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BRAND PLANNING FOR THE PHARMACEUTICAL INDUSTRY

JANICE MACLENNAN

ROUTLEDGE

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Janice MacLennan

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Introduction

Increasingly the pharmaceutical industry recognizes the need to professionalize its marketing skills. Despite this recognition, scant attention is paid to the practice of branding. The objective of this book is to increase understanding of the important issues in brand planning and implementing and evaluating branding strategies.

What is a brand?

To answer this question, we will firstly examine the range of definitions on brands.

I turn to those who are regarded as leading authorities in the branding area.

Kevin Keller in his book *Strategic Brand Management* refers to the American Marketing Association's definition of a brand: 'a brand is a name, term, sign, symbol, or design, or a combination of these intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition.'

David Aaker talks about brand equity as 'a set of assets (and liabilities) linked to a brand's name and symbol that adds to (or subtracts from) the value provided by the product or service to a firm and/or that firm's customers.'

Stephen King of WPP Group, London, differentiates between product and brand as follows: 'a product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless.'

Don Williams, Creative Director and Head of P.I. Global offers this definition: '… you can say its name and people immediately think of imagery that is not just the product … a product evokes a function … a brand evokes emotion.'

However, not one of them refers to the fact that the brand resides in the customer's head – it is not tangible, whereas a product is. And this – the fact that it resides in the customer's head – is to my mind the key point. 'The Brand' can come across as a deceptively simple concept. It is not a singular thing! Rather it comprises a complex vessel of strategic meaning. Successful brands have clear and differentiated positionings and are emotionally relevant. The Volkswagen Beetle is a good example of a successful brand – it came to represent simplicity, freedom of expression and anti-establishment sentiments.

Product brand vs. company brand

It is important to understand that there are two main brand cultures which have converged. There is the brand culture of the West, which has been about product branding (largely shaped by companies such as P&G and Mars). This relies on carving up and segmenting the market. Key words here are targeting and positioning. Then there is the brand culture of the East, which is about company brands such as Sony, Toshiba and Mitsubishi. This relies on building trust based on one name and one name only. The name of the company is perceived to be the best candidate for brand name as it personifies power, continuity and status.

For the pharmaceutical industry, given the frequency with which mergers and acquisitions take place, I believe the emphasis has to be on the product brand. However, it is well worth looking more closely at, and capitalizing on, the company name. My thinking is that the company brand should be used to build trust in 'target' therapeutic areas. The product brand(s) should then be used to differentiate themselves from other products and/or services in this therapeutic area, leveraging the company brand as part of its source of authority.

EXAMPLE

ALLEN AND HANBURY'S IN THE UK (A SUBSIDIARY COMPANY BELONGING TO GLAXOSMITHKLINE) IS RECOGNIZED AS A LEADING RESPIRATORY BRAND. ANY PRODUCT COMING OUT OF THE ALLEN AND HANBURY'S STABLE HAS AN IMMEDIATE ADVANTAGE OVER SIMILAR PRODUCTS BECAUSE OF ITS ASSOCIATION WITH THE ALLEN AND HANBURY'S BRAND.

There has perhaps been too much of a tendency for the brand to hide the company, making it little more than a back office. Let's not forget that in many cases the brand originated because of the know-how of the company. The idea here is that one should create a source of customer-based equity for the product brand, through the company brand.

What is branding?

Branding is considered to be the creation of a bond with your customers through distinctive delivery and in a manner that is consistent with the brand promise. This means breaking down functional barriers and focusing everyone's day-to-day activities on delivering superior performance across key brand triggers. These key brand triggers are recognized as being critical to the success of the brand.

In this industry we often see distinctive delivery (brand names, logos, slogans and advertising images) but often in a manner that is inconsistent with the brand promise. There are products with high levels of name awareness, but with mixed messages associated with them. A new claim, a new formulation, has often ended up as a new message. This is not branding.

Even in companies where today there is branding dialogue, it is rarely focused on brand delivery. The discussion frequently spirals down into a dialogue about the logo, advertising, strapline and promotion, or the discussion remains at too high a level (that is, what the brand is) to have any impact.

In most cases, this lack of a wide-ranging integrated discussion on branding and the implications for each function reflects the lack of experience of branding in the pharmaceutical industry.

Is branding important to the pharmaceutical industry?

There are differences in opinion as to whether branding needs to be practised or not.

- The argument for branding is that it sharpens the uptake curve, and provides protection from products with similar profiles – sustainable differentiation can only come through branding.
- The argument against branding is that in this industry, once the patent has expired, branding offers no protection against the switch to generics.

I hope to convince you that the case for building strong brands is a powerful one in the pharmaceutical industry.

Let's start off with considering the question: if it's important, why has it been ignored? An industry made up primarily of scientists understands the need to create value. However, the industry's formula for creating value has been:

1. investment in R&D in search of innovation
2. patents to protect the innovation
3. studies to demonstrate better patient outcomes than competitor products
4. sales representatives to promote these products
5. marketing departments focused on providing the sales force with promotional support.

There has been limited understanding of how marketing, and branding in particular, can create value. And why should there be?

- Many of the industry marketers are scientists, or have been salespeople. Rational decision-making has been emphasized.
- Companies have done well implementing the above formula.
- Classic marketing textbooks are the basis for learning about marketing, and so the 'product life cycle' has tended to drive the business model. Marketing investment only occurs just before product launch, and how much is invested depends on which stage of the life cycle it is in.

So why consider branding your products?

- Increasingly, therapeutic areas are becoming crowded with different product offerings. Indeed, the global generics market is set to show significant expansion over the next five years (see Figure I.1). As generic competition intensifies, only innovation in branded portfolios will help companies escape this increasing competition and pressure on pricing. *Branding offers the opportunity to differentiate*.

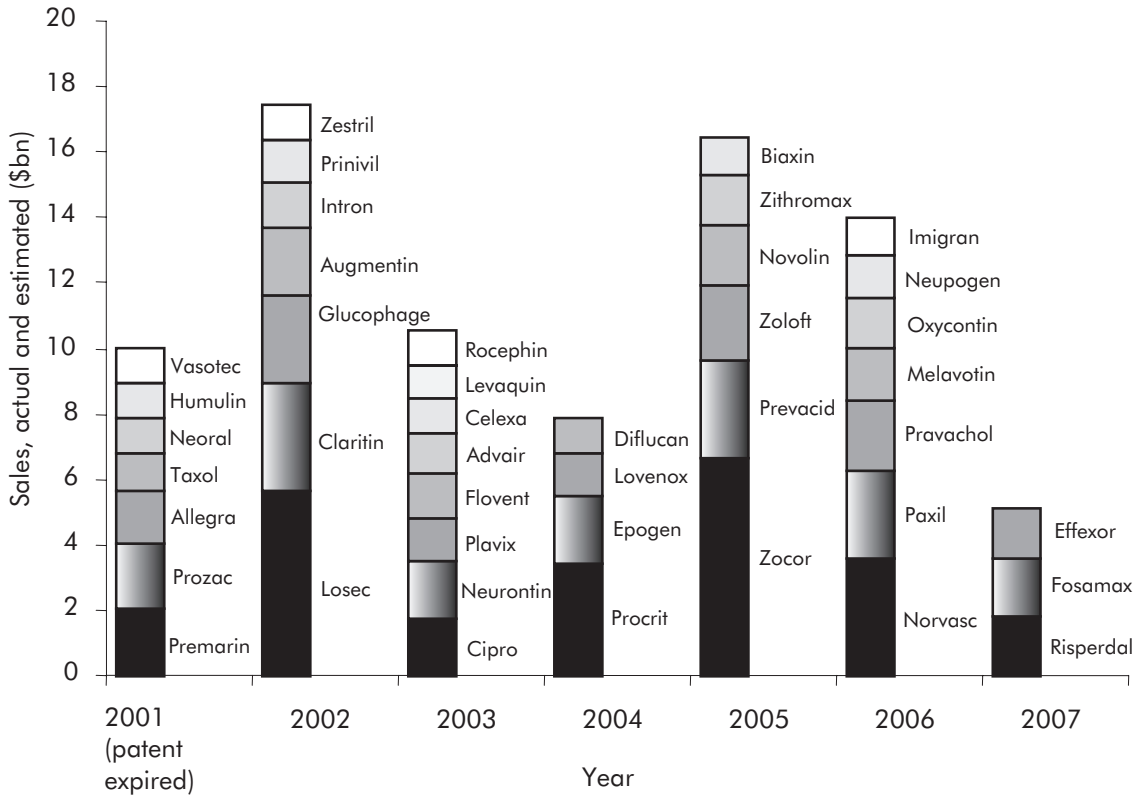

FIGURE I.1 GENERIC VS BRANDED. SOURCE: ADAPTED FROM BRANDED VS. GENERICS BY DATAMONITOR.

- As we move into the future, a key challenge is how to influence key decision-makers most effectively to prescribe or pay for innovative prescription drugs. *Branding could have a role to play*.
- Patients are increasingly getting involved in the prescribing decision. *Branding might well enable the industry to communicate with consumers, albeit indirectly*.
- Value creation is recognized within the industry as being a business driver to support premium prices. The industry needs to identify ways of sustaining premium prices. Today the value is created primarily through innovation (in products and devices), the regulatory strategy (the product label) and health outcomes data. *Branding could offer another mechanism through which you can create value*.
- All else being equal, brand equity has been proven to shift the demand curve, allowing a higher price and/or market share (see Figure I.2).

An approach to building global brands

Global brands are not achieved by a simple decree that positioning and other branding elements (e.g. pictures, logos, colours, etc.) must be common around the world.

Building global brands should be achieved through global brand management based on a global brand planning process, an effective organizational structure and a monitoring and control system that over time will deliver brilliance in brand-building execution.

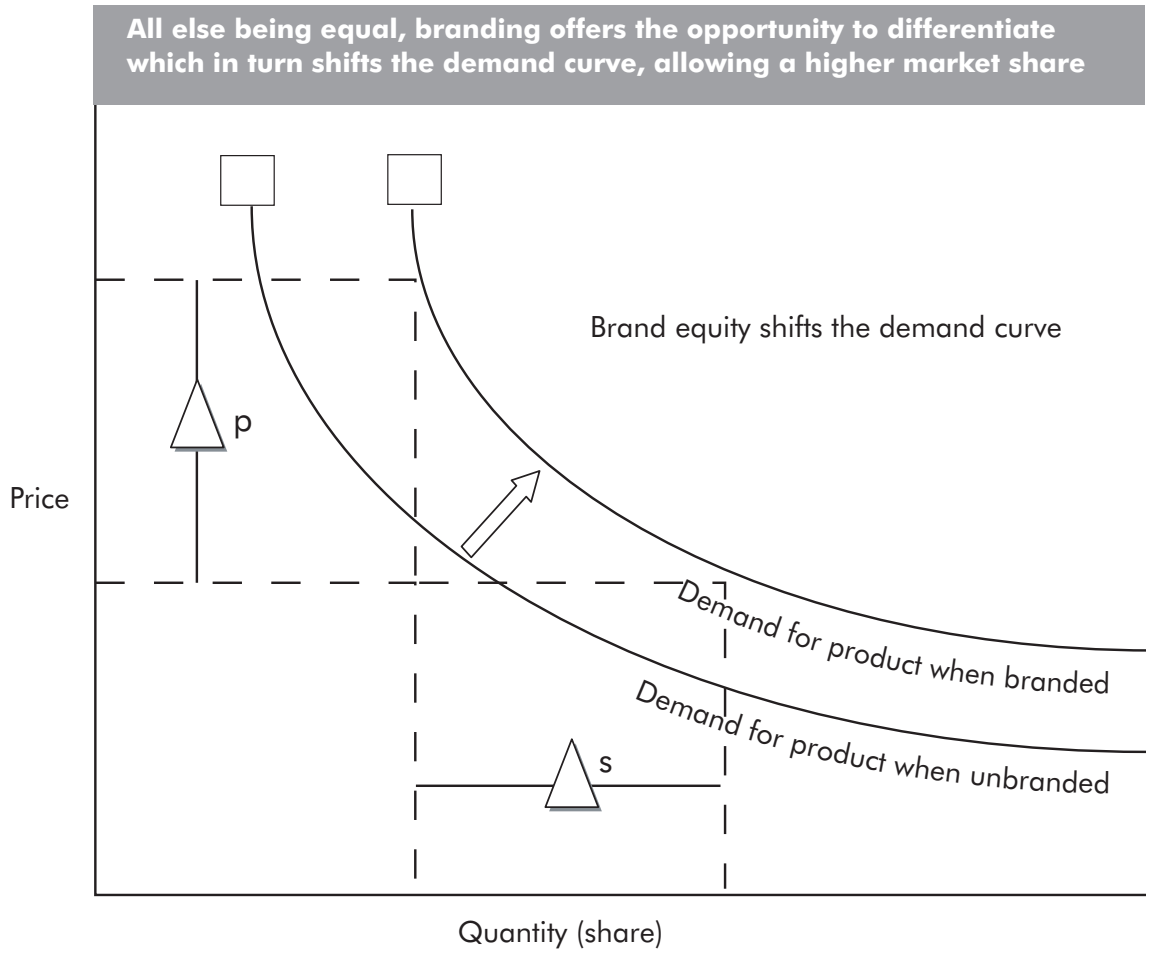

FIGURE I.2 BRAND EQUITY SHIFTS THE DEMAND CURVE.
SOURCE: ERIC L. ALMQUIST, IAN H. TURVILL AND KENNETH J. ROBERTS (1998) COMBINING ECONOMIC AND IMAGE ANALYSIS FOR BREAKTHROUGH BRAND MANAGEMENT, *JOURNAL OF BRAND MANAGEMENT*, MARCH

One of the challenges in managing to build global brands is that country brand managers use their own vocabulary, their own templates and – needless to say – often come up with their own strategies. This makes it impossible to manage and contributes to inferior marketing and weakened brands. This situation must be avoided.

What is required is a global brand planning system, complete with planning templates and vocabulary *and* the understanding and acceptance of the country brand managers with regard to how to work with, and extract value from, the brand planning system.

A common brand planning process is the cornerstone for creating synergy and leverage across the global market place. The model I propose in this book provides a structural foundation for a brand planning process – for both new and existing products (see to Figure I.3). You will see that the basic elements addressed are:

1. the strategic analysis
2. the brand strategy
3. a specification of the brand building programmes
4. a description of the goals and measures.

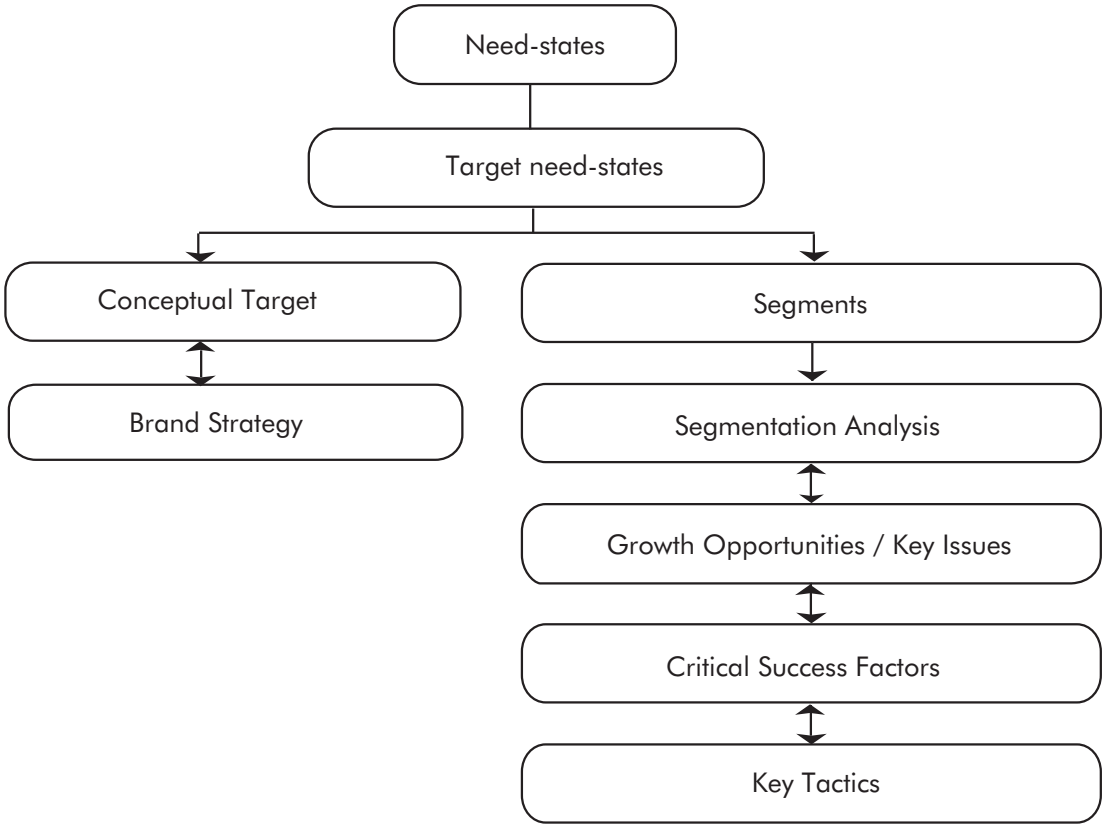

FIGURE I.3 A GLOBAL BRAND PLANNING SERVICE

Adapt this general model to the needs of your business, striving always to achieve the following:

- a well-defined vocabulary
- the same strategic analysis inputs
- the same structure
- the same outputs.

And for now – enjoy the journey!