BEER OR TACOS?

As pharma marketers continue on their age-old quest to engage physicians, the either/or choice between reps and digital tactics has largely gone away in favor of programs that incorporate both. At the same time, certain segments of the business are still finding their way in the brave new digital world. **Larry Dobrow** surveys the scene

In 2003, right after the publication of Michael Lewis's *Moneyball*, old-school baseball pundits lined up to deride the book's depiction of how analytic thought had started to pervade teams' executive offices. If these new, advanced analytics were so revolutionary, they argued, why hadn't the Oakland A's won a World Series during the seasons chronicled by the author? Besides, general managers had assembled plenty of championship-caliber teams while relying on the counsel of a small army of scouts. Scouts saw the players in person! They could weigh in on the cut of their gibs and their will to win!

The authors of *Baseball Prospectus* didn't think this made much sense. Why, they asked, was the analytics–scouts debate being framed in either/or terms? Why couldn't the two be used in concert? After all, wrote one, when asked to choose between two appealing options—say, between beer and tacos—the best answer is usually "both."

Why do we bring up a decade-old debate now? Because as part of its perpetual quest to truly and effectively engage HCPs, pharma may well be experiencing its own beer-or-tacos moment. The number of reps is down, but still sits around 62,000, as per the most recent data from ZS Associates. Conversely, digital investment is way up—by 32.2% globally and 28.2% in North America in 2014, according to IMS Health—but still pales beside the amount of resources poured into sales-force personnel and efforts.

And yet, to hear some people tell it, pharma needs to cast its lot with one entity or the other. Which is patently ridiculous.

"Some companies may still be a little behind—'digital sits over there, it's its own kind of thing'—but a lot of others have moved toward integrating it fully. It's no longer sales-force-on-the-right-and-digital-on-the-left, and it shouldn't be," says BioPharma Alliance president and CEO Mike Luby. "Not everybody is over that hump, of course. You don't want to be the guy asking, 'Are we doing digital this year?' Nobody's asking, 'Do we have reps?' "

Otsuka is one of the forward-minded organizations to which Luby alludes, choosing to engage with professional audiences via a wide range of tactics. "Some customers prefer print media, welcome sales representative calls and attend conferences, while others are digital natives who have engaged with digital media for the majority of their professional lives—reading online journals, participating in e-learning programs and actively engaging in professional social networks," says Carolyn Lombardo, senior product manager, CNS Marketing, Abilify Maintena. "With no single customer type and no silver-bullet tactic with which to reach our target audiences, we must continue to adapt our approach."

Are pharma marketers doing so? Are those adapted approaches resonating with HCPs, old-school journal buffs and so-called digital doctors alike? Read on.

THINKSTOCK

NUMBERS APLENTY

IMS Health's "Global Pharmaceuticals Marketing Channel Reference" offers a wealth of data that illuminates the state of the engaging-HCP union. Overall, global spending on sales forces and all other promotional activity was down just a touch in 2014: It declined 1.4% against the year-ago period, to $70.7 billion. Worldwide spending on sales force was similarly flat at $44.2 billion, though there was actually a slight uptick in the overall number of reps (from 440,421 in 2013 to 444,112 in 2014; IMS pegged the number of reps in North America considerably higher than ZS, at 70,149).

When IMS looked at the use of digital channels—including online detailing, streaming video and more—it found growth of over 32%, to $2.3 billion. E-meetings were up 54.3%, e-details spiked 37.2% and "simple" e-mail surged 16.3% over 2013 levels. The initial base wasn't huge, but in all three cases significant growth was seen. Digital investment jumped in each of the geographies charted by IMS, from 1.7% in Latin America to 43% in Japan.

"That's the essential story here. In this period of flat overall promotional spend, innovative marketing techniques are being used more and more to reach physicians," says Christopher Wooden, VP, global sales | ChannelDynamics at IMS Health, one of the authors of the report. "The industry is starting to get there. We've been tracking online or automated detailing back to 2001 or 2002 and clients were saying, 'Ooh, we want to pick this up if it's happening.' But it hasn't been until the last two years that we have seen dramatic uptake in terms of a change in the use of those channels."

But Wooden notes that the pace of progress has been herky-jerky. By way of example, he points to a prediction he made three years ago. "When we started measuring tablet usage by reps, I thought that within a year to 18 months every rep call would be with tablet in hand. Boy, I was wrong," he says, pointing to IMS data showing that reps in Belgium were most likely to use a tablet for detailing support during face-to-face calls during 2014 … and that a tablet was used in only one in five of those calls.

"Today we take for granted that reps aren't just going to disappear, which goes against a lot of what you heard in the early days of digital," Wooden continues. "But everything else is still so up in the air. Like automated detailing—will it ever become a standard part of the story? Will there be a WebEx-/Skype-sort of detail, or will this become an element used better by some, not at all by others and mediocre by a majority? I have no idea. Honestly, I don't."

CLIP AND SAVE

Pharma companies routinely invest millions in coupon and savings programs, with the annual sum reaching $30 to $40 million for the grandest and most ambitious ones. Yet they don't command much respect among marketing types or activate the imagination in the same manner that just about every other sort of campaign seems to. Why is that?

"Well, they're kind of boring," cracks Benchworks Consulting managing partner Mike Boken. "Most [coupon] programs boil down to doing analytics, which isn't as sexy as a big public relations or advertising campaign. When you talk about analytics, sometimes people's eyes start to glaze over a little."

Boken would know. A veteran marketer who worked on Wyeth's Prevnar vaccine launch and Shire's ADHD meds Adderall XR and Vyvanse, Boken wondered why coupon programs received so little attention from the managers and brand leaders responsible for overseeing them. It's not as if the programs weren't working: They resonate reliably with the physicians they target and deliver solid returns on investment. Boken says that ROIs usually range between 1.7 to 1 and 2 to 1, a nice little margin in an era where marketing dollars are scant. Despite all this, many companies haven't bothered to analyze the results—or attempt to bolster them.

1.7:1 to 2:1

Typical ROI ratios delivered by coupon programs.

"Optimizing Your Product's Coupon Program," Benchworks Consulting

At the behest of a Shire brand team, Boken and Jeff Roeseler, also a managing partner at Benchworks, recently took a closer look at one large-scale coupon program. What they learned suggests that pharma companies are leaving money on the table by failing to optimize their HCP coupon/saving programs.

This particular brand's "savings offers" generated ROIs of 170% in 2008, 144% in 2011 and 153% in 2013. Yet even as drug sales rocketed—from $981 million in fiscal year 2010 to nearly $2.2 billion in FY 2014—the savings-offer budget remained relatively small and static. It was $25 million in FY 2010; $41 million in 2011; $41 million in 2012; $39 million in 2013; and $51 million in 2014.

This means the brand potentially left money on the table both because it ran its coupon program ineffectively and because it didn't take a step back to analyze the program at regular intervals. "This isn't to single anyone out, because there are multiple offenders just about everywhere you look. But nobody ever stops to think, 'We're doing great. It's time to sit down and optimize this program before we move on to the next one,' " Boken says.

As for what companies can do to remedy the coupon/savings program mindshare deficiency, Boken proposes devoting more resources—not in terms of money but in terms of personnel and attention. He notes the Shire brand's savings-offer program was headed by an outside contractor ("the person was running the whole show with almost no oversight from the senior people on the team") and characterizes that arrangement as far from the worst-case scenario. "Usually it's some junior marketing person without much experience."

Ultimately, as is the case with myriad underused or underanalyzed marketing programs, Boken believes more education is crucial. Indeed, coupon/saving programs could benefit from a little in-house TLC.

"I think it all boils down to awareness—of the programs themselves and how they're delivering great ROI and also of the opportunities to optimize them," he explains. "Lots of times there's so much going on with a brand that you don't pay as much attention to the optimization part. Pretty much every company doing couponing is already getting a great return on it, but that doesn't mean there aren't ways to increase efficiency and effectiveness."

DIGITAL DIFFICULTIES

As for how organizations are evolving their HCP-targeted practices amid a maelstrom of change in the marketplace, details are few and far between. The most innovative brand team leaders share specifics about their successful programs as freely as they do their ATM passcodes; those who have been burned are no more eager to perform after-the-fact campaign public autopsies.

"Five years ago, at the beginning of a lot of these efforts to get in front of physicians who were big on digital, there were a lot of significant foul balls hit," Luby explains. "In pharma, the appetite for failure has never been high. When you couple those bad early experiences with people who may not be 100% comfortable with digital in the first place, you'll get some push-back—that is, if your money doesn't get slashed."

Which isn't to imply that companies without those scars and burns feel much rosier about their physician-engagement practices, or lack thereof. "There's a weird paranoia in pharma in that everybody thinks the next person is doing it better," Wooden says. "When I go to clients and give them my spiel, I always start with, 'Don't worry, you're not late to this game.' It's still such a trial-and-error exercise at this point, and there's still that big conundrum. Management will say, 'Okay, what's the ROI of this campaign?' The only truly accurate answer a lot of the time is, 'Well, we have no idea, boss, because nobody's ever done this before.' "

A bigger concern may be a simple knowledge and/or familiarity gap, especially among higher-ups. "Some folks in GM seats at these companies—you know, they get their kids to queue up Netflix or program their phones … You can't afford to wait out their retirements," Luby stresses.

TOTAL INVESTMENT BY CORPORATION

Corporations	Investment ($K)	%	% Change
Pfizer	$4,192,663	5.9%	+1.7%
AstraZeneca	$3,972,820	5.6%	+24.6%
Merck & Co.	$3,467,625	4.9%	-13.6%
GlaxoSmithKline	$2,580,661	3.7%	+4.0%
Actavis	$2,546,109	3.6%	-2.8%
Boehringer Ingelheim	$2,516,537	3.6%	-8.9%
Novartis	$2,384,940	3.4%	-21.0%
Johnson & Johnson	$2,265,628	3.2%	+22.9%
Takeda	$1,942,219	2.7%	-3.3%
Lilly	$1,866,278	2.6%	-21.3%

TOTAL INVESTMENT BY BRAND

Brands	Investment ($K)	%	% Change
Xarelto	$1,054,745	1.5%	+11.0%
Eliquis	$1,029,254	1.5%	+52.8%
Forxiga	$725,678	1.0%	+630.3%
Crestor	$723,865	1.0%	-16.0%
Symbicort	$719,248	1.0%	+3.1%
Januvia	$707,128	1.0%	-17.6%
Pradaxa	$674,467	1.0%	-9.9%
Abilify	$606,875	0.9%	+5.6%
Lyrica	$592,677	0.8%	+1.1%
Tradjenta	$574,825	0.8%	-20.0%

Source: IMS Health (Global) Strategic Data Promotion Database, Year 2014

TWO OF THE BEST

Takeda's path toward establishing itself as one of pharma's most forward-minded organizations has involved, among other things, pressing for better internal digital alignment and meeting with innovators in businesses with only a minimal footprint in healthcare. Takeda Digital Accelerator senior director Stephanie Bova, who heads the group that assesses and directs the unit's investments in innovation, notes a need to pursue both smaller projects and what she describes as "the moon-shot ideas." The ultimate goal? "For everyone here to have the mind-set that we're a 33,000-person start-up. You don't get to live 230 years, like we have, without constantly reinventing yourself and really looking hard for ways to innovate."

When it comes to engaging HCPs, however, Bova notes that many organizations continue to "struggle to find the balance between speed to market and the need for guidance and training." Among the many learnings from her meetings during the last year with Google, Apple and a host of VC firms is that speed matters. "For any [pharma company] to try and synchronize with what's going on in mobile technology, that's a little bit of a gamble," she says.

Takeda, then, is diving deep, hoping to glean physician preferences unseeable in earlier eras. "I'll give you an example. A lot of companies spend a lot of time creating medical education, but we've never had great data on when physicians access it and which types of physicians look at certain things," Bova continues. "A lot of the time, we were giving them what we thought they wanted rather than what they really wanted."

To that end, the company is currently looking into the possibility of helping physicians prescribe wellness and diet fixes. "There's no financial benefit to us—but if something is a benefit to the patient, it's a benefit to us," Bova says.

Otsuka clearly agrees. But given its focus on chronic mental illness, the company has a different mission in mind when approaching HCPs. Yet it's one that the organization has embraced with vigor.

While Otsuka's Lombardo stresses that "digital marketing demands dialogue," she notes that all programs, HCP-targeted and otherwise, are largely dependent on the particularities of the audience. "Knowing how HCPs seek information and prefer to engage with your brand is critical for developing any strong channel strategy," she says, pointing at the size of the audience and its members' place on the technology-adoption continuum as critical components.

AN "ENDLESS LOOP"?

So we're left right back where we started, kind of: with certain segments within pharma wanting to push the envelope and certain others still in the throes of the industry's much-ballyhooed inertia. For marketers hoping to find their way into the former category, Luby suggests escaping from what he calls "the endless loop of pilots and trials" and instead pushing forward with focused trials.

"Rather than trying to do the Taj Mahal of digital programs, I'd try a focused series of pilots with measurable outcomes," he says. "I'd put a big premium on … 'education' sounds condescending, but maybe education and simplification. 'Here's what we're going to do to reach these doctors, here's the value we want to bring, here's how we'll measure and define success.' It's a throwback to nuts-and-bolts Marketing 101."

Wooden, on the other hand, reminds pharma not to overcomplicate matters—which, admittedly, may be easier said than done given the industry's daunting competitive and regulatory landscapes.

"Doctors are exactly like you and me … okay, they have a diploma on the wall that's different from ours, but the way they consume information is just like the way we consume information," Wooden says. "They're not going to books on the shelf for information. They're watching videos online and clicking on a webinar or webcast when it's of interest to them. That's what [marketers] trying to reach doctors need to remember. It's the same story, just a different subject." ■