

E-Marketing on proprietary websites and beyond



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Despite much recent investment in e-health, the big pharma producers haven't yet fully embraced the Internet for sales and marketing, write Aleksandar Ruzicic and John Haughey of Almasan Ltd, the dedicated e-marketing consultancy. Here's how they can.

Recent market research from Jupiter Communication found that in the US, 69% of pharmaceutical marketing executives spend 3% or less of their DTP (Direct To Profession) marketing budgets online. More surprising is that 56% of respondents plan to increase their online DTP budgets by 25% or less, while 58% will increase their meager online DTC (Direct To Consumer) spending by 25% or less.

However, pharmaceutical companies adopting Jupiter's advice and experimenting with new marketing approaches achieve promising results. According to Cyber Dialogue, the Internet generates prescriptions through DTC at a fraction of the cost of more traditional channels such as print and television. The cost of one prescription generated online in the US is only \$54, compared to \$152 by television, and \$318 by print. Furthermore, e-marketing suppliers claim far superior access to physicians through the online channel.

Iphysiannet, a company providing broadband video detailing, claims a fourfold increase in the

duration of physician details to more than 8 minutes. Physician Interactive (www.physinteractive.com) reports that 70% of participating physicians choose to be e-detailed outside traditional office hours. A recent study on a Physician Interactive programme for a top pharmaceutical company, conducted by HyGro Group, documented increases in ROI of 480% and brand share growth from 3% to over 9% among participating physicians. It is important to note that this programme was completed for a large, mature brand that had been on the market for six years and was nearing the end of its patent life.

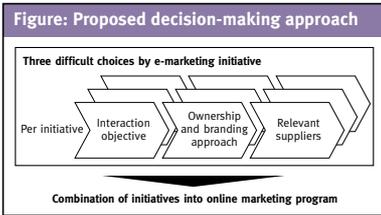
Marketers looking to identify winning e-marketing initiatives should consider carefully increasing evidence that both physicians and consumers prefer unbiased, independent information online. A recent research by the Boston Consulting Group shows that European consumers prefer groups of university clinics, medical associations, and university clinics

over pharmaceutical companies and commercial providers; only 25% trust and use information provided by the latter compared to 70-80% for the former.

When undertaking any e-marketing initiative, marketers have to make difficult choices across three specific axes, choices we will explore further in this article. For optimal effect, however, they also have to combine the individual initiatives into an overall online marketing programme. The three choices relate to the objectives, the approach, and the external support for the e-marketing initiatives.

1. What is the objective of the interaction, and which target audience should be addressed?

We suggest the traditional patient/physician flow analysis to answer this question (see figure). However, due to the new interactive opportunities of the Internet, the appropriate actions might differ from the offline marketing and sales approach.



2. How should the target audience be addressed?

We propose a decision-making framework to decide on the ownership and branding for the initiative. Companies will have to identify the best approach to reach their target audience and achieve their objectives as identified above, and resist the temptation to control all aspects directly.

3. Who can help to make the initiative a success?

Many companies have been formed to help marketers in their undertakings. In addition to their services, they already offer scarce implementation know-how. We will

segment the potential partners into different categories, and discuss their ability to help in implementing successful e-marketing initiatives.

What is the objective and which audience is targeted?

A typical patient/physician flow analysis is used to identify the best marketing approach for the (offline) marketing mix. We suggest using the same approach for e-marketing initiatives, while leveraging the additional opportunities presented by the interactive nature of the Internet. See the table for some Internet-based examples by patient/physician flow.

The Internet offers fundamentally new, interactive approaches that are not available through other channels. Examples include patient/physician interactions, active communities, and physician-physician interactions, such as:

- Patient/physician interactions for compliance and disease management

Leading disease management companies, such as *www.lifechart.com*, exploit mobile input/output devices for fundamentally new approaches to chronic conditions, such as

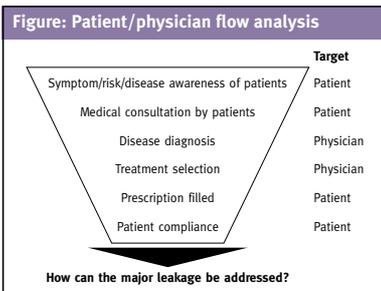
asthma, diabetes, and cardiovascular

- Active communities for peer support
Pharmaceutical companies are using patient and relative communities to help each other with compliance (*www.habitrol.com*) or the difficulties of care giving (*www.mswatch.com*)
- Physician to physician interactions
Marketers have started to leverage opinion leaders online to influence large groups of interested specialists and GPs similar to symposia and congresses. They are using among others MedPanel's Medcast services (*www.MedPanel.com*), and Conceptis' Cybersessions on its cardiology Web site *www.theheart.org*.

How should the target audience be addressed?

The two main questions to be answered are the ownership and branding for the initiative. Marketers have to trade off between independence and company control. They also have to choose between a product and a disease branded site.

Regarding ownership, pharmaceutical companies have to resist the



Flow	Product/disease	Sponsor/supplier
Symptom, risk, and disease awareness	STI-571 (orphan drug for leukemia by Novartis)	Independent patient groups through viral marketing
Patient consultation	Claritin (using asthma Web site)	Schering-Plough
Disease diagnosis	Prozac (using the Zung tool for depression)	Eli Lilly
Treatment selection	e-detailing and online Phase IV trials for physicians	Various, marketers use many e-marketing suppliers
Prescription filled	e-prescriptions through wireless devices	Various, e.g., Merck Medco/ Express Scripts/Advance PCS
Patient compliance	Meridia ('Point of Change' Weight Management Program)	Knoll/BASF Pharma

temptation to control initiatives that might jeopardise their targeted objectives. If they want superior access to the targeted audience, they need to co-operate with independent associations or commercial portals. These organisations and companies have

Figure: Branding and infrastructure ownership

	Company site	Independent site
Disease branded	<ul style="list-style-type: none"> Consumer communities for severe conditions, e.g., www.watch.com Pharmacoeconomic and experience trials, e.g., www.glaukom.de 	<ul style="list-style-type: none"> Support of patient/physician associations Unrestricted educational grants for physician CME Content sponsorships for consumer/physician sites
Product branded	<ul style="list-style-type: none"> Consumer sites for lifestyle diseases, e.g., Viagra Patient compliance, e.g., www.habitrol.com 	<ul style="list-style-type: none"> Online market research e-Detailing to physician Online experience trials

established relationships with the audience, and give access on a sponsorship, unrestricted grant, or fee-for-service basis.

Depending on regulations and objectives, marketers will have to decide about branding initiatives with a disease (soft branding), or a product (hard branding). While product branding offers the best opportunity for competitive marketing initiatives, disease branding is usually required to leverage independent and unbiased associations/portals. Many companies are undertaking initiatives to promote a set of products in the same therapeutic area, or targeting a specific physician segment on behalf of the overall company. These initiatives in general neglect the patient and physician requirement for independent and unbiased information, as evidenced by the research. It will be difficult for pharmaceutical companies to compete with associations, portals, and hospitals for a holistic relationship, and still remain focused on selling proprietary products.

The attempt of pharmaceutical marketers to capture consumer/patient and/or physician relationships exclusively, can best be compared

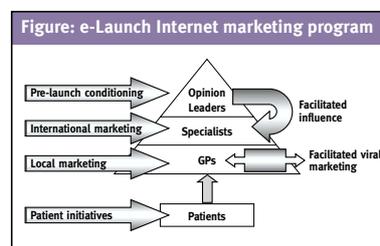
with the impact the Internet had in another industry – financial services. Internet discount brokers have forced banks to make third party mutual funds available to their clients, giving-up the proprietary product portfolio in favour of capturing the customer relationship.

However, pharmaceutical companies do have a highly valuable asset, ongoing access to physicians through their large sales forces.

Pfizer has decided to use its 8,000 US sales representatives to promote a Web-based practice management service. The company has announced a partnership with IBM and Microsoft to set-up a separate venture that will challenge already established companies such as WebMD. The new entity will be independent, and will not be used to promote Pfizer's products or advertise to physicians.

Who can help to make the initiatives a success?

We have segmented the supplier market into six segments, given their distinct value proposition to pharmaceutical marketers. Key for a successful relationship is defining a clear marketing strategy before contacting vendors, since they all



offer solutions to reach very specific objectives. Without a clear strategy, marketers risk their implementations being driven by the technology solutions of their vendors, rather than the strategic needs of their products. The six segments are described below:

1. Online authorisation services of medical professionals

These companies provide outsourced verification services to medical professionals. Especially in Europe, companies have to adopt these services due to stringent regulations for DTC. Most companies provide only country-specific, or language-specific solutions, such as www.medipass.fr for French sites, or www.doccheck.com for German sites. There are currently very few truly global solutions, such as Physician Verification Services (www.verifies.com).

2. Online market research solutions companies

These companies provide full solutions, and are usually offered by general market research experts, covering quantitative research with both physicians and consumers/patients. Global services are offered for example by www.pslgroup.com. www.medpanel.com offers a unique qualitative research with academic physicians and opinion leaders on a global basis, enabling clients to save significant time and cost while obtaining high-quality research results.

3. Reach/traffic providers

Traditionally, portals provide the bulk of the reach and traffic. They can be segmented by target audience (GPs, specialists, consumers/patients), geographic reach, and covered topics (general, specific diseases). In the US, the offer is large and highly fragmented. Marketers also need to consider the financial stability of their potential partners when closing a deal. Europe has mostly general portals for physicians and consumers, with several successful national sites, such as www.doctors.net.uk. Additionally there are a very few pan-European players such as

www.planetmedica.com and *www.netdoktor.com*. Europe currently lacks specific deep and narrow portals, those that do exist being provided by associations and healthcare providers on a non-profit basis.

4. Content providers

Most portals, publishers, and e-care companies provide all the necessary content for Internet initiatives. Marketers need to carefully select the content they require since content deals can become costly, while not offering substantial differentiation to sites competing for the attention of the target audience. Since content is also generally available, marketers should be taking notice of who else the information is being syndicated to, and explore exclusivity clauses if they wish to capture a strategic advantage.

5. E-care companies

Most prominent are disease management companies, offering their services online and, more recently, through wireless devices such as the globally operating *www.lifechart.com*. Companies not requiring a one-stop shop, and looking for a technology platform should explore companies such as *www.softwatch.com*, who provide eHealthcare Relationship Management solutions on a global basis.

6. E-Marketing/sales solutions

The market offer can be segmented into technology platforms and one-stop-shop e-marketing services to physicians. While most vendors have very specific approaches, they tend to offer their services only in the US. Exceptions include *www.siebel.com*,

the leader in multi-channel CRM solutions, and its partner *www.synavant.com*. *www.iphysician.net.com* provides a unique broadband physician video facility in the US, which many of the leading pharmaceutical companies have adopted. Suppliers such as *www.mydrugrep.com*, *www.medsite.com*, *www.physinteractive.com*, and more traditional Contract Sales Organisations, such as Innovex and Ventiv Health, provide one-stop-shop services.

Combining initiatives into an Internet marketing programme

To be more than a reaction to the Internet, individual company initiatives to influence the patient/physician flow need to be combined into an overall Internet marketing programme. These programmes will depend on the life cycle stage of the product, and differ for pre-launch, launch, Rx-to-OTC, and patent expiry. Even as they change over time, all programmes need a strategic consistency that unites content, presentation and interaction in a compelling fashion to achieve marketing objectives.

Let's focus on the most important step, the launch of a pharmaceutical product. Similar to offline launch programmes, where companies have adopted sophisticated approaches to target physicians and patients, they will have to adopt an orchestrated and carefully timed e-launch programme. It might start with pre-launch activities targeted at opinion leaders, and conditioning them to the new product. These opinion leaders are subsequently used to influence the relevant early adopters,

who are interested to follow opinion leader discussions. The majority of prescribing physicians, specialists and/or general practitioners, are targeted through suppliers of e-marketing and sales services, such as e-detailing, and online Phase IV trials. Marketers can also exploit the Internet to facilitate viral marketing among those physicians. Depending on the product and local regulation, marketers will target patients with general awareness programmes, product branding initiatives, and compliance/disease management initiatives.

Over time, pharmaceutical companies will have to complement existing marketing processes to include Internet activities. The global and local product teams responsible will be tasked to use the appropriate planning processes, which will be developed through experience with initial pilot approaches. Advanced pharmaceutical companies will not use the Internet solely as a marketing channel, but will also adopt online workflow and collaboration tools. They will capture the institutional learning across individual products more effectively, and avoid loss of critical know-how due to loss of key personnel.

Authors' note: Aleksandar Ruzicic and John Haughey are managing director and operations director, respectively, with Almasan, the dedicated e-marketing consultancy. Previously employed as consultants with McKinsey and PA Consulting, they combine many years of healthcare sector experience and can be reached at aleksandar.ruzicic@almasan.com and john.haughey@almasan.com.