Omnichannel Strategy in Pharma Marketing

MARKET INSIGHTS SERIES (#16)

Best Practices

“Digital channels are just a means – not an objective – to interact with customers”
Introduction

The Covid-19 crisis has led pharma companies to rethink their marketing mix and look for an optimized multichannel approach to interact with HCPs

- While multichannel strategy consists in using multiple media (channels) to convey information and messages to customers, omnichannel strategy goes one step further by ensuring an integrated approach.

- For so doing, the omnichannel approach inter-relates every channel (unlike multichannel) to provide customers with consistent and integrated messages through multiple sources.

- Thus, pharma companies’ departments (medical, marketing, sales, etc.) interacting directly or indirectly with HCPs and other customers should be aligned with information conveyed and services proposed.

- Omnichannel strategy has shown to create stronger relationships with customers and higher loyalty.

- In the Covid-19 crisis context, marked by a drop of in-person interactions, pharma companies have reinforced their remote communication as a compensatory measure to ensure a higher level of interactions with HCPs.

- This position paper, based on Smart Pharma Consulting experience and a benchmarking study, shares some best practices in implementing omnichannel strategy in pharma marketing.
The lockdown was imposed in France from March 17 to May 11, 2020.

In-person calls by Med Reps will resume progressively, but ~12% of physicians will not accept to meet them anymore, and those accepting may further reduce the number of contacts p.a.

% of physicians anticipating to accept regular in-person calls by Med Reps following the lockdown¹ (% of total)

- May-20: 75% (25% No regular access to Med Reps, 54% Regular access to Med Reps)
- Sep-20: 46% (25% No regular access to Med Reps, 54% Regular access to Med Reps)
- Dec-20: 25% (25% No regular access to Med Reps, 75% Regular access to Med Reps)
- Jan-21 & beyond: 22% (25% No regular access to Med Reps, 78% Regular access to Med Reps)

185 French physicians (GPs, cardiologists, neurologists, oncologists) interviewed from May 21 to 26, 2020 (McKinsey)

Comments

- 10% of interviewed physicians were not accepting in-person calls from Med Reps before the lockdown and 12% more will not accept after the lockdown.
- The physicians anticipate a progressive re-opening of access to Med Reps.
- However, the situation varies significantly, depending on the:
  - Physician specialty (e.g. GPs, cardiologists)
  - Conditions of practices (e.g. hospitals vs. private practices)
  - Quality of relations between HCPs and Med Reps

Sources: Survey by McKinsey – Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

¹ The lockdown was imposed in France from March 17 to May 11, 2020.
**Communication Channel Efficacy**

**Assessment Matrix**

Despite the Covid-19 crisis, in-person calls by Med Reps will remain the most effective channel to interact with HCPs, followed by phoning, remote calls and personalized e-mails.

<table>
<thead>
<tr>
<th>Number of HCPs exposed to channel</th>
<th>Higher Efficacy</th>
<th>Intermediate Efficacy</th>
<th>Lower Efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Press / E-press ads</td>
<td>Handovers</td>
<td>In-person calls</td>
</tr>
<tr>
<td>Medium</td>
<td>HCP Portals</td>
<td>Personalized E-mailings</td>
<td>Remote calls</td>
</tr>
<tr>
<td>High</td>
<td>In-person calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Mass E-mailings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Computer ads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>TV – IDTV¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>SMS³ – MMS⁴</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Meetings (round tables, staff meetings, CMEs²)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Pharma websites⁵</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Digital / hybrid congresses or symposia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium</td>
<td>Independent websites</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Meetings (round tables, staff meetings, CMEs²)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Social media</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Average Impact on HCPs** (memorization of the content – opinion about the channel)

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

1 Interactive digital television – 2 Continuous medical education – 3 Short message service – 4 Multimedia message service – 5 Including blogs
Communication channel Efficacy

Assessment per Channel (1/2)

In-person calls have the highest impact on prescriptions, and can be reinforced by other complementary communication channels, either conventional or digital

<table>
<thead>
<tr>
<th>Channels</th>
<th>Reach</th>
<th>Impact</th>
<th>Efficacy</th>
<th>Feasibility</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-person calls</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ The content must be meaningful for each HCP</td>
</tr>
<tr>
<td>Phoning</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ Favor communication about environment / services</td>
</tr>
<tr>
<td>Remote calls</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ Favor communication about environment / services</td>
</tr>
<tr>
<td>Personalized E-mails</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ Should be related to the content of the in-person calls</td>
</tr>
<tr>
<td>Digital / hybrid congresses or</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ Development of hybrid (in-person and remote) meetings, especially in the context of the Covid-19 crisis</td>
</tr>
<tr>
<td>symposia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congresses or symposia</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ Less and less people attending congresses or symposia but well appreciated, in general</td>
</tr>
<tr>
<td>Pharma websites</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ The perceived quality by HCPs is good</td>
</tr>
<tr>
<td>Independent websites</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>⬜</td>
<td>▪ The content is perceived as reliable</td>
</tr>
</tbody>
</table>

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

Omnichannel Strategy in Pharma Marketing – Best Practices

October 2020
Communication channel Efficacy

Assessment per Channel (2/2)

Considering the low efficacy of digital channels, it is recommended to use them preferably as an add-on to conventional channels, in a pre-determined sequence, depending on HCPs preference.

<table>
<thead>
<tr>
<th>Channels</th>
<th>Reach</th>
<th>Impact</th>
<th>Efficacy</th>
<th>Feasibility</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-meetings / hybrid</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Peer-to-peer meetings are particularly well appreciated</td>
</tr>
<tr>
<td>Meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Peer-to-peer meetings are particularly well appreciated</td>
</tr>
<tr>
<td>Press / E-press</td>
<td>▫</td>
<td>▫</td>
<td></td>
<td>▫</td>
<td>▪ Ads to maintain the presence of the brands</td>
</tr>
<tr>
<td>HCP Portals</td>
<td>▫</td>
<td>▫</td>
<td></td>
<td>※</td>
<td>▪ Ads or content to maintain the presence of the brands</td>
</tr>
<tr>
<td>Mailings</td>
<td>▫</td>
<td>▫</td>
<td></td>
<td>※</td>
<td>▪ More effective than mass e-mailings</td>
</tr>
<tr>
<td>Social media</td>
<td>▫</td>
<td>▫</td>
<td></td>
<td>※</td>
<td>▪ Ads or content to maintain the presence of the brands</td>
</tr>
<tr>
<td>Mass E-mailings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Not attractive for HCPs</td>
</tr>
<tr>
<td>TV-IDTV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Very limited use</td>
</tr>
<tr>
<td>Computer ads</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Ads to maintain the presence of the brands (banners)</td>
</tr>
<tr>
<td>SMS – MMS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>▪ Very limited use</td>
</tr>
</tbody>
</table>

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020
Communication channel Efficacy

Focus on Remote Calls

Remote calls are potentially attractive to HCPs and likely to engage them provided the technology is well mastered, the content is non-promotional or focused on new products or indications.

Pros

- Economic and time saving by reducing travels
- Personal relationship is kept, to a certain extent
- Optimization of calls:
  - Higher attention span
  - Med Reps more focused on promotional activity
- Flexibility of scheduling
- Reutilization of digital contents on other channels

Cons

- Problems of online access due to firewalls or low bandwidth, especially in hospitals
- All HCPs are not familiar with remote calls
- Less than 10% of HCPs accepting in-person calls will accept, in addition, remote calls
- A phenomenon of rejection by HCPs is growing as a result of several disappointing experiences through this channel

Golden rules to succeed

- Make sure the content is attractive enough
- Specifically train Med Reps
- Use remote calls as a complement of in-person calls
- Perform remote calls by internal Med Reps, only
- Keep the call short and crispy to maintain attention
- Include short videos and animations

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

1 20 to 30 seconds
Best Practices

Introduction (1/2)

The absolute priority for pharma companies is to maintain regular contacts with targeted HCPs by offering the content they want through the coordinated combination of channels they prefer.

- In the Covid-19 crisis context, in-person interactions between pharma companies and HCPs have fallen and been partially offset by remote contacts.
- Until the Covid-19 crisis occurred, ~70% of medico-marketing and sales total interactions were coming from in-person contacts.
- If most HCPs expect in-person interactions to resume after the crisis, they will reduce the overall number of interactions with in-field collaborators\(^1\), while increasing the weight of remote interactions in their contact mix\(^2\).
- Therefore, to keep regular contacts with HCPs, pharma companies should carry out omnichannel initiatives, consisting in using multiple channels (media) in an integrated approach to optimize their impact.
- For so doing, every channel should be inter-related to provide HCPs with consistent and high-value content through multiple sources.

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\(^1\) Mainly due to the necessity to grant more time to treat patients and to the low value brought by most of in-field interactions.

\(^2\) The number of HCPs becoming familiar with digital tools has strongly increased, especially by experiencing teleconsultations during the Covid-19 crisis.
Best Practices

Introduction (2/2)

Digital channels are not the panacea to cope with the Covid-19 crisis but, if well-executed and integrated into an individualized omnichannel strategy, they can help engage HCPs

Five Rules for an Effective Omnichannel Strategy per Individual HCP

Rule #1
Identify each HCP preferred channels and usage patterns (e.g. frequency, time of the day, duration)

Rule #2
Select one or several channels (in-person and/or remote, non-digital and/or digital) to be combined, according to the sought objective (e.g. message to convey, partnership to propose, service to offer)

Rule #3
Adapt the content and the format to the channel specificities

Rule #4
Plan carefully the execution of the omnichannel strategy while defining the right sequence of channels and the right timing

Rule #5
Monitor the quality of execution (the IT should be flawless) with KEIs¹ and the impact of the omnichannel strategy with KPIs²

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

¹ Key Execution Indicators – ² Key Performance Indicators. See the position paper: https://smart-pharma.com/wp-content/uploads/2019/07/Smart-Management-Series-KPIs-KEIs-VW.pdf
**Best Practices**

**Channel Sequencing**

The most common sequencing used combines personalized e-mails sent just after in-person calls in which HCPs can be invited to use other digital channels to get information or services.

- The opening rate of personalized e-mails, following an in-person call can reach 30% to 50% according to:
  - The interest of the HCPs for the content
  - The quality of the presentation
  - The day and the time of sending

- The e-mail sent can invite HCPs to:
  - Attend a webinar
  - View a webcast
  - Visit a website (with product and/or non-product contents)
  - Use other digital channels to get information or services

The right sequence across different channels, physical, digital or hybrid, will mainly depend on the content to communicate and the preference of HCPs.

*Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020*
Best Practices

Execution & Performance Monitoring: Definition

To measure the efficacy and efficiency of communication channels, it is essential to use key execution indicators (KEIs) and key performance indicators (KPIs).

- For purposes of clarity and efficacy, monitoring metrics should be of two kinds:
  - **Key Execution Indicators** (KEIs) which measure the quality of execution of an activity or of a project
  - **Key Performance Indicators** (KPIs) which measure the outcome of an activity or a project

KEIs are measurement tools enabling to control and monitor the execution of an action or a series of actions (project).

KPIs are measurement tools enabling to evaluate how far the objective set has been achieved.

“If you cannot measure it, you cannot improve it”

Sources: Smart Pharma Consulting
Best Practices

Execution & Performance Monitoring: Tools (1/3)

Key execution indicators and key performance indicators, which can be quantitative and/or qualitative, must be carefully selected to monitor the use and impact of different channels.

Key Execution Indicators

- % of targeted HCPs contacted in-person by Med Reps
- Number of interactions with HCPs
- Bounce rate of a website
- Opening rate of e-mailings, webcasts, etc.

Key Performance Indicators

- Number of new prescribers
- Average # of prescriptions per HCP
- Prescription dynamics per HCP
- Sales dynamics
- Return on investment
- Corporate reputation improvement
- Perceived quality of products / portfolio
- Perceived value of services offered
- Brand Preference Mix Index (BMPi)¹
- Net Promoter Score (NPS)

Illustrative

Sources: Smart Pharma Consulting

¹ Corporate reputation x products image x perceived service quality: see Smart Pharma Consulting website
Best Practices

Execution & Performance Monitoring: Tools (2/3)

The Brand Preference Mix Index makes it possible to measure the evolution of individual HCPs Experience compared to competitors at a given point of time and overtime.

**Brand Preference Mix Index (BPMi)**
- The BPMI measures, HCP by HCP:
  - The importance of the 3 components of the BPM
  - His perception of each of them on a 10-point scale

  ![BPM Index Calculation](image)

- The BPMI enables to determine:
  - The root-causes underlying the commitment of each HCP for a brand
  - Actions to strengthen his attachment to the brand

**Net Promoter Score (NPS)**
- The NPS measures the degree to which HCPs will recommend a brand, a service or a company to another healthcare professional
- The NPS can be used to evaluate a touchpoint at a given moment or the overall HCP experience
- The NPS is the % of promoters minus the % of detractors

![NPS Scale](image)

- By asking customers why they would be likely or not to make a recommendation, it is possible to identify solutions to convert detractors into promoters

Sources: Smart Pharma Consulting – “The One Number You Need to Grow”, F. F. Reichheld, HBR, December 2003
The BPMi, specifically designed to measure HCPs opinion, is the most complete indicator but it could be advantageously complemented by the NPS.

**Brand Preference Mix Index (BPMI)**
- It measures overall and specific experiences...
- ... including rationale and suggestions of improvement
- It enables comparisons vs. competitors
- BPMi being a holistic metric (incl. brands, companies, services), it may be perceived as complex to implement
- Not yet broadly known and used, unlike NPS

**Net Promoter Score (NPS)**
- The NPS focuses on overall experiences
- It is a long-term satisfaction metric
- It measures how many HCPs are likely to advocate the brand
- Promoters, detractors and passives segments are theoretical
- The single question asked does not enable to define the actions to be taken to correct or reinforce the situation

Sources: Smart Pharma Consulting

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1 They do not necessarily reflect the reality of the customers behavior. One customer can evaluate a brand with a “8” and talk positively about a product and another one with a “10” may not talk about the brand, either positively or negatively.
## Best Practices

### Execution & Performance Monitoring: Application (1/2)

If it is difficult to measure the impact on performance of one isolated channel at one point of time, it is however easier to measure the quality of execution so that to keep on improving.

<table>
<thead>
<tr>
<th>Channels</th>
<th>Key Execution Indicators</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-person calls</td>
<td>Call duration</td>
<td>The impact of the different channels will strongly depend on:</td>
</tr>
<tr>
<td></td>
<td># of calls p.a.</td>
<td>- The objective sought</td>
</tr>
<tr>
<td>Phoning</td>
<td></td>
<td>- The quality and ...</td>
</tr>
<tr>
<td>Remote calls</td>
<td>Memorization rate</td>
<td>- ... the relevance of content conveyed by the channel</td>
</tr>
<tr>
<td>TV-IDTV</td>
<td>Satisfaction score</td>
<td>Irrespective of the considered channel, the following KPIs could be selected:</td>
</tr>
<tr>
<td>Personalized E-mails</td>
<td>Opening rate</td>
<td>- Change in opinion (e.g. Brand Preference Mix Index, Net Promoter Score)</td>
</tr>
<tr>
<td>Mass E-mailings</td>
<td>Time to opening</td>
<td>- Change in behavior (e.g. prescription share)</td>
</tr>
<tr>
<td>Mailings</td>
<td>Memorization rate</td>
<td>- Impact on the # of treated patients, the prescription share, the market share, the sales</td>
</tr>
<tr>
<td>Digital / hybrid congresses or symposia</td>
<td>Satisfaction score</td>
<td>dynamics, etc.</td>
</tr>
<tr>
<td>E-meetings / hybrid</td>
<td># of invitees</td>
<td></td>
</tr>
<tr>
<td>Congresses or symposia</td>
<td># of registered invitees</td>
<td></td>
</tr>
<tr>
<td>Meetings</td>
<td>Satisfaction score</td>
<td></td>
</tr>
</tbody>
</table>

### Sources:
Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020.
Best Practices

Execution & Performance Monitoring: Application (2/2)

If it is difficult to measure the impact on performance of one isolated channel at one point of time, it is however easier to measure the quality of execution so that to keep on improving

<table>
<thead>
<tr>
<th>Channels</th>
<th>Key Execution Indicators</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma websites</td>
<td># of visits</td>
<td>The impact of the different channels will strongly depend on:</td>
</tr>
<tr>
<td></td>
<td>Frequency of visits</td>
<td>– The objective sought</td>
</tr>
<tr>
<td></td>
<td>Duration of visits</td>
<td>– The quality and ...</td>
</tr>
<tr>
<td></td>
<td>Click rate</td>
<td>… the relevance of content conveyed by the channel</td>
</tr>
<tr>
<td>Independent websites</td>
<td></td>
<td>Irrespective of the considered channel, the following KPIs could be selected:</td>
</tr>
<tr>
<td>Social media</td>
<td></td>
<td>▪ Change in opinion (e.g. Brand Preference Mix Index, Net Promoter Score)</td>
</tr>
<tr>
<td>HCP Portals</td>
<td></td>
<td>▪ Change in behavior (e.g. prescription share)</td>
</tr>
<tr>
<td>Computer ads</td>
<td></td>
<td>▪ Impact on the # of treated patients, the prescription share, the market share, the sales</td>
</tr>
<tr>
<td>E-press</td>
<td>Reach (# of HCPs exposed to the ad)</td>
<td>dynamics, etc.</td>
</tr>
<tr>
<td>Press</td>
<td>Frequency (# of times each HCP is exposed)</td>
<td></td>
</tr>
<tr>
<td>SMS – MMS</td>
<td>Response rate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time to response</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020
Best Practices

Recommendations

In the Covid-19 context, the omnichannel strategy should be designed to secure an effective level of interactions with HCPs to keep on strengthening their preference for the promoted brands.

- **Long-Term Objective**
  - Strengthen HCPs Preference for brands $^1$

- **Short-Term Objective**
  - Maintain an effective level of interactions with HCPs

1. Develop an interaction content fulfilling expectations of each HCP
2. Use in priority channels that are preferred by each HCP
3. Favor most effective channel sequencings per HCP
4. Define the optimal level of resources allocated $^2$ per HCP
5. Systematically measure the quality of execution and the impact of various communication channels

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Sources: Benchmarking study (7 French Affiliates of Pharma companies) and analysis carried out by Smart Pharma Consulting in August and September 2020

$^1$ In the best interest of patients, HCPs and payers  
$^2$ Human and financial resources
Consulting firm dedicated to the pharmaceutical sector operating in the complementary domains of strategy, management and organization

The Market Insights Series
- The Market Insights Series have on common to:
  - Be well-documented with recent facts and figures
  - Highlight key points to better understand the situations
  - Determine implications for key stakeholders
- Each new issue is designed to be read in 15 to 20 minutes and not to exceed 20 pages

Issue #16
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- Execution & Performance Monitoring
- Recommendations

Smart Pharma Consulting Editions
- Besides our consulting activities which take 85% of our time, we are strongly engaged in sharing our knowledge and thoughts through:
  - Our teaching and training activities
  - The publication of articles, booklets, books and expert reports
- More than 80 publications, in free access, can be downloaded from our website, of which:
  - 18 business reports (e.g. The French Pharma Market)
  - 9 position papers in the “Best-in-Class Series”
  - 16 position papers in the “Market Insights Series”
  - 8 position papers in the “Smart Manager Series”
  - 10 position papers in the “Smart Tool Series”
- Our research activities in pharma business management and our consulting activities have shown to be highly synergistic
- We hope that this new publication will be useful for you
- We remain at your disposal to carry out consulting projects or training seminars to help you improve your operations

Best regards
Jean-Michel Peny