

Multichannel Marketing in Pharma: Transitioning to the “iGeneration” Age

How Digital Is Changing Latin America's Communication Strategies



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“Physicians’ preference for digital channels and technology vary greatly by geography and specialty, but the common denominator is that face-to-face interaction with tablet as tool is the favorite.”

Executive Summary

Multichannel Marketing (MCM) for Pharma can be defined as “...(The) approach with various coordinated communication channels to reach consumers, patients and physicians with marketing communications or product/marketing information at the appropriate point in their product selection decision cycles”. These channels include both traditional and digital ones.

While pharmaceutical marketing has always used a few traditional channels to interact with customers, digital has increased the number of choices to about 50, making the resource allocation more complex. Still digital channels are just starting to be exploited in our industry: in the US, Pharma represents only 2.8% of total digital advertising spending in 2015.

Physicians’ preference for digital channels and technology vary greatly by geography and specialty, but the common denominator is that face-to-face interaction with tablet as tool is the favorite. Healthcare professionals express their appreciation for digital means that support them in medical education and that can help engage patients on the treatment.

The number of sales reps in the world has been decreasing in the past 10 years due to several causes (end of blockbuster era, growing restrictions to in-person detailing, mergers) but in countries like China and Brazil the number of reps jobs is actually increasing.

Sales reps remain the most significant investment global Pharma makes, representing 62.5% of the total promotional spending (US\$ 44.2 billion), while digital still only accounts for 3.2%. The reason for this spending concentration is that face-to-face promotion is considered the most effective channel. Our industry is still trying to figure out the ROI of the different digital channels.

Digital channels should be expected to gain greater momentum from now on, however, as the majority of the Generation Y are now working. But an even stronger boost for digital will happen in about 10 years, when the iGeneration (those born in the first decade of the 21st century) come to the job market. We should then see a decline in face-to-face detailing and the promotion through digital mediation accelerate dramatically. Until then face-to-face promotion will most probably remain the main channel, although with a slowly declining participation in total promotional spending, replaced by digital.

Companies must embrace MCM now to remain competitive, but before, decisions have to be made concerning its implementation:

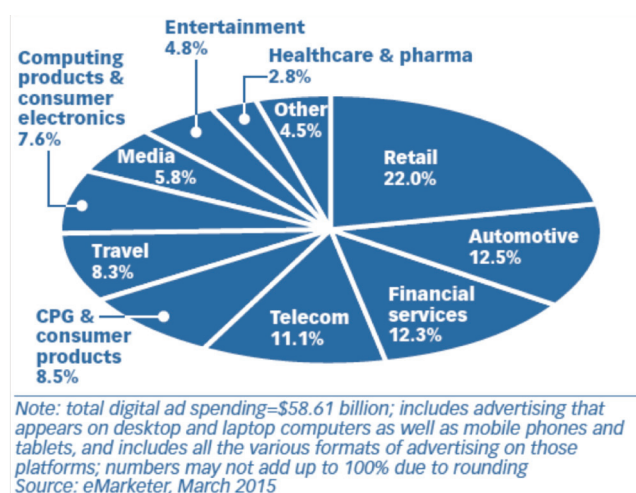
- Customers’ preferred channels
- Institutional or brand-oriented communication
- Supportive and/or standalone role
- Macro or Micro deployment

There is an ongoing trend towards greater personal engagement through social media (Facebook, Whatsapp, personal emailing) between younger doctors and sales reps, which cannot be appropriated by companies. This can make Micro Deployment, where sales reps personalize and relay communication to doctors, the most effective approach to multichannel marketing.

Introduction

The title of this white paper may appear peculiar to some people, because of the word “transition” and the “i”. If the so-called “iGeneration” era started with the introduction of the iPhone almost 10 years ago, why would we say that the pharma business is transitioning to this era just now? The answer is that as an industry, we tend to adopt new communication technologies more slowly for cultural, regulatory and legal reasons. As a result, healthcare and pharma still account for only 2.8% of digital ad spending in the US².

Figure 1 - US Digital Ad Spending Share, by Industry, 2015



Before we move on we should agree on what is understood by the term “multichannel marketing” (MCM), since different definitions can be found that apply to most industries.

In the case of the majority of pharmaceutical products, the key decision maker remains the healthcare professional, who recommends but does not make the purchase (therefore the term conversion does not apply).

A definition, which works best for our industry, can be found below:

“Multichannel marketing in pharmaceutical industry approaches with various coordinated communication channels to reach consumers, patients, and physicians with marketing communications or product/marketing information at the appropriate point in their product selection decision cycles ”

A couple of points should be highlighted:

- Coordinated communication: in order to be a true MCM initiative the several channels must have harmonized and complementary messaging
- Channels: they are a combination of digital and traditional ones
- Target: it can include consumers, patients or healthcare professionals
- Point in decision cycle: the choice of channel and content (message) has to be adapted to the stage at which the healthcare professional is and the customer preference.

Pre-Digital Multichannel Marketing

"Marketing has always been multichannel – it's just that we didn't have quite so many (digital channels) to use, integrate, and manage as we do today!" – Industry blogger

So if marketing always has been multichannel, how did it look before the Internet came onto the scene? The illustration below was targeted directly at physicians, exalting the virtues of a smallpox vaccine technology, complementing the face-to-face rep promotion.


Figure 2 - Vaccine Ad

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Number 1

ADVERTISING DEPARTMENT

23

The easier Way to Vaccinate with Smallpox Vaccine Mulford



Place rubber bulb on small end of tube-point and touch the tip inside the bulb.

Break the tube-point at the file mark without contamination of the tip.

Fix the virus from the tube directly on the previously cleaned area of the skin.

Transfer tube-point to right hand. Holding point parallel to the skin surface, apply pressure through the virus, with an up-and-down motion, repeated 20 to 30 times.

Busy physicians appreciate the time-saving MULFORD TUBE-POINT. Four simple operations.

Smallpox Vaccine—Improved Tube-Point
Adapted to the use of either the "scratch" or "multiple puncture" method of vaccination.

KEEP ON ICE

THE Mulford Improved Capillary Tube-Point brings speed and greater safety to smallpox vaccination. It is a sterile, sealed vaccine container and inoculating instrument all in one.

This unique, time-saving container is ready for immediate use with any of the approved techniques—multiple pressure, puncture, or scratch.

Smallpox Vaccine Mulford delivers a high percentage of "takes" . . . it is uniform . . . it carries assurance of potency and purity, because exhaustive tests are carried out on each lot before release.

Smallpox Vaccine Mulford is backed by 35 years' continuous experience and research. It is a vaccine you can rely on.

Smallpox Vaccine Mulford is available in the following packages: Capillary Improved Tube-Points—Single's and Ten's. Capillary Tubes—Ten's.

MULFORD BIOLOGICAL LABORATORIES

Sharp & Dohme

PHILADELPHIA BALTIMORE MONTREAL

Source: www.decodog.com/inven/MD/md28550.jpg

Sergio de Vasconcelos, an experienced Brazilian pharmaceutical consultant, gives his viewpoint on this:

“The message delivered directly by the sales rep was always complemented by other types of communications such as advertisement in medical journals, direct mail campaigns, telemarketing, booths at national and international congresses, symposia at congresses and even TV and radio campaigns in some countries. A doctor that subscribed to international journals could even be impacted by a product advertised in the US or Europe. To me this was already multichannel marketing and it got richer and more complex as new means of communication were born, first websites, then emails, social media and webcasts. And a new one appears almost every day.”

We can say that marketing was less complicated in the pre-digital age, since one could just use all of the few channels available besides the face-to-face promotion and have a complete communication plan. With digital, there are so many choices that a much more skilled marketing function is required in order to select those channels that make sense in terms of customer preference, content and point in the decision cycle.

Since promotional budgets are finite and do not stretch to accommodate more channel options, switches in allocation occur, with less investment in traditional media and growing spending on new digital channels. Sergio adds another dimension:

“(Traditional and digital channels) are merging, transforming each other but in some cases yes: they are disappearing. If you consider direct mail, popular in the 80’s and 90’s (especially as teasers), it is decreasing rapidly, like regular mail, replaced by e-mail. But at the same time, think about a medical symposium during a congress. Congresses are not disappearing; on the contrary, the change is that now we have the means to webcast a symposium as it happens to hundreds of doctors, instead of the five or six that were sent to attend the event in person.”

The example above shows the capacity merging traditional and digital media has to create impact in more customers at the same cost. In the past, a company would send 10 or more doctors to an international congress and spend a significant amount of money. Now they can send half those numbers and can spend the rest of the budget on webcasting to hundreds or thousands of doctors.

When choosing a channel, the target customer has to be a major defining factor, and that means that we must not rule out traditional media that is “disappearing” in theory.

Sergio continues:

“(You could use) a paper-based, regular mail campaign: if my primary target were more experienced doctors, this traditional media could be used. For example, to those who graduated until 1985, who have a private office, not shared with other colleagues, who use a regular cellphone and not smartphone, who request paper materials often...meaning a more old-fashioned profile.”

An old, traditional channel can also stand out in the crowd, but only if, as Sergio has pointed out, it is congruent with the target customer.

Figure 3 - The way communications go



Source: www.pinterest.com/pin/265642077991207962/

The Digital Era of Multichannel Marketing

As previously discussed, the digital channels are being incorporated more slowly in the pharmaceutical industry than elsewhere. Even though, marketers already face the challenge of choosing which channels to include in their marketing plans from a long list of options:

Table 1 - Traditional and non-traditional channels

Traditional Channels	Digital & Social Media Channels
■ Face-to-Face	■ Websites
■ Regular Mail	■ Webcasts / Webinars
■ Journal Ads	■ Paid Searches
■ Congresses, Booth	■ Mobile Apps
■ Round Tables	■ Text / SMS
■ Exclusive Symposia	■ E-mails
■ Phone-detailing	■ Blogs
	■ Facebook
	■ Twitter
	■ LinkedIn
	■ YouTube
	■ Pinterest
	■ Instagram
	■ Virtual Visit

These are only a few of the available channels; some experts talk about as many as 50 different channels to choose from.

And here lies the danger: having so many choices may cause marketers to think about channels first, and forget that the main point is the customer himself and the adequate content. Ashok Yadav, Valeant’s VP for Central America, Caribbean and Andean Region translates this point well:

“What is attractive in social media like Facebook and Twitter is the perception of the big numbers generated in traffic. Although this is true, you must remember you need to have good content that can attract the medical community”.

The choice of channels comes later, when the customer(s) is clearly defined, and it does not stop there, since the whole organization has to be aligned behind the implementation of MCM and the basics have to be covered:

- **Technology:** does the organization have the necessary resources to support the use of the chosen digital channels? If not, can it acquire them?
- **Capability:** is your IT and communication personnel staffed with the type of professionals MCM initiatives require?
- **Process & Training:** how is the organization going to tackle each different process (e.g. responding to tweets, Facebook postings)? Is everyone involved in the processes fully familiar with how each channel works and their specificities?
- **Legal & Compliance:** has the organization put in place mechanisms to curb any possibility of misuse of digital? Is there a quick clearance procedure to approve content so that it can go online in hours rather than days?
- **Decision Making:** who will be the responsible, accountable, consulted & informed in each different process?

“Companies are gradually readying themselves to be able to play in the MCM world and taking greater risks opening a two-way dialogue with customers.”

Companies are gradually readying themselves to be able to play in the MCM world and taking greater risks opening a two-way dialogue with customers. At the start of digital use by the pharmaceutical industry, company websites were rigid and did not leave much room for patients or healthcare professionals to register their opinions, complaints or requests; now most of the big ones have incorporated several social media channels as shown on the table below:

Table 2 - Big pharma use of social media

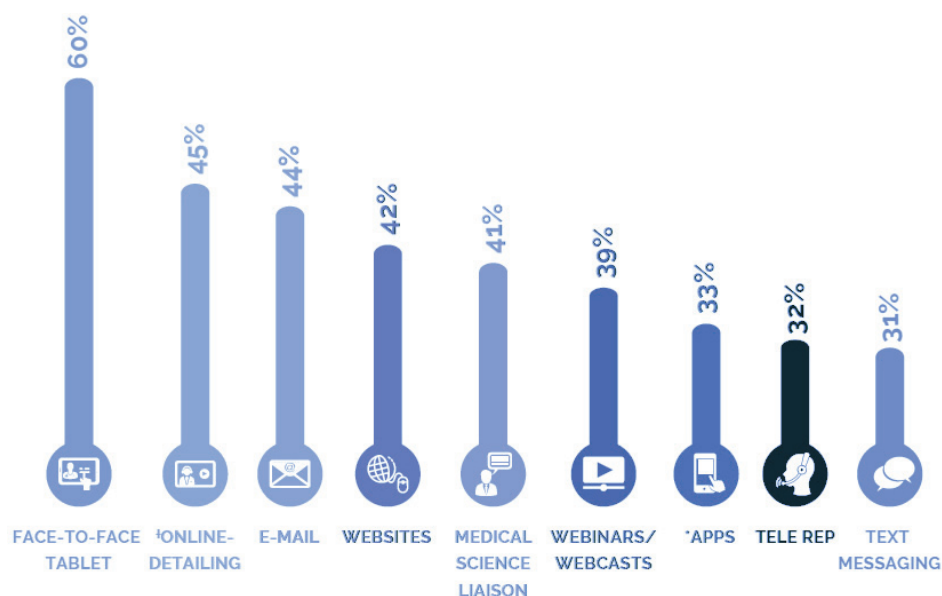
Social Media Usage	f	t	You Tube	in	p		flickr		g+
Abbvie	✓	✓	✓	✓					
AstraZeneca	✓	✓	✓	✓				✓	
BMS		✓	✓	✓					
Eli Lilly	✓	✓	✓	✓	✓	✓		✓	
GSK	✓	✓	✓	✓			✓		✓
Janssen	✓	✓	✓	✓					
MSD	✓	✓		✓					
Novartis	✓	✓	✓	✓		✓	✓		
Pfizer	✓	✓	✓	✓					
Roche	✓	✓	✓	✓	✓			✓	
Sanofi	✓	✓	✓	✓	✓			✓	

Source: company institutional websites, global or US.

We can appreciate the fact that most of them employ different social media in order to guarantee that individual country preferences are covered. Preferences vary greatly for digital channels. Take as an example Whatsapp use in some countries: in South Africa, 78% of mobile internet users actively connect through Whatsapp, but the number is just 8% for the US. Latin American countries have a relatively high use of this channel, varying from 74% for Argentina down to 56% for Brazil⁴.

A survey conducted in US, China, Japan, India about healthcare professionals adoption of different channels of communication reinforced its geographic nature⁵. The global consolidated results can be found next. Sixty percent receive promotion through a face-to-face contact, with a tablet. The second most popular channel is online detailing, with a 45%, followed by e-mails with 44%. When the result is broken down by country, the particular preferences become apparent, with 76% of doctors in the US preferring face-to-face with tablet, while this percentage is 90%, 75% and 32% for India, Japan and China respectively.

Figure 4 - Global Channel Preference

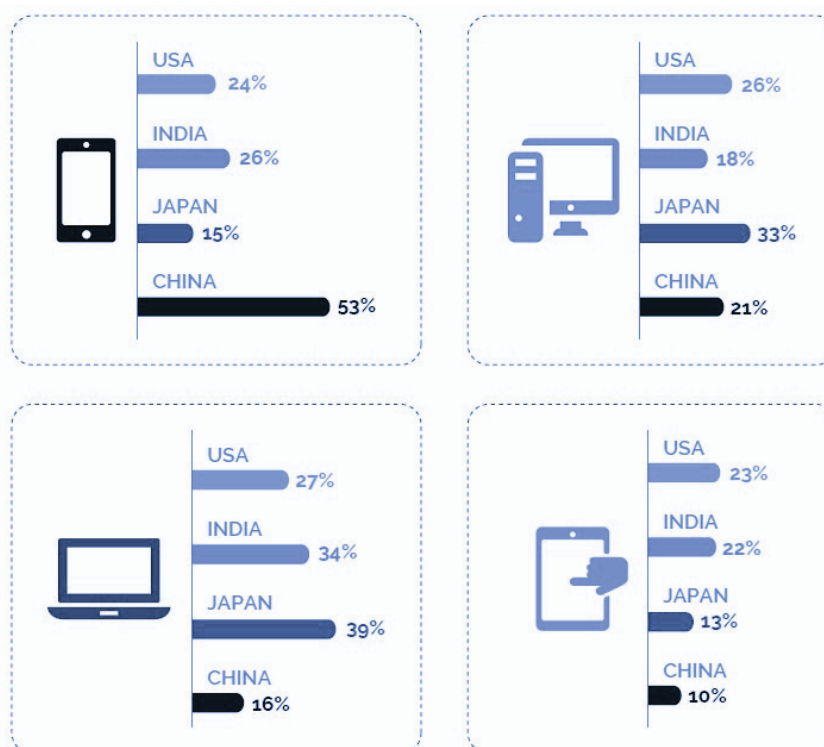


Source: Indegene, 2015

Channel adoption differs by geography and the same happens with the type of device used for seeking scientific information. While in the US there is roughly the same level of usage of all four device-types (smartphone, desktop, notebook and tablets), in China there is a marked preference on the use of smartphones. Tablets are more popular in the US and India, but there is marginal use in Japan and China for this device.

Marketers must also take these customer trends into account first when developing their MCM plans.

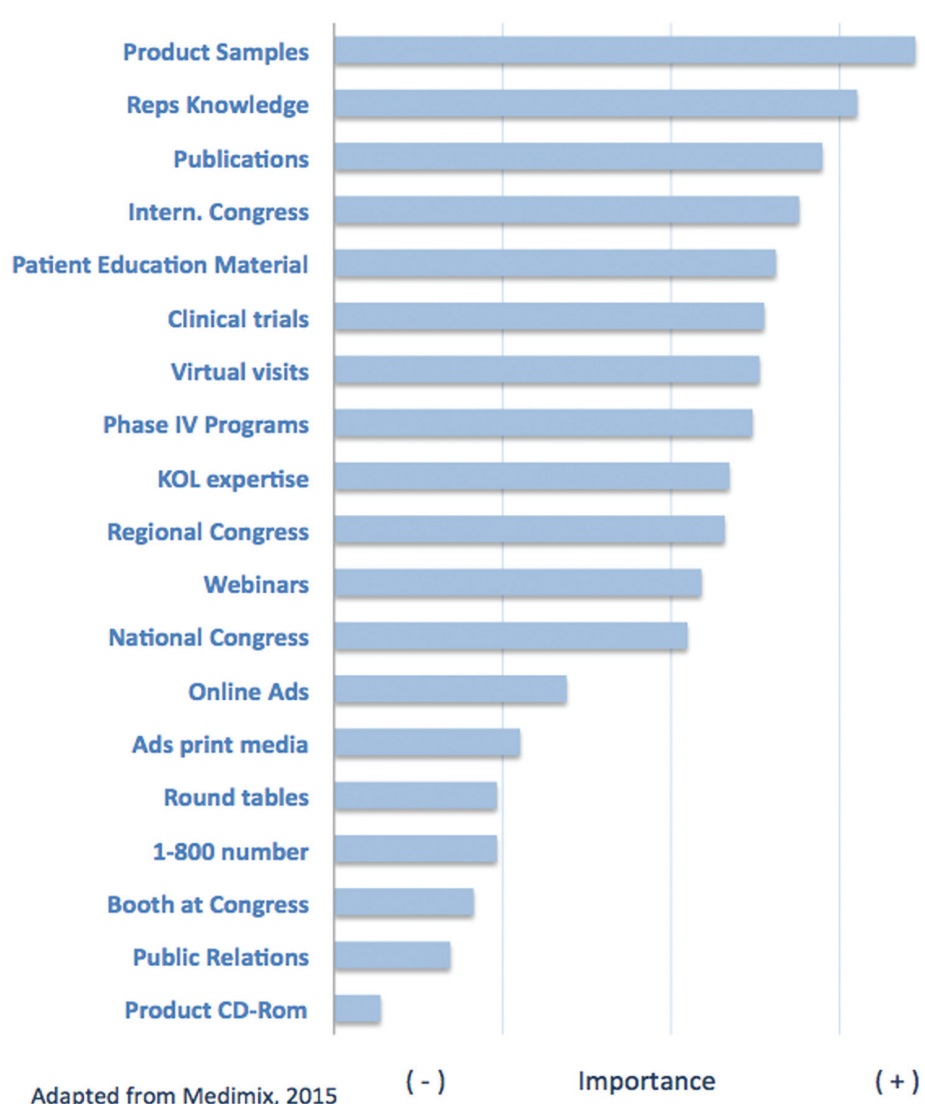
Figure 5 - Healthcare Professional Device Preference



Source: Indegene, 2015

The Customers’ Perspective: What Do Doctors Really Want?

Figure 6 - Importance of Resource according to Physicians



The level of channel adoption discussed in the last section gives part of the story, but has to be combined with other sources to create the full picture. One particular point that must be considered is: what doctors want in terms of support from pharmaceutical companies? What importance do they give to different resources? There are several studies that have aimed to answer that question, one of the latest⁶ has some of the results displayed above.

“One area that has a lot of room to grow is the support to doctors with treatment compliance and control of patients. I think we are just scratching the potential of smartphones, smart watches, devices such as Fitbit, Nike fuel band etc. There are several initiatives in apps but everyone is just starting and we have not found a way to maximize its value”.

Leticia Murray, Marketing Sales Operations & Established Medicines Director, Novartis – Mexico

“The European Society of Cardiology in its 2014 congress saw for the first time virtual participants reach more than 25,000, surpassing the physical ones.”

The numbers are actual ones, from a real case study; although the survey does not disclose which country the results refer to. Nonetheless, the ranking of importance shown here mimics well the results from other surveys conducted in several countries.

Patient education is a case in point, where doctors are “increasingly interested in a deeper partnership (with the sales reps) – based on an aligned goal of improving treatment outcomes.”⁷

Leticia Murray, Marketing, Sales Operations & Established Medicines Director at Novartis Mexico emphasizes another area of opportunity:

“Digital and the improvement of the CRM systems and databases are allowing us to monitor the network doctor – patient – retail – company. It is possible to warn patients when the medication is about to finish, inform the doctor of his patient’s compliance, ensure the retailers have the product to deliver to the patient immediately. This has a lot of value - several surveys with healthcare professionals show that they feel the best way companies can contribute is through helping them achieve a more compliant behavior from patients, through education, enduring materials after consultation – such as web resources”.

Another way where the digital channel is being well received by healthcare professionals is in online CME (continuous medical education) and conference participation. The European Society of Cardiology in its 2014 congress saw for the first time virtual participants reach more than 25,000, surpassing the physical ones⁸. The increase in virtual attendance was almost +50% versus 2013, reported ESC.

Leticia Murray has also witnessed the growing popularity of this channel:

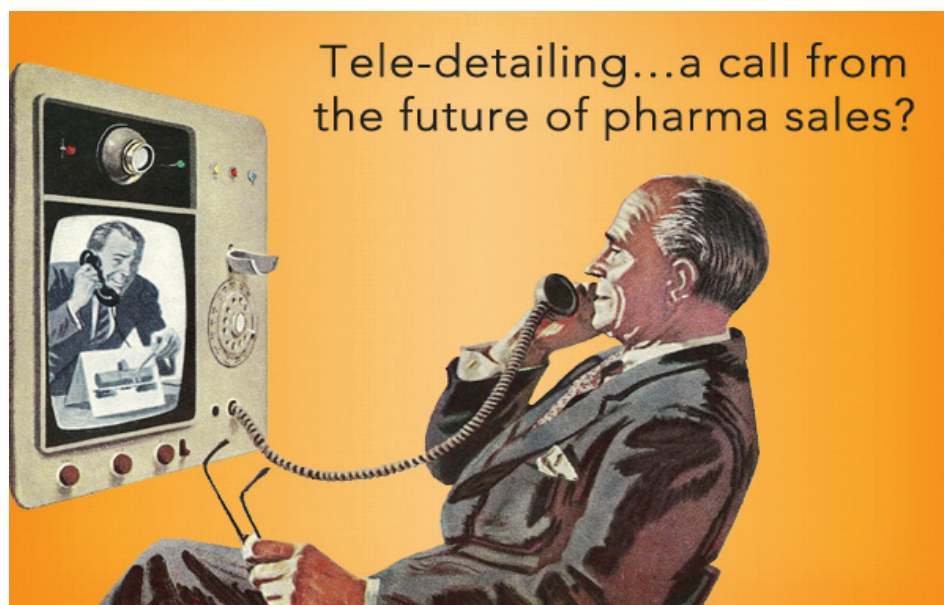
“...digital channels gave us the ability to spread the reach of international symposia to a much bigger audience beyond those physicians that can attend a congress out of the country through recorded or real-time webcasts. And when we do an exclusive symposium in the country, digital resources allow real time Q&A and other forms of interaction. Digital is increasing spending effectiveness undoubtedly. This has been our most successful digital channel that resonates especially well with those healthcare professionals far from big metropolitan areas.”

Sales Reps & Digital: Friends or Foes?

The most significant promotional investment for pharmaceutical companies is by far the sales force. As a Latin American average, a “fully-loaded” sales rep costs about US\$ 100,000 per year. This includes salary, bonuses, benefits, auto, meals, equipment, phone etc. Also, based on a regional average number of contacts made by each rep, a visit to a client or doctor costs approximately US\$ 50.00. Let’s then consider the launch of a product that would require first position on the promotional grid during 10 promotional cycles of 22 days, with a sales force of 50 sales reps making 9 calls a day. Let’s also assume that the first position gets 60% of cost allocation of the call; that is $10 \times 22 \times 50 \times 9 \times 60\% \times \text{US\$ } 50 = \text{US\$ } 3 \text{ million}$. Just the act of visiting the doctors, without samples, promotional materials etc., represents a massive investment.

This means that a product being launched with a gross margin of 80% would have to sell US\$ 3.8 million just to offset the spending on sales force.

Figure 7 - Tele-detailing in the a modern world



Source: www.cldinc.com/resources/

It should be no surprise that our industry has been trying for a long time to find other ways to promote to healthcare professionals more economically: ideally with a “virtual rep”.

The “virtual rep” would make many more calls per day, eliminate travel and transportation costs and command full attention from the customer. “Virtual reps” might even replace in-person promotion altogether. This concept of an effective “virtual rep” remains elusive nonetheless.

There is evidence that the increasing use of digital MCM is causing a decrease in the number of sales reps in the world. If this is the case, how fast is this happening and when is digital to become the mainstream of medical promotion? Let’s take a look at the sales force trends in the world to find some clues.

Global Pharma sales force headcount remained flat in 2014 versus previous years, at 439,500 jobs⁹. Trends varied by geography; North America experienced a – 2% variation and the top 5 European countries saw their sales forces drop by – 5.3%. On the other hand, the number of sales reps in China grew + 11.4% and in Brazil + 2.4%.

Another source estimates the decrease in the number of US Pharma reps at an average - 4.1% per year since 2005¹⁰. The Cox-2 inhibitors fiasco that started in 2004 should be taken into consideration here, since these products depended heavily on “big armies” of sales reps to reach primary care physicians and the demise of several blockbusters brought sales reps headcount closer to the current level.

The growing barriers of access to physician detailing are also playing a role in the decrease in the number of US sales reps. The consolidation of providers has caused the number of doctors accessible to face-to-face promotion to fall below the 50% mark for the first time in 2014. This means that now the majority of US doctors have some level of restriction to receive in-person promotion, even though there is strong variation among medical specialties and states¹².

What should we expect for the medium to long term? Let’s look at other business areas and use as a parallel the banking industry, which has been very successful in the mechanization of its operations, with widespread use of automatic teller machine (ATMs, cajeros, caixas automáticos) competing for job positions with human bank tellers. The US job statistics are surprising: in 1999

“There is evidence that the increasing use of digital MCM is causing a decrease in the number of sales reps in the world.”

there were approximately 450,000 tellers in the US and 230,000 ATMs. In 2009, 10 years later, there were 560,000 tellers and 400,000 ATMs; the growth of ATMs was much higher with +74% and human employee positions grew +24%¹¹. It is interesting to note that in 10 years, the number of ATMs did not reach the number of bank tellers that interact directly with customers, despite the many advantages they offer such as 24-hour operation and the rise of Internet banking that replaces many services conducted by human bank tellers. In 2014, the number of bank tellers remains at 520,000¹². Projections by the United States Department of Labor for 2024 estimate 480,000 jobs, about the same number as 25 years earlier.

This is important evidence that should be taken into account when looking at the future of the sales rep job: it will not disappear, although it may change a lot, as we will see in later sections.

Moving away from pure statistics, considerations about human behavior should be made. Ashok Yadav, addresses this point:

“Now there are so many options that the danger is to minimize the role of the sales rep, and that one-to-one, face-to-face interaction between doctor and rep cannot be replaced”

This opinion is shared by Sergio de Vasconcelos:

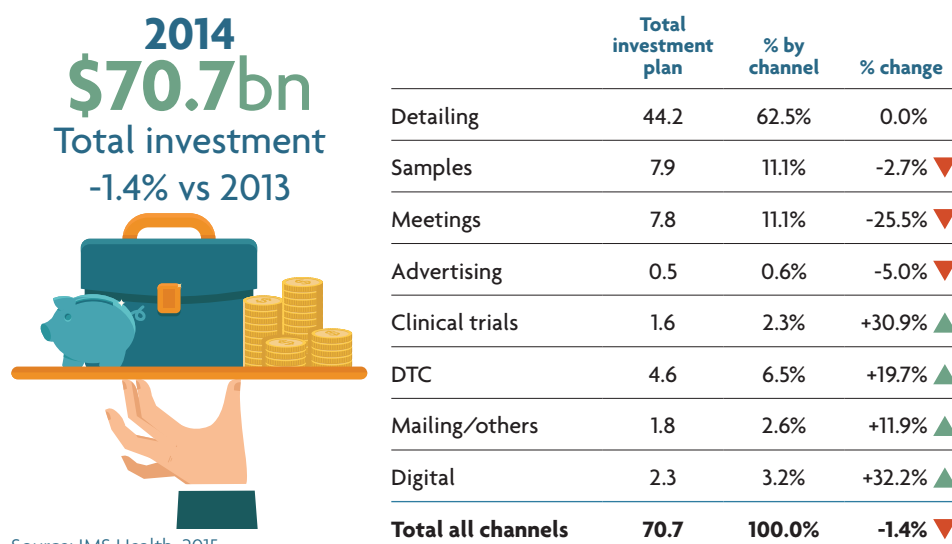
“Regardless of all the many different experiences and pilots conducted over the years, no media came close to the efficacy of a sales rep. Thus finding the ‘Effective Virtual Rep’ will remain the Holy Grail of the pharmaceutical marketing”.

“(The sales rep) will remain as the most impactful element in the (MCM) mix because nothing can replace that personal feeling the face-to-face interaction has”.

Ashok Yadav, Vice President Central America, Caribbean & Andean Region, Valeant – Mexico

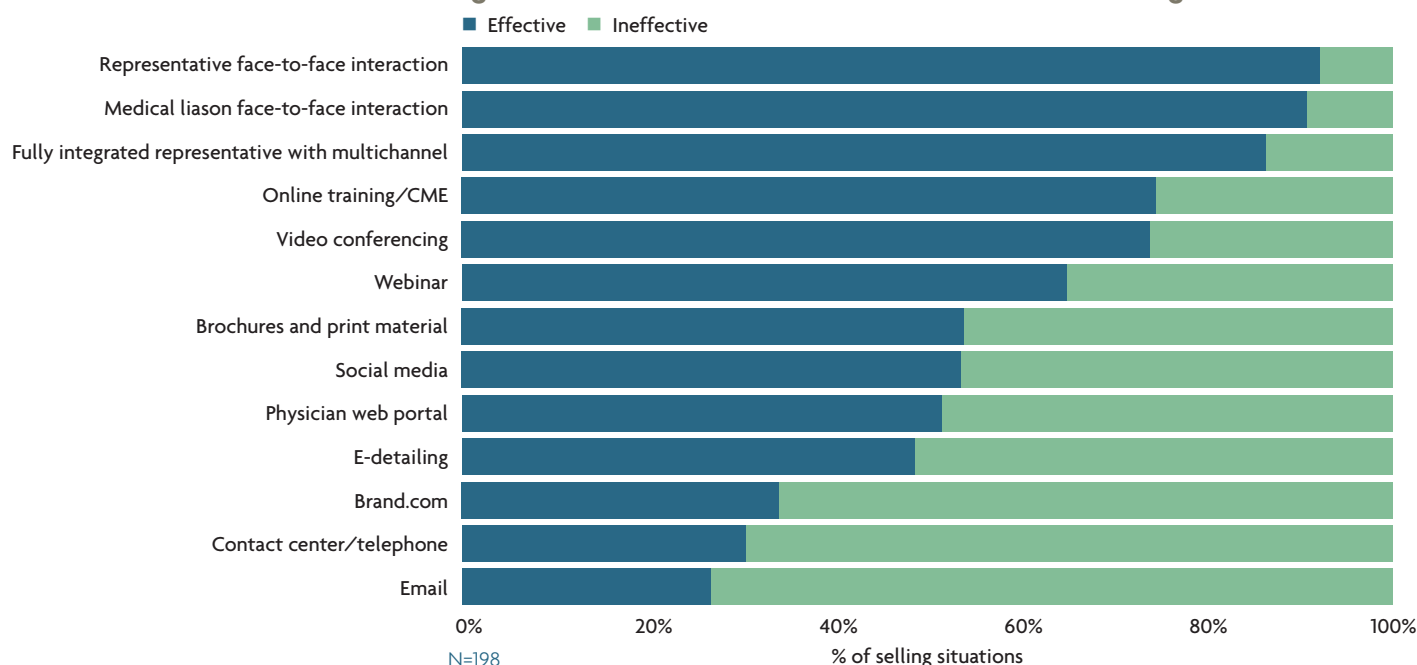
Sergio’s and Ashok’s viewpoints explain the behavior of promotional spending in the global pharmaceutical industry, which shows that 62.5% is still dedicated to detailing by sales force. Out of the US\$ 70.7 billion spent in promotion in 2014, US\$ 44.2 billion were committed to sales force (no change from 2013) and US\$ 2.3 billion to digital channels (+32% vs. 2013)¹³. The 60% participation of sales force in total promotional spending in global Pharma has remained flat in 2010, 2011 and 2012.¹⁴

Figure 8 - Investment by channel, 2014 (US\$ Billion)



The reason for the consistent investment in detailing to physicians is the proven effectiveness of sales reps to deliver the messages and generate demand. There are several studies that indicate that sales reps are the most impactful source of promotion to physicians, as seen below:

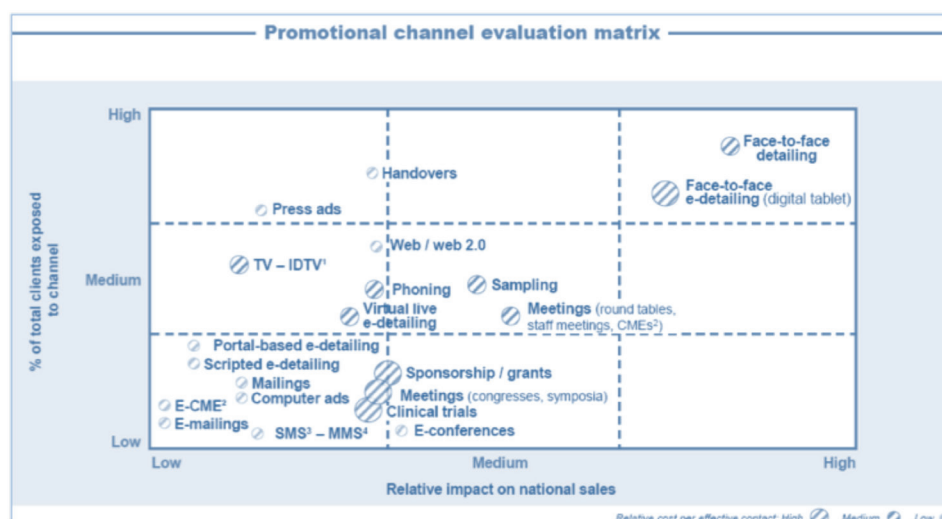
Figure 9 - Effectiveness of different channels in driving sales



Source: eyeforpharma 2015

“Efficacy of a channel depends on impact per client and number of clients exposed: face-to-face calls are the most impactful ones” (Smart Pharma Consulting analyses, 2013)

Figure 10 - Promotional channel evaluation matrix



Source: Smart Pharma Consulting

These two studies, performed at different times, with different audiences and methodologies coincide in several conclusions:

- Face-to-face detailing and e-detailing are the most impactful / effective
- Virtual e-detailing is rated as of mid-low effectiveness
- E-mails appear as the worst channel in terms of impact / effectiveness

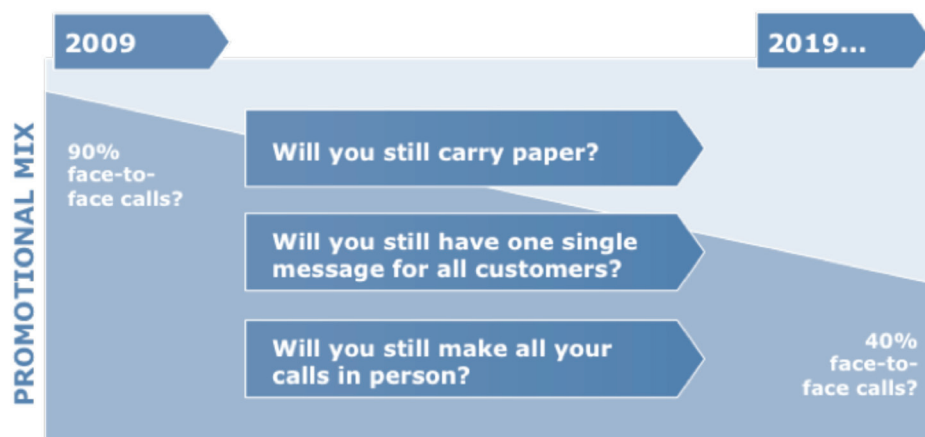
The type of channel is of course only part of the story: the content makes all the difference; in other words, the channel is the medium, content is the message. A well-thought, cleverly crafted content can make a “bad” channel work.

Discussion

The sales force represents by far the biggest promotional investment Pharma makes and this allocation has not changed over the past years. Also, the effectiveness of face-to-face promotion by sales reps remains undisputed. Nevertheless, there is a decrease in the number of sales reps around the world, and an increase in the use of digital channels. Will this trend accelerate and digital become the mainstream channel surpassing face-to-face promotion?

The rapid decline of face-to-face promotion has been predicted for many years, as this document prepared in 2009 by a consulting company shows:

Figure 11 - Promotional mix 2009 to 2019



Source: Agnitio – Institutional presentation – August 2009

“Around 2025, an important milestone will be reached: the iGeneration enters the job market. These are the first truly digital-natives, who at one year of age were already using their parents iPhones by instinct and as 10-year olds today have made digital their preferred means of communication.”

These changes are happening, and will continue to happen, but up to now the pace has been slower than expected. For the baby boomers and Generation X, the warmth of personal interaction, the non-verbal cues and the rapport between people could never be replaced by any digital medium.

But as Generation Y takes over the job market (in 2015 half of them are already more than 20 years old), digital channels gains more and more momentum.

Around 2025, an important milestone will be reached: the iGeneration enters the job market. These are the first truly digital-natives, who at one year of age were already using their parents iPhones by instinct and as 10-year olds today have made digital their preferred means of communication. At this point an accelerated uptake on digital can happen and iGeneration healthcare professionals could be those who will find it normal to interact with sales reps through digital means. That would be when the “virtual rep” finally becomes a reality.

Until then, face-to-face promotion should remain as the main channel, although with declining participation in total promotional spending, replaced by digital.

How should companies manage MCM now and in the next years, as digital channels acceptance accelerates? We cannot aspire to give you a step-by-step implementation guide but we can offer a roadmap of decisions that should be considered in order to implement a solid MCM approach.

Defining the Multichannel Marketing Approach: A Roadmap

Companies should not treat the MCM program as an A-to-Z check list trying to ensure they have every digital channel covered (Facebook, Twitter, Instagram, website...). Some questions must be answered before defining the MCM approach:

- What are the preferred channels for our customers?
- What perspective makes sense from the customer and company viewpoint? Institutional, by brand or by franchise?
- What strategic role the channel is expected to play? Supportive, to increase share of voice or standalone, to broaden customer coverage?
- How am I going to implement my MCM strategy? Will it be a macro or micro deployment?

A roadmap with four steps should guide our choices.

Step 1: Knowing Customer's Preferred Channels

The use and preference of digital and non-digital channels are dependent on geography and culture, as we have seen in the assessment conducted by Indegene⁷. It is then a must to start investing time and resources to find out in your particular geography what are the channels used or preferred by customer targets and in what circumstances. A qualitative market research will not be enough and a comprehensive quantitative research will have to be conducted. If uncertainties persist, pilots have to be performed. What we are looking for is a matrix that supports us in making decisions, as in this example:

Channel Preference Matrix – Intent: New Scientific Information Dissemination (Illustrative)

Table 3 - Hypothetical channel matrix

Product “X”	Face-to-Face	Webcast	Twitter	Text	Email
Primary Care Physicians	●●●●	●	●	●●	●●●
Rheumatologists	●●●	-	●●●	●	●
Orthopedists	●●●●	●	-	●●	●
KOLs	●	●●●●	●●	●	●●

In this example, we have evidence to choose webcast to disseminate new scientific information to KOLs, sales reps and Twitter to rheumatologists, only sales reps to orthopedists and sales reps and e-mails to PCPs. This matrix can become more complex for companies that have a broad portfolio with several audiences and multiple approaches are thus generated, an outcome of intent x customer target x brand.




Marketing and sales teams will have to make some difficult choices when this exercise is over. They may find out that perhaps Facebook is only relevant for a small customer target for a few brands and that the company should forget it altogether, when it had been the main digital channel until then.

Step 2: Defining Communication Perspective - Institutional & Brand Oriented

A second choice healthcare companies will wish to make is about the standpoint of the communication source. This will depend on customer preference (as seen above), portfolio characteristics, overarching strategies and available resources.

The perspective can be institutional or brand oriented, or a combination of both. We can give a real life example of two players in the diabetes market and how they chose to approach this decision concerning the use of Twitter.

Table 4 - Novo Nordisk and Sanofi use of Twitter

	Institutional	Franchise	Brand
	@novonordisk	No	No (Levemir)
	@Sanofi	@Diabetes_Sanofi	No (Lantus)

The use of branded twitter accounts for pharmaceuticals is far rarer, and more common to OTC products (for example @AdvilRelief). It is not unusual that individuals take charge of the “@product_name” before the manufacturer does.

As mentioned, the question of whether the company has a robust digital marketing structure to manage multiple accounts and websites will also dictate the choice of perspective.

Step 3: Choosing the MCM Strategic Role - Supportive vs. Standalone

Marketing teams must define early on what they intend to achieve with a MCM program. Often they will think about this role from an internal perspective, implementing for example an e-mail distribution program with doctors of one medical specialty, ignoring if each individual doctor is visited by a sales rep or not.

The method has to be different since the level of awareness and knowledge of a product is lower for a doctor that does not receive detailing. The two roles can be described as:

Table 5 - MCM and Face to Face

MCM Role	Supportive	Standalone
Rep Interaction	Face-to-Face / Virtual	None/Virtual
Sales Territories	High to mid potential Concentrated target	Mid to low potential Scattered target
Purpose	<ul style="list-style-type: none"> ■ Increase share of voice ■ Raise expectancy ■ Increase frequency ■ Supplement information ■ Message reminder 	<ul style="list-style-type: none"> ■ Increase coverage ■ Establish positioning ■ Provide full product promotion ■ Open dialogue with customer
Potential Channels	<ul style="list-style-type: none"> ■ Text / SMS ■ E-mailing ■ Whatsapp ■ Skype ■ Brand.com ■ Facebook ■ Twitter ■ Paid web searches ■ Journal ads ■ Others 	<ul style="list-style-type: none"> ■ E-mailing ■ Brand.com ■ Webcasts ■ Mail ■ Others

“Most sales forces are woefully behind in their use of technology. Many reps don’t have cell phones, personal computers, or wireless hand-held devices. For salespeople to have meaningful contact with customer, they need technology that enables them to have the kinds of discussions a sophisticated category manager will find compelling.”

BCG, 2004

The standalone role of MCM is a crucial one, as described by Sergio de Vasconcelos:

“Now the most important one (role) in my opinion is about how digital MCM can provide effective promotion for the doctor population that is not visited by a sales rep. In Brazil, for example, only 800 municipalities receive medical promotion while there are 5,500 in the country.”

Step 4: Selecting Digital MCM Deployment Approach

This is one of the most important decisions traditional and digital marketers will have to make and that will impact the whole marketing mix.

Today, the dissemination of digital content is usually done exactly as traditional content: all messages come straight from the centralized marketing department. As a parallel in the traditional channel, think about how direct mail is sent to doctors, straight to their addresses, without the mediation of the sales force. Nowadays e-mail goes straight from the marketing department to the doctor’s inbox, the sales reps being just informed about it. We will call it the Macro Deployment.

This is not the only possible way: there is an emerging trend, what we call Micro Deployment, defined as the use of the sales reps to relay digital messaging created by the marketing department. It is akin to a promotional resource (literature, reprint, samples etc.) whose delivery to the healthcare professional is intermediated by the sales rep.

In the Micro Deployment, the marketing department is accountable for preparing digital elements, which will be received by each sales rep that will implement them to their medical audience at the moment of their choice within a given timeframe. Let’s suppose e-mail is prepared by marketing about a new publication that will have its reprint being delivered by the sales rep. In the Macro Deployment the e-mail would be shot out by marketing to all doctors, some who will see the rep in a week and others in 4 weeks, in which case the link between the “teaser e-mail” and the actual delivery is lost. In the Micro Deployment, each rep could withhold the e-mail up to a few days before the visit to the doctor and even customize it, maximizing the synergy.

Leticia Murray has a point of view that is very close to the Micro Deployment approach:

“In my opinion the sales rep should always be the one to close the loop and further strengthen relationships. He should be the person that uses the digital channels to help the healthcare professional to assist the patient to achieve a better quality of life.”

The Micro Deployment course of action is only possible if sales reps have the adequate technological arsenal and make use of its potential, which is not always the case. This was already a concern in 2004, when Boston Consulting Group flagged the missed opportunity:¹⁵

“Most sales forces are woefully behind in their use of technology. Many reps don’t have cell phones, personal computers, or wireless hand-held devices. For salespeople to have meaningful contact with customer, they need technology that enables them to have the kinds of discussions a sophisticated category manager will find compelling. Putting the right information in the hands of your salespeople, at the right time, can be a complex undertaking, but that’s what makes it such a powerful competitive weapon.”¹⁶

The Micro Deployment is complex and requires a sales force with high level of professional maturity, where sales reps:

- a) Are strongly oriented toward demand generation and
- b) Have achieved solid engagement with their physician panel

“ Which companies have already “gone Micro”? Only a few are starting – the Micro approach is disruptive, complex, but can become a game-changer and a huge competitive advantage. ”

In (a), they have to be convinced of the importance of the channel or digital element to generate more prescriptions; otherwise the extra work needed from them will be perceived as useless and will be avoided.

For (b), engagement goes beyond relationship and includes a professional trust that can bring the physician to pay more attention to an e-mail that comes from a person that he/she knows than the attention commanded by a generic communication from a pharma company.

There is an important question here: how many sales reps achieve such level of engagement with a doctor that permits being recognized as an acquaintance? Or, how many have reached a level of intimacy that has allowed them to become connected with customers in more “personal” digital channels like Whatsapp or Facebook? The answer is: many more than we might think.

It is now reasonably common in many Latin American countries for reps and doctors to be Facebook friends and “like” each other’s posts or communicate often through Whatsapp messages. They may have physicians’ personal e-mails, rather than the professional ones that the pharma companies have.

Companies are trying to piggyback on the proximity of reps and doctors; an example is one company that sends out e-mails with an attached photograph of the sales rep, making it look like the representative was actively involved in the production of the e-mail¹⁷. This is still Macro Deployment, but it succeeds in adding personal warmth to the messaging.

The Micro Deployment is a concept similar to the “orchestrator rep”, described by Jaideep Bajaj, chairman of ZS Associates: “The orchestrator rep is one central person who is aware of all these interactions (between company and physician) and events, and can use them to tailor the sales call to the physician’s unique situation and preferences”¹⁸.

The matter of preferred channels of interaction, as discussed before, takes another shape for companies using Micro Deployment. It is no longer enough to know that (in general) customers of a given country and medical specialty prefer SMS than e-mails. In the Micro Deployment, the rep must determine what are the *individual preferences* of each doctor included in his own panel, and this cannot be conquered applying a simple questionnaire; it is an ongoing process where the information is acquired at every opportunity and registered in the CRM database.

Finally, the Macro Deployment approach considers the sales rep as one of the available channels in the arsenal of MCM, while in the Micro Deployment, the sales rep takes the active role of choosing and employing distinct channels to engage customers, one of which is his own face-to-face interaction. This is a radically different approach, not only semantics.

Which companies have already “gone Micro”? Only a few are starting – the Micro approach is disruptive, complex, but can become a game-changer and a huge competitive advantage.

Post Script: Who Owns Customer Information?

The success of an MCM strategy and programs starts with information: a robust customer database.

There is a point that often goes unnoticed when we talk about Customer Relationship Management and Electronic Territory Management Systems (CRM and ETMS) in the pharmaceutical business: the power of information ownership.

Once upon a time, before the arrival of handheld devices, customer database synchronization and segmentation & targeting, sales representatives had the power of owning information that was out of the reach of companies. There was a simple customer database that was stored in the company with limited data that was sparse and only included name, specialty, professional license number, address, telephone number, consultation days and hours, that oftentimes were all wrong.

The sales rep knew things that the primitive CRM system did not capture, things like price of the appointment, his favorite soccer team, his preferred day to be visited, some particular prejudice or bad experience with a product, his real prescribing potential etc. These things were highly valuable and facilitated engaging with the customer and opened doors for a more effective promotion and again, were not recorded anywhere but in the reps' brain and his phone book.

As a result, the relative information power of a rep was high and the day this sales rep left the company, he took all this information with him, besides the relationship developed. The new rep in the territory would get the customers basic data from the company and start from scratch to gather intelligence about his audience, what could take more than a year.

Modern CRM & ETMS changed the landscape because much more extensive data began to be collected from doctors, including not only personal data, but the prescribing habits, price of consultation, HMOs he worked with – what could be combined with prescription audit data to determine individual business potential. Sales reps gradually complied with the collection of all information; after all they (and their supervisors) were evaluated on the quality of their CRM inputs.

This phenomenon meant a change in the balance of power of customer knowledge: a rep could now leave a company and the next day the replacement rep had all customer information that took years for the previous rep to collect. The rep that left took the personal relationship as the only thing that could not be immediately transferred. His relative information power became low and still is today.

In the age of Generation Y, we start to see another swing in this balance of power: there is new information that is again out of reach of the CRM systems and pharma companies. The younger doctors and sales reps nowadays tend to be more open and as we have seen both could be connected in Facebook and Whatsapp. Companies cannot “friend” a doctor, nor will this doctor accept a rep he just met as a Facebook friend. Companies CRM systems register a doctor's work e-mail, but a rep may have the personal e-mail – the one he checks the most.

Besides, our 21st century reps don't have to trust only their memory and phone book to store exclusive information since they have their own personal CRM system in their pockets: the Smartphone. It is now much easier to have privileged confidential information about customers that only sales reps can own.

Soon a sales rep may start being valued not only by his sales and interpersonal skills, but also for his own personal customer database, what increases the importance of his role.

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“When the so-called iGeneration enters the job market, we may see a true revolution on human interaction at work and face-to-face contacts might become increasingly rare.”

Conclusion

Multichannel marketing should not be seen only as a trend to follow. It is a broad concept that involves both digital and traditional channels of promotion and communication and the sales rep himself. The questions companies have to ask before embracing a true MCM approach are many and not easy to answer but knowing why they do it, what they do, how they do it and when they do is the only possible way to achieve return on investment.

We have seen that for the next 10 years or so sales reps should remain the cornerstone of pharmaceutical promotion, although with accelerated growth of digital channels. When the so-called iGeneration enters the job market, we may see a true revolution on human interaction at work and face-to-face contacts might become increasingly rare. The “virtual interaction” will be the prevalent channel, although there will always be a human being behind it.

Companies will have to make a big decision now: centralizing all MCM communication and informing reps about them (Macro Deployment) or using sales reps to relay digital communication with some freedom of action (Micro Deployment).

Although the MCM Micro Deployment is complex and disruptive, those companies that first embark on the approach will be gaining an enormous competitive advantage versus those that remain using the non-personalized Macro Deployment.

We encourage those who want to go into a more in-depth analysis of this topic to acquire eyeforpharma’s new report “The Role of the Sales Representative in a Multichannel World”.



End Notes

1. "... iGeneration" with the "i" representing both the types of mobile technologies being heralded by children and adolescents (iPhone, iPod, Wii, iTunes) plus the fact that these technologies are mostly "individualized" in the way they are used..." - <https://www.psychologytoday.com/blog/rewired-the-psychology-technology/201003/welcome-the-igeneration>. Search performed on February 18th, 2016. Also referred to as Generation Z.
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If you have any idea you'd like to share with our audience please contact our editor, Mariana Flores mflores@eyeforpharma.com.

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