal Status of Medicines*
ThePharmYard product code: emed057

*eDetailing – A User's Manual*
ThePharmYard product code: emed055

**Access 100s of relevant e-documents at www.ThePharmYard.com**

*Can Strategic Marketing be Measured?*

a KeywordPharma **Expert** **Review**
available from ThePharmYard

ThePharmYard product code: kwp006

ThePharmYard provides instant access to a unique database of specialist information which is particularly relevant to individuals working within the medical and pharmaceutical industries around the world. Titles from a diverse range of independent publishers are available to purchase in electronic document format for immediate access.

**Access medical and pharmaceutical industry information at www.ThePharmYard.com**