Pharmaceutical Marketing

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To Deanna, Carson, Camron, and Breleigh. Without your love and support, this would not have been possible. To Dr. Perri, a great mentor and friend. —BLR

To Mickey C. Smith, distant mentor and the pioneer of pharmaceutical marketing.

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Preface

Over time, the mission of the U.S. pharmaceutical industry has remained greatly unchanged: Discover and then bring to market medications capable of saving lives and improving health and quality of life. However, as we have moved into the current information and technology age, the external environment in which the industry operates has greatly evolved and is drastically different. Not only have the number of blockbuster medications produced by pharmaceutical manufacturers decreased, but so has the presence of direct sales representatives in physician offices. Further, the past decade alone has seen significant company consolidation and legal/regulatory changes as well as the exponential rise in the importance of the Internet and social media. Thus, how the pharmaceutical industry markets its products has also adapted in the face of the ever-evolving external environment. Pharmaceutical and healthcare industry marketers must now work harder and smarter to maximize the potential of every product or service.

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This text examines the current pharmaceutical marketing environment from both an academic and practical perspective. Given the internal and external changes throughout the pharmaceutical industry, this text is appropriate not only for those studying pharmacy practice or pharmaceutical marketing in an academic setting, but also for pharmaceutical industry professionals. Within each chapter, the reader will see clear learning objectives and key terms highlighted for their importance and the need for understanding. In addition, numerous "Case in Point" boxes are used to show practical, real-world examples of the various constructs and topics being discussed. Rarely do any of these marketing issues have one, clear-cut answer; thus, each chapter closes with discussion questions intended to provoke thought and bring about debate from an academic and practical perspective.

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xii Preface

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While specific medication and clinical knowledge and skills are at the core of the pharmacy profession, every new pharmacy school graduate theoretically enters the job market with these same capabilities and degree. Thus, while additional degrees, certifications, or residency training are beneficial, advanced knowledge of the healthcare system and pharmaceutical industry from a business and marketing perspective is needed in order to differentiate oneself in an increasingly crowded job market. For new industry professionals, particularly those with MBAs or other nonhealth professional degrees, the text provides the thorough overview necessary to allow you to hit the ground running from the first day of your new job at pharmaceutical manufacturer X or market research firm Y, further differentiating yourself in this highly competitive industry. In the end, Pharmaceutical Marketing should provide you, the reader, with a deep understanding of the current pharmaceutical industry, its marketing environment, and the challenges of the environment. In turn, this understanding can help you succeed in your career, regardless of the place in the healthcare system or pharmaceutical industry in which you work.

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About the Authors

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Brent Rollins is an assistant professor of pharmacy practice at the Philadelphia College of Osteopathic Medicine (PCOM)–Georgia Campus School of Pharmacy in Suwanee, GA. He earned his BS in Pharmacy at Ohio Northern University in 2004 and a PhD in Pharmacy Administration with an emphasis in Pharmaceutical Marketing at the University of Georgia in 2009. Since joining PCOM, Brent has presented and published on numerous subjects in pharmacy practice with a primary focus on pharmaceutical marketing, direct-to-consumer advertising, and healthcare consumer behavior. Further, he has coauthored one textbook, *Financial Analysis in Pharmacy Practice*, as well as book chapters on business and personal finance for pharmacists in the award-winning *Pharmacy Management, Leadership, Marketing, and Finance*. In addition to his academic endeavors, Brent has consulted with various market research firms, law firms, and the United States Department of Justice as a pharmacy practice and marketing expert witness. Brent also has more than 8 years of community pharmacy practice experience and still actively practices on a part-time basis.

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Matthew Perri, RPh, PhD

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Matthew Perri III is a professor in the Department of Clinical and Administrative Pharmacy at the University of Georgia College of Pharmacy. He earned his BS in Pharmacy at Temple University in Philadelphia in 1981 and a PhD in Pharmacy, with a major in Pharmaceutical Marketing, at the University of South Carolina in 1985. As a professor at the College of Pharmacy, in addition to involvement with the Terry College of Business, the College of Education, and the School of Public Health, he has taught courses and lectures in pharmacy and business, including the areas of pharmaceutical marketing, management, and research methods. Over his academic career, Dr. Perri has conducted extensive original research and received funding as principal investigator, co-investigator, or consultant for his research. He has also published and presented numerous articles and abstracts on various pharmacy practice and pharmaceutical marketing topics and serves as a journal referee for numerous peer-reviewed journals. Professionally, he has been involved with various paid and nonpaid consulting activities including the State of Georgia; Department of Community Health; Drug Utilization Review Board; consultant to the Georgia Senate Committee on Cost Controls in State Funded Health Plans; the U.S. Department of Justice; state and national pharmacy organizations; pharmaceutical companies; independent marketing research companies; chain and independent pharmacies; and long-term care facilities. Dr. Perri has been a registered pharmacist since 1981.

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Julie is a registered pharmacist with more than 14 years of experience working in the pharmaceutical industry and pharmaceutical consulting fields. She has worked primarily in pharmaceutical regulatory affairs, with a focus on promotional and advertising material review and approval, policy and procedure, training, and compliance. Julie is currently employed by Opus Regulatory, Inc., providing consulting services to U.S. pharmaceutical companies in the area of regulatory affairs promotional review and compliance. Julie holds a BS in Applied Biology from Georgia Tech and a Doctor of Pharmacy from Mercer University College of Pharmacy and Health Sciences.

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Kelly is a senior executive with Accenture Technology Labs in Silicon Valley, where he is the head of Accenture's Enterprise Social Media Innovation Center. Kelly's work within the Center involves the creation of new social media technologies, working with leading vendors, and guiding social media strategies for clients. Kelly has personally designed Accenture's internal Facebook, and works with clients in pharmaceutical and other industries to craft social media strategies to help them implement the technologies that drive new forms of consumer engagement.

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Dee Fanning is an assistant professor of pharmacy practice and clinical coordinator of experiential education at the Philadelphia College of Osteopathic Medicine (PCOM)–Georgia Campus School of Pharmacy in Suwanee, GA. She received her Doctor of Pharmacy degree from Mercer University College of Pharmacy and Health Sciences and completed a post-graduate residency in drug information jointly sponsored by Mercer University and Solvay Pharmaceuticals, Inc. Prior to joining PCOM, she was a member of Solvay's medical affairs team, with approximately 2 years of service in medical communications and 8 years as a senior medical liaison. Over the course of her 10-year industry career, she was involved with every aspect of medical affairs, including, but not limited to, medical information requests; advertising and promotional review; publications planning; Thought Leader development; and compliance with state and federal regulations as the Medical Affairs delegate of the Compliance committee.

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John Gardner is President and CEO of Integrative Logic, a market research firm he launched in 2001. John is a strategic visionary with more than 17 years of experience in customer relationship management, database marketing, and business intelligence. A quick-thinking leader who knows how to steer progress, John inspires dedicated teams to blend The Science of Data with The Art of Marketing[®] and integrate technology and strategy into measurable, results-oriented programs. In 2010, John was named Small Businessman of the Year by the Gwinnett County Chamber of Commerce, and ranked #15 on the list of Atlanta's top entrepreneurs by *Business-to-Business* magazine. That same year his company, Integrative Logic, was named Small Business of the Year. Prior to launching Integrative Logic, John was vice president and chief technology officer at Braindance, director of business intelligence at imc2, and marketing manager at Southern Progress. John holds an MBA from the University of Alabama at Birmingham and an undergraduate degree from the University of Alabama.

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Brian Mitchell is an associate dean at Emory University's Goizueta Business School. Prior to joining Goizueta full-time, Brian spent more than 18 years in marketing and strategy roles in the pharmaceutical industry. After earning his MBA and MPH degrees, Brian joined Capgemini as a strategy consultant in its life science practice, working with clients including Eli Lilly, Pfizer, and Aventis. In 2002, Brian moved to Solvay Pharmaceuticals, where he held several leadership positions within U.S. and global commercial operations, including all levels of brand management, U.S. Head of Strategic and Business Analysis, and Director of Marketing for Specialized Products. As the leader of the specialized products business unit, Brian was responsible for delivering a P&L that grew from \$250 million to over \$600 million in 3 years. He also earned distinguished awards such as Brand of the Year, the Global Marketing Award, and the Solvay Summit Award–the company's highest individual honor. In 2010, Brian accepted an executive position with Accenture's strategy practice and led the strategic support team for brands at AstraZeneca.

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