

# OUTSIDE



# INSIGHTS

It's often said that pharma is still playing catch-up with other industries in terms of engaging consumers via digital direct marketing.

But among those savviest, which ones offer lessons for this industry?

**Tim Peterson** looks at examples from the airline, insurance and retail verticals and shares takeaways for pharma

For years industry after industry has migrated their direct marketing efforts online, capitalizing on the cost-effectiveness and communication-efficiency of the digital medium. But pharmaceutical companies have long lagged behind.

“I would say, conservatively, we’re five to seven years behind the rest of the industries in terms of digital CRM, digital direct marketing or digital marketing in general,” says Jeff Wiltrout, VP and general manager of Merkle’s Healthcare Group. He identifies three reasons for pharmaceutical companies’ digital delay: large, complex management structures; the conservative nature of the industry; and unclear regulations.

Regulations have many digital marketers wary, not limited to those in the pharmaceutical industry. This year three privacy bills have been introduced in Congress that each call for greater online transparency on behalf of companies collecting consumer information.

Rep. Jackie Speier’s (D-CA) Do Not Track Me Online Act of 2011 would result in a “Do Not Track” mechanism that would enable consumers to opt-out of any online behavioral tracking utilized by companies to better target messaging. The Federal Trade Commission (FTC) has publicly supported such a mechanism. But pharmaceutical marketers could face even more heightened regulatory scrutiny if it passes.

“One very real challenge facing marketers is the growing concern around patient and [healthcare professional] data. States are starting to opt-out. California requires in-state patients to do a digital signature before signing up for a support program. The tidal movement for data is going against Biopharma,” says Alfred O’Neill, group VP of client engagement and strategy at Razorfish Health, via email.

A complaint filed by consumer advocates with the FTC late last year specifically targets pharmaceutical marketers’ online data collection and behavioral targeting. Should the complaint grow in profile, it would likely breach an already fragile trust between pharmaceutical companies and consumers—a trust that pharmaceutical companies need in order for their direct and digital marketing efforts to succeed.

### The online trust vacuum

But that question of trust also poses the industry’s opportunity. Because of the onslaught of information available online, consumers feel vulnerable. According to a study released last year by Epsilon, 45% of consumers who read another consumer’s post about a problem they experienced with a medication want a third party to validate that information, and 55% of consumers look to the pharmaceutical companies to verify any information involving side effects.

While pharmaceutical companies have, do and will post information relating to consumers’ concerns, they should engage these conversations to create online communities of consumers that will reestablish trust.

“Customers expect full transparency from the brands they engage with online,” says Ann Friedman Ryan, SVP and managing director of CRM and digital strategy at Ogilvy CommonHealth Consumer Care. “Once customers understand the ‘value exchange’ for provid-

ing information, they are willing to provide it and participate in a dialogue. The opportunity is to incorporate a plan to obtain real-time learning within a program to keep our fingers on the pulse of the customer needs and market dynamics, and optimize a program to meet those expectations.”

That opportunity coincides with the current big shift in digital marketing. Jay Bolling, president and CEO of Roska Healthcare Advertising, identifies the transition of digital marketers “moving from awareness to relationship marketing.” And leading that shift is social CRM. Because of regulations regarding what information pharmaceutical marketers can use to message consumers, social media presents itself as the most attractive digital channel to engage consumers.

Yet what has many pharmaceutical marketers wary is the regulatory ambiguity regarding social media. Like Lucy pulling the football from Charlie Brown as his leg pendulums downward, the FDA has yet to present pharmaceutical companies with clear guidelines. And Bolling and Friedman Ryan believe that even when the guidelines are handed down, they won’t provide much clarity.

### Bolling’s 3 stages of risk

Because of that ambiguity, Bolling advises clients to consider social media from the vantage point of having three stages of risk:

- 1. The first tier is syndicating approved, unalterable content via consumer sharing.**
- 2. The second tier is creating a community of consumers who can connect on a company’s platforms and communicate off of it.**
- 3. The third tier, housing simultaneously the most risk and reward, is enabling users to generate content on a platform and curating that content to fortify the community.**

But budgetary constraints and the industry’s conservative nature block significant wading into these areas, particularly as the risk rises.

“A lack of clear communication and processes has undermined some pharmaceutical companies’ abilities to begin testing approaches in social media. The industry has seen mismanagement of the social channel which has resulted in several FDA warning letters,” says Kevin Dunn, vice president of brand strategy at Harte-Hanks, via email.

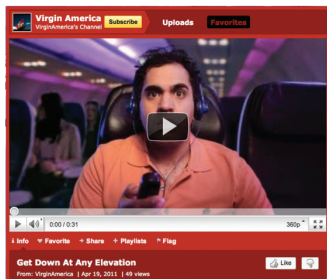
Given that discouragement, pharmaceutical companies may be best served by looking to other industries’ engagement of social CRM at Bolling’s various levels in order to inform strategy development and best practices.

### Virgin America’s viral videos

Virgin America’s “Breath of Fresh Airlines” campaign showcased the company’s in-cabin experiences in a series of company-generated videos that consumers were encouraged to share via YouTube and Facebook, among other online channels.

The awareness campaign relied on the strength of the content to drive shares and eventually traffic to the Virgin America site. Since the campaign was run in a controlled format with Virgin America

dictating the content, it is an example that pharmaceutical companies could easily adopt. In fact, the Johnson & Johnson health channel on YouTube, which has received nearly half a million channel views since launching in 2008, evidences how successful this approach can be for a pharmaceutical manufacturer.



Wiltout says this is a great initial approach for pharmaceutical companies because it injects them into the conversations consumers are having online. “What it comes down to is having a well thought out strategy and taking appropriate steps to try to get yourself into these conversations that are happening,” he says. “The whole point of [digital marketing] is how do you get yourself into the conversation in a meaningful way within the regulatory guidelines.”

## 2 Blue Shield’s build-a-connection event

Health insurers face regulations similar to pharmaceutical companies. The Center for Medicare and Medicaid Services must review and approve any content the insurer communicates to a Medicare beneficiary, and the process may take up to 45 days, says Seth Berman, director of direct marketing at Blue Shield of California.

Because of those restrictions, Blue Shield of California developed means to interact with consumers “in ways that would be relevant for their health insurance decisions but do not necessarily have health insurance content,” says Berman.

One form of this interaction was a community service/member information event held at a Build-A-Bear Workshop in Anaheim, CA, in which the company and its customers built stuffed bears for a charity. After the event, Blue Shield of California posted pictures and testimonials on Facebook.



“We used that interaction with our members in this real event that we did collaboratively with our customers, and we were able to talk about that on Facebook and show pictures and post links to news about that,” says Berman. “So we’re being relevant, but we’re not necessarily talking about products themselves in that instance.”

Bolling says that this approach is particularly well suited for pharmaceutical companies that deal with orphan diseases because consumers in these communities are most in need and in want of connection; all the pharmaceutical company needs to do is facilitate that connection and the consumers will be able to nurture it on their own, away from the company’s range of liability.

“As soon as they talk on my platform,” he explains, “I’m liable for what they have to say, and I don’t have the time, effort or resources [to monitor] that and then report [any adverse-effects comments], but if I can connect [the consumers], whether it’s to [key opinion leaders] who want to talk about what’s going on, or if it’s consumers that are like-consumers.”

## 3 JetBlue and Best Buy tweet for CRM

JetBlue and Best Buy have each built brand loyalty by making themselves available to consumers via Twitter. Both companies have used the platform as a customer service tool that humanizes each. During a massive blizzard in New York City late last December, JetBlue used its Twitter feed to update consumers on airport conditions and flight statuses. And Best Buy’s Twitter feed advised customers how to reserve an Apple iPad 2 after the product sold out within days of launching in March. Consumers are able to tweet questions regarding flight delays or product information to @JetBlue or Best Buy’s @twelpforce and receive timely responses.

The high level of attention required to monitor the barrage of consumer replies to a Twitter page requires a substantial amount of resources, which is why companies enlist their own employees to reply while on company time. According to Twitter, over 2,900 Best Buy employees have signed up to manage replies, and the company has created a microsite to showcase consumer-to-consumer response.



For pharmaceutical companies to succeed in the digital space, says Wiltout, they need to position the customer at the center of their business strategy.

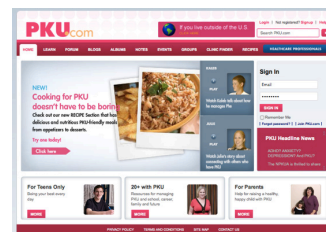
“You have to begin to understand who your patients are, your caregivers, your physician partners,” he says. “You have to begin to understand their behavior and attitudes and needs and preferences at a much deeper level.” Social media offers such a window, but because of regulatory rules and restrictions, this level of engagement is difficult for many companies to realize because of the resources required.

## Are we read for social CRM?

“What is the responsibility to report adverse events?” asks Bolling. “Because that is truly the issue” constricting pharmaceutical marketers’ use of social media to manage customer relationships.

He cites BioMarin Pharmaceutical’s PKU.com as an ultimate example of the opportunities and challenges of social CRM.

“They allow user-generated content, and they monitor it and make corrections and file any adverse event forms,” he says. “But they’re putting the resources into it to monitor [the site] around the clock, which most companies just don’t have the wherewithal or the resources to be able to do that.”



The bottom line is that currently the risks of social CRM outweigh the reward for pharmaceutical marketers “because there is a lack of clarity and the potential expense,” says Bolling. “In order for pharmaceutical companies to succeed online, they need to engage the medium and use it to engage their customers, and the great irony is that that success can best be served by involving the consumers. It’s simply a matter of determining how.” ■

Tim Peterson is a reporter for DMNews, a sister publication of MM&M