

# NEW DAWN

Intelligent thinking  
in emerging markets

## Connected patients

Adopting a patient-centric  
approach

## Shift to preventative healthcare

## Guide

Conducting effective  
market research



Willingness to pay | Segmenting the market  
Latin America & the Caribbean | Aesthetics



# Letter from the Editor

We're witnessing a new dawn in global healthcare. Populations are growing and ageing, advances in treatment are accelerating and technology is changing every facet of healthcare delivery and engagement. Emerging markets offer particularly exciting opportunities, as a large and ever-expanding middle class demand access to high quality, affordable healthcare. But although emerging markets offer new potential, access and navigation in these lesser-known territories can be tricky. What works in mature markets doesn't always translate to more emerging economies.

In this magazine, we wanted to address some of the key themes and challenges for marketers and market research professionals looking for support in ensuring success in emerging markets. We hope to demonstrate how evidence-based insights can help you avoid the pitfalls and maximise the opportunities available within a global arena of approximately 4.1 billion patients.

A key challenge can be gaining a proper understanding of the patient journey. With some countries having no primary care system and no formalised pathways, the patient becomes the only constant in the journey. With many patients paying out-of-pocket for their treatment, they also become the primary stakeholder. This has led to patients in emerging countries becoming much more educated and invested in decisions about their treatment. We will look at this phenomenon and consider the implications for patient centricity, the trend which is becoming the byword for success in mature healthcare markets. Along the same theme, we will look at patients' willingness to pay and discuss the importance of developing the right pricing strategy, with patients in mind, in order to ensure optimum brand take-up.

If you have a responsibility for commissioning primary market research in emerging markets, you might be interested in our best practice guide, which is also available as a handy desktop piece, on page 4. We also take a look at some of the trends and themes in the key markets of Latin America, Asia Pacific, Central Eastern Europe, Middle East and Africa. If you want to know more about a particular market or issue, you can sign up to one of our RP Informs customised tutorials. More details can be found on the back page.

I hope you find the magazine of interest. Our Emerging Markets team, consisting of 18 specialist researchers, including 8 Directors, is always happy to talk about our expertise and capabilities. Find out more about our team members on the back page.

**Marc Yates**  
Director

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# Connected patients

Adopting a patient-centric approach in emerging markets

Sue Rees

**The concept of patient centricity and putting the patient at the heart of care is being widely adopted by the healthcare industry – the general consensus being that it's going to be critical to future success.**

Many pharmaceutical companies do more now for patients than just deliver safe and effective drugs – they offer support beyond the pill such as utilising digital technology to engage patients. But very often the focus has been on more developed markets. Arguably there is more need, and benefit, for a patient-centric approach to be taken in the emerging and growth markets where we know that patients are the key stakeholders and need to be fully engaged in the treatment decision.

Frequently in these emerging markets the patient pays out of pocket (either 100% or co-pay depending upon the market) for their medicines. So there is a much stronger investment, both emotional and practical in ensuring that the right medicine is taken. Patients decide when to start or stop their medication and this in turn impacts on the treatment duration, adherence and outcomes.

With the expanding middle class and increasing wealth in markets such as Brazil, India, China and Mexico, more patients are able to afford essential care or purchase private health insurance. In addition, patients are becoming better connected, more informed, and moving

from being reactive patients to proactive consumers.

*Undoubtedly there are challenges within emerging markets in the form of lack of resources and infrastructure and limited numbers of healthcare workers. It's essential for pharma to start thinking about designing systems around patients and adopting ways to bring care closer to them.*

Healthcare technology, including genomics, mobile and internet connected devices, and big data analytics, generates a vast amount of insights which allow healthcare providers to make better and faster diagnoses and more informed treatment decisions.

While we're undoubtedly many years from this becoming the norm in emerging markets, one approach that is gradually being adopted is the use of mHealth solutions (mobile health) - the use of mobile phones and other wireless technology in medical care. The mHealth market in Brazil reached USD\$531million in 2016 and is set to top USD\$1.43 billion by 2020.

Mobile network connectivity is spreading fast. Even in some of the most remote parts of the world patients are becoming 'connected'. Mobile health solutions can be used to guide patients and caregivers to the right place at the right time. For example, they can help prevent patients travelling long distances from rural areas to their nearest health centre only to

discover that the required medicine is not in stock or healthcare staff are not available. Mobile health applications can be used to inform patients when and where the appropriate medicine is available and how to find the nearest health centre with a suitable healthcare worker on duty.

In addition patients can benefit from remote diagnoses from doctors and specialists in cases where physical travel is problematic. In Malaysia a smartphone app called Doctor2U is revolutionising mobile medicine. Launched in 2015 by BPL Healthcare Group the app allows patients to request a home visit by a doctor on demand and a qualified physician will arrive within 60 minutes.

In order to develop these systems successfully, a good grasp of the markets is required. There is a complex range of patient types driven by a broad range of attitudes, behaviours, needs and cultural influences and understanding how to appeal and remain relevant to this range of patients is the key to success.



**Read our article**

**New opportunities in emerging markets**

[researchpartnership.com/new-opportunities-emerging-markets](https://researchpartnership.com/new-opportunities-emerging-markets)

# Shift to preventative healthcare

Opportunities for screening, diagnostics and vaccination

Rachel Howard

**Across emerging markets we are seeing a shift towards prevention in healthcare policy, as governments seek to contain spiralling treatment costs.**

There is a growing, if long overdue, recognition among policy-makers that the cost of prevention can be cheaper than the cost of treating the disease itself. China's ambitious primary care creation project aims to focus increased attention on preventative healthcare, while in Saudi Arabia, the Ministry of Health's 'Vision 2030' recognises primary care as 'the most important component in the health system' and aims to reform and restructure its delivery to improve disease prevention.

*Private health insurance plans, which are increasingly gaining traction among middle classes in emerging markets, also incentivize preventative healthcare among enrollees.*

While there is still a long way to go for emerging markets to realise their preventative healthcare goals, products

for screening, diagnostics and vaccines are all poised to benefit from this increasingly prevalent mindset of wellness promotion. This mindset also paves the way for increasing access to medicines for prophylactic use, such as anti-thrombotics to be taken before surgery to reduce risk of deep vein thrombosis (DVT), and HIV pre-exposure prophylaxis (PrEP) and treatment as prevention (TasP) among high-risk populations.

However, emerging markets can be challenging environments for preventative healthcare products to enter. Deeply ingrained cultural and educational barriers can be encountered. Attitudes to healthcare may generate resistance to presenting to a healthcare professional, or reluctance to accept a vaccination to

a greater extent than in mature markets. The belief that vaccines are for babies, for example, can limit uptake of adult vaccines.

*Social stigma associated with taking PrEP constitutes a barrier to uptake in mature markets, and this can be magnified in emerging markets.*

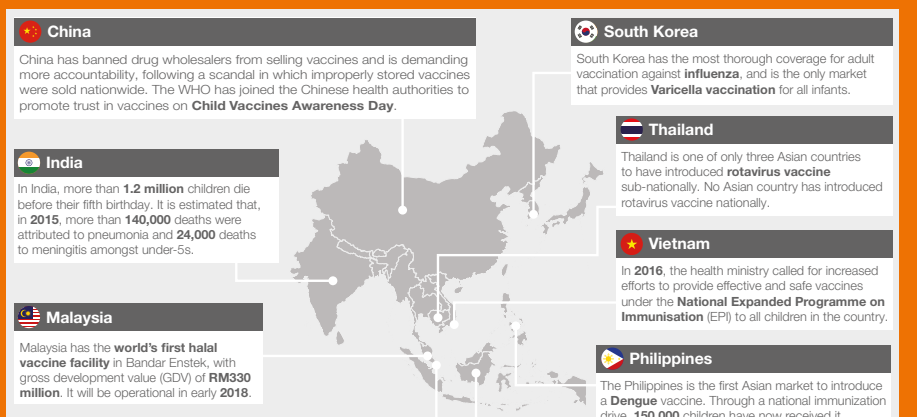
An in-depth understanding of the local nuances at play, and how the challenges they present can be overcome, is essential for success. Drawing on our knowledge of preventative diseases and vaccines, we are happy to provide guidance and advice of the key considerations that need to be taken into account when designing a study in order to effectively achieve this understanding.



Download our infographic

## The vaccine opportunity in Asia

[researchpartnership.com/vaccines-asia-infographic](http://researchpartnership.com/vaccines-asia-infographic)





# Patients' willingness to pay

Considerations when developing an appropriate pricing strategy

Nicole Bender  
Moreira

**When launching a new product, it's critical that pharma chooses the right pricing strategy to achieve the optimal balance between sales volume and unit cost.**

In emerging markets, pricing is made more sensitive by the fact that frequently a high proportion of healthcare costs are paid for out-of-pocket by consumers and their families, making them key decision-makers. In the past, pricing models in emerging markets were often developed using patient affordability assumptions.

Our approach to informing the right pricing strategy involves uncovering the value patients or healthcare consumers believe a product or service can provide to them as well as understanding what proportion of their disposable income they are willing to spend. While it is related to affordability and personal income ('ability to pay'), it is not the same. In fact, the World Health Organisation (WHO) has shown that there is no correlation between an individual's income and willingness to pay for healthcare products.

Once we have established what proportion of the population can afford the product and what they can realistically pay for the healthcare product or service in question, we seek to understand what proportion of the affordable cohort is willing to pay. This starts with an understanding of the underlying factors that will motivate patients to pay. For example, symptom severity, impact on quality of life, importance placed on

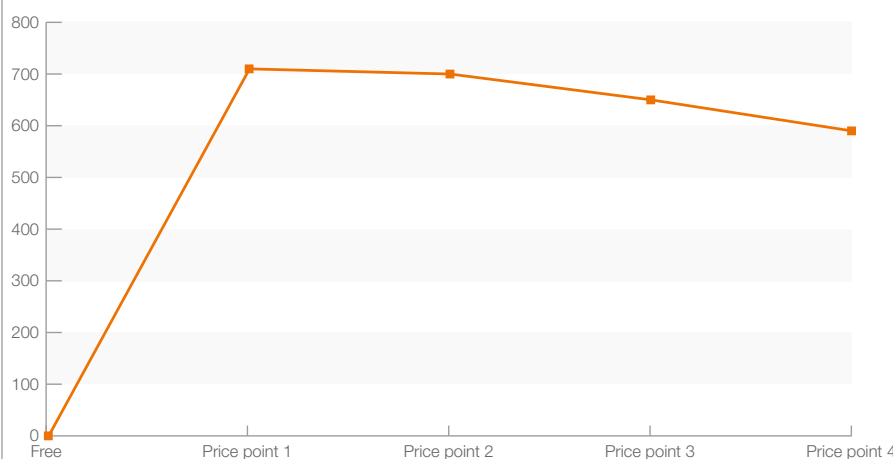
specific product or service attributes coupled with social-demographic factors such as age, gender and family situation, can all influence patients' acceptance of a product price.

*In many emerging markets the physician is the primary source of trustworthy product information for patients. However, because they are often time-poor, consultation times can be limited, which can have direct implications on patients' 'willingness to pay'.*

A lack of knowledge about the worth of the product may give rise to objections about cost. Added to this, the patient themselves may come with a further layer of considerations familiar to the consumer world - such as brand loyalty, belief in efficacy from their own online research, or perceptions regarding the brand or the manufacturer.

As gatekeepers, the views physicians or other healthcare practitioners recommending the product have certainly are important - they transfer their beliefs about the product on to the patients. However, the pharma company should factor in the patient perspective when developing any pricing strategy. To be successful, pharma needs to begin with an understanding of the target patients' willingness to pay for their product, whether it is a drug, device, vaccine or supplement.

**Relative revenue (per patient per year)**



**Watch our webcast**

**Understanding patient willingness to pay in emerging markets**

[researchpartnership.com/patient-willingness-to-pay](https://researchpartnership.com/patient-willingness-to-pay)





# Navigating uncharted territory

A guide to conducting effective market research in emerging markets

Pei Li Teh

**Emerging markets present an exciting opportunity for growth for the pharmaceutical industry, as traditional Western markets mature and there are a limited number of new products in the pipeline offering blockbuster revenues.**

Many emerging markets, not just confined to BRIC countries, are experiencing double-digit growth, as well as burgeoning public and private health care systems. A demographic of wealthy urban patients who can afford better quality health care is on the rise, with an appetite for Western lifestyles and products.

To successfully launch in these markets, however, pharma manufacturers need an in-depth understanding of the environment in which they are planning to operate and this can be challenging as many lack reliable data intelligence. Custom market research can plug the gaps in knowledge and help marketers make more effective strategic decisions.

Based on our experience in managing research projects involving emerging markets, here is a three-step guide to conducting effective market research in these territories.

## Step 1: Understand the environment

Understanding the environment is critical to ensure the project scope is defined in the best way to achieve the project objectives. This will help you answer the following questions regarding your research design:

- Which emerging market(s) to select?
- Which cities to research?
- Which stakeholders to interview?

It is worth considering building in a definition phase to define the project scope.

## Step 2: Select the best method

To determine which research methodologies are possible and appropriate in emerging markets you need to understand which methodologies are culturally permissible and which methods are technologically possible.

## Step 3: Build in stringent quality checks and balances

To achieve high quality research in emerging markets, additional quality control steps, which are not always necessary in developed markets, are recommended:

- Moderators must be highly experienced in interviewing healthcare professionals and must demonstrate therapeutic expertise
- When there are numerous materials to test, extended briefings should be undertaken using webcams and even dummy interviews if necessary to ensure understanding
- During the fieldwork period, allow time to review the interview transcripts for quality control reasons and to re-brief the moderator if necessary
- Because emerging markets are often new for the commissioning client, additional questions may be generated after the research has been completed.



**Read the full guide**

**A guide to undertaking health care market research in non-western markets**

[researchpartnership.com/best-practices-emerging-markets](https://researchpartnership.com/best-practices-emerging-markets)



# Comparing apples and oranges

Is a global segmentation transferable?

**Marc Yates**

**When our clients are considering primary market research in emerging markets they typically face two challenges - a lack of good local data and budget.**

The absence of reliable and up-to-date information in emerging markets should mean that a greater budget is allocated to primary market research. However, in reality the opposite is true. Consequently, our clients want to know if they can tailor global studies to reflect the nuances of different emerging markets.

A good example is with segmentation studies. Increasingly we are being asked whether we can evaluate how accurately a global segmentation solution reflects an individual market without repeating the whole study. While a solution can be developed, it involves a degree of compromise. If budget allows we recommend that the original segmentation approach is replicated, allowing for local market factors to be considered. However, we live in the real world and budgets do not always allow this. So we have developed a hybrid solution using the foundation of the global segmentation solution and adapting it to reflect the local market.

**To validate the segmentation, we have developed a protocol consisting of the following 4 steps:**



We review existing segment definitions with key client stakeholders at a regional and local market level. The aim is to achieve alignment and feedback on suitability of segments for each of the emerging markets in the study. We recommend involving different roles across the company (e.g. Sales, Marketing and Medical) in this consultation phase.

A typing tool is a list of 5-10 questions which are highly predictive in identifying which segment a respondent belongs to. If a typing tool already exists, we will trial the typing tool amongst a sample of external respondents within the emerging market. If there isn't a typing tool, we will create one using discriminant analysis. Based on this data, we will size each segment and highlight potential segment differences within the emerging market.

We will recruit a sample of physicians from each of the final segments (identified from typing tool trial) and conduct in-depth qualitative interviews to validate any meaningful local market differences by segment. Reactions to the client's target product profile and targeted messaging can also be explored at this stage.

Finally, we pull all the information together to develop a hybrid segmentation that truly reflects the local market and is actionable. This typically involves developing customer portraits of all priority segments and developing a segment appropriate communication plan. We will work with the Sales team to refine the segment identification tool to ensure that it can be used by the Sales Force to profile each of their customers and to deliver the appropriate messages.

Using this approach, we believe global segmentation solutions can be adapted to accurately reflect the emerging markets of interest. The key critical success factor is to engage and work in partnership with the Global / Regional and local market teams, building on the knowledge held within the organisation and developing a hybrid approach, aligning the global strategy with the local environment.



**Download our whitepaper**

**Punching above your weight: Combining behavioural and attitudinal data to strengthen segmentations**

[researchpartnership.com/strengthening-segmentations](https://researchpartnership.com/strengthening-segmentations)

# Dónde estoy, onde estou, où suis-je, where am I?

## Defining the regions of Latin America and the Caribbean

Paul Reed

**Although we have conducted a lot of research studies in Latin America and the Caribbean (LATC), we couldn't, as a team, agree exactly what defines this region and its boundaries for our clients.**

This is because our clients structure their LATC divisions in different ways. They often decide how to structure themselves based on where the best talent is located within the region and then balance that against proximity to strategic regions and US offices. As a result LATC operational teams vary by organisation. There is no standard blueprint.

Having said that, a common characteristic among healthcare companies is the establishment of individual country teams, often with sub-regional management teams e.g. South Latin America, Central America, Caribbean etc., and a pan-regional senior management team. The latter may be located within a US

headquarters and / or key individuals based out of disperse satellite offices. Sub-regional groupings are typically formed around market clusters which are regularly based on collective market sizes - meaning Brazil and Mexico may be classed as one region in its' own right, while smaller Central American and Caribbean states may be grouped under a single management team.

Consequently, at Research Partnership we took the decision to define the LATC region as all markets south of the USA and north of the southern tip of Chile, including all of the Caribbean islands such as Barbados, Cuba, the Dominican Republic, Haiti and Jamaica. In its entirety the area has a land mass of 19.2 million square kilometres and a population of over 650 million.

The next question we had to ask ourselves was: how do people in Latin America and the Caribbean see themselves? Do they class themselves as Latino or Hispanic? What about Central

American? Caribbean? Jamaican or Brazilian? The simple answer is yes, all of these. Certain terms have become increasingly less fashionable, even politically incorrect. For example, while 'Hispanic' is still used in the US census, it has for many years now been seen as a way of focusing only on those with European Spanish ancestors and as a tool to distance the Hispanic population from the African and indigenous people.

'Latino' is generally acceptable, however it implies a speaker of Spanish or Portuguese. This means that French, English and Dutch speaking nations, such as Guiana, Guyana and Suriname respectively, cannot be neatly defined by this label. There has also been criticism of the gender bias in the term. In Spanish grammar the grammatical gender of the term 'Latino' is masculine, while 'Latina' is feminine - and much less frequently used. In recent years, there has been a growing effort by campaigners and activists to use the term 'Latinx' in order to promote





gender neutrality. However, the movement has drawn criticisms for its invented origins and its perceived corruption of the Spanish language.

While many people may have a pan-Latino or Caribbean identity, one's national self-image, even bonds to a particular city, town or neighbourhood community, can be hugely important. Each country has different cultures for food, art, music, public holidays and sporting teams (although the West Indies cricket team is a successful example of multi-island partnership). Economies, healthcare systems and business environment can be radically different even among neighbouring countries.

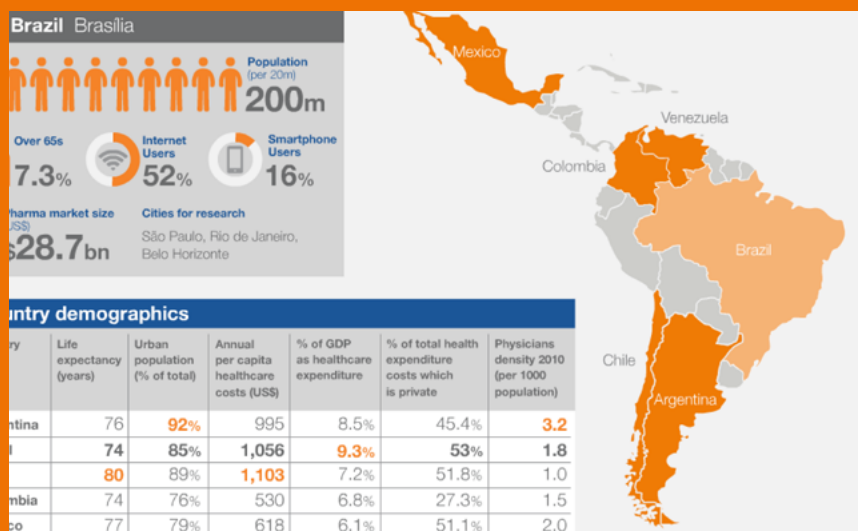
Those considering the LATC region should take care - we may approach the LATC region as a whole from an operational efficiency point of view, but healthcare market success should be based on an in-depth understanding of its consumers, the market and healthcare environment at a very local level.



**Download our interactive infographic**

**LATAM market comparison**

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# Beauty Boom

What's driving the aesthetics growth in emerging markets?

Helen Ansell

**Aesthetics have always been a lucrative area for the pharmaceutical and healthcare industries, particularly in developed markets.**

In the US alone the aesthetics market is expected to reach USD \$4.4 billion by 2021. However, what has really grabbed my attention as a researcher specialising in emerging markets and cosmetics, is the huge growth in demand in developing markets over the past few years, strongly reinforcing the opportunities for healthcare companies across the globe.

There are several factors contributing to growth in the aesthetics market. Women today have more spending power than ever before.

*According to research by Ernst and Young, the global incomes of women are predicted to reach USD \$18 trillion in 2018 and women are expected to control nearly 75% of discretionary spending worldwide by 2028.*

In emerging markets, the gradual breakdown of cultural, societal and gender barriers over time has enabled more women to receive an education and join the workforce. As these women join the 'urban elite', they are delaying getting married and having children and as a result, have more disposable income and the freedom to choose how this is spent.

Of course, women hold their own personal opinions about whether or not they want to undergo cosmetic procedures. However, different parts of the world have specific beauty ideals which can, and do, influence women's desire to change their appearance. In the east there is a high demand for skin whitening, especially in South East Asian countries such as Malaysia, The Philippines and South Korea. Jawline contouring is a treatment that is on the rise, particularly in China where women hope to achieve a more oval or heart-shaped face. In the west, particularly Latin America, women aspire to achieve the culturally ingrained aesthetic ideal, and although women's attitudes differ depending on the region - North, Central or South America, they share a standard that comes with slim but curvaceous bodies. As a result, more women than ever are getting breast enlargement and buttock augmentation surgery.

The growth in medical tourism positions countries such as Thailand, South Korea and Latin America as key 'aesthetic markets' of interest. Affordability is a key driver for choosing to receive treatment overseas. In addition, we see that women also choose to receive treatment in countries where trends originate. The



Brazilian butt lift is one of the main draws for its namesake location as Brazil medical tourism continues to attract scores of overseas patients for cosmetic surgery. Another factor which has significantly contributed to industry growth is the increase in expats living and working abroad, particularly in the Middle East.

*The desire to stop the aging process, which is increasingly more highly valued in countries where sun exposure is high, and 'urban living' has helped provide repeat business for many clinics*

So, while the US remains the largest developed market for medical aesthetics, the demand for cosmetic procedures and treatments is picking up fast in emerging economies. Mexico, Brazil, China and India are amongst the four largest markets globally for aesthetics products and represent an exceptional opportunity for the pharmaceutical industry. However, the potential for growth in emerging markets comes with its own set of risks – an understanding of the culture, expectations and priorities of customers within each market is key.



**Watch our video**

### **Women's health in emerging markets**

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## **Download our interactive infographic Men vs. women in emerging markets**

**Our interactive infographic compares the lives of men vs women in the BRIC emerging markets, and explores how societal factors impact their respective health outcomes.**

While a wide range of societal and economic factors influence health outcomes, one of the most significant factors is gender. In addition to overall morbidity and mortality, certain health issues are more commonly associated with one gender. But while biology plays a role, it is predominantly the way in which society structures and shapes men's and women's lives that result in health inequalities. Gender norms, roles and expectations vary between cultures, particularly in emerging markets, and affect the way in which health care is accessed.



[researchpartnership.com/men-vs-women-in-emerging-markets](https://researchpartnership.com/men-vs-women-in-emerging-markets)

# RP Informs

**Your understanding of mature markets is second-to-none, but perhaps your knowledge of emerging markets is less comprehensive.**

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RP Informs is a range of free, interactive and engaging tutorials specifically designed for pharma marketers, which can be tailored to fit your information needs.

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Research Partnership is one of the largest independent healthcare market research and consulting agencies in the world, with headquarters in London and offices in Lyon, Singapore, Boston, New York, Philadelphia and San Francisco.