



# MARKETING TO MILLENNIALS

Insights for healthcare marketers reveal trends, challenges, and future plans in reaching and addressing this demographic powerhouse

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Marc  
Iskwowitz  
Editor-in-chief  
MM&M

## MM&M/KNECT365 MILLENNIAL MARKETING STUDY 2017

**Healthcare brands often want to** know how their peers engage millennials. Fundamental to this question are others: What priority do biopharma companies and agencies assign to millennials? What kinds of outreach are they currently using? And what percentage of marketing budgets is being devoted to reaching this audience?

Between December 21, 2016, and January 18, 2017, *MM&M*, in association with commercial relationship facilitator KNeCT365, invited healthcare agencies and biopharma manufacturers to participate in a millennial marketing study. We specifically wanted to learn how healthcare marketers are adopting their behavior to address this demographic.

A total of 284 qualified respondents completed the survey, split about evenly between the two groups. We found that both cohorts acknowledge the increasingly important role millennials play in the market and are changing — or advising clients to change — their marketing mix, and changing tone of voice or message.

The study revealed a wealth of additional trends and insight. Preceding the narrative is a handy Snapshot section, which summarizes the highlights. This eBook also provides a road map for pharma or agencies to pivot to reach the millennial generation. The Future of Pharma — How Healthcare Marketers Plan to Address Millennial Trends in the Next Three Years shows what marketers plan to do to address this audience in the next three years, and What Now? both contextualizes the data and shares tips for how you can seize on this information.

Both pharma and agencies consider themselves in the beginning or intermediate stages of the learning curve. It is our hope that, by reading this report, even the novice marketer can grasp the best channels to use, iron out any possible pain points in the agency–client relationship, and begin to align millennial marketing behavior with Gen-Y cultural trends.

— Marc Iskwowitz, editor-in-chief, *MM&M*

# CONTENTS

## 3 SURVEY SNAPSHOT

## 4 KEY FINDINGS

- Importance of the Millennial Trend
- Important Reasons to Reach Millennials
- Challenges When Marketing to Millennials
- Marketing Budget Allocations for Millennials
- Tactics

## 7 THE FUTURE OF PHARMA

How Healthcare Marketers Plan to Address Millennial Trends in the Next Three Years

## 8 WHAT NOW?

- Understanding the Opportunity
- The Loyalty Issue
- Involvement with Product Creation
- Importance of Authenticity
- Connecting with Millennials

Haymarket Media Inc., 275 7th Avenue, 10th Floor, New York, NY 10001

Marc Iskwowitz, Editor-in-Chief | marc.iskwowitz@haymarketmedia.com  
 Jaimy Lee, Executive Editor | jaimy.lee@haymarketmedia.com  
 Larry Dobrow, Senior Editor | larry.dobrow@haymarketmedia.com  
 Andrew Lathrop, Art Director | andrew.lathrop@haymarketmedia.com  
 Kevin McCaffrey, Senior Reporter | kevin.mccaffrey@haymarketmedia.com  
 Virginia Lau, Reporter | virginia.lau@haymarketmedia.com  
 Thomas Claire, Production Editor | thomas.claire@haymarketmedia.com  
 Cara Crew, Special Projects Producer | cara.crew@haymarketmedia.com  
 Doreen Gates, VP of Sales | doreen.gates@haymarketmedia.com  
 Tara Newton, Senior Account Executive | tara.newton@haymarketmedia.com  
 Mark Siebel, Account Executive | mark.siebel@haymarketmedia.com  
 Jeniffer Amparo, Sales Coordinator | jeniffer.amparo@haymarketmedia.com

### EVENTS, PRODUCTION, AND CIRCULATION

Monique Ruff-Bell, Director of Events–Conferences | monique.bell@haymarketmedia.com  
 Adele Durham, Events Director | adele.durham@haymarketmedia.com  
 Kathleen Grinder, Production Director | kathleen.grinder@haymarketmedia.com  
 Tracey Harilall, Circulation Marketing Manager | tracey.harilall@haymarketmedia.com

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# SURVEY SNAPSHOT

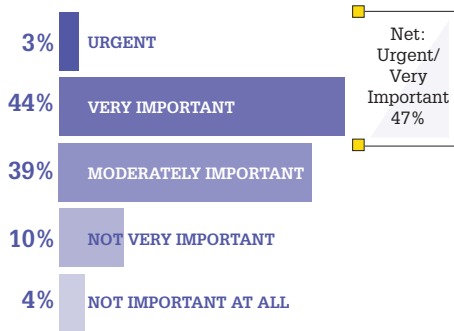
	Pharma/Device Manufacturers	Healthcare Agencies
<b>IMPORTANT REASONS TO REACH MILLENNIALS</b>	<ul style="list-style-type: none"> <li>▫ They are tomorrow's patients</li> <li>▫ To stay competitive</li> </ul>	<ul style="list-style-type: none"> <li>▫ They are tomorrow's patients</li> <li>▫ Sheer size of demographic</li> </ul>
<b>CHALLENGES</b>	<ul style="list-style-type: none"> <li>▫ Mobile integration</li> <li>▫ Patient centricity</li> <li>▫ Impact of value-based outcomes</li> </ul>	<ul style="list-style-type: none"> <li>▫ Shifting sales forces</li> <li>▫ Compliance</li> <li>▫ Payer pressure</li> <li>▫ Impact of value-based outcomes</li> </ul>
<b>PROGRESS ON THE MILLENNIAL MARKETING CURVE</b>	<ul style="list-style-type: none"> <li>▫ Beginner</li> <li>▫ Intermediate</li> </ul>	<ul style="list-style-type: none"> <li>▫ Beginner</li> <li>▫ Intermediate</li> </ul>
<b>MARKETING BUDGET ALLOCATIONS FOR MILLENNIALS</b>	<ul style="list-style-type: none"> <li>▫ Average of 12%</li> </ul>	<ul style="list-style-type: none"> <li>▫ Average of 9%</li> </ul>
<b>PRIMARY TARGET</b>	<ul style="list-style-type: none"> <li>▫ Patient</li> </ul>	<ul style="list-style-type: none"> <li>▫ Patient</li> </ul>
<b>CHANGES IN MARKETING APPROACH</b>	<ul style="list-style-type: none"> <li>▫ Marketing mix (for instance, increasing digital)</li> <li>▫ Branding strategy</li> </ul>	<ul style="list-style-type: none"> <li>▫ Marketing mix (for instance, increasing digital)</li> <li>▫ Tone of voice or message</li> </ul>
<b>IMPORTANCE OF MILLENNIAL ATTITUDES TOWARD HEALTH</b>	<ul style="list-style-type: none"> <li>▫ Purpose-driven</li> <li>▫ Tendency toward self-treatment</li> <li>▫ Highly social and distrusting of authority</li> </ul>	<ul style="list-style-type: none"> <li>▫ Tendency toward self-treatment</li> <li>▫ Highly social and distrusting of authority</li> <li>▫ Purpose-driven</li> </ul>
<b>DIGITAL CHANNELS LEVERAGING TO ATTRACT MILLENNIALS</b>	<ul style="list-style-type: none"> <li>▫ Social media</li> <li>▫ Mobile/tablet apps</li> <li>▫ Websites</li> </ul>	<ul style="list-style-type: none"> <li>▫ Social Media</li> <li>▫ Mobile/tablet apps</li> <li>▫ Websites</li> <li>▫ Digital ads</li> </ul>
<b>KEY PRODUCT FEATURES IMPORTANT TO MILLENNIALS</b>	<ul style="list-style-type: none"> <li>▫ Connected</li> <li>▫ Accessible</li> <li>▫ Social</li> </ul>	<ul style="list-style-type: none"> <li>▫ Accessible</li> <li>▫ Connected</li> <li>▫ Social</li> </ul>
<b>COMMUNICATION CHANNELS IMPORTANT TO MILLENNIALS</b>	<ul style="list-style-type: none"> <li>▫ Popular social channels</li> <li>▫ Search</li> <li>▫ Mobile /Tablet apps</li> <li>▫ Texting</li> </ul>	<ul style="list-style-type: none"> <li>▫ Popular social channels</li> <li>▫ Mobile/Tablet apps</li> <li>▫ Search</li> <li>▫ Texting</li> </ul>
<b>ADDRESSING MILLENNIAL TRENDS IN THE NEXT THREE YEARS</b>	<ul style="list-style-type: none"> <li>▫ Use millennials for therapeutic awareness and goals</li> <li>▫ Appeal to millennials by positioning firm as an innovator in healthcare, or other corporate perspective (for example, recruitment)</li> </ul>	<ul style="list-style-type: none"> <li>▫ Pivot toward millennials in agency hiring and recruiting</li> <li>▫ Pivot toward millennials in pitching</li> </ul>

# KEY FINDINGS

## 1) IMPORTANCE OF THE MILLENNIAL TREND

The majority of healthcare marketers view millennials as a key demographic for their marketing efforts. About half of healthcare marketers (47%) feel that the millennial trend is urgent or very important and an additional 39% feel the trend is moderately important.

Marketers at agencies place a somewhat-higher degree of importance on this trend with 51% reporting that the millennial trend is urgent or very important compared to 43% of those at pharma and device manufacturers.



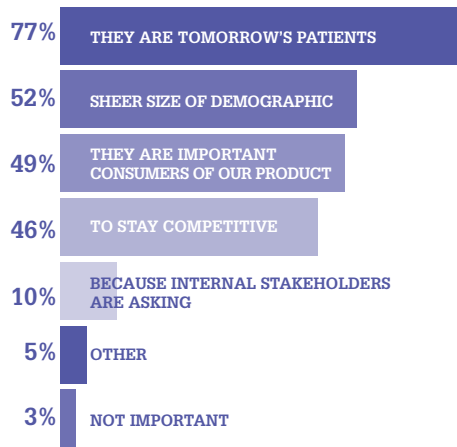
Base: 282 respondents who answered the question

## 2) IMPORTANT REASONS TO REACH MILLENNIALS

More than three in four (77%) healthcare marketers say it is important to reach millennials because they are tomorrow's patients. About half say it is important due to the sheer size of the demographic (52%), because they are important consumers of their products (49%), and to stay competitive (46%).

Important reasons for marketing to millennials are similar between manufacturers and agencies with the following

exceptions: agencies place more importance on the size of the demographic than marketers at manufacturing companies (59% vs. 41%), while those at manufacturing companies are more concerned with staying competitive than those at agencies (54% vs. 40%).



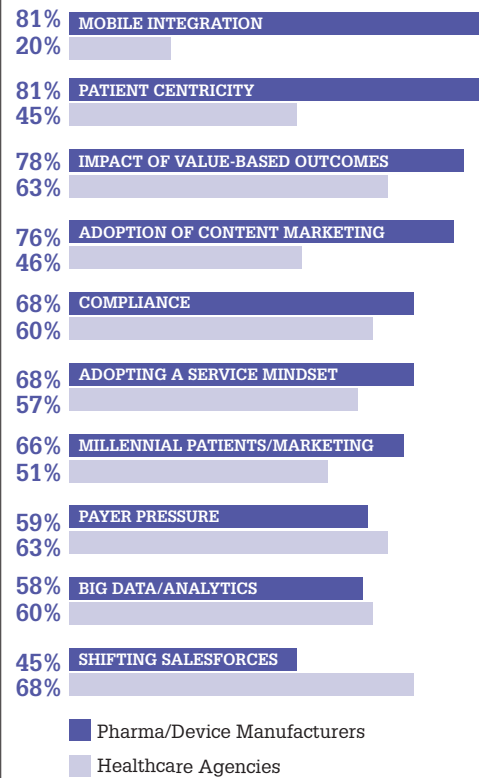
Base: 188 respondents who answered the question

## 3) CHALLENGES WHEN MARKETING TO MILLENNIALS — MANUFACTURERS VS. AGENCIES

Healthcare marketers at agencies and manufacturers agree that there are challenges when marketing to millennials but disagree on how to define those unique challenges.

Healthcare marketers at pharma and device manufacturers cite mobile integration, patient centricity, impact of value-based outcomes, and adoption of content marketing as the most critical challenges. It is interesting to note that agency respondents delineate mobile integration, patient centricity, and adoption of content marketing are delineated as the least-important challenges.

The top challenges for agency marketers are a shifting sales force, compliance, payer pressure, and impact of value-based outcomes.

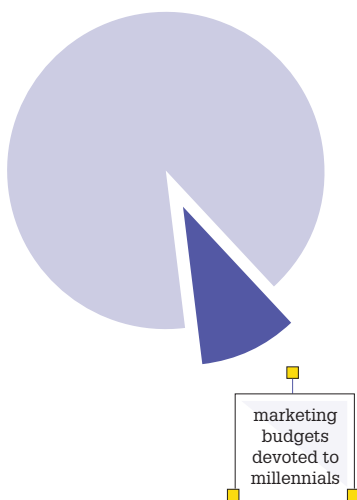


Base: 184 respondents who answered the question

Agencies place more importance on the size of the demographic than do manufacturing marketers

#### 4) MARKETING BUDGET ALLOCATIONS FOR MILLENNIALS

Healthcare marketers report that, on average, 10% of their or their clients' marketing budgets are devoted to millennials. Manufacturers (12%) allocate slightly more than agencies (9%).



#### 5) TACTICS

##### CHANGES IN MARKETING APPROACH — TOTAL HEALTHCARE MARKETERS

In their efforts to reach millennials, 79% of healthcare marketers are changing or advising their clients to change their marketing mix (that is, toward digital). In addition, 50% are changing the tone of voice or message, 41% are changing

79% of healthcare marketers see the need to change the marketing mix

branding strategy, and 36% are offering or recommending that clients offer new or improved services, including those that wrap around a drug.

Ad agency respondents are likelier than pharma and device manufacturers to say they are changing the marketing mix to reach millennials (86% vs. 69%) and also likelier to say they are changing the tone of voice or message (60% vs. 36%).

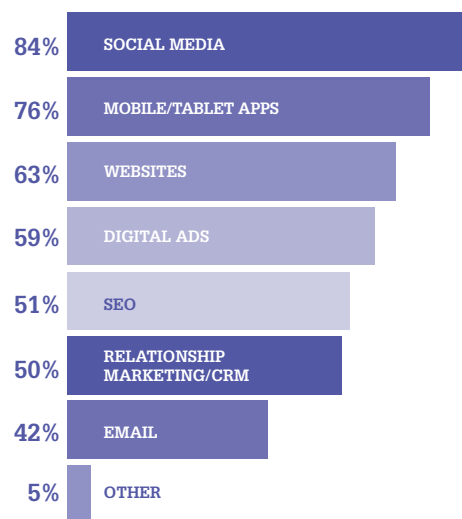


Base: 189 respondents who answered the question

##### MARKETING CHANNELS — TOTAL HEALTHCARE MARKETERS

Social media (84%) and mobile and tablet apps (76%) are the digital channels healthcare marketers are leveraging most often to attract millennials, followed by websites (63%) and digital ads (59%). Half are also using SEO (51%) and relationship marketing/CRM (50%).

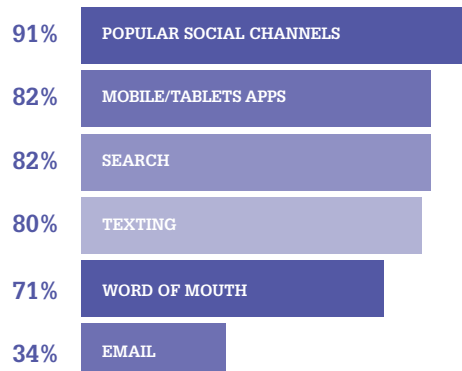
Marketers at agencies are more aggressive than are those at manufacturing companies about using digital channels to reach millennials, particularly in leveraging social media, mobile and tablet apps, SEO, and relationship marketing/CRM.



Base: 189 respondents who answered the question

##### COMMUNICATIONS CHANNELS IMPORTANT TO MILLENNIALS — TOTAL HEALTHCARE MARKETERS

Based on their experience or perceptions, healthcare marketers believe that millennials consider popular social channels (91%), to be the most important marketing channel, followed by mobile tablets and apps (82%), searches (82%), and texting (80%). Word of mouth (71%) is perceived to be somewhat less important, and only 34% feel that millennials would consider email to be an important channel.



Base: 187 respondents who answered the question

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**BioProcess International**

May 1-5, 2017

**Antibody Engineering & Therapeutics**

May 8-12, 2017

**Cell & Gene Therapy Bioprocessing & Commercialization**

June 12-16, 2017

**TIDES: Oligonucleotide and Peptide Therapeutics**

June 19-23, 2017

**T3: Trials, Tech & Transformation**

July 17-20, 2017

**Drug Delivery Partnerships**

July 24-28, 2017

**ePharma**

September 11-15, 2017

#### Europe

**Cell Therapy Manufacturing  
& Gene Therapy Congress**

March 27-31, 2017

**Bioproduction Congress**

May 15-18, 2017

**Partnerships in Clinical Trials**

June 5-9, 2017

**TIDES**

June 19-23, 2017

**BioProcess International European Summit**

November 13-17, 2017

# THE FUTURE OF PHARMA

## HOW HEALTHCARE MARKETERS PLAN TO ADDRESS MILLENNIAL TRENDS IN THE NEXT THREE YEARS

More than **50%** of marketers at manufacturing companies plan to use the cohort for therapeutic awareness

**49%** plan to appeal to millennials by positioning their firm as an innovator in healthcare or other corporate perspective (for instance, recruitment)

**36%** say they plan to involve millennials in the creation of products. Agencies are sold on the importance of recruiting millennials

Over the next three years, **44%** plan to pivot toward millennials in agency hiring and recruiting



# WHAT NOW?

Differences between our dataset and external market data often show mismatches between healthcare and what the world is saying with respect to millennials. These gaps may become opportunities for savvy healthcare brands.

## 1. UNDERSTANDING THE OPPORTUNITY

### EXTERNAL MARKET DATA

Millennials have \$200 billion in annual buying power and constitute a quarter of the population. (*Forbes*)

### MM&M/KNECT365 DATA

Just two-thirds of healthcare marketers (67%) report that the primary target is the patient when marketing to millennials. Only 20% market to the caregiver or to the influencer. This breakdown remains consistent between manufacturers and agencies.

### IMPLICATION

Perhaps most of these respondents manage a product whose population skews toward young adults. Or pharma may be undervaluing the importance of Generation Y in the care continuum. There exists a greater opportunity to address these consumers as healthcare decisionmakers for older or younger family members, rather than as

merely those in need of treatment. For instance, 46% of those who are 18 to 34 years old have at least one child. Millennials are the most diverse of any demographic. Taking a broader approach could impact outcomes.

## 2. THE LOYALTY ISSUE

### EXTERNAL MARKET DATA

Only 1% of millennials surveyed said a compelling ad would make them trust a brand more. But that doesn't mean they aren't brand loyal. Of them, 60% said that they are often or always loyal to brands that they currently purchase. (*Elite Daily* 2015)

### MM&M/KNECT365 DATA

A majority (65%) of pharma and agencies cited loyalty to brands as an important millennial health attitude. Yet among other attitudes mentioned, the tendency toward self-treatment (79%), highly social and distrusting of authority (78%), and purpose-driven (75%) scored much higher.

### IMPLICATION

Perhaps the relatively low findings of brand loyalty reflect a misnomer about Generation Y. If they buy into your message, millennials tend to be quite loyal. Healthcare marketers who look for ways

to forge relationships with millennials early on could benefit in the form of better compliance and enhanced sales.

## 3. INVOLVEMENT WITH PRODUCT CREATION

### EXTERNAL MARKET DATA

Forty-two percent of millennials said they want to co-create products with companies. (*Elite Daily* 2015)

### MM&M/KNECT365 DATA

Asked how they plan to change or address millennial trends over the next three years, 36% of biopharma manufacturers said they plan to involve millennials in the creation of products.

### IMPLICATION

Enlisting patients in the design of products, both therapeutic and nontherapeutic, represents one oft-cited tactic companies are using to become patient-centric. Tapping the community's expertise for developing future products or services has become somewhat more straightforward with the use of patient opinion leaders by pharma and patient-reported outcomes by the FDA. Companies that do so stand to build deeper relationships with patients and drive more customer loyalty.

62% of millennials say that if a brand engages with them on social networks, they are likelier to become a loyal customer — ELITE DAILY 2015



## 4. IMPORTANCE OF AUTHENTICITY

### EXTERNAL MARKET DATA

Forty-three percent of millennials rank authenticity over content when consuming news. Trusting a company or media site is necessary before they'll read the content found there. Blogs inspire a certain level of trust. (Elite Daily 2015)

### MM&M/KNECT365 DATA

In an effort to reach millennials, half (50%) of healthcare marketers are changing the tone of voice or message. Agencies are likelier to change tone of voice or message than are biopharmas (60% vs. 36%).

### IMPLICATIONS

Pharma is historically an industry that relies heavily on one-way push messaging. There is no surprise, then, that shuffling the marketing mix was the most popular change seen (79%) in our study. Industry must wake up to the reality, however, that millennials are a relatively indifferent

group. They consume media passively — 80% sometimes binge-watch favorite shows, viewing an average maximum of eight in one sitting (Mindshare) — and hardly interact with brands on social media. Biopharma must continue to transform itself from merely manufacturing and selling pills and biologics to offering more holistic patient-centered services. It must show that it cares by emphasizing the value of its products, by being transparent about how they're made, and by acting in an ethical manner.

## 5. CONNECTING WITH MILLENNIALS

### EXTERNAL MARKET DATA

Sixty-two percent of millennials say if a brand engages with them on social networks, they are more likely to become a loyal customer. (Elite Daily 2015)

### MM&M/KNECT365 DATA

Social media (84%) and mobile and tablet apps (76%) constitute the digital channels that healthcare marketers

leverage most often to attract millennials, followed almost evenly by websites (63%) and digital ads (59%).

### IMPLICATION

Given the industry's past reluctance to engage on social platforms due to regulatory concerns, it's encouraging to see biopharma and agency respondents are now pivoting their outreach toward social media in order to reach millennials, who are spending more time on social media than ever before. They may not always interact with brands on social, but they define themselves through their connectedness.

Agency marketers are more aggressive than manufacturers about leveraging social but cite a need for more education in effectively utilizing it and understanding the needs and behaviors of the market to strike the right tone.

Brands should look for ways to connect, not through ads but by producing relevant content, and to engage with their audience whenever possible.