



Pharma e-promotion & multi-channel - Evolution or revolution? -

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Short version



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1. Introduction

This presentation review and evaluate the potential benefits of e-promotional means and of multi-channel approach in the pharmaceutical sector

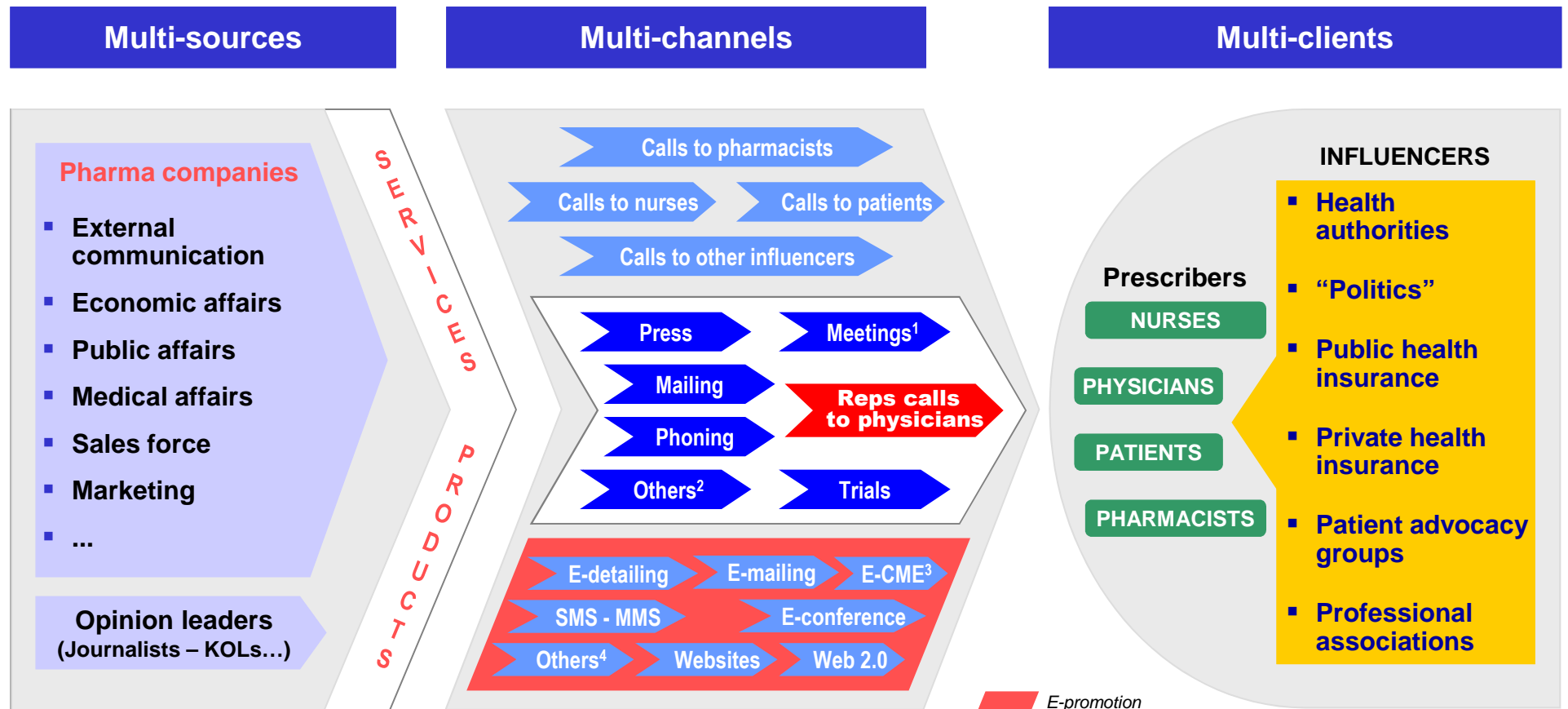
Key issues addressed

- What are the key changes in the pharma promotional environment?
 - What are the possibilities offered by e-promotional means?
 - How to measure the potential impact of promotional channels?
 - How to define appropriate channel combinations?
- What are the basic principles to implement a multi-channel approach?

1. Evolution of the pharma business model

As prescription decisions depend increasingly upon multiple clients, pharma companies need to adopt a more complex and coordinated promotional approach

Changes in the pharma promotional environment



Source: Smart Pharma Consulting analysis ¹ Round tables, symposia, congresses..., ² Sampling, gimmicks, grants, prescription pads..., ³ Continuous medical education, ⁴ Screen savers, popup windows...

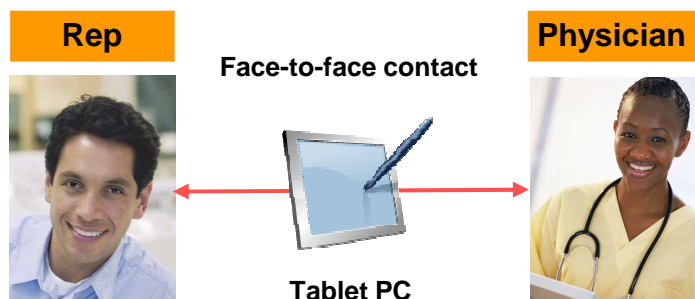
2. Pharma e-promotion and multi-channel analysis

Face-to-face e-detailing relies on electronic support (tablet PC), while in virtual live e-detailing, a sales rep interacts with a physician through video and audio

Description of e-promotional means (1/2)

Face-to-face e-detailing

- Reps call upon physicians in a traditional way
- However, instead of showing a classical cardboard visual aid, they use a computerized one on a tablet PC
- They load on their computer promotional content or navigate on the web to select the most appropriate pages to support their call objective and / or the physicians specific interest or concern



Virtual live e-detailing

- Sales representatives interact with physicians via video (internet) and audio (phone) in real time



- Reps and physicians set an appointment
- They communicate by phone or by VOIP (voice over Internet protocol¹) and can use a webcam
- The reps lead the physicians on specific web screens where product-specific information are available

2. Pharma e-promotion and multi-channel analysis

There is no live interaction in scripted or portal-based e-detailing: physicians view a series of interactive screens or log into a dedicated website

Description of e-promotional means (2/2)

Scripted e-detailing

- Physicians view a series of interactive screens, usually through an Internet or Intranet site
- No live interaction but the physicians have the option to contact a rep by e-mail or telephone

Website

Physician



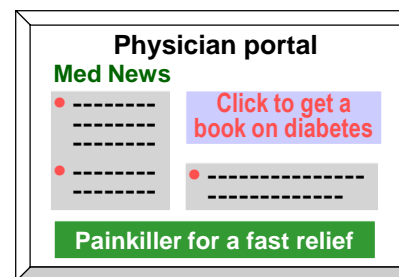
Visit of the product website at physicians' convenience

Portal-based e-detailing

- Physician portals¹ generate traffic and thus can be used by pharma companies to deliver product-specific messages
- Physicians visiting these portals are "invited" through banners, catch phrases, book offers... to enter product sponsored pages

Portal

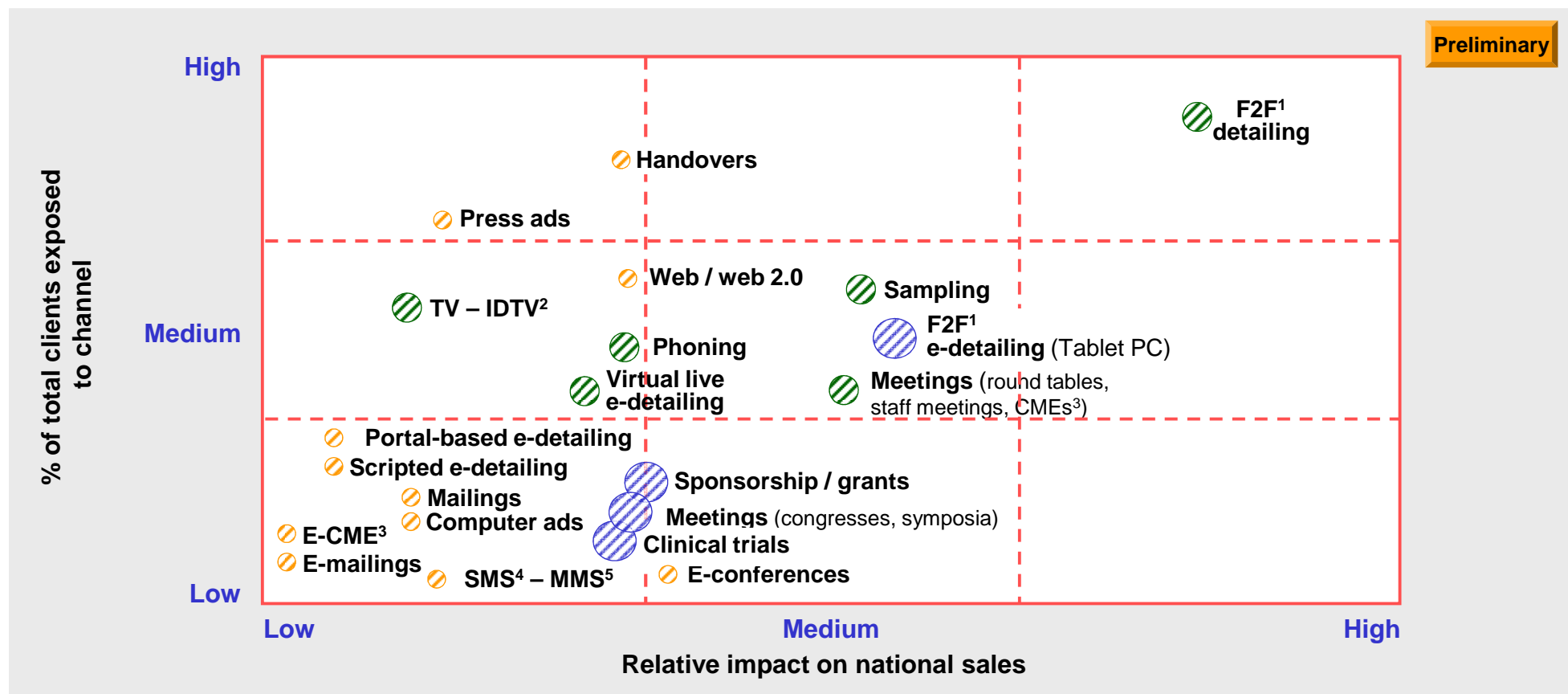
Physician



3. Pharma e-promotion and multi-channel analysis

If the impact of an action may be high on an individual basis, the global result may be limited as the number of clients exposed to the promotional initiative may be too low

Channel evaluation matrix



Note: List non exhaustive of promotional means

¹ Face-to-face, ² Interactive digital television, ³ Continuous medical education, ⁴ Short message service, ⁵ Multimedia message service

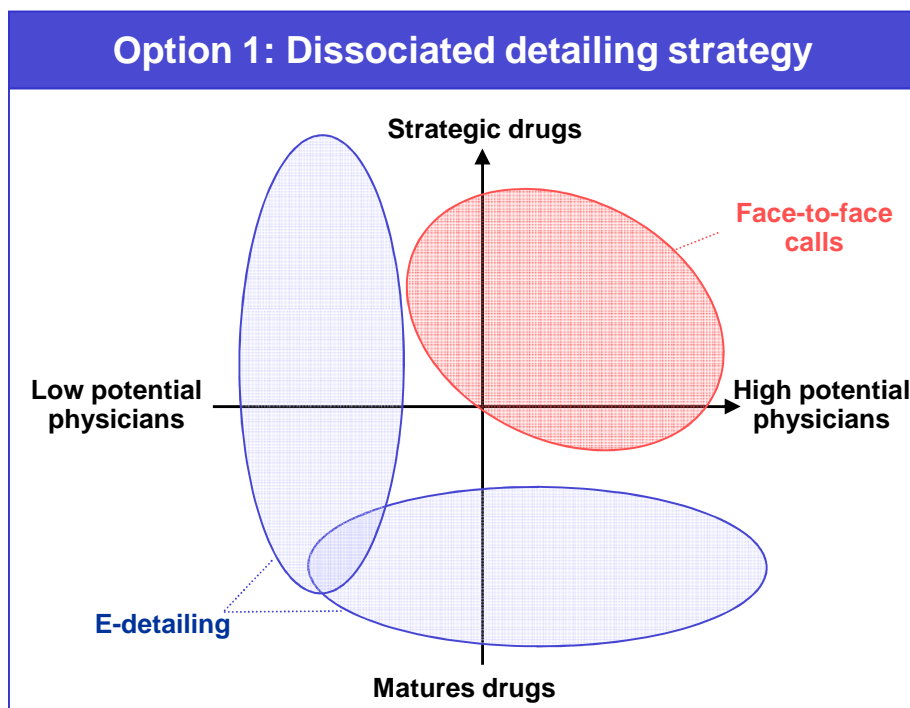
Source: Smart Pharma Consulting

Relative cost per effective contact: High  Medium  Low 

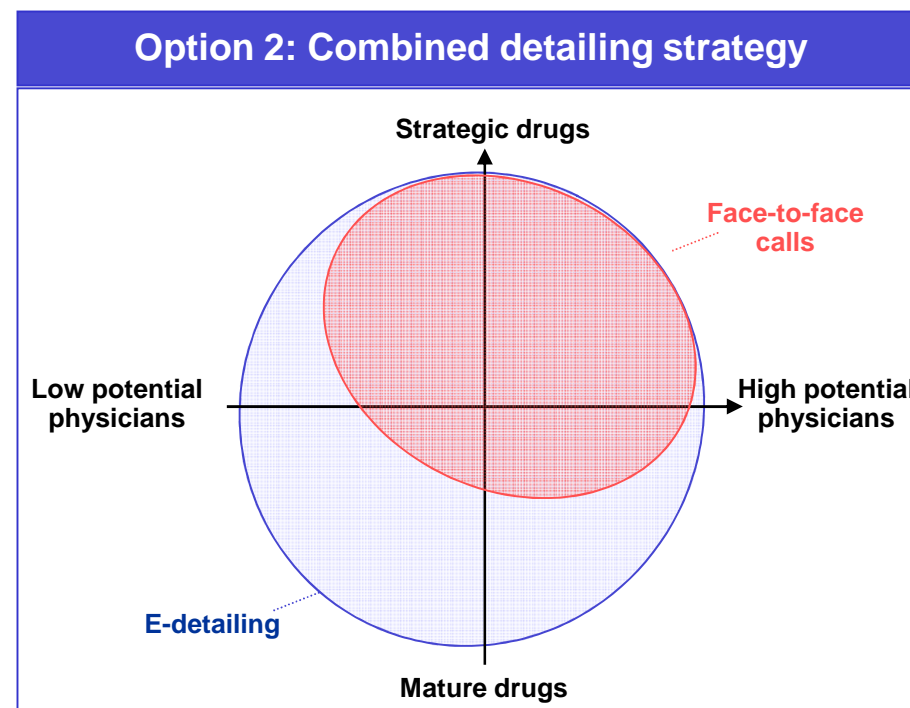
3. Pharma e-promotion and multi-channel analysis

E-detailing can be targeted to low potential physicians for mature or strategic drugs, or used as a complement to existing face-to-face calls to higher potential physicians

Dissociated vs. combined detailing strategy



E-detailing is independent from face-to-face rep activity, focused on lower potential physicians or for mature drugs with limited promotional budget



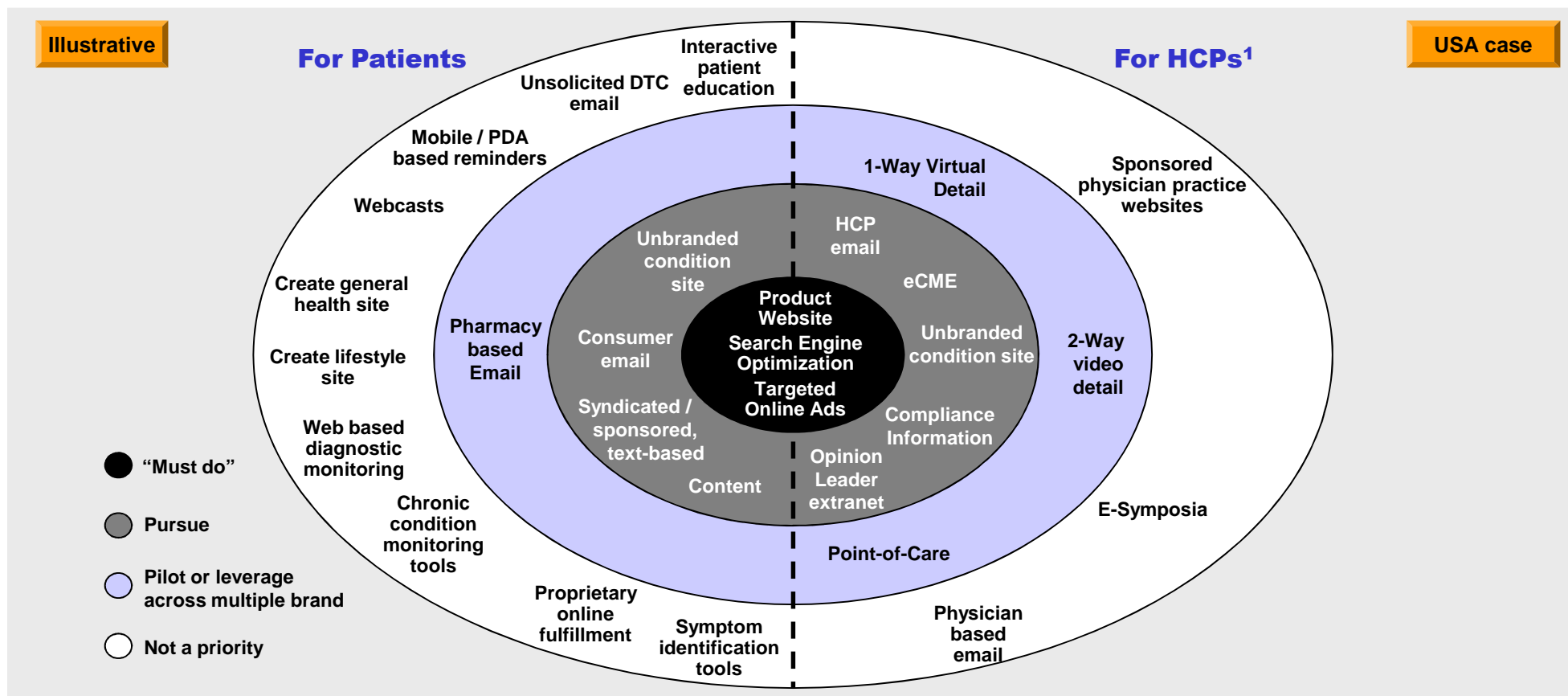
E-detailing is targeted to all physicians, whether they have face-to-face contacts with reps (additive impact) or not (independent)

Source: Interviews with Kadriye, Direct Medica and the pharmaceutical industry, Smart Pharma Consulting analyses

3. Pharma e-promotion and multi-channel analysis

A large array of channels can be combined to optimize the impact on selected targets, but combinations may change depending on product lifecycle

Illustrative cases of channel combinations (1/2)



Source: Wyeth case study

¹ Health care professionals

3. Pharma e-promotion and multi-channel analysis

The success of promotional strategies depends on selected channel combinations considering the objective, the target audience and the concerned brand or service

Illustrative cases of channel combinations (2/2)

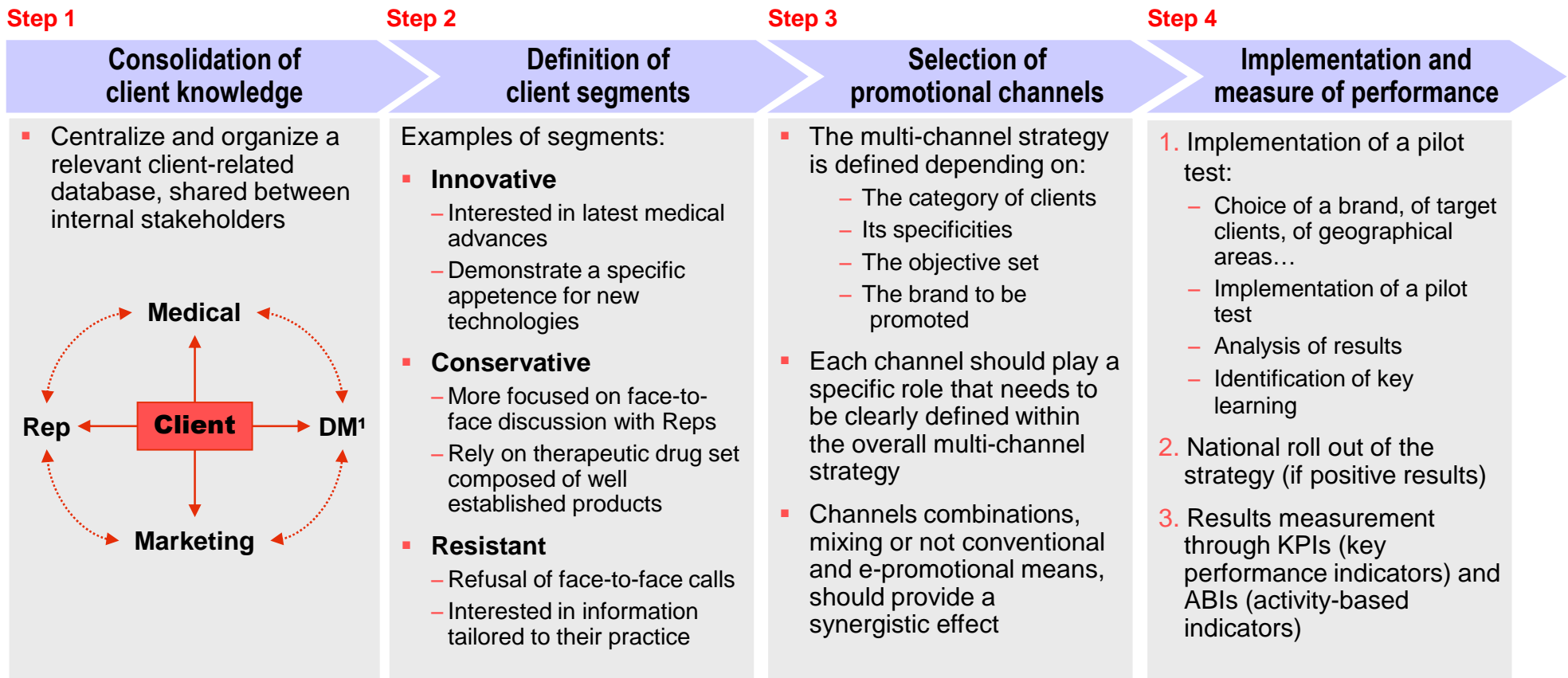
Channel combination #1	Channel combination #2	Channel combination #3
<p style="text-align: center;">E-mailing + Disease and / or product website</p>	<p style="text-align: center;">Face-to-face detailing + Virtual live e-detailing</p>	<p style="text-align: center;">Phoning + Pharmacist dedicated website</p>
<p style="text-align: center;"><i>Description</i></p>	<p style="text-align: center;"><i>Description</i></p>	<p style="text-align: center;"><i>Description</i></p>
<ul style="list-style-type: none"> ▪ E-mailing objective is mainly to drive the clients to the disease and / or product website ▪ The website objective could be to: <ul style="list-style-type: none"> – Bring high value content to the client about state-of-the-art therapeutic practices – Expose clients to promotional messages relative to a given brand – Combine both ▪ Applicable to: physicians, nurses, pharmacists, patients... 	<ul style="list-style-type: none"> ▪ Virtual live e-detailing is proposed to maintain a certain level of noise between two conventional face-to-face calls (e.g. for rural physicians with difficult access) ▪ In this case, the same rep is doing face-to-face calls and implementing e-detailing to keep in touch with physicians ▪ Calls are typically carried out in the evening when physicians availability is higher 	<ul style="list-style-type: none"> ▪ Telephone calls can be placed to: <ul style="list-style-type: none"> – Foster direct sales – Enroll pharmacists in prevention programs not accessible through websites – Encourage pharmacists to visit websites ▪ In the latest case, pharmacists can access a dedicated website for information and training purposes (for pharmacy team and / or patients)

Source: Smart Pharma Consulting analysis

4. Implementation guidelines

A multi-channel approach may be implemented while following a four-step process

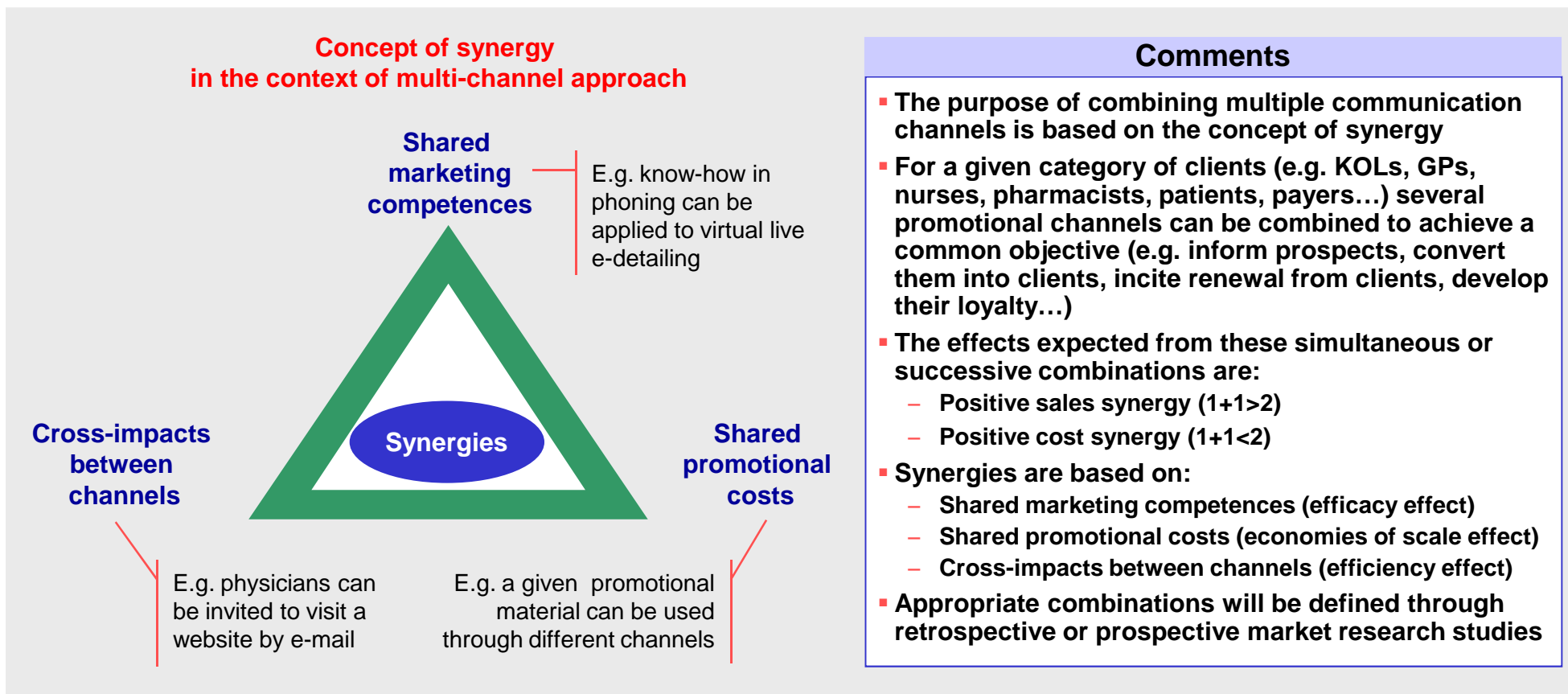
Illustrative multi-channel implementation process applied to physicians



4. Implementation guidelines

Optimized combination of promotional channels can be defined according to the level of synergy expected, based on retrospective and prospective studies

Principles to determine appropriate combinations of channels

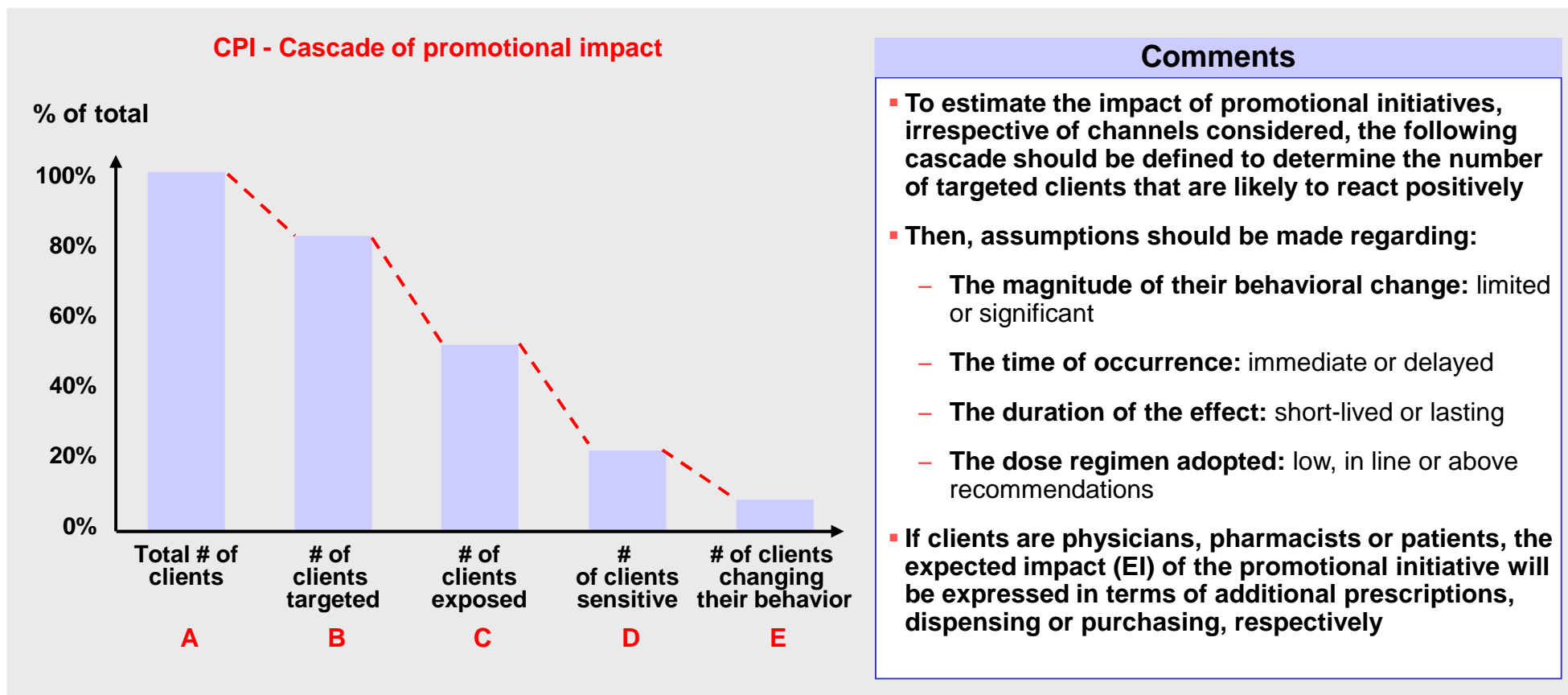


Source: Smart Pharma Consulting

4. Implementation guidelines

The CPI¹ concept helps estimating the overall sales impact of a promotional action based on the number of estimated clients who will favorably modify their behavior

Impact of promotional channels: measurement principles



4. Implementation guidelines

Before making the decision to invest in promotion, targeted clients and expected impact should be clearly defined, as well as performance and execution indicators

Check-list to support promotional investment decisions

Illustrative

Brand

Action

1 What is the targeted population?	2 What is the objective of the action?	3 What are the key performance indicators?	4 What are the activity-based indicators?
<ul style="list-style-type: none"> ▪ Physicians (e.g. KOLs, specialists, GPs) ▪ Pharmacists (e.g. retail or hospital) ▪ Patients ▪ Nurses ▪ Influencers (e.g. health authorities, "politics", patients advocacy group, public health insurance, private health insurance, professional associations...) 	<ul style="list-style-type: none"> ▪ Create / reinforce awareness ▪ Generate interest ▪ Develop brand preference ▪ Increase share of prescription ▪ Increase compliance ▪ Limit substitution rate ▪ Get the brand listed ▪ Fine tune the profile of the client 	<ul style="list-style-type: none"> ▪ Awareness rate (e.g. top of mind, spontaneous, assisted...) ▪ Key message memorization rate ▪ Share of prescription ▪ Sales evolution ▪ Variation in the number of treatment initiations ▪ Profit evolution in € ▪ Payback period... ▪ % of hospitals having listed the brand ▪ Return on investment (ROI) 	<ul style="list-style-type: none"> ▪ % of the target covered by the action ▪ % of the target exposed to the action ▪ % of the target impacted by the action ▪ % of the target having a positive opinion of the action (interest - convenience) ▪ Time required vs. planned to implement the action ▪ Actual vs. budgeted cost

Source: Smart Pharma Consulting analysis

5. Conclusions

If e-promotion and the multi-channel approaches have not revolutionized pharma marketing, they offer new means that can be combined in a holistic approach

Key learning

- **To succeed**, in the new business environment, pharma companies need to **reach a larger set of clients** who are increasingly dependent on influencers
- **To communicate** to these multiple and connected targets, marketers can **combine various channels** -conventional or digital- that are **likely to generate a synergistic effect**
- **Web 2.0** contributing to raise patients' power regarding brands choice, the **challenge** for pharma companies is to **become a trusted source** of information and to participate in the dialogue
- The modest impact of **e-promotional** channels on national sales should **limit** their use to a **supplement to conventional means**, to create awareness and brand preference in clients' mind
- **Individual clients' interests and perceptions** can be **captured from e-promotional** interactions, enhancing the accuracy of their profile and enabling to adjust messages and channels accordingly, as per the closed loop marketing concept
- The **successful** use of **e-promotion** and of **multi-channel** approach **requires** a **change** of pharma **collaborators' mindset** across companies' departments, including a shared view and coordinated activities re.: clients targeting, clients relationship management and communication strategy