

Health Sciences Industry

Marketing Trends

SURVEY REPORT

2017



The Health Science *Experts* :: SCORRMarketing.com

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OBJECTIVE

SCORR Marketing recently completed its fifth annual survey studying marketing trends in the life sciences industry to better understand the resources companies expend (both internally and externally) to market themselves and the tactics they use to do so.

The aim of this report is to provide a resource for marketing professionals who work for service providers in the life sciences industry so that they can gauge how their own marketing investments and performance compares with others in the industry.

METHODOLOGY

SCORR Marketing developed and programmed the survey using a web-based survey tool. Participants were recruited by email from a variety of sources including but not limited to SCORR and industry databases of marketing communications professionals. The survey was fielded from Nov. 27, 2017, through Jan. 8, 2018.

KEY FINDINGS

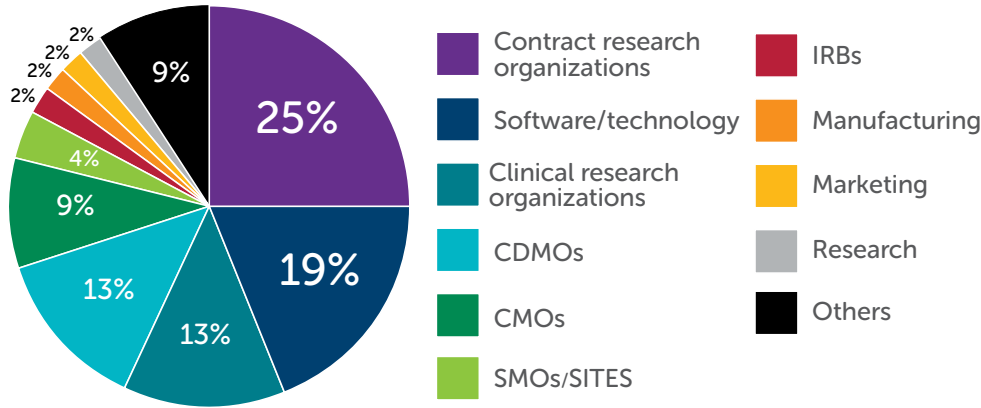
The 2017 Health Sciences Industry Marketing Trends Report provides an overview of the resources and activities of life science industry marketing professionals. Among the key or especially interesting findings are:

- Trade shows and events account for the biggest portion of marketing spend. Spending on website, apps and interactive development as well as spending on digital advertising are also prominent areas of the marketing budget. These findings are consistent with findings from our 2016 survey report. DIA remains the most popular trade show.
- Companies are increasingly updating websites and content annually: A majority of companies have updated promotional materials such as their website content and marketing materials in the past year. Compared to 2016, more companies are updating their website content, marketing materials, website design/layout, and trade show booth/materials regularly.
- Companies are using market intelligence to inform their marketing planning but fail to plan their public relations/communications efforts. Though a sizable majority of companies develop an annual marketing plan and regularly analyze their competitors, fewer than half of the respondents reported that their companies develop an annual public relations or communications plan. Similarly, fewer than half also said their companies do not segment audiences and develop buyers' journeys for each audience.
- Digital and market intelligence are most frequently outsourced: The types of marketing work that tend to be outsourced more — website/apps/interactive development, market research and video development — are the types of work that require specialization that might be absent from smaller marketing departments. While not the most utilized digital tactic, webinars was considered the most effective of all digital marketing tactics.
- Marketing agencies are a key resource: Companies seek expertise from their marketing agency above all else: Life science expertise, marketing expertise and digital expertise were three of the four attributes most often sought.

RESPONDENT DEMOGRAPHICS

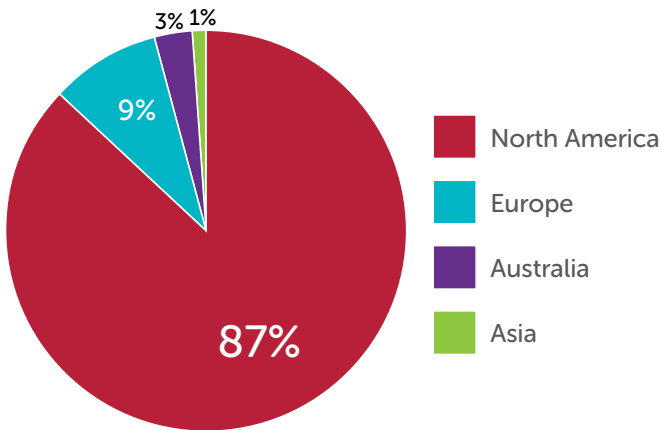
What type of company do you work for?

Respondents work for a variety of service provider companies. One-fourth (25%) work for contract research organizations, while almost one in five (19%) work for software/technology companies.



Where is the location of the office where you work?

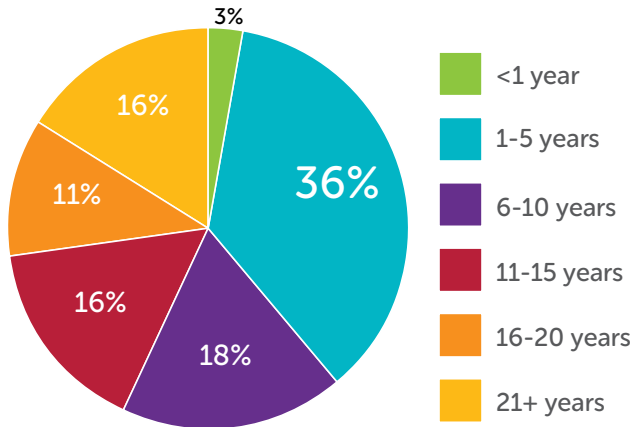
While most of the survey participants are from North America (87%), there were also some from Europe, Australia and Asia.



RESPONDENT DEMOGRAPHICS

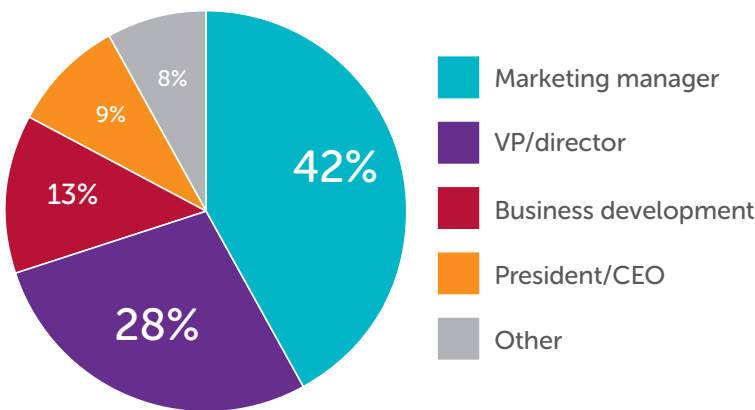
How many years have you worked in the drug development industry?

The survey sample included both relative newcomers to the industry and those with extensive experience. Thirty-nine percent of them have five or fewer years of experience in the drug development industry while 16 percent had more than 20 years of experience.



Which of the following best describes your job function?

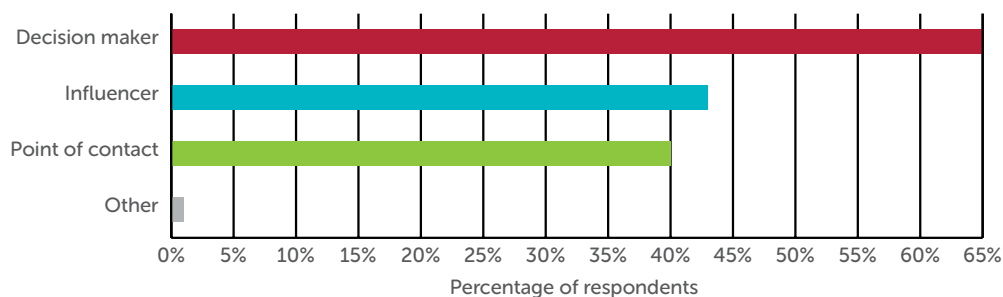
A plurality of respondents identified themselves as marketing managers (42%). More than one-fourth (28%) said they were either vice presidents or directors.



RESPONDENT DEMOGRAPHICS

Please describe your role in your company's marketing efforts. (Select all that apply.)

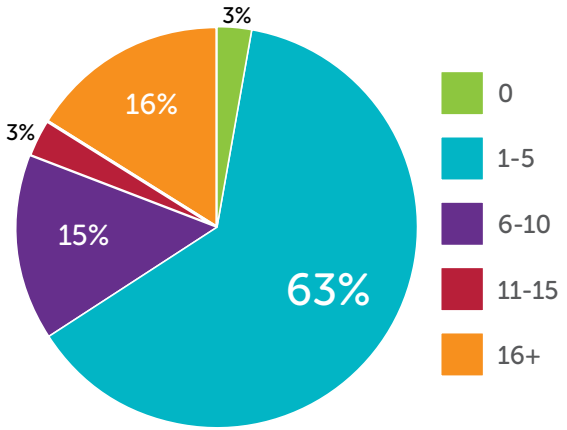
Many of the survey participants hold more than one role in their company's marketing efforts. About two-thirds (65%) classify themselves as a decision maker. A substantial minority consider themselves as either an influencer (43%) or the point of contact (40%).



How big is your internal marketing team?

A majority of the survey sample come from companies with relatively small marketing teams.

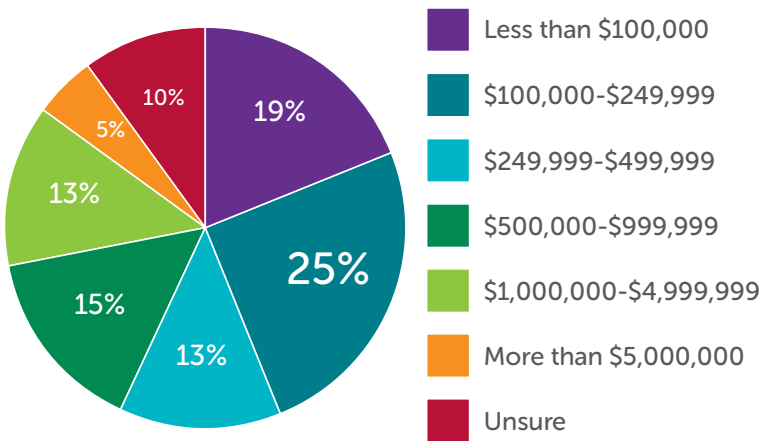
- Two-thirds (66%) of respondent companies have marketing teams of five or fewer. Sixteen percent have marketing teams of more than 15 people.



What is your annual marketing spend?

Marketing budgets for respondent companies span the spectrum from limited to quite large.

- 19 percent have an annual marketing spend of below \$100,000.
- 25 percent have a budget of between \$100,000 and \$249,999.
- 18 percent work for companies with marketing budgets of more than \$1 million.



MARKETING DEPARTMENT DEMOGRAPHICS

What percentage of your marketing spend goes toward the following areas?

Companies are likely to allocate much of their marketing spend to trade shows, events and booths. Meanwhile, investment in video and print advertising is comparatively low.

- 87 percent spend more than 10 percent of their budget on trade shows; one-third (34%) report putting more than 40 percent of their marketing budget toward trade shows.
- 62 percent allocate more than 10 percent on website, apps and interactive development.
- 53 percent spend more than 10 percent on digital advertising.
- More than three-quarters (77%) spend less than 10 percent of their budget on video.
- 87 percent spend 20 percent or less on print advertising, a tactic that may be declining in popularity. In 2016, 82 percent of respondents said their company allocated 20 percent or less toward print advertising.

	0-10% OF BUDGET	11-20% OF BUDGET	21-40% OF BUDGET	41-60% OF BUDGET	61-100% OF BUDGET
Trade shows/events/booths	13%	15%	38%	19%	15%
Website/apps/interactive development	38%	36%	15%	8%	3%
Advertising – digital	47%	28%	18%	6%	1%
Public relations	55%	32%	8%	1%	4%
Collateral	55%	27%	11%	4%	3%
Marketing automation	56%	35%	6%	3%	0%
Webinars/workshops	59%	24%	14%	3%	0%
Employee engagement	62%	25%	9%	2%	2%
Market research	65%	23%	7%	4%	1%
Social media	66%	22%	5%	4%	3%
Advertising – print	71%	16%	7%	3%	3%
Video development	77%	19%	3%	1%	0%

MARKETING DEPARTMENT DEMOGRAPHICS

How important are each of the following marketing goals to your company? (on a 1-5 scale, with 1=least important and 5=most important)

Sales and client retention/loyalty were the goals deemed most important. Engagement and lead nurturing were considered the least important.

- Almost two-thirds (64%) of respondents assigned a “5” to sales and more than half (53%) did so for client retention/loyalty.
- These two goals also had the highest average ratings of 4.32 and 4.25, respectively.
- The average rating for engagement was 3.71; for lead nurturing, it was 3.77.

	5 (MOST IMPORTANT)	4	3	2	1 (LEAST IMPORTANT)	OVERALL AVERAGE
Sales	64%	17%	10%	6%	3%	4.32
Client retention/loyalty	53%	25%	16%	6%	0%	4.25
Brand awareness	45%	30%	17%	5%	3%	4.10
Brand perception	44%	30%	19%	6%	1%	4.06
Lead generation	44%	27%	18%	8%	3%	4.03
Lead nurturing	26%	41%	18%	12%	3%	3.77
Engagement	27%	33%	28%	8%	4%	3.71
Overall - Goals						4.03

How long has it been since your company last updated the following?

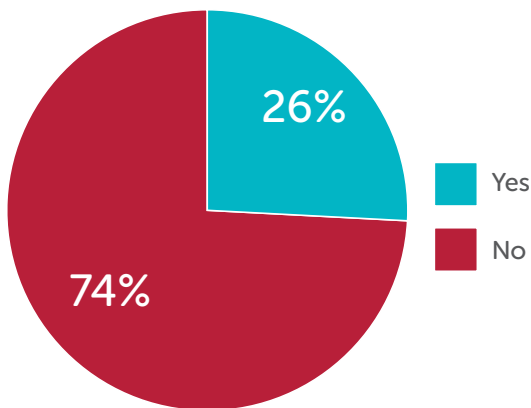
While a majority of companies have updated many promotional materials in the past year, few have done a rebrand.

- Most companies have updated their website content (84%) and content marketing (81%) in the past year.
- Fewer companies have updated their trade show booth/materials (69%) in the past year.
- Even fewer have undergone a rebrand (32%) in the past year; however, another 29 percent indicated that they went through a rebrand in the past two years.

	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5+ YEARS
Website content	84%	10%	6%	0%	0%
Content marketing	81%	11%	6%	0%	2%
Marketing materials	77%	15%	7%	1%	0%
Website design/layout	72%	14%	10%	3%	1%
Video/animation	70%	23%	5%	2%	0%
Trade show booth/materials	69%	17%	10%	3%	1%
Overall brand image (rebrand)	32%	29%	19%	7%	13%

Has your company received any industry awards in the past 12 months?

About one-fourth (26%) of respondent companies have received an industry award in the past 12 months.



MARKETING DEPARTMENT DEMOGRAPHICS

Does your company do the following marketing plans/activities?

Companies are better at doing some things annually such as developing a marketing plan than they are at other tasks such as developing a public relations/communications plan.

- Most respondent companies develop an annual marketing plan (86%) and regularly analyze their competitors (81%).
- More than half use analytics to make marketing decisions (71%) or regularly seek client feedback (69%).
- Far fewer develop an annual public relations/communications plan (47%) or segment their audiences and develop buyers' journeys (48%). The practice of developing an annual public relations plan is trending downward; in 2014, 59 percent of respondents reported developing a public relations/communications plan.

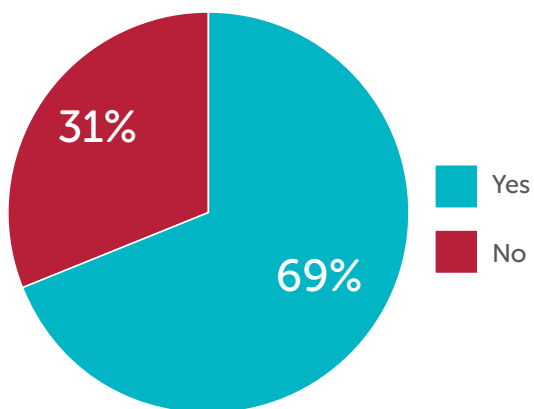
	YES	NO
Develop an annual marketing plan?	86%	14%
Regularly analyze your competitors?	81%	19%
Use analytics to make marketing decisions?	71%	29%
Regularly seek feedback from your clients on ways to improve?	69%	31%
Develop an annual digital/social media plan?	61%	39%
Use marketing automation?	59%	41%
Segment audiences and develop buyers' journeys for each?	48%	52%
Develop an annual public relations/communications plan?	47%	53%

OUTSOURCED AGENCY UTILIZATION/SATISFACTION

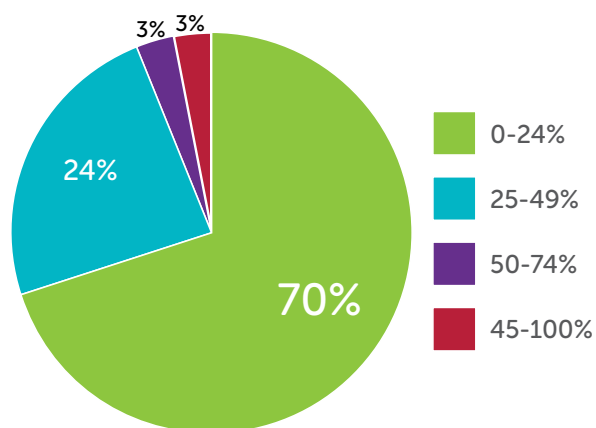
In the last year, have you contracted any work through an external marketing agency or a freelancer?

More than two-thirds of the survey participants' companies (69%) have contracted work through an external agency or freelancer in the past year, but those that have do not outsource all that much.

- 70 percent outsource less than one-fourth of the marketing work to an agency or freelancer.
- One-fourth (24%) outsource between one-quarter and one-half of their marketing work.



What percentage of marketing work do you outsource to an agency or freelancer?



OUTSOURCED AGENCY UTILIZATION/SATISFACTION

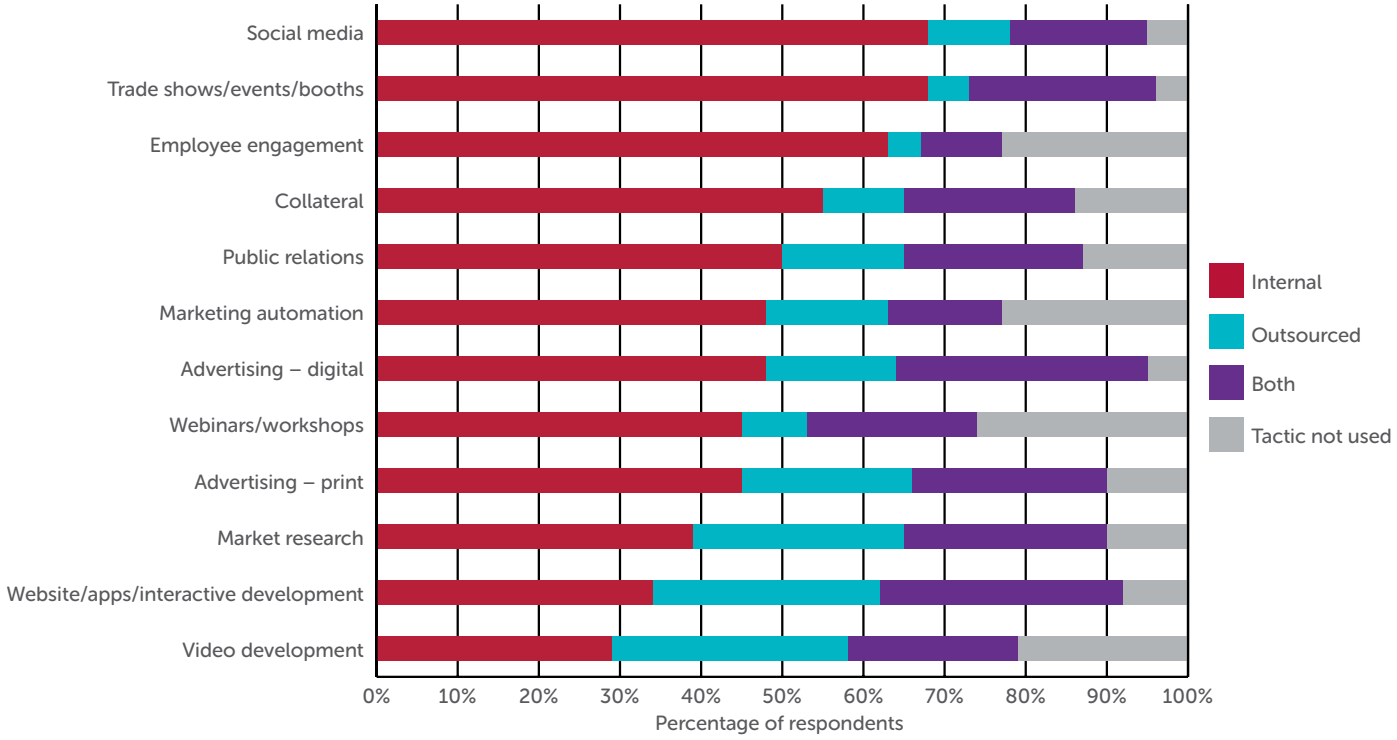


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How do you primarily handle each of the following areas?

The types of marketing work that tend to be outsourced more are the types of work that require some level of specialization that many smaller marketing departments might lack.

- Website/apps/interactive development (58%), market research (51%) and video development (50%) are the types of marketing work most likely to be outsourced.
- Employee engagement (14%), social media (27%) and trade shows/events/booths (28%) are the types of work least likely to be outsourced.

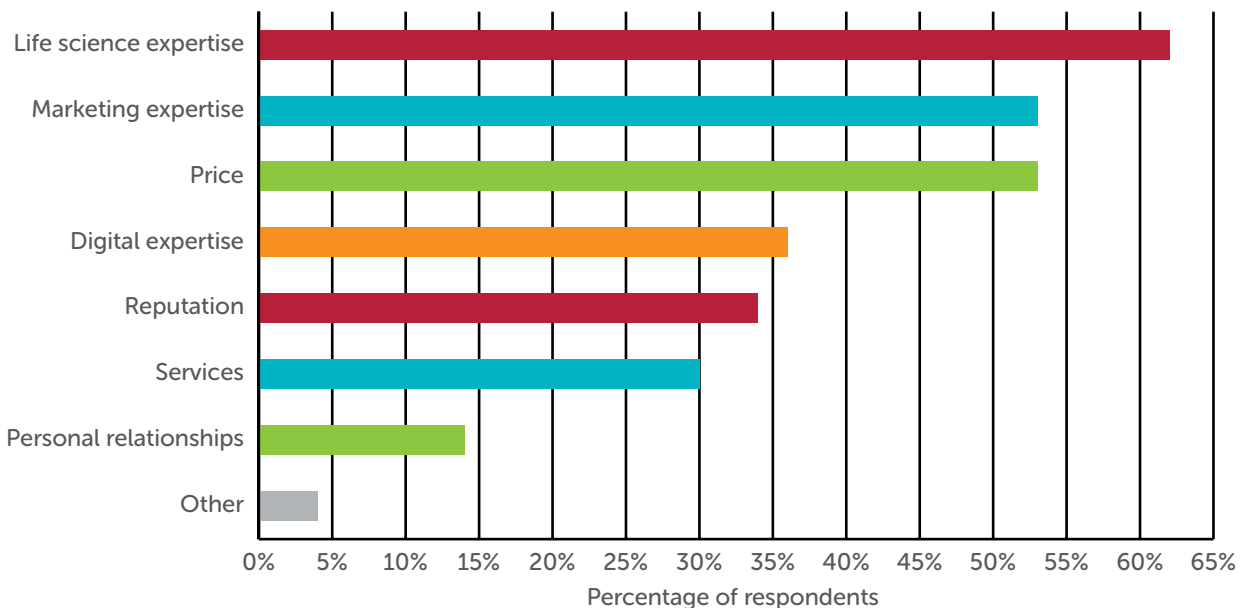


OUTSOURCED AGENCY UTILIZATION/SATISFACTION

What are the top three attributes you look for when selecting a marketing firm? (Select up to three attributes.)

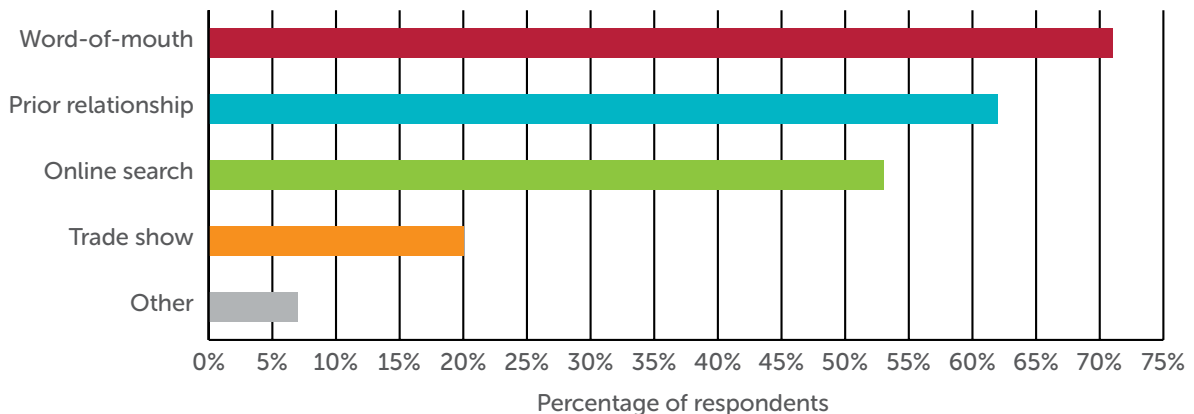
Life science expertise is at the top of the list.

- When selecting a marketing firm, respondents are especially inclined to make their decision based on the marketing firm's life science expertise (62%), marketing expertise (53%), price (also 53%) and digital expertise (36%).
- They are least likely to consider personal relationships (14%) as a sought-after attribute.



How do you look for a new marketing agency? (Select all that apply.)

When respondents were asked how they look for a new agency, the top answer was word-of-mouth (71%).

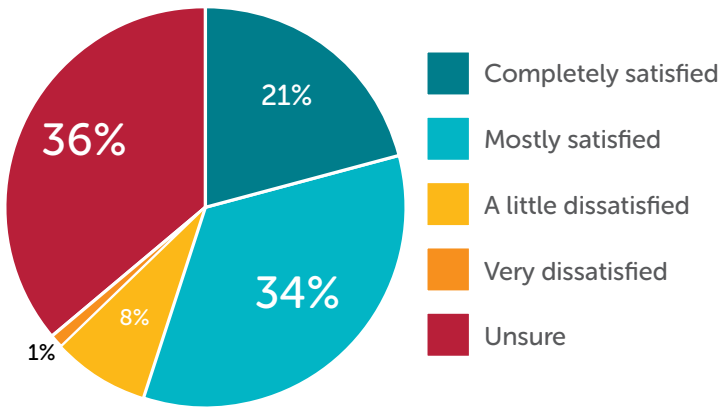


OUTSOURCED AGENCY UTILIZATION/SATISFACTION

Overall, how satisfied are you with your marketing agency?

Survey participants are, by and large, more satisfied than not with their marketing agencies.

- More than one-half (55%) are either completely or mostly satisfied, while 9 percent are dissatisfied.
- A rather large proportion (36%) of respondents are unsure about how satisfied they are.



OUTSOURCED AGENCY UTILIZATION/SATISFACTION

On a scale of 1-5 (5 being the most satisfied), what is your perception of your marketing agency's performance for the following?

Those who participated in the survey are most satisfied with their marketing agency's timeliness and communication.

- About one-third of respondents gave a "5" to communication (37%) and timeliness (32%). The average ratings for these areas were the highest of any, with timeliness having an average rating of 3.91 and communication close behind at 3.89.
- Respondents were least satisfied with their marketing agency's market research and client survey work. Fewer than one-half of them (44%) assigned a "4" or "5" to market research and exactly one-half (50%) assigned a "4" or "5" to client surveys.

	5 (MOST SATISFIED)	4	3	2	1 (LEAST SATISFIED)	AVG RATING
Timeliness/adherence to timelines	32%	34%	27%	7%	0%	3.91
Communication	37%	25%	28%	8%	2%	3.89
Project management	27%	38%	25%	8%	2%	3.80
Invoicing	29%	31%	25%	13%	2%	3.73
Marketing strategy	26%	31%	28%	11%	4%	3.64
Marketing plans	18%	38%	23%	16%	5%	3.50
Client surveys	28%	22%	25%	17%	8%	3.44
Market research	20%	24%	36%	10%	10%	3.34
Overall – General Performance						3.66

OUTSOURCED AGENCY UTILIZATION/SATISFACTION

On a scale of 1-5 (5 being the most satisfied), what is your perception of the following digitally related aspects of your marketing agency's performance for the following?

Respondents rated their agency's website development efforts the highest among all digital tactics (3.82 on a 5-point scale).

- Respondents gave the lowest rating to their agency's efforts related to search engine optimization, search engine marketing and AdWords; here, the average rating was 3.43.
- Video/animation, with an average rating of 3.54, had the second lowest rating, but also had the highest proportion of respondents who assigned it a "5." Thirty percent of respondents assigned a "5" to their marketing agency's video/animation, while fewer respondents (28%) assigned a "5" to website development (the highest performing digital area).

	5 (MOST SATISFIED)	4	3	2	1 (LEAST SATISFIED)	AVG RATING
Website development	28%	37%	25%	10%	0%	3.82
Email marketing	20%	38%	29%	10%	3%	3.63
Social media marketing/ pay-per-click	23%	29%	29%	16%	3%	3.55
Video/animation	30%	23%	21%	21%	5%	3.54
SEO/SEM/AdWords	20%	30%	32%	9%	9%	3.43
Overall – Digital						3.59

OUTSOURCED AGENCY UTILIZATION/SATISFACTION

On a scale of 1-5 (5 being the most satisfied), what is your perception of the following content/creative development aspects of your marketing agency's performance?

Press releases was the highest rated content/creative related category (with a 3.79 on a 5-point scale).

- Creative/graphic design (3.75) and trade show and event planning/execution (3.72) were also highly rated.
- More respondents assigned a "5" to trade shows than to any other category, but the average rating lagged because more respondents also assigned a "3."
- On the other end of the spectrum, scientific/technical writing had the lowest overall rating (3.49).

	5 (MOST SATISFIED)	4	3	2	1 (LEAST SATISFIED)	AVG RATING
Press releases	24%	37%	34%	5%	0%	3.79
Creative/graphic design	25%	39%	24%	8%	4%	3.75
Trade show and event planning/execution	33%	14%	45%	8%	0%	3.72
Editorial pitching	16%	38%	32%	14%	0%	3.57
Promotional item sourcing	21%	24%	41%	14%	0%	3.52
Content development	15%	42%	26%	13%	4%	3.51
Media planning/placement	14%	35%	40%	11%	0%	3.51
Scientific/technical writing	20%	26%	40%	11%	3%	3.49
Overall – Content/Creative						3.61

OUTSOURCED AGENCY UTILIZATION/SATISFACTION

How does your marketing provider compare to other agencies in the industry in the following areas?

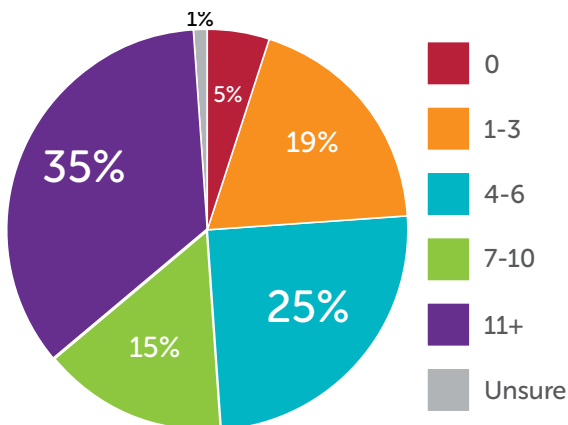
When comparing their own marketing agency to other industry agencies, survey participants were most likely to look favorably on their own agency's client service and communication performance.

- The average ratings on a 5-point scale for client service was 3.74 and for communication was 3.71.
- Respondents were least inclined to favorably compare the life sciences expertise (3.41), innovative solutions (3.45), and performance analytics (also 3.45) of their own agency to others.

	BEST IN CLASS	ABOUT AVERAGE	AVERAGE	BELOW AVERAGE	WORST IN CLASS	AVG RATING
Client service	22%	32%	44%	2%	0%	3.74
Communication	22%	29%	47%	2%	0%	3.71
Creative	13%	49%	32%	6%	0%	3.68
Marketing expertise	16%	39%	41%	4%	0%	3.67
Project management	20%	30%	48%	2%	0%	3.67
Adherence to timelines	22%	30%	40%	8%	0%	3.66
Ease of doing business	22%	28%	40%	10%	0%	3.62
Marketing strategy	15%	35%	46%	4%	0%	3.61
Pricing/fees	14%	28%	54%	4%	0%	3.52
Market research	18%	26%	46%	10%	0%	3.51
Bid turnaround time	11%	32%	53%	4%	0%	3.49
Innovative solutions	9%	40%	38%	13%	0%	3.45
Performance analytics	14%	25%	54%	7%	0%	3.45
Health sciences/life sciences expertise	18%	24%	40%	18%	0%	3.41

How many trade shows does your company attend annually?

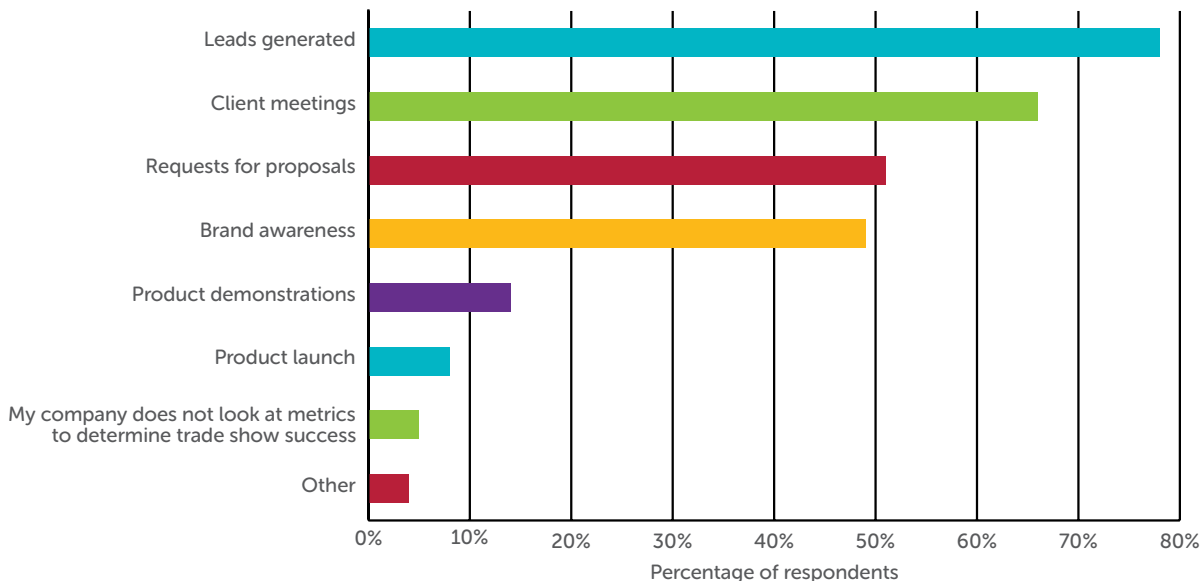
Roughly one-third (35%) of respondent companies attend more than 10 trade shows a year. This is a slight increase from the proportion of respondent companies that reported this in 2016 (31%). Five percent do not attend any trade shows at all.



Which of the following metrics do you use to determine if attending a trade show was successful? (Select all that apply.)

The most popular metric used to determine trade show success is the number of leads generated.

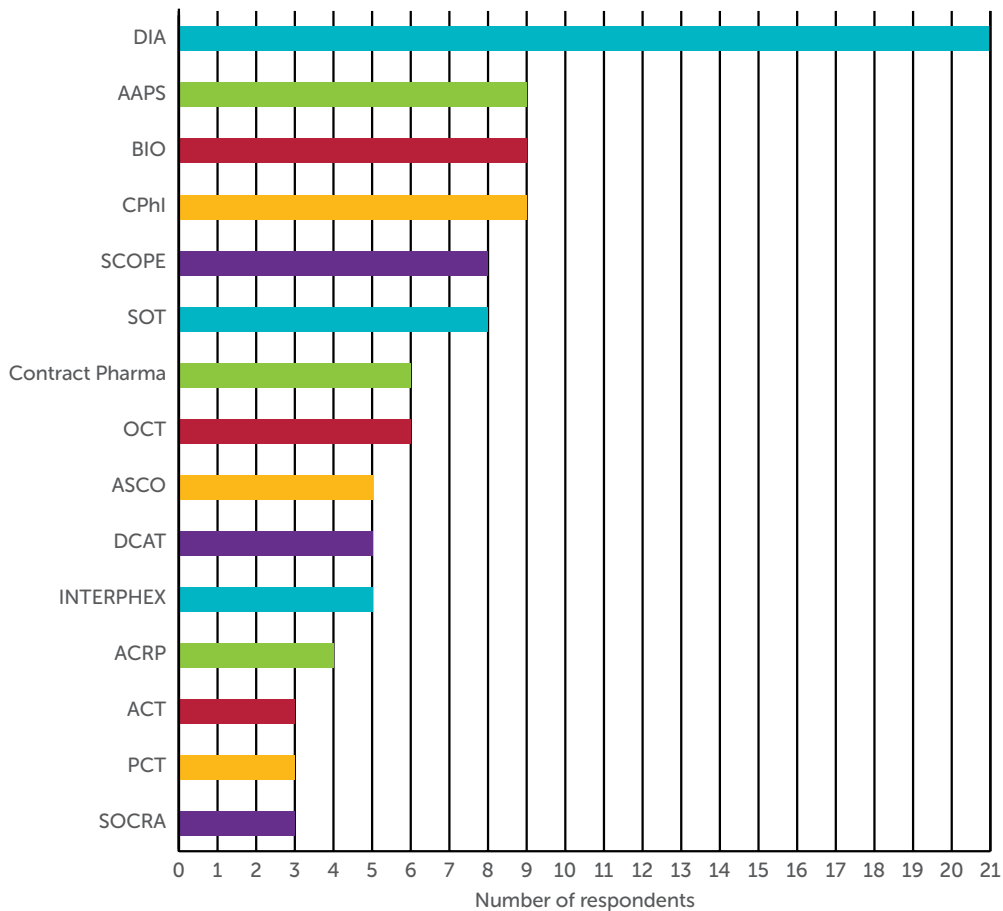
- More than three-fourths of survey participants (78%) said their companies evaluate trade shows by reviewing the number of leads generated.
- Just a select few (5%) said that their company does not look at any metrics to determine trade show success.



What are the top three industry events that are most effective for your company to attend/exhibit at? (Identify up to three events.)

For the third year in a row, the trade show mentioned most often as a top three industry event was DIA.

- There were more mentions of DIA (21) than for any other two trade shows combined.
- BIO, the second-ranked trade show in 2015 and 2016, was tied for second in 2017 with AAPS and CPhI.



Comparison of the 2015, 2016 and 2017 top industry events.

	2015	2016	2017
1st	DIA	DIA	DIA
2nd	BIO, CPhI	BIO	AAPS, BIO, CPhI
3rd	PCT, SOT	ASCO	SCOPE, SOT
4th	ACRP	AAPS	Contract Pharma, OCT
5th	ASCO, DCAT	CPhI	ASCO, DCAT, INTERPHEX

DIGITAL ADVERTISING TRENDS

On a scale of 1-5 (5 being the most effective), how effective are the digital marketing tactics that your company uses?

Webinars were the clear top selection.

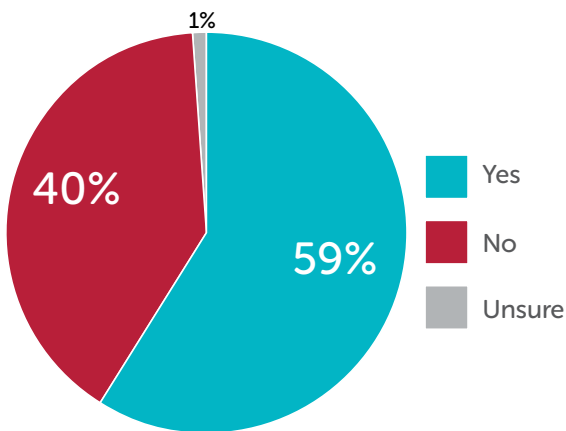
- Webinars had an average rating of 3.90 with 43 percent of respondents assigning a “5.” In the 2015 and 2016 surveys, webinars was the third-highest-ranked digital marketing tactic.
- E-blasts/e-newsletters was the second-highest-rated digital tactic with an average rating of 3.57. Twenty-one percent of survey participants rated it a “5.” Similarly, in previous years, e-blasts/e-newsletters were among the top five digital tactics.
- Case studies had been the highest rated digital marketing tactic in the two previous surveys. It fell to fifth in this 2017 survey. However, the decline was more the result of other tactics’ ratings increasing than because of a lower rating for case studies. The average rating for case studies declined very little — from 3.37 in 2015 to 3.33 in 2017.
- By far the lowest-rated tactic was podcasts (2.05). Podcasts was also the lowest rated in 2016 and second from the bottom in 2015.

	5 (MOST EFFECTIVE)	4	3	2	1 (LEAST EFFECTIVE)	AVG RATING
Webinars	43%	17%	33%	2%	5%	3.90
E-blasts/e-newsletters	21%	36%	24%	17%	2%	3.57
White papers	18%	38%	24%	14%	6%	3.47
Search engine optimization (SEO) / search engine marketing (SEM)	17%	29%	36%	15%	3%	3.41
Case studies	15%	31%	33%	13%	8%	3.33
Digital advertising	7%	43%	27%	15%	8%	3.24
Social media	16%	25%	34%	15%	10%	3.23
Video	11%	30%	37%	11%	11%	3.20
AdWords	12%	25%	31%	24%	8%	3.10
Retargeting ads	13%	20%	40%	10%	17%	3.03
E-books	14%	24%	28%	10%	24%	2.93
Blogs	8%	21%	33%	23%	15%	2.85
Podcasts	5%	5%	21%	26%	43%	2.05
Overall – Digital Marketing Tactics						3.18

Do you use social media advertising for your business? (ex. Sponsored updates on LinkedIn)

A majority of the survey sample said their companies use social media advertising.

- About three in five respondents (59%) said their companies use social media advertising for their business.
- LinkedIn was the social media platform used most often. This finding is consistent with results from the 2016 survey.
- Those using a social media platform on a daily basis were more likely to utilize Twitter than LinkedIn or Facebook.



How often do you post/promote your company via these social media outlets?

	DAILY	WEEKLY	MONTHLY	A FEW TIMES A YEAR	NEVER
LinkedIn	13%	41%	17%	21%	8%
Twitter	15%	29%	13%	10%	33%
Facebook	13%	28%	14%	14%	31%

DIGITAL ADVERTISING TRENDS

On a scale of 1-5 (5 being the most effective), how effective are these social media platforms your company uses to get your messaging to your target audience?

LinkedIn was judged by those who participated in the survey to be the most effective social media platform. It had an average rating of 4.09.

- Twitter (2.76) and YouTube (2.66) were a distant second and third.
- Snapchat, with an average rating of 1.41, was by far the least effective platform.

	5 (MOST EFFECTIVE)	4	3	2	1 (LEAST EFFECTIVE)	AVG RATING
LinkedIn	55%	15%	17%	8%	5%	4.09
Twitter	8%	18%	36%	18%	20%	2.76
YouTube	5%	14%	43%	20%	18%	2.66
Facebook	10%	10%	32%	28%	20%	2.62
Vimeo	0%	8%	34%	27%	31%	2.19
Google+	3%	11%	29%	14%	43%	2.17
Instagram	0%	11%	11%	30%	48%	1.85
Snapchat	0%	0%	14%	14%	72%	1.41
Overall – Social Media Platforms						2.47

CONCLUSIONS

Marketing departments

The size of internal marketing teams represented in our survey samples has grown. In 2015, 83 percent of the respondent companies had a team of five members or fewer. By 2017, that had fallen to 66 percent. Client retention/loyalty and brand awareness, the top two marketing goals from 2015 and 2016, continue to be among the most important marketing priorities in 2017.

Marketing budgets

These larger teams continue to invest substantial portions of their budget on trade shows and website development and less of their budget on print advertising and market research.

Agency utilization

The use of marketing agencies or freelancers has increased. In 2015, 43 percent of survey respondents stated that they outsourced. In 2017, that proportion grew to 69 percent. When companies look for a marketing agency, they seek expertise (life science, marketing, or digital) above all else, and the types of work they are most likely to outsource (e.g., video development, website development, market research) are the services that small internal marketing teams are less likely to possess.

Agency satisfaction

Respondent companies continue to be generally satisfied with how their marketing agencies perform. In 2015, one-half (50%) of survey participants assigned a "4" or "5" when asked to rate their marketing agency on a 5-point scale (with 5 being the best). In 2017, 55 percent of respondents were either completely or mostly satisfied with their marketing agency.

Trade show trends

One area where agency performance ratings have improved is for trade shows/event planning. In 2015, the average rating on a 5-point scale for trade shows was 3.15. In 2017, that rating was 3.72. Trade shows continue to make up the largest part of many companies' marketing budgets.

Digital and social media trends

Usage of social media advertising is trending up. In 2015, 49 percent of survey respondents said they use social media advertising. In 2017, the figure was 59 percent. Webinars were rated as the most effective digital tactic.

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