

Unlocking Digital Marketing Opportunities for the Pharmaceuticals Sector: Understanding the Potential of Digital Marketing

Executive Summary

Pharmaceutical companies are under pressure to develop ever more innovative ways to promote and establish their products in a marketplace where the traditional channels for reaching key opinion leaders are being undermined by new digital devices and techniques.

Fragmented product development pipelines, a wave of Loss of Exclusivity (LoE) and constant cost constraints are forcing marketing programmes to offer greater flexibility, increased differentiation and lower cost per contact.

With fierce competition for physicians' time and the emergence of new stakeholder groups, the relatively recent surge in the take-up of internet-enabled digital devices offers the opportunity to explore and implement digital marketing techniques and establish a new best practice model for pharmaceutical promotion.

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.

This paper, presented in three parts, will examine:

1. The potential of digital marketing in the pharmaceuticals sector
2. How to avoid the main pitfalls typically faced when implementing digital marketing
3. The key to developing a long term approach

Understanding the Potential of Digital Marketing

The surge in adoption of internet enabled digital devices, both portable and otherwise, has created fertile ground for digital marketing applications across all sectors of the economy. The trend represents a fundamental change in expectations where content preferences are highly personalised and, as a consequence, users' behaviour is changing. Today, consumer decision-making is less influenced by traditional information sources and marketing campaigns increasingly leverage user-generated content as a means of engaging the audience. Likewise, the targets of pharmaceutical promotion campaigns, including physicians, hospital pharmacists, Patient Advisory Groups, medical students and nursing staff, are consuming new media technology and adapting their preferences accordingly.

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In order to benefit from these trends, pharmaceutical companies have recently started implementing digital marketing concepts, hoping to gain competitive advantage in a number of areas:

Efficiency

A cost-effective promotion model implies better target coverage efficiency, which digital marketing can deliver as a result of its lower cost per contact. This benefit can be leveraged to either increase coverage of target physicians with the same field force structure or to reach the same targets with a lower field force effort

Flexibility

Digital marketing solutions provide the opportunity to interact with geographically differentiated targets e.g. Share of Voice (SoV) markets vs. tender markets. In tender markets, for instance, most interactions can be managed through digital marketing channels, with a limited field force providing periodic monitoring and specific interactions. When deployed well, the combination of digital and physical channels creates flexibility in the promotion effort that can be modelled to meet sales goals with the appropriate resources.

Differentiation

Campaigns employing digital channels can be more effective than traditional field force promotions and offer the opportunity to differentiate from competitors through:

- More frequent interactions with target physicians, presenting more varied content and by leveraging other services (e.g. Meet the expert)
- More proficient interactions, deploying interactive content and services, exploiting the full potential of new technologies (e.g. tablets)
- Systematic real-time user feedback and analysis through CRM tools
- Potentially unlimited direct communication between the field force and physicians, accessible remotely

Extended Target Coverage

In addition to increasing SoV with current customers, digital marketing solutions can also be used to extend target coverage to other physicians involved in the diagnostic-therapeutic path

(secondary targets), as well as to other relevant stakeholders. Specific initiatives have been successfully deployed to cover secondary targets, including reference centres / physicians' network (a website where GPs or other physicians involved in the diagnostic-therapeutic path can request information for a second opinion) and interactive disease websites that incorporate a product channel. Thanks to its low cost, the digital marketing approach can be extended to any relevant stakeholders, such as:

- Hospital pharmacists – to develop the brand equity and engage in the pre-launch / launch phase
- Nursing staff – to consolidate the brand equity and drive brand preferences
- Patients / Patient Advocacy Groups (PAGs) – to promote brand advocacy and leverage clinical cases

Direct Customer Interaction

One of the advantages of social media is the ability to communicate and interact directly with end customers, i.e. patients and patient associations.

There are several examples of patient-directed sites: MedHelp, the world's largest health community with the largest database of self-reported medical data and over 12 million visitors monthly, helps patients find answers to health questions and offers specific applications for tracking symptoms and treatments. The PatientsLikeMe website provides a platform for patients to share health experiences, track disease progress, access information, and share findings with health professionals and industry organisations. In CureTogether, patients from around the world share quantitative data anonymously, talk about sensitive symptoms and compare treatment options.

Healthcare professionals acknowledge the unique opportunity that these social networks offer for interacting directly with patients. While physicians are increasingly experimenting with solutions (e.g. apps) to monitor patients' health and behaviour online, pharmaceutical companies can use them to enhance patient experience (e.g. by providing interactive educational content), receive first-hand feedback on therapies and ultimately increase their promotional activities through sponsorship or communications campaigns. For PAGs, the most

appropriate digital marketing initiatives may include disease information and service websites (quality of life surveys, ad-hoc customer surveys, hospital finder, open forums, etc), while for individual patients, guided forums, dedicated apps, social networks and disease-related websites are more relevant. Commercial value, success and return on investment of patient networks, however, are difficult to measure and concerns about privacy and liability still hold back their widespread adoption.

Digital Marketing in the Product Lifecycle

From a tactical perspective, digital marketing can be employed in line with a product's position in the product lifecycle.

In the pre-launch phase, when early Key Opinion Leaders' (KOL) involvement and anticipation of key messages and benefits are critical success factors, specific digital marketing solutions can be used to lock in targets. One example of these solutions is an online scientific community, a virtual space where physicians can meet, interact and share clinical practice created around a specific disease or therapeutic area. Physicians perceive significant value in this type of solution as it allows them to interact with KOLs and colleagues to collect and share clinical best practices, enables network creation at a national and local level and conveys highly credible content through its independence.

In the launch phase, the online scientific community represents a strong pre-marketing tool by enabling:

- The identification of target physicians through ad-hoc surveys to identify opportunities and key information needs
- KOLs' engagement through ad-hoc meetings aimed at creating excitement and buy-in
- Key message development and distribution through KOL participation at the product's launch event
- Consolidation of KOL relationships with the pharmaceutical company through their participation in the design and development of the product

Lock-in digital marketing solutions such as a scientific community are most effective in the context of a specific product and

company, where there are limited therapeutic options, high expectations from new therapies, different categories of specialists involved and several specialists whose needs are unsatisfied. In the growth phase, when the objective is to maximise product uptake, digital marketing solutions can be deployed to cover secondary targets, e.g. GPs, increase SoV for primary targets, raise the efficiency of target promotion or cover specific areas more effectively, e.g. tender regions. In order to be successful, these solutions need to be tailored to the specific product marketing drivers, e.g. supporting standard treatments, and relevant customer segments. A growth phase marketing programme that integrates digital and physical aspects presents several benefits for both the field force and the target physicians.

Specifically, the field force can leverage this solution to:

- Interact with KOLs to generate content
- Interact with physicians to promote the concept
- Present tailored content based on physicians' needs
- Identify new target physicians
- Organise and conduct local events paired with on-line content

Physicians, on the other hand, may:

- Access/download content whenever and through whichever device they prefer
- Receive updates on interesting, self-selected content
- Signal content to other members
- Invite colleagues and create networks
- Participate in online events

In the pre/post LoE phase, the need to maximise carry-over while adopting a flexible, low-cost promotion model can be achieved through a modular digital marketing approach. This consists of a tailored multi-wave program formed of several modules (e.g. CME on-line, KOL webcast, product e-mailing, etc) deployed sequentially over time.

This approach has been successfully (15.2% sales growth) applied in the context of mature drugs with low levels of promotion in the previous two years, limited promotion budget

Figure 1
Example of a Modular Multi-Wave Digital Marketing Approach

Module	Department of Health digital mailer	eDetailing	NICE guidance digital mailer	GMS contract digital mailer	Education module	KOL webcasts
Activity	Campaign presentation	Product presentation	Clinical guidelines	Operational impact on GPs	Prevention and treatment	Clinical case presentation

Source: L.E.K. Consulting

and no field force, a weak market growing by less than 10% p.a. and a competitive therapeutic area (See Figure 1).

Adopting a Multi-Channel Approach

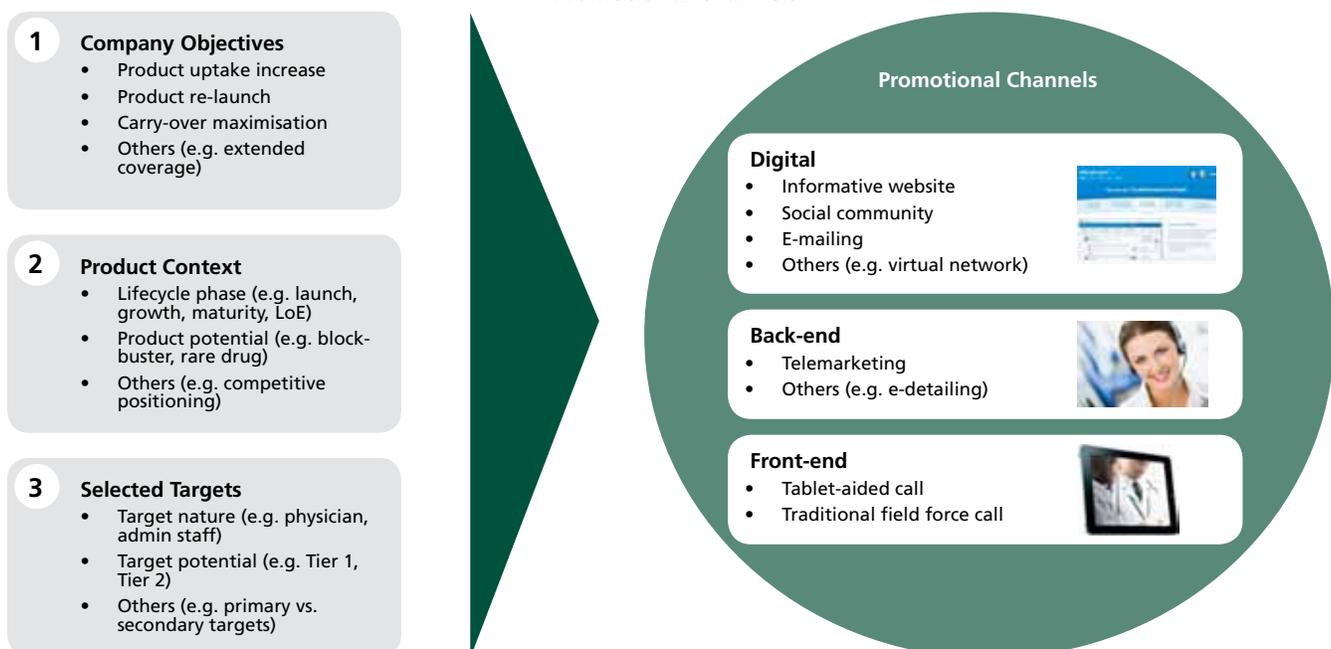
An evolution of this concept is the implementation of a multi-channel promotion strategy, which consists of a combination of different promotion channels, including digital marketing and front/back end tools, deployed sequentially or in a variable pattern over time based on company objectives, product context and selected targets (see Figure 2).

Let's consider the case of a company which aims to increase the uptake of a recently launched drug for a rare disease, with the potential to become the reference treatment paradigm.

In this context, a successful product uptake requires the full engagement of KOLs and Tier 1 specialists; the creation of a solid network between them and Tier 2 clinicians to spread drug usage; and increased awareness among secondary target physicians (e.g. GPs involved in diagnosis/referral) and relevant admin staff. The small number of KOLs and Tier 1 specialists can be effectively locked-in through a Scientific Community, with tablet-aided calls to Tier 2 clinicians used to promote the solution and extend the network. Secondary targets can be efficiently reached through a tele-marketing campaign and admin staff can be engaged via an informative web platform.

These channels can be built bespoke for specific products, targets or situations, or programmes can rely on existing platforms that, once developed, can be applied to multiple

Figure 2
Promotional Channels



Source: L.E.K. Consulting

products. The first approach allows the greatest customisation, but can be expensive and has limited integration potential with other initiatives. Developing a re-usable platform would require a higher initial investment and a specific focus on maintaining a high perceived interest by the different targets to avoid disengagement.

All these examples show that the digital marketing opportunity is both real and significant. Leveraging the potential for efficiency, flexibility and differentiation, digital marketing programmes can help pharmaceutical companies to become more effective in stakeholder interaction at a fraction of the cost of traditional methods.

In summary, digital marketing can be employed to:

- Adopt a cost-effective promotion model where required (e.g. niche markets)
- Change approach in different markets (e.g. tender markets)
- Differentiate the approach to customers (e.g. dynamic call)
- Extend target coverage (e.g. off-call physicians)
- Create a direct relationship with emerging stakeholders (e.g. patients)
- Maximise opportunities in the different lifecycle phases (e.g. pre-marketing)
- Evolve the selling model into a multi-channel approach

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