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SALES & MARKETING INSIGHTS

ZS Interview: In Pharmaceutical Market Research, Sometimes You Can Get More With Less

Participant: Amy Marta

With its long road from R&D to the point of sale, the pharmaceutical industry is unlike any other, and pharmaceutical market research is just one part of the journey.

That stands in stark comparison with many consumer-based industries, in which market research forms the foundation for everything from product development to marketing. In pharmaceuticals, market research is extremely important, but some executives might treat it as an afterthought.

The fact is that pharmaceutical products rarely sell themselves, and market research is essential to ensuring companies have the right strategies and tactics to develop and market their products. The need for better research comes against a backdrop of increasing pressure to perform while research budgets are squeezed.

Amy Marta, a ZS Principal in Evanston, Ill., spoke about how pharmaceutical market research is both crucial to success yet sometimes underappreciated, and how marketing teams can get the most out of their limited resources—often by doing less.

About the Expert

Amy Marta,
Principal

ZS Associates,
Evanston, Ill.

Amy has worked with clients on a diverse array of marketing and sales issues, and has helped develop and optimize marketing research programs with various pharmaceutical companies.



What about pharmaceuticals makes strong market research important?

AMY MARTA: Keep in mind how the pharmaceutical product base has evolved—15 years ago, pharmaceutical companies brought many products with tremendous value to the public, but a lot of those products are going generic. Not all new products are providing improved benefits or better outcomes than generics that are less expensive. There's a lack of differentiation.

Some pharmaceutical companies place a high value on market research, but others have a "check the box" mentality—some individuals at these companies question if research has any value at all.

But the best commercial organizations realize that market research leads to a competitive advantage. When it's done well, market research drives better-informed decision making. For example, research can be the foundation that ensures you're bringing a commercially relevant product to market. Developing products requires that you make several key decisions, and well-structured research results in the right input and information to make those decisions.

Why is there a check-the-box mentality toward research?

AMY: Some companies don't pause to think, What decisions do I need to make, and how can research help me make these decisions? They don't always assess what they already have and know to be true against what they need incrementally, and then determine the direction and scope of research that's needed.

A check-the-box approach does not deliver the type of value that justifies its expense, and gives ammunition to those who question the value of research. And if you stay in a check-the-box mentality, you're not going to be able to deliver the type of customer insight you need to drive your business forward. You're revisiting things you already know.

But how can pharmaceutical companies improve market research when marketing expenditures are declining?

AMY: Even in world of declining resources, you can do more. But when I say "more," it's not doing more studies. It's about delivering more insight and value to the business. I would argue we would actually want to do less with less, which means taking what you have and making more of it by executing it in a different way.

The idea of doing less is about being selective. When I do less, I prioritize research relative to the business issue at hand, and recognize there's already a base of knowledge to leverage. I need to work with my clients to elicit

what they already know to be true versus where there are genuine, relevant gaps in knowledge. When companies have to do less, they have to make research really count, so they need to invest in ensuring a high-quality outcome.

So how do companies improve their investment in research?

AMY: When I think of investing in marketing research, the image I have is of a woman building her wardrobe. There are clothes that are trendy and perhaps not all that well made, but the clothes that are going to pay off are classic and well made, the things that are going to be wearable for a long time. It's the same in research.

The best companies realize they can recycle. It's not a word you hear a lot in research; it essentially comes down to knowing what you know. It's going back and reflecting on prior research—customers generally don't change that quickly. There's information that you spent \$200,000 to discover a year ago. The first step should be going to see what you can extract from that research. If the research was well designed, capably executed and synthesized skillfully, it's likely that there are findings and insight that are still valuable to you today.

What are some other hallmarks of a good research process?

AMY: There are a variety of different things. First, the research is purposeful and targeted. Researchers have taken the time to think about the business issues, and understand what research is necessary to address those business issues.

Another bright spot with companies that do high-value research is that marketing and market research collaborate. Market research has a seat at the table—there's a level of a respect for what research does and brings. The company knows what it needs to understand incrementally before it can solve the business issue at hand.

And it's not about internal collaboration only, as companies work with external partners to deliver market research. The market research agency is pulled in to work with market research, along with marketing. There's transparency in what's shared; it doesn't become a game of telephone. They're clear on the direction that they're trying to take as a team.

How do you know when these approaches are working?

AMY: The proof of a good research organization is in how researchers do their jobs—they're immersed in the customer. They've learned about customers over time, and learned about them through different research approaches. They use ethnography, social media, secondary data, and a whole host of other information. It's about integrating all that information together.

Conversely, what are common mistakes in research?

AMY: One mistake is when they've done the research—and maybe they've done the best research in the world—but they don't know how to communicate it. You can't just hand over 150 pages of data, but must synthesize and understand what it really means to the business issue.

And what's also amazing, given the amount of money invested in marketing research, is the lack of time some companies spend to review, discuss and internalize results. There may be hundreds of thousands of dollars spent on a study, and the results are read out in an hour. If it's only worth an hour of people's time and attention—is it really worth the investment of \$200,000? You have to reflect upon it, and ponder how to make the results actionable.

How does research ultimately fit into pharmaceutical marketing?

AMY: The industries that do market research the best, like consumer packaged goods, have set the standard and established their market research organization as king—they're contributing a tremendous amount of momentum for the company. Their industry is driven by market research.

But in pharmaceuticals, the structure is much different. A marketer does not always consider customer insight as the first step in the marketing process. Pharmaceutical marketers are often worried about problems, but at the same time, not all marketers think research is going to be part of the solution in solving those problems.

About ZS Associates

ZS Associates is a global consulting, outsourcing, technology and software solutions firm focused on commercial strategy and implementation. For almost 30 years, ZS has helped businesses across a range of industries address market challenges and optimize performance. From 20 offices around the world, ZS experts use analytics and deep expertise to help companies make smart decisions quickly and cost-effectively. ZS comprises multiple affiliated legal entities. Learn more at www.zsassociates.com



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