One way to increase customer engagement

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PHARMACEUTICAL marketers use many channels to deliver messages for good reason: Consumers use exponentially more digital channels now than ever before when searching for information—up from 50 million per year in 2000 to 139 million per month in 2015. In addition, physician access to pharma sales reps declined from 80% to 47% over a similar time period.

Both of these trends prompted marketers to expand the number of channels to deliver promotional messages to reach customers where they are. This push strategy helps achieve reach-and-frequency goals with typical metrics that include cost per click and email-open rates.

However, as an increasing number of marketers follow this approach, customers begin to tune out. Our data shows that high-value physicians typically receive 2,724 contacts per year from pharmaceutical companies. If the goal of the reach-and-frequency strategy is to deliver messages to a target audience, it is successful. But if the goal is to maximize customer engagement and promote ROI, it has seen better days.

Its Achilles' heel is that it doesn't take into account customer preferences. The idea is simple: Instead of focusing on reach and frequency, marketers should instead focus on optimizing customer engagement. And the way to optimize customer engagement is to understand what information customers are looking for and when and via what channel. When pharmaceutical companies understand these preferences—and how they differ across customers—marketers can deliver tailored promotions.

The goal is a shift from tactic analytics to customer analytics. While tactic analytics measures performance at a point in time, customer analytics measures customer engagement over time. This longitudinal analytical view enables marketers to quantify both tactic and content preference—also known as pathway analytics—to identify assets. Pharma companies can then use this historical data to:

- optimize the customer journey; with the historical pathway measured, models can simulate optimal customer pathways, and
- optimize customer content; as the newest phase of analytics, by quantifying the content with which the customer engages, and how frequently, straightforward continuous customer content can be provided.

For example, a new product launch may have three message types: (1) awareness messages to alert the customer to product availability; (2) trial messages to support the customer's initial use; and (3) usage messages to support the customer's ongoing use of the product with patients. Understanding when to move a customer along from awareness to trial to usage becomes critical to maximize product adoption.

The ultimate competitive advantage

Frank X. Powers
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FOR MANY YEARS employee happiness, agency vibe and the concept of corporate culture had been soft or "squishy" items for me to sell to our board as worthwhile investments. It wasn't that they were considered unimportant—they were important, but they were difficult to quantify and too easy to take for granted.

I was convinced that culture can and does influence the bottom line in a positive way. But it wasn't until I came across Bob Burg and John David Mann's *It's Not About You*, in 2011, that I became certain that emphasis on culture was not only the right approach to take but that as an agency leader I also needed to help shift the board's focus and corporate appreciation to preserve and foster a unique and creative culture.

I did some research, seeking data to support the hypothesis that a strong corporate culture with fulfilled, happy employees equals additional profits. I found this data in the work of Harvard Business School Professor Emeritus James Heskett, author of *The Culture Cycle: How to Shape the Unseen Force That Transforms Performance*. Heskett had the same hypothesis but, luckily for me, he had done the study. In it he proved that "as much as half of the difference in operating profit between organizations can be attributed to effective cultures."

Heskett calculated the economic importance of culture by means of these four Rs: referrals, retention, returns to labor and relationships. This was exactly what I had been looking for: an applicable equation. I finally had in my possession a formulaic method that might convince the board that investing in employees would increase profits.

But an even more powerful statement from Heskett was this: "Culture is the most potent and hard-to-replicate source of competitive advantage." In looking back, I realize that I have always been proudest of our agency's culture, which has allowed us to thrive in a highly competitive industry for more than 22 years. Though we've certainly been disciplined in our commitment to unique approaches for business development and technological innovation, prospective employees and clients always comment on the intangibles that shape Dudnyk. Our agency feels different because our people actually like working together.

Much of our success, I believe, has come about by investing in culture—that is, by providing employees with ample training and compensation and by taking an interest in their development (both personal and professional), rewarding tenure, acknowledging accomplishments and making them feel valued. Senior staff members tend to stay on at our agency. They in turn nurture the young talent we hire, teaching them our way of doing things.

In my view, culture serves as the most differentiating competitive advantage a company can create—and there's nothing soft about that.