

VIEWS from the TOP



Is healthcare marketing
fit for the future?

Winter/Spring 2022

A **stragmar** report

Are we **FIT** for the **FUTURE?**

● **Adapting to change in order to survive the future** should be a central theme in everyone's marketing endeavours. But it is an understanding of what to change, and what to become, that holds the key to dominance. However, change too slowly and we falter. Change too little and we falter. Fail to spot the change needed until others have got there first, and, yes, we falter.

Here, gathered for the first time in one report, are the views of over 100 leaders in healthcare marketing, all responding to the crucial questions of today's healthcare marketing environment: if marketing practices and approaches are changing, how will they change? What are the implications for marketers? What does the future look like for healthcare marketers and how can we ensure we are set for it? The research focused on understanding how well-prepared (or otherwise) organisations are for the future healthcare environment.

Our research sought responses from the most senior and influential marketers in the healthcare sector. For that we determined influence based on seniority (CMO, SVP, VP, Director and Head of Departments), thought leadership (reach, publication, and contribution) and scope (Global and regional marketers).

The leaders that participated covered a broad range of healthcare organisation including Lifesciences, Consumer Health and Digital Health, although the majority (78%) were Pharmaceutical and Medical Technology providers. 80% of the participants were Director level and above. 77% had regional or global responsibilities.

We hope this research shed informed light on the one fundamental question facing us all as marketers:

Are we fit for the future?

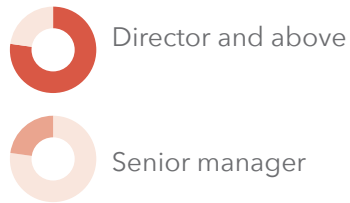
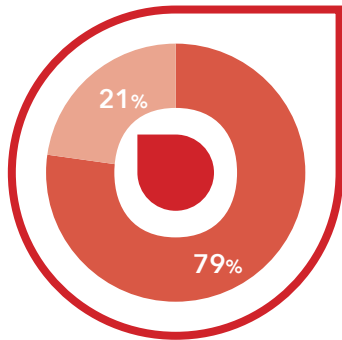
If, like us, you are eager to know what these views from the top tell us, read on.

Our 100+ Top Tier respondents

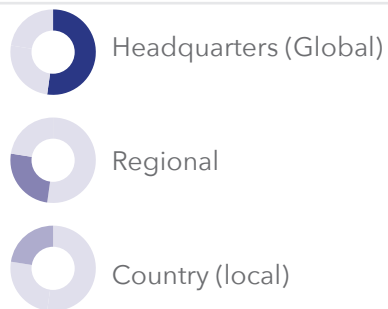
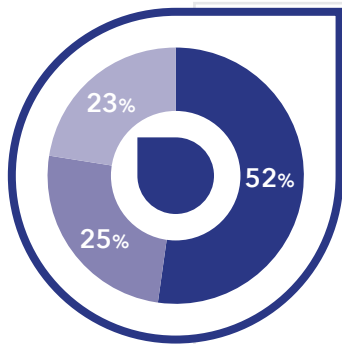
We invited leaders in healthcare, medical technologies and medical devices to reply to our probing questionnaire. All were Director level, CEO, country leads or board members - truly amongst the top tier of professionals with a remit to manage their companies' marketing capabilities. And as you'd expect, we found some pretty juicy nuggets.

Who, Where, What

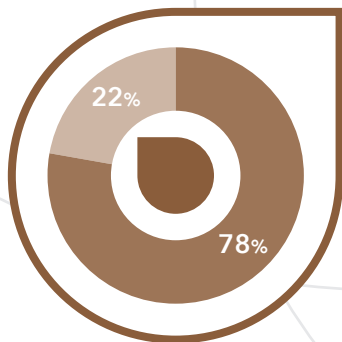
Who we spoke to



Where they were

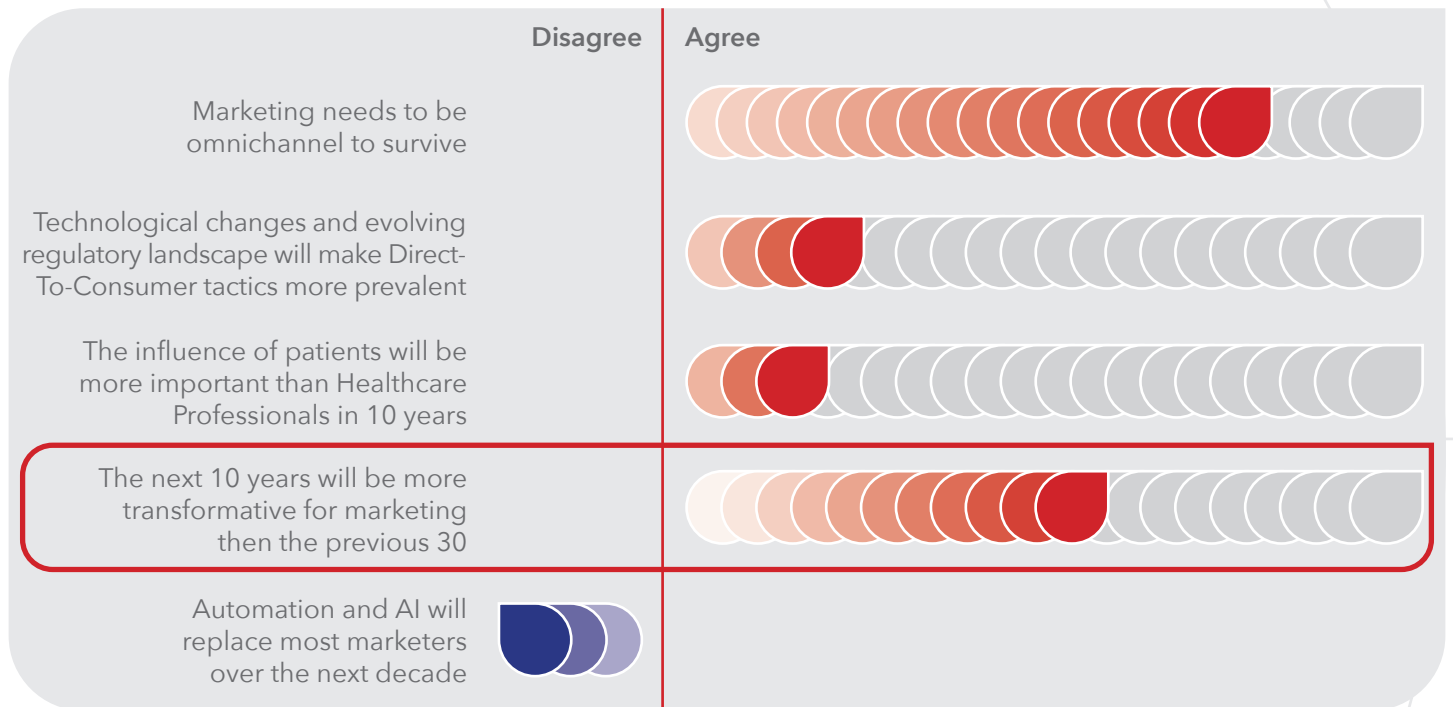


What sector



Where NEXT?

Senior figures agree: the disruptive force of change will not spare healthcare marketing. Almost half strongly agreed that the next 10 years will be more transformative for marketing than the previous 30 years. And we saw where our respondents believed change would have an impact.



OMNICHANNEL

An overwhelming majority agreed that omnichannel is a necessity for marketing to thrive.

PATIENT INFLUENCE

A sizeable number believe that the influence of patients will be more important than HCPs in 10 years.

DIRECT-TO-CONSUMER

DTC will continue to grow in relevance and impact.

Views from the top

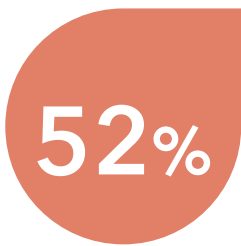
The multi-channel ecosystem is a fact. If we wish to exert influence we need to embrace it. Even more so when considering that it's patients who will be our most valuable audience in the years ahead.

The big question is: **are we ready?**

Do we still need MARKETING?

Rating of the Importance of Marketing over THE LAST 5 YEARS

Not very important



Very important

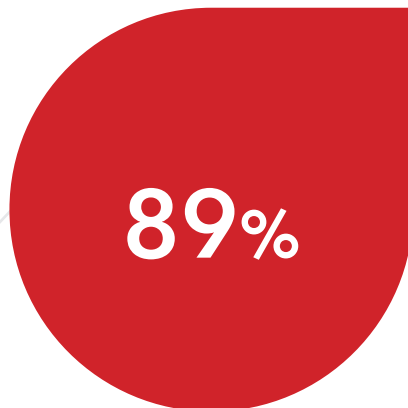


Rating of the Importance of Marketing over THE NEXT 5 YEARS

Not very important



Very important



Our 100+ Top Tier respondents expect to see a significant increase in the importance of marketing in the healthcare industry over the next five years, compared to the previous five. This anticipated increase is driven partly by ongoing maturation of the industry, married to increasing competitiveness and innovation moving organisations towards new terrains. The challenge posed to the industry is changing at a rapid rate, so we need marketers to write a new code to solve the new equation.

Responses to our question about ownership of key tasks reveals a lack of clarity in wildly varying environments with no discernible pattern: inevitably creating operational inefficiencies. There are several areas where half of the responses suggests dual ownership, marketing is increasingly recognised as very important, and activities such as 'customer experience' or 'segmentation and targeting' are 'owned' by both Marketing departments and Sales departments. This indicates that, in response to the need for integration of functions across teams coordination, collaboration and trust will be essential.

Hakeem Adebisi, Global Category Director at Vernacare observed "It's the labels that cause a lot of the problems. The Nirvana is [when] divisions are completely integrated into a commercial division.

In your organisation does marketing, sales, both, or neither, own the following activities?

	Marketing	Sales	Both	Neither		Marketing	Sales	Both	Neither
Customer experience	17.9%	10.4%	56.6%	15.1%	Competitor intel	35.8%	8.5%	50.9%	4.7%
Market access	31.1%	17%	26.4%	25.5%	Clinical arguments	39.6%	5.7%	27.4%	27.4%
Segmentation and targeting	35.8%	14.2%	43.4%	6.6%	Product expertise	26.4%	15.1%	50.9%	7.5%

A Stragmar View

Marketing leaders realise that the compound effect of the environmental changes means that what got us here will not get us where we need to go. We are entering a period that requires a new roadmap to navigate a path to success.

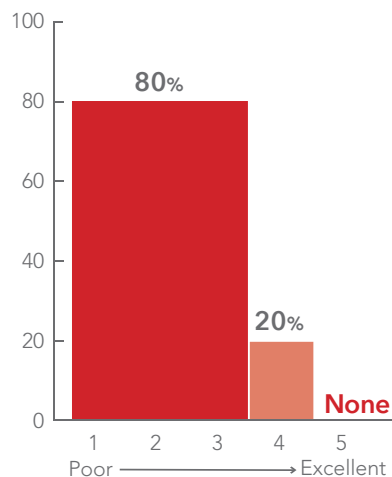
Will **CREATIVITY** and **INNOVATION** be our saviour?

Our respondents' observations regarding creativity and innovation showed there's definitely a need for 'better'. Out of our respondents across all sectors of healthcare, not even one rated the industry a 5 out of 5 for creativity.

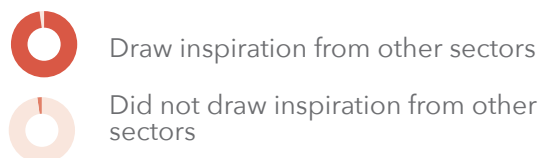
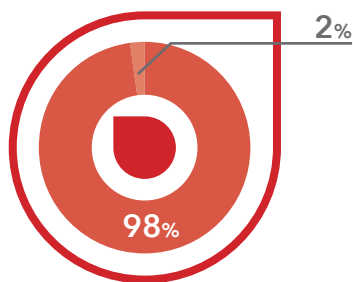
The current toolbox and hand-me-down approach has led to an inertia that has meant we have not felt the need for a re-think. Creativity and innovation in marketing have been relegated to 'nice-to-have'. Now, more than ever, it seems that the moment has well-and-truly arrived for Marketers to step up and create and innovate. However, looking to other industries for inspiration was almost universally accepted.

Unfortunately, when it comes to adopting ideas from these other sectors, the rate was far lower.

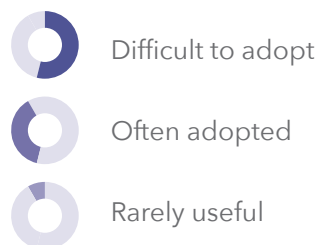
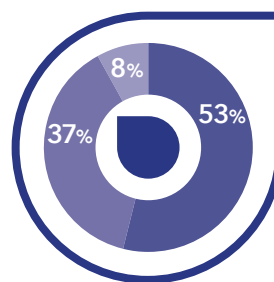
Rating for creativity and innovation



98% of our respondents said they drew inspiration from other sectors



The rate of adoption of ideas from other sectors is low



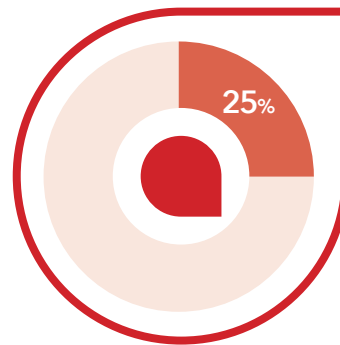
A Stragmar View

We must break the psychological, conservative pressure that has restrained the creative and innovative instinct of healthcare marketers. Conservatism in product development is bringing with it the vital necessity for new and creative approaches in the way they are introduced and socialised with customers. 'Agile', 'fail fast' and 'fail forward' mantras can help elevate us all to a more creative and innovative marketing culture.

What might be **STIFLING** innovation and creativity?

Although marketers almost universally agreed that they drew inspiration and learnings from other industries, the view from our respondents was that external factors such as regulations impacted on innovation and creativity. A worrying, 50% felt that 'real marketing' was alien to the healthcare sector.

Paul Simms, CEO of Impatient Health observed that "more than 25% of marketers in healthcare feel that they face a 'difficult or outdated regulatory environment', and that their efforts are stifled, though not for lack of trying."



Regulatory climate is difficult or outdated

However, some issues are seen as tough to overcome irrespective of creativity and innovation.

- "Dealing with cross border RA and Legal restrictions in a borderless digital age"
- "Markets access with new/high price medications"
- "Regulatory and legal obstacles"
- "Data and privacy"
- "Health Economics and Outcomes Research justification & pricing pressure post-pandemic"
- "Ability of developing public health systems to simultaneously invest in their capacities and support innovative medical technologies and digital innovation"

There are plenty of internal issues as well. Respondents cited examples such as:

- Confirmation bias. "We do the same things over and over again because it's what expected and we're all comfortable / satisfied with it. Anything truly innovative or disruptive is labelled a fad or vanity exercise and isn't taken seriously."
- A siloed culture and structure.
- A lack of martech capabilities in senior management.
- Fear

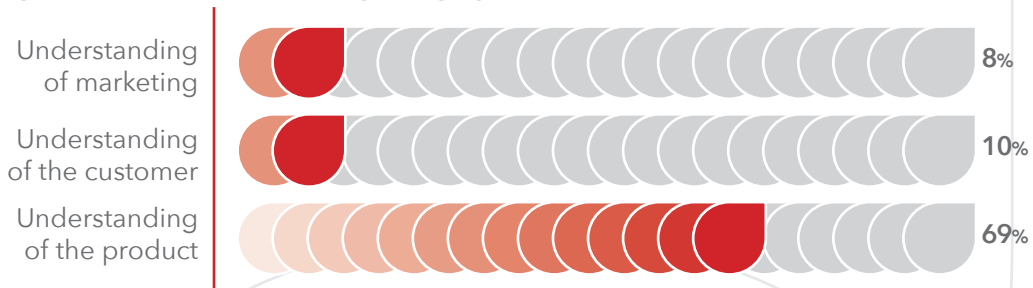
A Stragmar View

Healthcare marketers are often healthcare first and marketers second. This lack of a foundational road map can make it challenging to successfully take ideas from outside the sector and adapt them. On top of that, new ideas require a deeper understanding than proven ones, and without deep understanding, adoption of new ideas is difficult. Faced with perceived regulatory constraints and internal issues of inertia and resistance to change, there is a disconnect between the recognition of the need to change, and the appetite to do so.

If not now, **WHEN?**

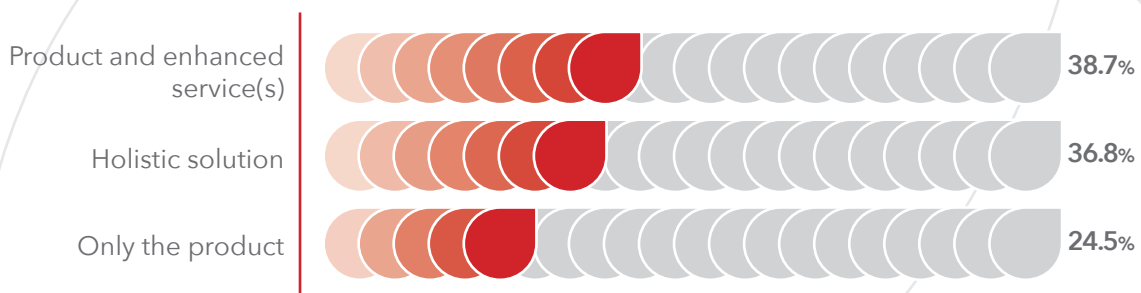
Our respondents expect the next five years to be more competitive and for the need for marketing to be greater. But this is in sharp contrast to their observations about the industry's current state. It's felt that, whilst product knowledge is excellent, marketing capability is not. In other words, the product is a comfort zone, but effective marketing is tough territory. The industry's success is built on a platform of successful product innovation, and culturally it has come to worship the product. Hence the high score for excellence in understanding products. However, the future requires similar level of excellence in understanding of marketing and customers. The future we are heading towards depends on the latter. Healthcare marketers are talented, intelligent but rarely brilliant at marketing because they did not need to be.

Critical strengths considered excellent, by category



This is borne out by further responses. When asked to describe the most fitting description of their offer, only a third thought they offered a holistic solution, with a quarter describing their offer as product only.

Which of the following best describes your organisation's proposition?



A Stragmar View

Though the picture has evolved over the last decade, the value proposition is still very product centric. Disruptive innovations demand more holistic solutions, more integrated and coherent experiences. And customers will need to be seen as consumers of the answer to their needs, not merely purchasers of a packaged set of technologies. The industry needs to go 'beyond the product' but doing this well requires excellence in understanding of Product, marketing and customers.

Don't believe the **HYPE** on digital

More than half of our 100+ Top Tier respondents surveyed described themselves (and by inference, we assume, their organisations) as 'behind the curve' with regard to digital activities.

Where are you on your digital journey (vs the healthcare industry)?



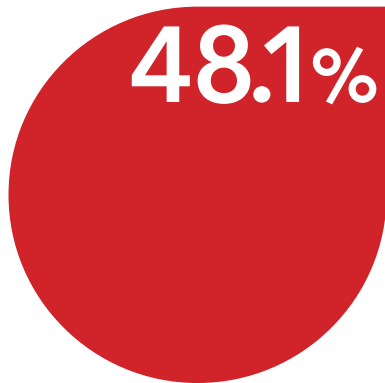
So, the respondents were evenly split between being ahead and behind the curve. Which sort of makes sense. But if you read between the lines, and look at some of the other responses, especially with regard to innovation and excellence in product understanding, this result reveals a disconnect. Since the respondents generally recognised that digital was not a strength in healthcarer marketing currently, you could take the view that, unfortunately, many respondents also feel they lag behind what is expected with regard to digital, and the other half don't accept the fact. By design the question should reveal a 50:50 split, and the response reflects an honest and frank assessment of where organisations are in their evolution. This fair assessment is an important bedrock for progress

A Stragmar View

The need to adopt the latest digital technologies and platforms is well established. But in some cases, the desire to adopt digital clouds the purpose of doing so. Technological innovation will continue to accelerate, but adoption must be grounded in the reality of our customers, our ecosystem, and even our organisation. However, it is important to stay on the journey and adopt good, rather than wait for perfect.

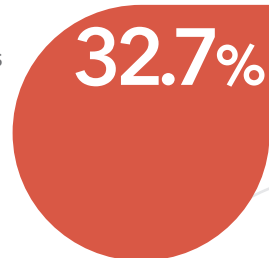
The rise of the OMNICHANNEL

Which stage are you at with Omnichannel?



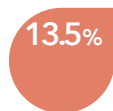
Running omnichannel approach, but early days

We saw earlier that 9 out of 10 of our 100+ Top Tier respondents viewed 'omnichannel' initiatives as being key to future success. Omnichannel being defined as an integrated and connected approach across multiple channels of communication, rather than just ensuring an assortment of activities is in place across an assortment of channels. But what stage are they actually at, today?



Started to move in this direction

The responses were promising, with fewer than 5% saying they weren't doing it at all. And yet, compared to the 90% recognition of the need to be omnichannel, the responses here showed that only 14.5% were fully omnichannel, or fully omnichannel but optimising.



Fully omnichannel, but still optimising



Not doing it at all



Complete omnichannel approach

A Stragmar View

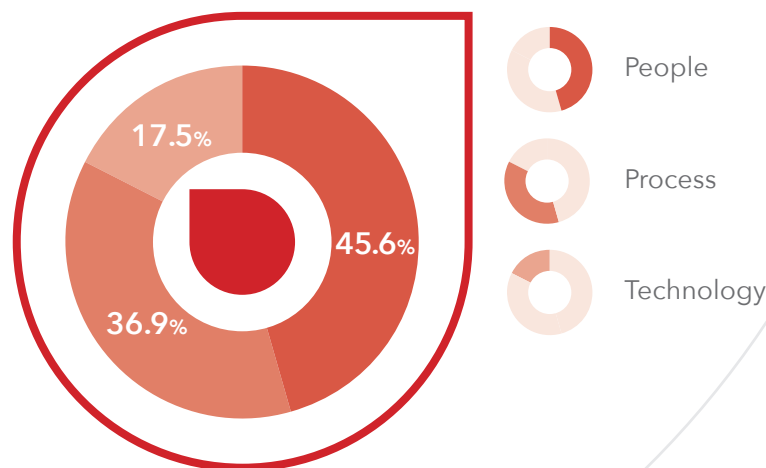
If there was ever an initiative that would benefit from purpose drive marketing, it is Omnichannel. The future is omnichannel but effective omnichannel is more than technological integration but equally cultural and functional integration. At the heart of Omnichannel is a desire to give customers a seamless and frictionless experience.

We need to be people **PEOPLE**

It is not surprising that such a talented industry lacks marketing capabilities. The healthcare and health tech industry has relied heavily on product innovation driven by scientists and engineers, leaving the marketer's role as part marketing, part sales support, part product management. Indeed, almost every leader we asked had been involved in a Marketing Transformation project, and generally the impact of these projects is judged to have had a positive impact on their business. When asked the most important element that needs to improve to make a step-change in marketing, the consensus is: people.

Process and technology were also cited. Healthcare marketers are usually not formally trained in marketing, because often they have strong scientific or engineering backgrounds. As a result, most learn on the job and within their environment. Given the insular nature of the industry, with its tendency to perpetuate the status quo and 'manage', rather than improve, the regulatory issues, it is not surprising that the leaders identify the next transformation in marketing as requiring transformation in people, rather than in process, technology or structure.

What needs to improve most, to increase marketing effectiveness?



A Stragmar View

We need a bold move. We need to break out of the routine. Somewhere along the way, we've retrenched into a world of features, and lost the courage to proudly present the solution. Playing it safe doesn't win. People with courage trump process, every time. We need to build up and strengthen our people so the bold can lead. They are the raw material of our industry - for the next chapter we need to develop them.

Views from **THE TOP**

- **Our potential is huge**, but the prognosis is poor. An injection of ambition is required to build on the indisputable success of the healthcare industry. Marketing in our industry must become more ambitious to be able to overcome the frequent tactical barriers. Rising above the vicious circle where nothing is exciting, so nothing exciting is done, requires greater resolve, not acceptance.

Marketers should operate more like entrepreneurs, where they elevate themselves beyond 'distributors of products', towards being creators of health solutions. To do this, they need to look at where they can innovate to create value. The lesson for entrepreneurs is clear: if you want to create and capture lasting value, don't settle for an undifferentiated commodity business. It is more rewarding in every sense to risk boldness, rather than settle for triviality.

Tolstoy opens the novel Anna Karenina with: "Happy families are all alike; every unhappy family is unhappy in its own way." But in business, and marketing, it is the opposite. All happy companies are different: each one earns a monopoly by solving a unique problem. All failed companies are alike: they fail to escape competition. So, if it is a truism that failures share commonality, but successes embrace individuality, it's plain there can be no cookie-cutter template for successes.

What lessons can be learned that can point us away from failures? Of course, there are many, but let's start with five of the most vital.

1. **Back to basics.** Time to embrace 'REAL MARKETING' - training and development of Marketers in fundamentals of marketing, but in a practical way that combines context and competence.
2. **Democratise marketing.** Marketing has evolved, and the future of marketing requires embracing functions outside of the traditional marketers. We need to democratise marketing to unleash its full potential.
3. **Go beyond healthcare.** We have to look beyond our borders, learn from, and embrace, ideas outside our sector, because the puzzle we are solving has evolved. We need to seek, and embrace, fresh answers.
4. **Embrace your mistakes.** We must create appropriate safe zones that do not risk patient or clinician safety but which allow the design of new ideas to power the industry forward.
5. **Plant the tree.** The best time to plant a tree is 20 years ago, but if you didn't do it then, do it now. Preparing marketing for the future needs to start now, and change of the kind we are seeking takes time to grow. If you have started, accelerate. The future is here.

So, are we fit for the future?

We began our report with that simple question. And, it seems, the answer is this: The industry was fit for yesterday, maybe even fit for today. But it is clear that it is no longer fit for the future. The industry does, however, have the raw ingredients to get fit for the future, but urgent action is needed.

We at Stragmar can help your organisations bring the learnings of this report to life. Because that future has already started.

A word or two from **STRAGMAR**

Baba Awopetu, Founder, Stragmar.

When I started to structure the survey I knew for certain that two things would be critical. Firstly, we needed to survey highly experienced leaders from the senior levels of blue-chip organisations, as well as leaders in nimble innovative organisations, what I call Top Tier Respondents. And secondly, 100 respondents was the ideal number of respondents for there to be enough clarity for real learnings, as well as being manageable.

Well, we got our 100. And a few extra. Our respondents were happy to give their time and wisdom, and each fell into the category of Top Tier. We structured our survey so as to tease out both a sense of where the industry is, and where it should go. Of course, our respondents are the individuals tasked with leading us there, so their views, frank and sometimes painful, are vital.

And what became clear is this: across Pharmaceuticals, Medical Devices and other Healthcare markets, we have the talent and the aspiration to improve. And of course, what we do matters – after all, it is our jobs to help health innovation take hold in the world. Strategic marketing must centre on growth, but how we achieve this depends on our collective courage, ingenuity, passion and commitment.

A word or two from the **REPORT TEAM**

This report has had the support and involvement of several organisations which have contributed to the analysis and conclusions presented here, and in the fuller report which you can obtain from Stragmar.

Selwyn Learner, Creative Director and Founder, Learner Adams Bones.
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One of the most frustrating things in healthcare communications is the sense that great ideas are the victims of safe ideas. Whether it's developing omnichannel strategies or simply intuitive, appealing consumer engagement, client concerns over regulation and implementation often lead to hesitation or dilution. Developing strong creative solutions isn't window dressing for a product, it's a roadmap for success. Because it gives you an engaging platform upon which to have a conversation. If this survey shows us anything about the future it's this: big bold ideas and innovation must be tomorrow's currency. We can't afford to settle for average.

Zara King, Director, Beaumont Consulting Services
zara.king@beaumontcs.com

This report which offers a unique window into the worldview of the most senior marketing executives in health and life sciences. What's clear is that the companies who will win in the next five years will be those who take a strategic, data-driven approach, based on marketing fundamentals. Those who focus on the customer and meet those customers where they are, in whichever channel is best. What's exciting is that many of the opportunities and challenges highlighted by our 100 Top Tier Respondents are directly within the gift of today's teams - the opportunity is there for the taking.

Paul Simms, CEO, Impatient Health
paul@impatient.health

The pandemic is *not* a mere accelerant of previous plans. Or at least, it doesn't have to be. It's a chance to see differently, to change business models, to be as ambitious and creative as patients hope we can be. That requires courage, it requires going against convention, it requires unlearning what got us into the leading position we're in today. And so yes, it's frightening, which is why many teams and organisations benefit from external support that can offer guidance, and bolsters courage, along the journey to 'better'.

Taking the **NEXT STEP** is not a big step

Contact Baba Awopetu at Stragmar for a more tailored and interactive presentation of these findings for your teams, including how to establish a reset/refocus in your organisation.

Stragmar can also build bespoke training and workshops for your marketing teams and organisations on a range of topics including customer-centricity, value propositions and segmentation.



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