

Unlocking Digital Marketing Opportunities for the Pharmaceuticals Sector: Avoiding the Pitfalls of Digital Marketing Implementation

In part two of this three part paper, L.E.K. Consulting examines how pharmaceutical companies can leverage best practice observed in other organisations implementing digital marketing programmes to avoid the common pitfalls that often hamper the delivery of benefits.

A number of leading pharmaceutical companies have trialled different approaches to digital marketing. Few, however, have developed a systemic view on the overall digital marketing opportunity or succeeded in successfully integrating digital marketing into their overall commercial approach.

We have found that pharmaceutical companies experience six common pitfalls when adopting digital marketing:

1. Vision: the vision for the implementation of digital marketing is unclear, limited to a small group of people and is not shared outside the organisation
2. Global vs local approach: global/regional organisations support affiliates by providing solutions to local needs and ensuring overall consistency and alignment, but affiliates often receive pre-packaged solutions that are unfit for the local context
3. Systemic vs opportunistic approach: digital marketing is often perceived as merely a tool to include in the tactical marketing plan
4. Digital marketing integration and organisation: a traditional approach views digital marketing as a potential threat to the current field force-based approach and struggles to fully integrate it into the marketing mix
5. Understanding the regulatory environment: the nature of digital marketing crosses a number of traditional boundaries, including legal jurisdictions, potentially affecting the way that marketing campaigns can be executed
6. Short vs. medium and long term view: given its newness and complexity, companies' focus is typically on digital marketing applications for today, without considering their role in the future

1. Vision

In order to be successful, the design and implementation of digital marketing solutions requires a company vision that is well defined, agreed and shared internally. A strong commitment by management is required to confirm the vision, set objectives and direct the pace of work. Ad-hoc strategic governance committees may help to enhance and communicate the vision. The identification of field force and marketing champions promoting the digital marketing vision and specific solutions both internally and in the field to colleagues is key to securing acceptance. In this respect, leading pharmaceutical companies have developed ad-hoc field force and marketing roles as key reference points in the implementation of digital marketing solutions.

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2. Global vs Local Approach

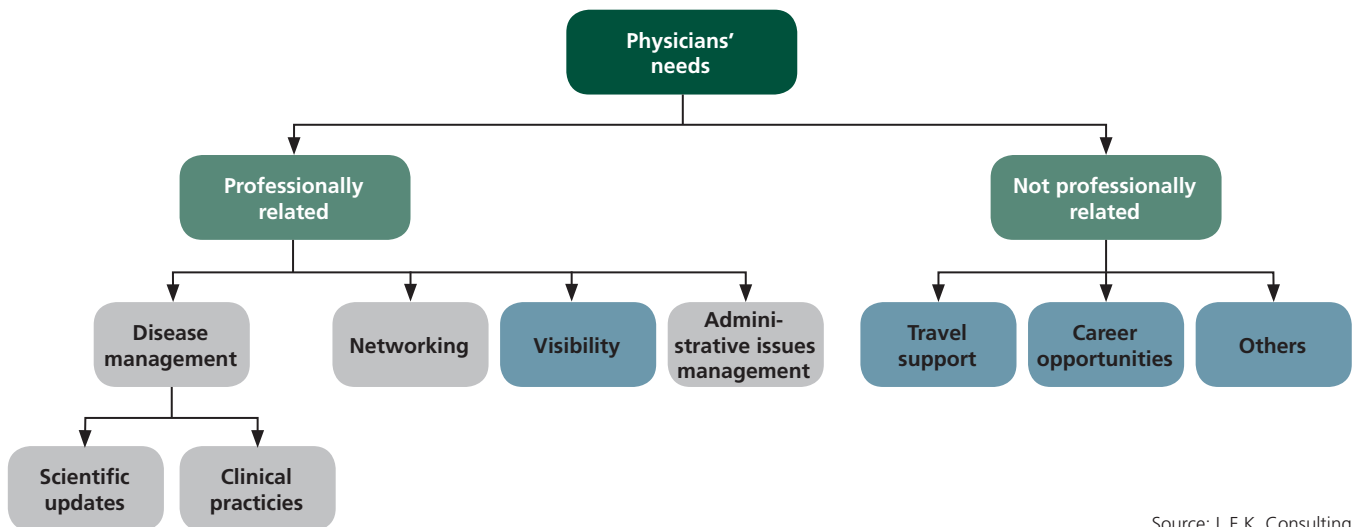
Different degrees of technology penetration and acceptance, especially among physicians, paired with different healthcare system regulations suggest that adopting a mixed approach to digital marketing is the right strategy. At a global or regional level, this consists of providing affiliates with a robust digital marketing concept and a range of specific digital marketing tools and content from which affiliates can choose and compose their own solutions in relation to local needs. When adopting this approach, a detailed review and analysis of local target physicians' needs (see Figure 1) is key to assessing the different importance or satisfaction profile associated with those needs, prioritise the areas of focus and identify the solutions that best address them.

Global organisations can also contribute at a local level by creating a Centre of Excellence in Digital Marketing (CEDIM) as the key reference point for guidance and support for local design and implementation. This should be communicated to affiliates as a business partner to promote digital marketing and eventually to assist with its implementation, with a conscious effort made to avoid being seen as an interference to the local business.

3. Systemic vs Opportunistic Approach

In dealing with digital marketing, most companies have adopted either an opportunistic or a 'trial and error' approach, with solutions developed only on the basis of target shareholders' requests (e.g. KOLs/PAGs) or to obtain feedback samples for use in fine tuning the product. From this perspective, digital marketing is merely seen as a new marketing initiative or tool included in the tactical marketing plan. An opportunistic approach is often quick and effective in addressing targets' needs and generating examples of success, but planning is limited and alignment with other digital marketing initiatives and the company's overall strategy can be jeopardised. A 'trial and error' approach, on the other hand, can generate very innovative solutions but is not efficient and does not leverage existing solutions. A more systemic approach sees digital marketing as a strategic lever to enable interaction with customers in an innovative and cost effective way and help manage a complex portfolio of brands. It enables pharmaceutical companies to maximise portfolio synergies and product fit as digital marketing initiatives are designed and customised in relation to the product's strategic context and company objectives. A systemic approach to digital marketing requires the development of a vision about its role and its integration with the company's selling model, further articulated in a related strategy and implementation roadmap.

Figure 1
Example of Target Physicians' Needs Segmentation



Source: L.E.K. Consulting

4. Digital Marketing Integration and Organisation

Digital marketing integration can be analysed from two different perspectives: commercial (front-end) and organisational (back-end). Physicians often indicate that digital marketing solutions work if they do not substitute the physical relationship between themselves and the company. This does not imply that a field force-based approach is necessarily required, since other front-end roles (e.g. Target Manager), combined with a digital marketing solution (e.g. web platform) can successfully address this issue by creating a direct relationship with the target stakeholders.

In relation to the back-end, the integration of digital assets raises a number of development points that pharmaceutical companies should consider to ensure a successful digital marketing strategy in the long term:

- Develop a digital marketing culture: foster an environment in which innovation is actively promoted and deployed through specific solutions organised in a roadmap consistent with the overall vision and strategy and where digital marketing knowledge is consolidated and spread throughout the organisation as part of employees' daily interactions
- Change the current organisation: appoint new roles (e.g. e-Marketing Strategy Manager, e-Marketing Product Manager, Digital Marketing Strategic and Operational Committees) to drive innovation and guarantee alignment, including their positioning within the organisation (e.g. part of the Sales & Marketing team vs. separate e-Marketing function)
- Implement digital marketing support structures: for example, charter a digital marketing task force embedded in the existing organisation (e.g. Innovation Promotion Team) formed by key company functions (e.g. Marketing, Sales, Medical, Communication, Regulatory, Legal, IT) and able to respond rapidly to support an effective digital marketing approach
- Establish support processes and tools: build information management and coordination mechanisms, key performance indicators (including the initiative's return on investment) and integrate with advanced CRM systems

- Ensure IT support: it is critical to include the IT solution provider who, given the exposure of digital marketing solutions, needs to guarantee exceptional commitment and business perspective

5. Understanding the Regulatory Environment

The issue of the regulations in each jurisdiction requires close examination prior to digital campaigns being launched. Relationships with patients and stakeholders are often heavily regulated and every digital marketing solution has to be fully compliant with the existing regulatory environment. Our experience is that close cooperation with internal functions dedicated to this issue is key, and this is much less of a constraint to the development of any strategy or tool than expected. Moreover, the overall regulatory environment is evolving towards allowing more interactions and broader communication between content providers and users, and this will provide further opportunities.

6. Short- vs. Medium- and Long-Term View

Given the complexity of managing all these aspects, there is a risk of being overwhelmed by the rush to implement and establish or defend a differentiated position in this area, leading to fewer resources being dedicated to the development of a long term perspective on digital marketing. In order to ensure the optimal exploitation of digital marketing's potential, we suggest developing an internal long term view, an issue that is addressed in greater depth in the third and final instalment of this paper.

Figure 2
Summary: Common Digital Marketing Pitfalls and Proven Solutions



Source: L.E.K. Consulting

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