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Conference Insights

## *Online Marketing and eDetailing Europe:*



*in-depth report from an eyeforpharma conference*

held in Berlin, 18–19 April 2007

by Steve Doyle



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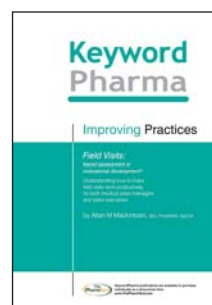
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# Online Marketing and eDetailing Europe:

*in-depth report from an eyeforpharma conference*

by Steve Doyle

## Executive summary

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The pharmaceutical industry's commercial strategy has long been dominated by the sales force. The combination of an over-reliance on traditional sales and marketing methodology and a naturally conservative industry mindset has seen the industry remain a slow adopter of new technologies. Yet, as usage among customers and patients alike continues to increase, the need to exploit the e-channel grows with it. The pharmaceutical industry must develop a new approach beyond the field force and deliver on the undoubted promise of e-marketing.

The pharmaceutical industry has made limited progress with online marketing and e-detailing. Pilot programmes have increased significantly in number, but despite their undoubted success, national roll-outs remain rare. Equally, as the sector becomes more familiar with customer relationship management (CRM) and its benefits, and the coordination and integration of e-marketing initiatives into traditional strategies improves, widespread support for the e-channel has yet to emerge. The e-approach is producing true, demonstrable results, yet uptake remains sluggish.

To cloud the argument further, the rapid advancement of online technology has led to what experts have dubbed 'the Web 2.0 phenomenon'. Internet capability has become more sophisticated, opportunity has increased and the way consumers use the internet has been revolutionised. The pharmaceutical industry is challenged with maximising new, dynamic and interactive technology, almost before it has embraced the opportunity provided by the web in the first wave.

This *Conference Insights* review assesses the eyeforpharma conference, *Online Marketing and eDetailing Europe*, held in Berlin, 18–19 April 2007. It summarises a wide range of expert insight into the industry's e-marketing progress in the past 12 months, providing case studies of some of the most successful recent attempts to exploit the e-channel. It examines the online behaviour of the industry's customers, the growth of CRM and the promise of e-detailing. The report also offers solutions to the many challenges facing the sector – not least how to capitalise on the opportunities provided by Web 2.0.

It concludes that the industry's biggest barrier to progress is not, in fact, technology, but its own mindset. Pharma must accept and adopt a new culture. Its customer base, long considered more conservative than pharma, adapted to the new environment a long time ago.

## Contents

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Online Marketing and eDetailing Europe – programme	4	Physicians' online behaviour	11
Introduction	6	e-Detailing	12
About the author	6	Challenge the marketing mix	13
A customer-centred experience	7	Launching a product with only e-detailing	15
Beyond 'share of voice'	7	Web 2.0 – hype, help or hindrance?	16
Communicate with the customer in the way <i>they</i> prefer	8	Conclusion	19
Online CRM systems	11	Further reading	20

# Online Marketing and eDetailing Europe – Programme

Organised by eyeforpharma, Berlin, 18–19 April, 2007

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## Day One

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**Chairman:** Craig DeLarge, *Associate Director, eMarketing, Novo Nordisk*

### **Learn from Bayer Schering's strategic approach towards online marketing and eBusiness**

Roberto Franzo, *Director of IT/E-Business and Customer Services, Bayer Schering Pharma*

### **The end of 'share of voice' – hear how this change drives new opportunities for your eMarketing and eDetailing projects**

Pierre De Nayer, *Managing Director, Citobi*

### **How to integrate your online activities into sales & marketing strategies**

Veronica Johow, *Web Manager, AstraZeneca*

### **An introduction to the first, dedicated business network for the pharmaceutical industry**

Ross McGrath, *Project Manager, eyeforpharma.net*

### **Adapt your eMarketing strategy to the needs of local markets, link across different countries and develop a truly global approach**

Vendula Macháčková, *Business Development Director Region Europe, Pears Health Cyber*

Tomas Vetrovsky, *Business Director iPharma, Pears Health Cyber*

### **Cross-channel sales and marketing integration management strategies**

Fonny Schenck, *Executive Director CRM, Janssen-Cilag*

### **How to develop and capitalise on a multi-channel follow up of the online and offline data**

Jurgen Greilich, *Head of Global Information Management Sales & Marketing, Solvay Pharmaceuticals*

### **10 Interactive roundtables**

For details visit: [www.eyeforpharma.com/edetail2007/roundtables.shtml](http://www.eyeforpharma.com/edetail2007/roundtables.shtml)

### **Build your strategy upon the most extensive and comprehensive market research conducted on doctors' attitudes and internet usage in the last 5 years**

Peter Ward, *Managing Director, Doctors.net.uk*

### **Comprehend physicians' online behaviour and learn to tailor content of your online campaigns to meet their expectations and needs**

Pavel Sedláček, *Team Leader Cardio/Metabolic/CNS/Pain, Pfizer*

### **Do you believe enough in your product to be convinced that if only the physicians truly understood its benefits they would also prescribe more? If so, we have good news – your challenge lies within communication**

Morten Hjelmso, *Founder and Managing Director, Agnitio*

## Day Two

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**Chairman:** Len Starnes, *Head of European E-Business, Bayer Schering Pharma*

### **eDetailing: how to avoid the 'Hall of Blame'**

Dr Frank Antwerpes, *CEO, DocCheck®*

### **The next generation of eDetailing – how to extend the lifecycle of online activity and retain your most dedicated customers**

Erik Hawkinson, *Lead, eMarketing, Berlex (Bayer US)*

### **Manage eDetailing across channels – how to leverage face-to-face eDetailing to increase marketing effectiveness**

Silvano Perrotta, *Sr Manager, Accenture*

### **How to calculate the ROI from eDetailing – hear about 3 case studies to challenge the marketing mix**

Nic Holladay, *Commercial Director, OnMedica Group*

### **Choose the right multimedia technologies and interactive tools for your brand**

Moderator: Craig DeLarge, *Associate Director, eMarketing, Novo Nordisk*

**Panellists:** Irina Osovskaya, *eBusiness Manager, Janssen Cilag*

Christian Czech, *External Marketing, Bayer Schering Pharma*

### **Internal podcasting: a case study of the power of this new medium in the pharmaceutical industry**

Erik van der Zijden, *Creative Partner, DigiRedo*

### **The Web 2.0: how to make the best usage of the second-generation of internet-based services to stay ahead of the pack**

Ersin Kurun, *Senior Group Leader, e-Communications, Altana Pharma*

### **The Web 2.0 era: explore and evaluate the potential of online marketing and hear what you should do to maximise your opportunities**

**Moderator:** Meredith Abreu, *Vice President, Research, Manhattan Research*

**Panellists:** Len Starnes, *Head of European E-Business, Bayer Schering Pharma*

Hedwig Scheck, *Manager eBusiness, GlaxoSmithKline*

Ersin Kurun, *Senior Group Leader, e-Communications, Altana Pharma*

### **Gain an exclusive insight into paid search advertising and click-fraud issues for the pharma industry**

Chris Jones, *Associate Director, eMarketing, Genzyme*

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## Introduction

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The first eyeforpharma conference, *Online Marketing and eDetailing*, was held in Berlin in 2006 (an in-depth report of this conference is available at [www.keywordpharma.com](http://www.keywordpharma.com)). It focused on a 'new era of enlightenment', with internet technology at the forefront of communication with European physicians. The general feeling was that, after a decade of hype and expectation, e-marketing was going to begin to deliver tangible benefits. The pharmaceutical industry appeared to be entering a phase of active implementation of e-marketing strategies with realistic expectations. Pilot programmes had been successfully completed, the importance of integrating

e-marketing into the rest of the traditional marketing mix was accepted and pharmaceutical companies were deploying 'e' solutions such as e-detailing, customer relationship management (CRM) and consumer compliance applications.

Twelve months on, and the 2<sup>nd</sup> *Online Marketing and eDetailing Europe* conference provided an ideal opportunity to see how much further the pharmaceutical industry had progressed along the road of embracing online marketing.

Many of the themes discussed at the conference were familiar, but they remain key to the successful utilisation of the online channel: how to integrate e-business with other commercial activities, how best to measure effectiveness and the thorny issue of return on investment (ROI), and how to maximise impact with the e-audience.

However, the conference also covered new issues, such as the benefits and potential pitfalls of adopting the set of principles and practices known as Web 2.0. The concept of social networks means that users generate much of the content and that control passes more completely to the customers, be they physicians or patients. With this in mind, what are the opportunities facing pharmaceutical companies?

This *Conference Insights* reviews some of the major presentations that were made at the meeting, discusses exactly how far the pharmaceutical industry has moved on in the past 12 months and looks at what the future holds online for pharmaceutical companies.

**Steve Doyle**

July 2007

### About the author

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Steve Doyle has over 25 years' experience in pharmaceutical sales and marketing management. After starting in the industry as a medical representative, Steve moved into marketing and has held senior marketing roles at blue chip companies such as Wyeth, Syntex and Roche.

On the service side, for 6 years he was the Marketing Director of a major UK e-detailing provider. He has experience in building and developing website communities, and has been involved in all aspects of online marketing, including e-mail marketing, e-CME, e-detailing and online market research.

Steve currently runs his own marketing consultancy – The Virtual Marketing Department – which specialises in providing outsourced marketing support and interim management to both pharmaceutical companies and healthcare agencies. The Virtual Marketing Department provides for its clients a full range of marketing expertise, from developing strategic and marketing plans through to campaign management and implementation. In particular, it focuses on online marketing expertise and how to integrate the online channel with traditional marketing activities. Clients have included Roche, Elan Pharmaceuticals, Ethicon and Innovex.

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# Online Marketing and eDetailing Europe:

*in-depth report from an eyeforpharma conference*

## **A customer-centred experience**

Chairman Craig DeLarge (Novo Nordisk) introduced the first day by reviewing the key commercial issues facing the pharmaceutical industry that are causing a re-examination of how to promote to healthcare professionals (HCPs).

He talked about the ever-decreasing time that HCPs have for face-to-face meetings with representatives, saying that this was happening just as HCPs were “fleeing into the interactive space and on to the internet for convenience purposes”. This change in behaviour was, he said, “really upsetting our sales-orientated marketing model”.

DeLarge stressed the importance to the industry of adapting the communication style that it uses to the new media, as what works offline would not necessarily be effective online. In order to be successful online, pharmaceutical companies have to deliver a customer-centred experience that is more than just selling interactions and promotional programmes. “In every other area of their [the customers] lives, the companies that are getting their attention and getting them to purchase their products are providing them with these customer-, versus product-centred, experiences. As an industry we are a bit behind but this is a competency we have to develop.”

*Pharmaceutical companies have to deliver a customer-centred experience that is more than just selling interactions and promotional programmes*

DeLarge believes that developing these competencies means breaking down the silos that naturally develop in large organisations. “There are departments, functions and people in my organisation, and in the vendor community, that I have to interact with now, that in

18 years of doing pharmaceutical marketing I have not had to interact with.”

## **Beyond ‘share of voice’**

The need to go beyond current thinking was taken up by Pierre De Nayer (Citobi). De Nayer believes that the pharmaceutical industry needs to move beyond what he called the ‘share of voice paradigm’. This is the idea that bigger is better in pharmaceutical sales and marketing, and that domination of the sales channel inevitably leads to commercial success. He suggested that companies should be striving to improve the quality of interaction with the physician using different channels rather than simply trying to increase the number of sales interactions. De Nayer also advised marketers “to consider both the whole patient flow and all stakeholders, not just physicians when drawing up the communication strategy” (Figure 1).

*Companies should be striving to improve the quality of interaction with the physician*

Figures presented by De Nayer from the USA demonstrated the increasing limitations associated with the face-to-face sales approach. Growing numbers of US physicians have been found to be either refusing to see representatives, actively putting up barriers to seeing them or, when they did see them, restricting the time the representative had in front of them.

Although these figures were US-based there is no doubt that other markets are facing the same issues when trying to access physicians.

The recent trend among the major pharmaceutical companies is a reduction in sales force size by up to 20%. During 2006 in the USA alone, four of the top ten pharma companies reduced their sales force numbers. The message, says De Nayer, is that the industry has to think beyond the field force. An alternative approach is for the elements of the e-marketing mix to be utilised across the ladder of adoption to meet a number of very

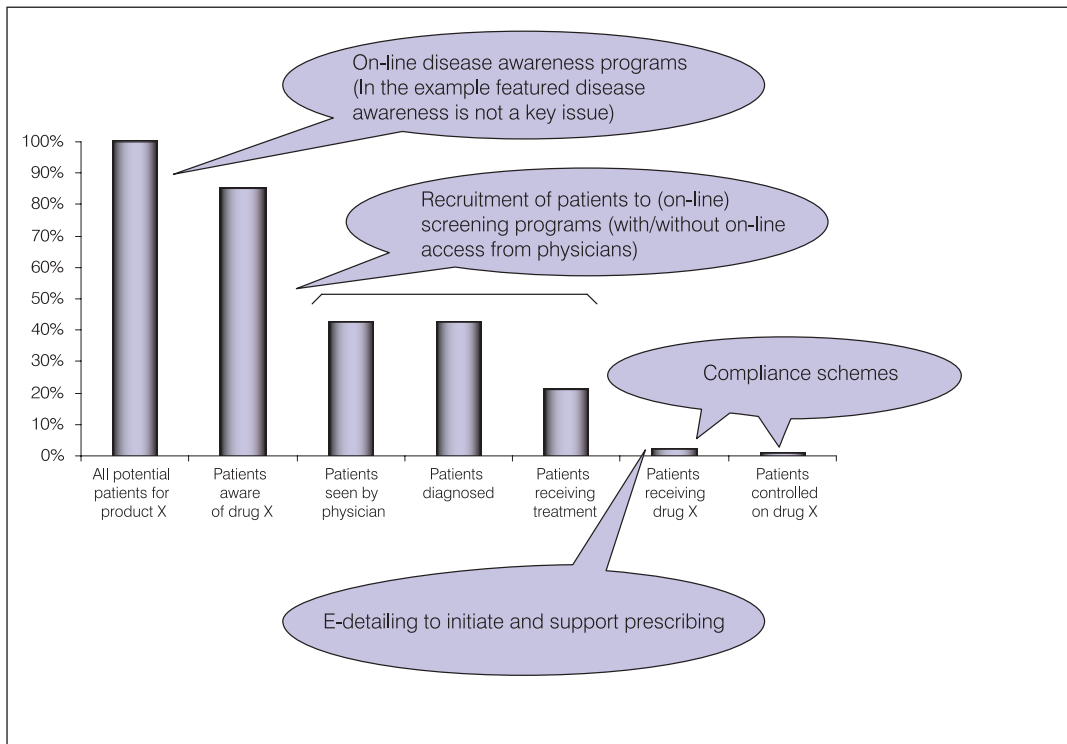


Fig. 1. Utilisation of the e-marketing mix to meet different marketing objectives. Reproduced with permission from Pierre De Nayer (Citobi).

different marketing communication needs. e-Marketing could, said De Nayer, be used in a variety of ways, such as:

- online disease awareness programmes
- the recruitment of patients to screening programmes
- e-detailing to initiate and support prescribing
- support programmes to encourage better patient compliance.

Key to the success of such programmes, though, is the integration of data using an effective CRM system. De Nayer used a number of case studies to demonstrate how this can be used effectively. He showed how, in one case, a CRM system was used to coordinate a multimedia campaign incorporating television, website and e-mail campaigns to build awareness of erectile dysfunction as a disease. After raising initial awareness using a television campaign, the users were encouraged to visit a disease awareness website and fill out a questionnaire, data from which were entered into a CRM system.

The results of the questionnaire enabled the company to identify the profile of the consumer and to initiate one of a series of six educational non-promotional e-mail programmes tailored specifically to that user's needs. A consumer who had not been aware of erectile dysfunction would receive a different series of e-mails from one who was aware of the disease but had not seen their physician. Similarly, that individual would receive a different set of e-mails from a consumer who had already been to a physician but whose treatment had failed.

By using six different profiles the company was able to match the information dispatched in the e-mails to the individual needs of that particular user.

A similar approach had also been used to run a patient compliance programme. Patients prescribed a particular anti-obesity product were encouraged by their physician to register on a closed website. From here, the patients had access to information about the product and about the condition itself. They were also sent regular e-mail updates and invited to complete online questionnaires, which gave valuable feedback on the patient's experience. De Nayer, like many of the speakers at the meeting, emphasised how online activity could and should be tied back in to sales force activity. Information from online activities undertaken by the physicians needs to be shared with the sales teams for them to action appropriately, to ensure closed loop marketing.

Such schemes have the potential for immediate commercial benefits to the company by potentially reducing the number of non-complying patients. However, they also provide a value-added service that is appreciated by patients and physicians alike. Furthermore, they provide a degree of protection against the generic erosion of sales.

## Communicate with the customer in the way they prefer

The importance of an integrated cross-channel sales and marketing approach was also a key element of the presentation by Fanny Schenck (Janssen-Cilag). Schenck showed how his company's e-marketing strategy had developed over the past 5 years and demonstrated how integration of the e-channel was key to their success.



Janssen-Cilag's target is that by the end of 2007 they should be able to deliver "a customer experience which exceeds expectations for the channel of choice". In other words, the company has to be prepared to communicate, and communicate well, with their customers on the customers' own terms.

"This means that it is not about sales force only, it is not about marketing, it is about using any channel that they [the customer] prefers to interact with", said Schenck.

In order to achieve its objectives, Janssen-Cilag identified four fundamental steps that needed to be taken:

1. To enhance customer intelligence and ensure easy access to it.
2. To integrate customer-facing processes across marketing, sales and services.
3. To develop the ability to tailor the company's approach to fit the needs and economics of the different customers and segments.
4. To track and monitor progress effectively.

The overall aim, said Schenck, was "to make every customer contact count."

Schenck started by reviewing the different sales and marketing approaches that pharmaceutical companies adopted in various defined market types based on an IMS evaluation. He noted that emerging markets such as China, India and Turkey were successfully implementing traditional sales deployment models, whereas more mature markets such as France, Italy, Spain and Portugal were also content to continue deploying the basic sales model. Relationship marketing here, he said, was generally effective and pharma was almost in a 'wait and see' mode. However, even in emerging and 'wait and see' markets it makes sense to be optimally prepared for the multichannel future (at Janssen-Cilag, for instance, Spain and Italy are quite sophisticated in multichannel).

Schenck then talked about the advanced markets such as the USA, Germany, Canada and the UK. In such countries, prescriber access is highly challenging and there are an increasing number of different stakeholders who need to be influenced. There are major ROI concerns about the continued use of the sales force model that have led to a number of different approaches being tried, of which e-marketing is only one.

According to Schenck, there has already been a change in attitude to e-marketing by physicians, at least in the USA. Research carried out by Manhattan Research in the USA in 2001 showed that only 25% of physicians had ever taken an e-detail. Indeed 44% of US physicians at that time claimed not only that they hadn't taken one but that they were not interested in taking one. Just under one-third (31%) said they were interested but hadn't taken one.

When the research was repeated in 2006, the figures had changed significantly (Figure 2). The number of physicians who had taken part in a presentation had increased to 39% and a further 41% said they would like to. Only 20% indicated that they would not want to take part. "This means that we potentially have an 80% response rate, which is huge", said Schenck. "It is also a lot better than that seen to date in Europe."

Similar usage work by Manhattan Research in Europe has shown that 87% of physicians have never completed an e-detail programme online. This indicates the potential for growth, assuming that European physicians follow a similar pattern of adoption to their US colleagues. "In the USA, 40% of physicians have [taken an e-detail] and are consistently interested, another 40% are interested but have not been confronted by it", said Schenck. "In Europe, 87% of physicians wouldn't recognize an e-detail if they saw one. So [it is] a big opportunity."

Schenck pointed out that the Manhattan Research data also contradicted the idea that e-detailing was in some way incompatible with sales force activity. In fact,

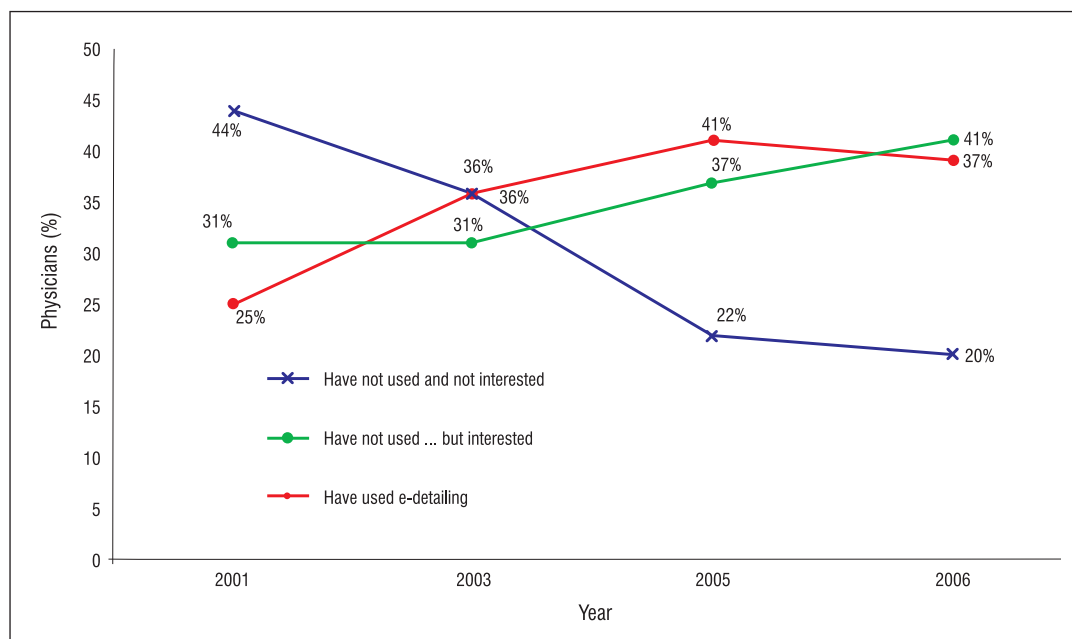


Fig. 2. Electronic detailing market trends in the past 12 months (based on all practising US physicians). Reproduced with permission from Manhattan Research and Fanny Schenck (Janssen-Cilag).

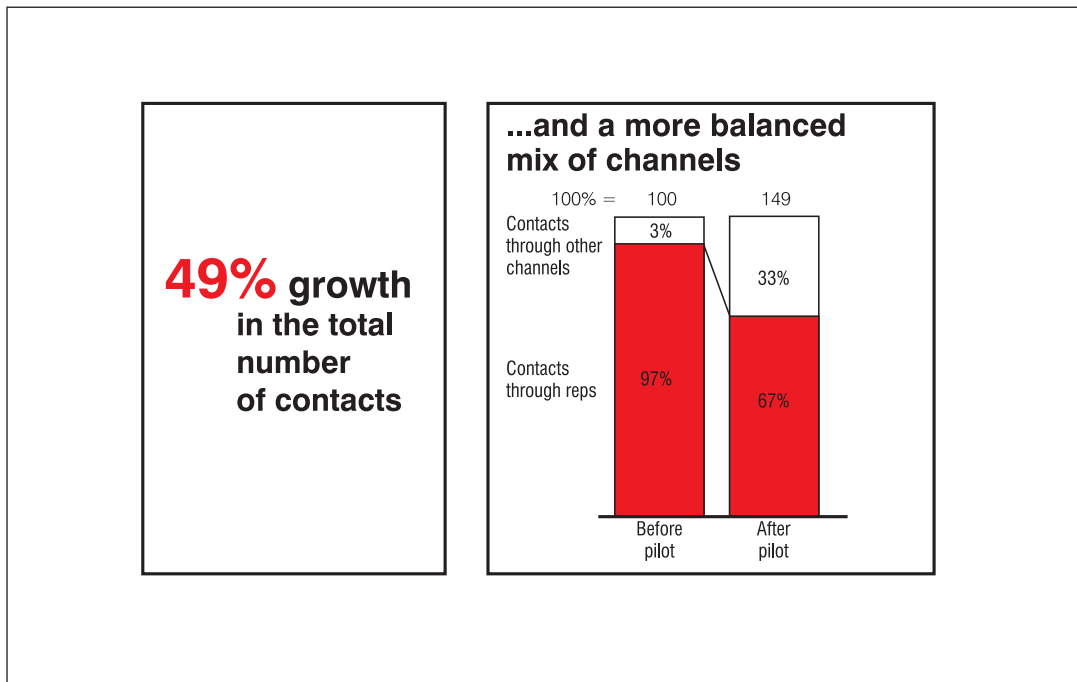


Fig. 3. Online channel impact – CRM approach. Reproduced with permission from Fanny Schenck (Janssen-Cilag).

they found that online activities could actually make it easier for physicians to see sales professionals. Of those physicians who had taken an e-detail, only 8% said that they thought they would either stop seeing representatives or spend less time with them, 21% of physicians thought that they would spend significantly more time with a medical representative after seeing an e-detail and 29% thought they would spend 'somewhat' more time with a representative.

### Putting the theory into practice

Integrating e-marketing into the marketing mix has not been a straightforward process. Initial pilots began at Janssen-Cilag 6–7 years ago. A few isolated efforts, utilising different approaches in different countries, showed that although e-marketing appeared to work the results were not consistent. Nevertheless, the results were sufficiently encouraging for multichannel communication (including e-marketing) to be included as one of the principal planks in a change management programme for the sales groups that was rolled out across Europe.

The programme, entitled Mission Top Selling, also included sales representative excellence, field sales manager excellence, and segmentation and targeting alongside multichannel communications as the four key drivers of change.

In 2002, the Janssen-Cilag vision, according to Schenck, was that the field force was the most important component. "We had other channels and, yes, the web was a key one, but we also saw mailings, meetings and other contacts as important channels, and we wanted to make sure they were all aligned". It was also key, he said, to ensure that feedback obtained from these other

channels was delivered back to the sales force so that one holistic effort was achieved.

Initially, e-marketing such as e-mailing was used as a tool to reach low-value customers, while the sales teams focused on high-value customers. The frequency of contact with key targets was increased by a variety of multichannel communications, including e-communications.

In one campaign (Figure 3) this led to an overall 49% increase in contacts with physicians and to an increase in non-direct contacts from just 3% prior to the campaign to 33% at the end of the campaign.

Initially, only contact information was shared through the system; however, as the programme developed, additional information about the physician could be gathered, such as:

- how long the physician spent on an e-detail
- whether they completed the e-detail
- the physician's attitude to the product and disease area.

This enabled the company to access the physician's response and work out whether anyone within the company, either sales force or medical, needed to communicate with the physician again. The response could also be used by marketing to assess the impact and suitability of the product messages and to develop new, more effective messages for the future.

The one drawback that became apparent was that as the information available became richer, analysing and utilising it became more difficult and time-consuming. In order to exploit the information being generated, it had to be integrated in 'closed loop marketing' using a full CRM system.

Schenck believes that although e-detailing is being piloted more frequently, there is still not a lot of evidence that pilots are moving towards a wider roll-out. Generally, where this has happened, such roll-outs have been successful. Where such a roll-out consists of a single e-detail campaign or even a series of campaigns this can be successfully implemented without the use of an integrated CRM system.

*Although e-detailing is being piloted more frequently, there is still not a lot of evidence that pilots are moving towards a wider roll-out*

However, to take the next step, which is segmentation-based marketing using behavioural or attitudinal information, or even to move to channel-based marketing, where communication is based on physicians' own preferences, it is essential to have integration. This integration includes not only the integration of sales and marketing systems but also a closer integration across the sales, medical and marketing functions themselves.

## Online CRM systems

Although there is a developing consensus around the principle of marketing and sales integration, there is still no real agreement as to how best to achieve this. Some companies are investing significant amounts of money in CRM systems that have immense capabilities to monitor, analyse and run integrated sales and marketing campaigns. Jurgen Greilich (Solvay) reviewed some of the drawbacks of using the CRM approach and suggested that there may be an alternative.

Greilich pointed out that large CRM systems are by their very nature complex and, as they sit across a number of in-house systems, take considerable time to install. In addition, the ROI for such systems may often take 3–4 years to recover.

Many pharmaceutical companies have already invested heavily in electronic territory management systems (ETMS) for sales force deployment. Although these ETMS may not lend themselves to integrating marketing as well as sales activities, the significant investment and the value of the data already collected make companies loath to abandon them.

Greilich suggested that an alternative may be to utilise a web-based application such as [www.salesforce.com](http://www.salesforce.com) to achieve at least a degree of integration. He presented a case study showing how Solvay were able to integrate the diverse data coming from company and product websites with the data coming from their ETMS using [salesforce.com](http://salesforce.com).

The Solvay websites and portals had access to the names of physicians who had registered and interacted with the site, who had requested newsletters and alert e-mails and who had received news direct from the website. However, none of this information about the physicians was reaching the sales force in a coordinated way, since face-to-face calls were being recorded and monitored using a stand-alone ETMS.

Greilich showed how, in a pilot programme, data from both systems could be added to [salesforce.com](http://salesforce.com) and then synchronised. The analytic and marketing campaign tools available as part of [salesforce.com](http://salesforce.com) could then be used to coordinate e-mail campaigns, to monitor and report user activity on the portal sites, and to add value to the sales force interaction with the physician.

*The ROI for CRM systems may often take 3–4 years to recover*

According to Greilich, the reporting functions also enabled the production of ROI for campaigns, a faster reaction to market trends and a consolidated sales report.

## Physicians' online behaviour

A panel discussion led by Peter Ward ([www.doctors.net.uk](http://www.doctors.net.uk)) looked at the findings of a new study into doctors' use of the internet. The panel included a practising GP from the UK, Dr Paul Sheridan, and a pharmaceutical physician from Boehringer Ingelheim, Dr Tony Shephard.

Ward presented the results of a telephone and internet study involving 1000 practising doctors from Spain, Germany, France, Italy and the UK. The sample included both primary and secondary healthcare professionals.

The results on internet usage were relatively unsurprising: this had continued to increase, with 90% of doctors now using the internet. However, when it is considered that in 2001 the corresponding figure was only 24%, this gives an indication of how rapidly the channel has grown. The question of whether or not doctors are online should no longer be in dispute.

*The question of whether or not doctors are online should no longer be in dispute*

Access to the internet for physicians occurs from a variety of locations. By far the most common is from home (53%), with the surgery second (28%) and hospital third (13%).

Up to 80% of doctors using the internet now do so using a broadband connection, whether from home or the surgery. This is an important factor to bear in mind when looking at the format for communicating with them. However, it would appear that doctors are still finding it difficult to find the time to get online during the working day. Most access for professional purposes takes place after work, with 60% saying this is when they access the internet for work purposes. Only 27% of doctors say they do so between consultations with patients, and the proportion of physicians actually using the internet during patient consultations is still very small (<4%).

In addition, the amount of time physicians are spending online is significant, with up to 15% using the internet more than 20 hours each week.

Education is a big driver of physician internet usage, with just over 80% of physicians using the internet for that purpose (Figure 4). In fact, 36% of all physicians' educational activities are now done online according to the survey; 61% of physicians claim that their use of online educational activities will increase considerably in the future.

Perhaps one of the biggest changes in physicians' use of the internet seen in the survey was the increasing use of online conferences. When asked how many online conferences the physicians had viewed in the previous 12 months the average had grown from 0.2 conferences in 2004 to 2.1 in 2006. This trend is likely to continue: 52% of physicians indicated that their use of such conferences is likely to increase greatly in the next 12 months.

So what influence should these observations have on the marketers' approach when putting together an online campaign? First, given the high proportion of high-speed connections, the marketer can be confident in

using interactive-rich material knowing that there is little likelihood that this will result in download delays.

Second, the fact that the physician is in the majority of cases viewing from home and is probably looking for educational material should influence the way material is presented. Rather than an overtly promotional approach, a more effective one may well be to ensure that there is a strong educational element to the campaign.

## e-Detailing

Day Two of the conference concentrated on e-detailing, the adoption of Web 2.0 and the challenges this might provide for pharmaceutical companies. Chairman Len Starnes (Bayer Schering Pharma) began by reviewing the progress pharma has made in e-marketing. In some areas, he said, significant progress had been made. There is now evidence that e-marketing activities are being more closely aligned with and integrated into the rest of sales and marketing activities using CRM systems.

However, while in some areas e-marketing had moved on, difficulties remained. Although the development of e-detailing had already been established as "a viable alternative to the sales force arms race", e-business professionals were often still confronting the same problems of having to convince the brand teams of that fact, of overcoming the scale-up issues and agreeing key performance indicators (KPIs) to measure its success.

Starnes suggested that given the amount of accumulated experience and evidence, the question pharmaceutical companies should be asking themselves is not whether e-detailing works, but how do we get the most out of it?

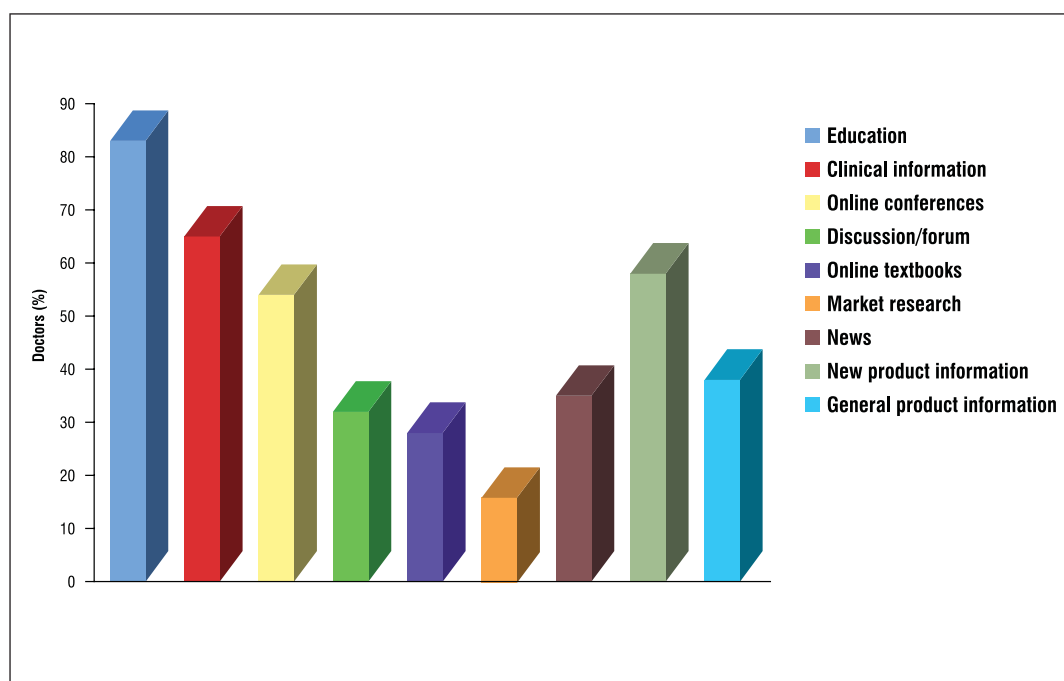


Fig. 4. What doctors are using the internet for. Reproduced with permission from Peter Ward ([www.doctors.net.uk](http://www.doctors.net.uk)).

## How to deliver successful e-detailing

The theme of implementing e-marketing activities was taken up by Frank Antwerpes (DocCheck®). Antwerpes gave guidance on how he felt e-detailing could be successfully deployed and presented four steps to avoid some of the common pitfalls encountered:

1. Don't wait
2. Don't push
3. Don't bore
4. Don't get lost.

### Don't wait

In the past year, Antwerpes estimated that less than 5% of pharmaceutical marketing budget had gone towards e-marketing, including websites, e-mailing campaigns and e-detailing. He also estimated that in Europe less than 0.5% of promotional budgets was spent on e-detailing, and nominated two main reasons for this lack of uptake.

First, too many marketers seemed to be waiting for "divine proof" that e-detailing works. This is despite the fact that many established methods of communication, such as direct mail and journal advertising, have such little measurable return. Second, he suggested that over-testing of details could result in a paralysis by analysis. As a result, development time for e-details was far too long, putting off a lot of marketers.

### Don't push

Antwerpes believes there is often a strong temptation for brand managers to assume that the internet is there as a channel solely to deliver their product message to the doctor. Antwerpes dismisses this, suggesting that on the internet "you have to be very polite".

Recruitment of doctors to an e-detail, for example, is often via e-mail, which is a very sensitive medium and one that you can close down very easily if you lose the trust of the physician. The most common mistakes made when recruiting to an e-detail are, according to Antwerpes, phoning the physician in his or her office with the invitation, using e-mail data that are out of date or using e-mail addresses without the implicit permission of the physician. It is not enough merely to have an e-mail address gathered, for example, through routine communication with a physician or from a website. The e-mail recipient must be aware at the time the e-mail is gathered why it is being collected and what will happen to it, and give their permission for you to use it.

*The aim should be to keep e-details short and the content suitable*

There is a way around this, and that is to use physician portals in the countries in which you intend to work. They have the permission and trust of the recipient.

Many portals have spent considerable time and money developing a relationship of trust with the physicians and they are therefore a trusted sender.

Using an e-mail list from an independent portal has other advantages, according to Antwerpes. Most portals have already established and registered themselves with the internet service providers, who actually deliver the e-mail to the end user, as a trusted sender, something not a lot of pharmaceutical companies do. Mail from such a 'trusted provider' is much more likely to reach the recipient's mail box than mail from a non-validated source. "Most pharmaceutical companies", said Antwerpes, "underestimate the complexity of e-mail delivery".

### Don't bore

The third element vital to getting e-detailing right is the content delivered to the physician. "Attention span on the internet is short", Antwerpes said. "Look at YouTube, the clips shown there are usually no more than 1–3 minutes long". The aim, he believes, should be to keep e-details as short. However, once you have engaged the physician they will very often access additional, optional information. When they have made a conscious decision to invest time looking at your product information the message delivered is much stronger than if the physician is coerced in some way into doing so.

The content of the e-detail also needs to be suitable. Far too many e-details resemble PowerPoint® presentations, according to Antwerpes. The physician needs to be entertained and educated, so rich media and video should be used to get the user to interact fully and become immersed in the information.

### Don't get lost

Finally, Antwerpes considered that one apparent benefit of the electronic channels – its measurability – can also be a major drawback. With electronic media one can measure so many different criteria it is possible to suffer from information overload. "Just because you can measure something doesn't mean you should", he said. He believed that the best approach is to develop a series of key indicators that show how you are performing against KPIs. He encouraged pharmaceutical marketers to "keep track of your customer, not your e-detail".

## Challenge the marketing mix

As a new communication channel, online marketing was always going to have to prove itself to pharmaceutical marketers. e-Detailing in particular, probably because of a mistaken view that it was a replacement for the sales force, has come under scrutiny. The question 'What is the return on investment for e-detailing?' has been constantly asked of vendors by pharmaceutical companies, despite the fact that very little such analysis has been carried out on traditional elements of the marketing mix. If it is

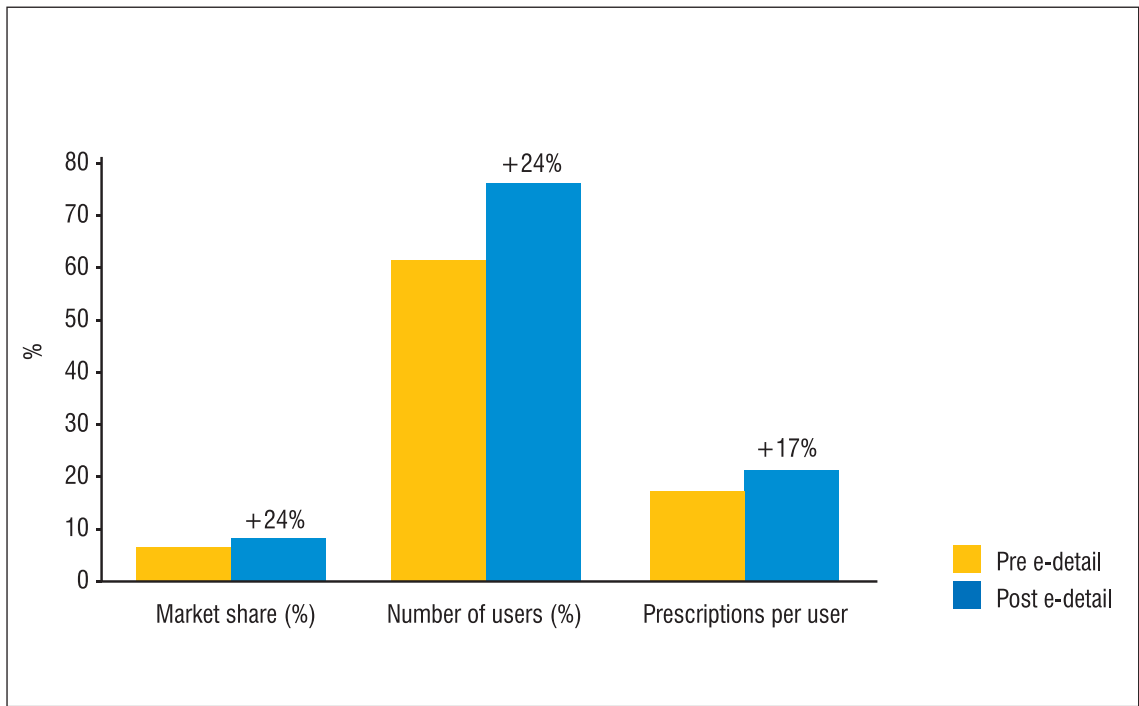


Fig. 5. e-Detailing case study 2: results. Reproduced with permission from Nic Holladay (OnMedica Group).

possible to show a positive ROI for the new channel, then pharmaceutical companies would have to begin to seriously consider challenging the current way the sales and marketing budget is apportioned.

A secondary question that pharmaceutical marketers ask of e-detailing is where is it best deployed: at launch, alongside the sales force to increase frequency? Or is it best for older products that receive limited support?

Nic Holladay (OnMedica Group) presented a number of case studies that used IMS Xponent analysis and sales data to quantify the effects of e-detailing on a doctor population and looked at these effects on products at various stage of their life cycle. "Xponent analysis is a technique developed by IMS that enables two cohorts of doctors to be matched so that their profiles in terms of activity and behaviour are the same", explained Holladay. "A new event is then applied to one of the groups and the difference in behaviour is observed." In effect, one group undergoes a change or event while the other acts as a control group.

*When used with a relatively new product and when added to the existing marketing mix, e-detailing has a significant effect on sales*

In the cases presented by Holladay, the event applied to one of the groups and not the other was an e-detailing campaign. The difference in behaviour analysed was the sales generated by the two groups in the 12 months following the campaign.

## Case studies

The first case study involved a product only 12 months post-launch. Both groups studied had received active promotion using traditional marketing channels. However, the second group also received a three-wave series of e-details to supplement the normal activity.

The IMS analysis looked at three indicators of sales:

- market share
- percentage of GPs prescribing the product
- average number of prescriptions each doctor prescribed.

The results are shown below (Table 1). The control group enjoyed a significant growth in market share, number of users and number of prescriptions written, presumably due to the traditional promotional activity. However, the group that was e-detailed showed a greater increase in all three indicators. This showed that, when used with a relatively new product and when added to the existing marketing mix, e-detailing has a significant effect on sales.

The second case study looked at the effect of e-detailing on a group of doctors who were not targeted by any other promotional activity. In this case no control group

Case study 1	Market share	No. of users	Average no. of prescriptions
Control group	+56%	+45%	+11%
e-Detailed group	+104%	+67%	+40%

Table 1. Results of case study 1, showing increases in sales indicators following an e-detail campaign.

was required. The product had been available for 4 years and the doctors in the programme received two waves of e-details. As with the previous case there were increases in all three indicators (Figure 5).

The final case study did not use Xponent analysis but instead looked at the effect on IMS unit sales of a product the patent of which had expired and sales of which had been in decline for 3 years. As with many such products, no marketing or sales support had occurred. The 9-month e-detail campaign was able to slow the decline from an historic and predicted -8.2% per annum to just a 0.9% decline per annum.

## Where is the ROI?

Although analysis of these case studies demonstrates that e-detailing can have a positive effect on sales, it does not in itself establish whether there is a positive ROI for e-detailing. To look at ROI, Holladay recommended using the following formula:

ROI = marketing return (i.e. gross margin - marketing investment)/marketing investment

Holladay presented figures for the ROI for each of the cases discussed:

- |                |        |
|----------------|--------|
| • Case study 1 | +479%  |
| • Case study 2 | +1468% |
| • Case study 3 | +88%   |

The lower figure for the third case study, Holladay explained, was due to the fact that the campaign was carried out on a risk-share agreement with the client company.

Whereas there was no guarantee of success for an e-detail campaign, Holladay claimed that there was 'a recipe for success' which made a successful outcome more likely (Table 2).

The first of the ingredients in this recipe is to retain control of how the physician views the e-detail. It is imperative, said Holladay, that the speed with which physicians complete the e-detail is controlled and that systems are in place to ensure that all key parts of the presentation are viewed. If this does not happen there is a danger of a 'click and forget' mentality, which means that the physician has the ability to click through the e-detail in a few seconds. This control could be achieved by ensuring the physician cannot progress to part 2 of an e-detail until a certain amount of time had elapsed from starting part 1.

Use of audio is also considered to be key, as it adds to the overall user experience. In addition, the market material presented must be bespoke for the internet. "It is no use simply putting the sales aid on line", said Holladay. The material should be interactive while, at the same time, giving doctors feedback on what their colleagues are thinking. It should not be blatantly promotional and needs to create excitement in the viewers and to finish with a clear call to action.

• Control the doctor experience
• Use audio
• Make the material bespoke for the internet
• Make it an interactive experience
• Have a clear call to action
• Do not make it blatantly promotional
• Integrate with the representatives

Table 2. The recipe for success in e-detailing.

e-Detailing must also, said Holladay, integrate with sales force activities.

Holladay finally challenged the audience to look closely at the ROI figures generated by the case studies. He believes that it is time for pharmaceutical marketers to ask themselves whether the current marketing mix is still the most effective way of promoting. If not, he suggested, it may be time to significantly change the mix to reflect the effectiveness of e-detailing.

To demonstrate this point he showed an example using the data from the case studies to compare the ROI of an e-detailing campaign with one carried out by sales representatives (Figure 6).

According to Holladay, a comparison of the effectiveness of a group of 10 representatives and a series of e-details can be made using figures from the case studies. The assumptions are that 60% of the sales force cost would be assigned to the first product detailed by the representatives, making a cost per *product* call of €138.46 for the sales team compared with an average cost of a product e-detail of €55.38.

If average sales of €500,000 per territory are assumed, and the growth by the sales force is 11% and that by e-detailing 29% (reflecting the case study data) then the ROI from the sales force is -51% compared with +222% with e-detailing.

## Launching a product with only e-detailing

The adaptability of e-detailing was underlined by a case study from the USA presented by Erik Hawkinson (Bayer US). Hawkinson explained how the company had launched Angeliq, a new oral treatment for vasomotor symptoms associated with the menopause. At that time, the sales force was still actively involved in launching another product and, as a consequence, no sales force detailing time was available.

Bayer overcame this by using e-detailing to target 10,000 obstetric/gynaecology physicians. These physicians were chosen because they had proven in the past to be strong proponents of Bayer's menopause products. The aim was to have 5000 physicians prescribing the product

	Face-to-face	e-Detailing
Sales reps	10	0
Cost per rep per year	€150,000	0
No. calls per rep per year	650	0
<b>Total calls/e-Details</b>	<b>6500</b>	<b>6500</b>
Cost per call	€230.77	0
Cost per D-1 per rep	€138.46	€55.38
No. calls per total D-1s	€900,000	€360,000
Sales per territory	€500,000	€500,000
Growth %	11	29
Total growth	€550,000	€1,450,000
GM 80%	€440,000	€1,160,000
<b>ROI %</b>	<b>-51.1</b>	<b>222.2</b>

Fig. 6. The marketing mix challenge. Reproduced with permission from Nic Holladay (OnMedica Group).

before the sales force launch, who could then become key influencers going forward.

The product was promoted using advertising on Medscape and Web MD, two US physician websites. These directed physicians initially to an information site on Angeliq and then later to the e-detail itself. e-Sampling also played an important role, both in attracting physicians to the site and in encouraging them to complete the e-detail, as samples were only freely available to those physicians who took part in the e-detail programme.

The campaign resulted in 5000 patient starts in the quarter, nearly 7500 healthcare professionals were engaged and the 15-month sales targets were reached after just 4 months of the campaign.

## Web 2.0 – hype, help or hindrance?

The final topic of the conference looked at the Web 2.0 phenomenon. Websites that are known to represent the principles of Web 2.0 are rarely out of the media. These sites, such as the online encyclopaedia Wikipedia, YouTube (which has over 100 million downloads each month) and My Space (now with over 200 million users), generate huge usage and publicity. The question though is whether the basic principles of Web 2.0 can be applied to pharmaceutical marketing.

### What does Web 2.0 mean?

One of the biggest issues surrounding Web 2.0 is actually understanding what some of the terms mean

and seeing how they relate to how the web and business operate.

Whereas most e-marketing professionals understand the concept of a blog (although they need to bear in mind that not all their customers do) there are other terms used which can be confusing. The first presentation in this session focused on explaining some of the principles of Web 2.0 and giving examples of implementation. The session was completed by a group discussion on what this might mean to pharmaceutical companies.

Ersin Kurun (Altana Pharma) outlined the principles that define Web 2.0. He explained that rather than a technology, Web 2.0 is best described as a set of principles that encourage a different way of interacting with the internet:

- 'the long tail'
- user-generated content (Crowdsourcing & Microwork)
- service-orientated architecture
- community-building and user interaction
- data-oriented collaboration
- organisation through non-hierarchical methods.

The first of these, 'the long tail', refers to using web technology to turn what appears to be a mass market into a series of small niche markets that can be filled profitably (Figure 7). Kurun cited Amazon as a good example of the potential benefits of engaging with 'the long tail'.

Amazon makes significant sales from the most popular books searched for on their site. However, Amazon also realised that additional sales could be developed from supplying those books that were searched



for infrequently. This, of course, was provided they themselves did not have to build up huge inventories of rarely requested books. By simply increasing their catalogue to include such specialist books and, at a price, enabling third parties to supply the end user, Amazon was able to add huge numbers of rarely searched-for titles to their catalogue at very little cost and make significant profits.

The second principle of Web 2.0, and probably the most widely known, is that of user-generated content. The traditional concept that the website owner develops content for the website and users access that information is turned on its head by Web 2.0. The website owner provides the platform on which users can develop their own content for the benefit of all users. An obvious example is Wikipedia. However, a more relevant example for the pharmaceutical industry might be the Revolution Healthcare website ([www.revolutionhealthcare.com](http://www.revolutionhealthcare.com)), where health providers, and the medicines they provide, can be rated by patients.

*Can the basic principles of Web 2.0 be applied to pharmaceutical marketing?*

The Revolution Healthcare site also illustrates another aspect of Web 2.0 principles, namely the development of communities. Web 2.0 sites actively encourage participation by users using social networking software. The way such networking can be used to business advantage was shown by Innocentive ([www.innocentive.com](http://www.innocentive.com)), a business networking site for scientists. The site matches top scientists to relevant R&D challenges facing leading companies from around the globe, and provides

financial incentives for those scientists who are first to solve these problems.

Service-orientated architecture, the third principle underlying Web 2.0, refers to the way websites are designed and the technologies employed that enable data to be used and applications developed that would not be possible in the old Web 1.0 world. For example, the way Web 2.0 sites are designed enables an application or website to combine two or more different data sources to make a completely different user experience. Such systems are known as 'mash-ups'. A healthcare example of this is Health Map ([www.healthmap.org](http://www.healthmap.org)), which combines incidence data for diseases with Google Earth mapping tools, giving an interactive incidence map that also links to the initial data source.

Service-orientated architecture also refers to technological changes that enable the web to become a platform for running services. So, rather than the traditional model of having to buy and install software on your machine, a website could be developed that offers you the opportunity to access the services directly on the web. Service-orientated architecture also facilitates the simple transfer of data across the web allowing RSS (really simple syndication) feeds and XML (eXtensible Markup Language) data from one site to be easily added to another.

The two final defining principles of Web 2.0 – data-orientated collaboration and non-hierarchical organisation of data – refer to the data collected and how it is organised. Kurun suggested that in order to succeed in the Web 2.0 environment, data collected should be unique and potentially generated by the users, and it should be arranged in such a way, using tagging and links, that make it easily searchable and very dynamic.

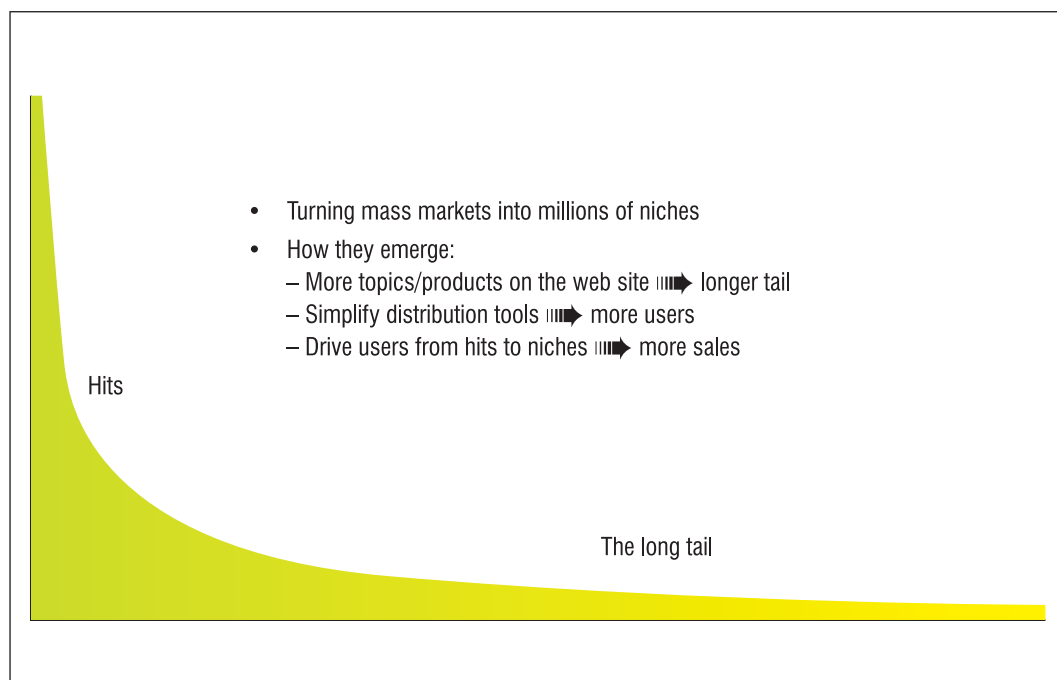


Fig. 7. The long tail. Adapted from Anderson C. *The Long Tail: How Endless Choice Is Creating Unlimited Demand*. Random House Business Books, 2006. Reproduced with permission from Ersin Kurun (Altana Pharma).

Kurun's principal point was that Web 2.0 is not about technology but is a mindset. This will require changes to the way the pharmaceutical industry approaches online activities. The change requires handing a lot of the control back to the users of the site. Pharmaceutical companies should encourage the building of communities but must also realise that, once set up, communities often can't be controlled.

*Web 2.0 is not about technology but is a mindset. This will require changes to the way the pharmaceutical industry approaches online activities*

Pharma will continue to need to offer services to their customers, but will need to be prepared to have those services used on other websites. This may well be in a collaborative way that adds to the value of the service, but will mean reduced control by the pharma company. We are moving, says Kurun, from an information age to a recommendation age.

## How can pharmaceutical companies benefit from Web 2.0?

Will pharmaceutical companies be able to adapt to these changes? What indeed are the benefits of embracing such concepts as user-generated content and community building if this entails handing over control to the users? These were some of the issues discussed by a panel of e-marketers.

Meredith Abreu (Manhattan Research) advised pharmaceutical companies to "be a little cautious with Web 2.0." The reason for Abreu's caution was a belief that, in many cases, the pharmaceutical industry is not taking full advantage of the internet as it currently stands, let alone exploiting new channels. Before embracing Web 2.0, companies should "make sure that their e-marketing strategies sufficiently account for Web 1.0", she recommended.

Physicians are certainly prepared to interact with the web: Manhattan Research has shown that the percentage of European physicians who feel that the internet is vital to their practice increased from 20% in 2001 to 78% in 2006. Abreu presented data (Figure 8) showing that European physicians are also beginning to experiment with what would be considered broadly Web 2.0 activities, including blogging, chat rooms, downloading audio files and subscribing to RSS feeds.

Abreu demonstrated that the uptake of new technology that enables Web 2.0 is strong among physicians, presenting figures showing that more European physicians own an i-Pod than 18-30-year-old US males.

Physicians in the USA are certainly showing signs of adopting the Web 2.0 approach with the launch of Sermo ([www.sermo.com](http://www.sermo.com)), which is essentially a community site, similar to My Space, for physicians.

Len Starnes, although declaring himself a "great enthusiast for Web 2.0", was also cautious. He warned the industry not to get "too enamoured by new sexy tools", and saw analogies between the hype that initially surrounded the internet and that developing around Web 2.0. Whereas he felt there were likely to be profound changes in healthcare that are going to happen faster as a result of Web 2.0, he felt that progress may be slower in pharma than in other industries due to the conservative mindset of the industry.

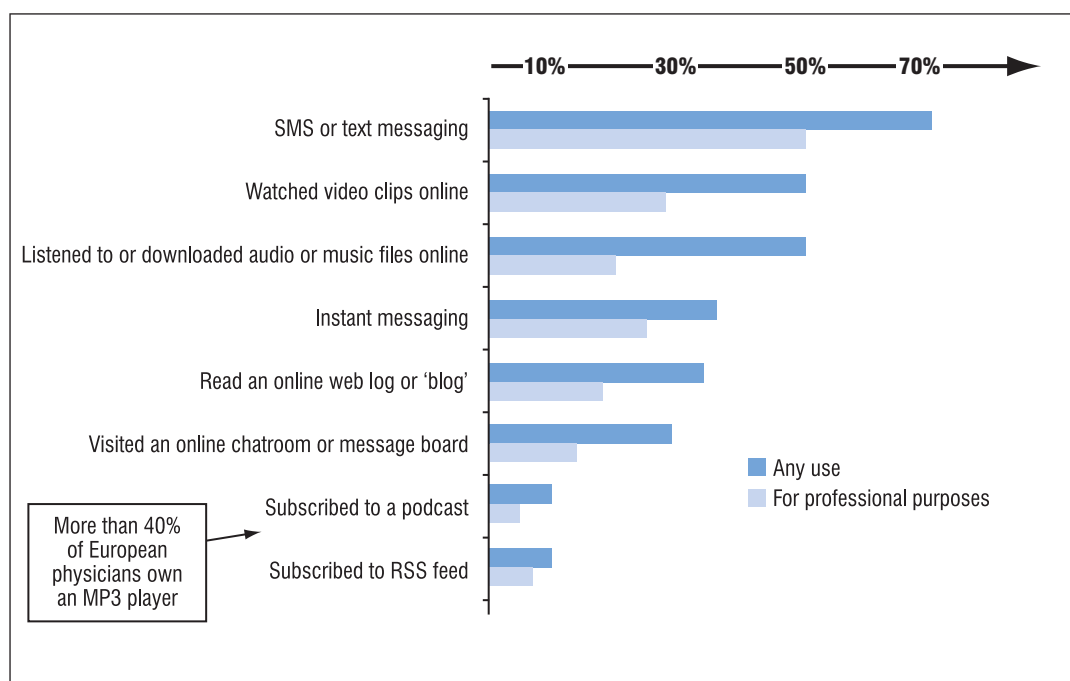


Fig. 8. Online activities conducted by European physicians in the past 12 months. Reproduced with permission from Meredith Abreu (Manhattan Research).

Hedwig Scheck (GlaxoSmithKline [GSK]) felt that Web 2.0 facilitates patient empowerment and warned that the industry cannot ignore or be afraid of it. GSK in Germany has launched a podcast on vaccination that can be downloaded from its website. It now has over 1000 subscribers and, as a result of this success, GSK is expanding the podcast idea.

Bayer Schering has taken a Web 2.0 approach to a site originally launched in 1997 to support its multiple sclerosis brand. Although community areas have been available since launch, community software has now been added allowing patients to develop discussions and forums. It also allows closed areas that enable one-to-one communication. These changes have seen a lot more countries 'buy into' the website, with the number of countries involved growing from 2 to 13. Patients appear to like the idea too, with the German version of the site now having in the region of 5000 members.

When asked how pharmaceutical companies can successfully implement Web 2.0, the consensus was that individuals need to experience it for themselves. Starnes suggested companies should look at how other industries are using Web 2.0. It was also agreed that using it *within* the company first had potential benefits. Starnes suggested that once senior managers use the tools and see the potential commercial benefits then it will become a lot easier to roll out the principles to a wider audience.

The panel also discussed the legal and regulatory issues that are associated with Web 2.0. Social networking tools are encouraging users to contribute to and discuss healthcare issues and treatment regimens openly. What responsibilities does the industry have to monitor or even police such comments, particularly with regard to any adverse events that are discussed?

A number of the panellists explained that trying overtly to control social networking doesn't work. At the moment the feeling was that if you are going to deploy social networking, be prepared to take a 'hands-off' approach to the comments and information posted. Whereas most online communities have a community management statement that enables them to remove material that is misleading, providing there are no overtly inaccurate or illegal comments made, the users of the site should be allowed to post what they like.

The problem, according to Starnes, comes about when pharmaceutical companies want to try to control what is being said. "Social media is about the very opposite, and that is the dilemma we face. How do we live with it and indeed thrive on it? It [social networking] is going to happen. Whether your company decides to participate or not, people will be talking about you, your company and your brands. The issue is how you participate, because it is much better to participate than to be quiet."

What was clear was that Web 2.0 is growing in importance – there are already examples of brands, outside of healthcare, that have been damaged by refusing to discuss and interact with customers (anyone

who doubts this should look at Dell Hell, a website inspired by negative comments about Dell computer customer services, and imagine what would happen to their brand if something similar happened). As was expressed by a member of the audience "we are now in a situation where the consumers make or break our brands... if we do not talk to our customers we are not going to benefit from this".

## Conclusion

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So, how should we assess any progress the pharmaceutical industry has made in online marketing and e-detailing? Has the roll-out of e-marketing that was predicted 12 months ago really occurred, or is the industry still playing with the whole idea and continuing to try to find a place for this apparent 'problem child' of a channel?

Clearly, more companies are running a greater number of pilot programmes to evaluate online marketing initiatives than ever before. Companies have continued to invest heavily in product and corporate websites, and electronic detail aids for use by the representative are increasing in popularity. Many companies have at least tried e-detailing.

There is now developing a clearer consensus on how best to communicate with physicians online: don't assume the same approach that you use offline will work online, use an educational approach that can achieve your brand goals rather than an overtly promotional one and make sure that the e-elements are fully integrated into the rest of the marketing mix and linked back to the sales teams.

There is no doubt that there are now some real examples of coordinated, integrated e-marketing campaigns being successfully implemented and of positive results being achieved. Data on sales increases and ROI achieved with, for example, e-detailing, are now better and more extensive than those available for a number of the more traditional channels. Nevertheless, the pharmaceutical industry, with one or two notable exceptions, has still not seen many examples of these pilot programmes being rolled out on even a national basis, let alone on a truly European scale.

*Data on sales increases and ROI achieved with e-detailing are now better than those available for a number of the more traditional channels*

There is, outside of the e-business specialists, still a suspicion of the channel. e-Business managers are still, unfortunately, having to answer questions from brand

teams that should have been put to bed a long time ago. The industry, as a whole, does not yet appear to have moved on from the 'what and if' stage to the 'how to' stage of e-marketing.

Although progress is occurring it remains slow. It will be interesting to see whether the decision by several high-profile companies to reduce the size of their sales teams will trigger the more widespread roll-out of online marketing campaigns and e-detailing. This has been predicted for a number of years; we will now see if those predictions were correct.

So, if the assessment of the industry's approach to e-marketing in general is 'progress made, but could do better', what of the future? What does Web 2.0 mean for the industry?

The principles of user-generated content, openness and the development of social networks certainly provide huge challenges for an industry as tightly regulated and as conservative as the pharmaceutical industry. Whether in the short term pharmaceutical companies will be able to use such principles in a positive way to promote their products and services remains to be seen. There are certainly positive opportunities in terms of establishing a better understanding of patient needs and providing value-added services.

What companies definitely need to do, however, is to take steps to avoid the potential negative effects such changes could bring. The biggest change with Web 2.0 is likely to be in the way patients perceive their healthcare and healthcare providers, and in the way they want to interact with them.

Social networking and user-generated content will inevitably move power back towards the patients, who

will have access to more information and data and be able to express their opinions and thoughts about your company and its products to a worldwide audience. There will be no way to control this information. The challenge for pharmaceutical companies is to try to establish themselves as trusted sources of information and to find ways of participating in the dialogue.

## Further reading

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Anderson C. *The Long Tail: How Endless Choice Is Creating Unlimited Demand*. Random House Business Books, 2006. ISBN: 978-1844138500. An interactive trailer for the book and a sample download are available on [www.randomhouse.co.uk/minisites/longtail](http://www.randomhouse.co.uk/minisites/longtail)

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[www.en.wikipedia.org/wiki/Web\\_2](http://www.en.wikipedia.org/wiki/Web_2) Read about Web 2.0 on the ultimate user-generated content site.

[www.revolutionhealthcare.com](http://www.revolutionhealthcare.com) A fascinating site which enables patients to rate the effectiveness of your products. And let others know about it.

[www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/www.what-is-web-20.html](http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/www.what-is-web-20.html) The original article discussing the Web 2.0 principles.

[www.thisistrue.com/dellhell.html](http://www.thisistrue.com/dellhell.html) Dell Hell gives an example of what can happen if you don't communicate with your customers effectively.

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### Pharma Marketing ROI

A KeywordPharma **Conference Insights** review  
by **Dr Barrie G James**

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An in-depth report from the eyeforpharma 6th Annual European Pharmaceutical Congress, held in Amsterdam, 23–24 October 2006.

### Executive Summary

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Caught in a tightening vice between declining new product introductions and accelerating patent erosion, the pharmaceutical industry has been cutting back spending across the board to improve profits. Conversely, marketing spend is at an all-time high and is now the single largest pharmaceutical company business expenditure. Inevitably, this has triggered a growing management emphasis on accountability and on value for money for its marketing investments. Pharma marketers' response has been to explore and implement approaches that improve return on investment (ROI).

The 6th Annual European Pharmaceutical Conference, Pharma Marketing ROI, held in Amsterdam on 23–24 October 2006, discussed the challenges that the industry faces and its implications for a healthy financial future, together with some of the measures and practices that could deliver increased ROI in pharma marketing.

The conference raised two burning issues: first, do pharmaceutical companies possess a solid bedrock of marketing expertise in terms of best practice processes and procedures? If not, the expectations of enhanced marketing ROI may not be realised. Second, how many companies have processes in place that can identify, track and allocate marketing expenses? Without these systems it is impossible to calculate an accurate ROI. The evidence presented suggests that very few companies are well positioned in this respect.

Addressing these issues will be critical for the future. It has been projected that global industry growth will continue its unbroken decline from 2000 and will slow to 5–6% growth in 2005/6, down from 6–7% in 2004/5. Reduced growth inevitably increases the level of competition throughout the industry, which will only add to the pressures on those companies that are unable to maximise their marketing ROI.

### Contents

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- 6th Annual European Pharmaceutical Congress – Programme
- Introduction
- About the author
- Conference structure
- Forecasting and finance
- Marketing intelligence and analytics
- Lifecycle marketing
- Brand and customer loyalty
- Regulation, research and development
- Integrate and measure multi-channel marketing
- Closed-loop marketing
- Conclusions
- References

### About the author

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Dr Barrie G James is internationally recognised as a leading-edge pharmaceutical thinker, for his consulting in pharma strategy, futures, ethics and evidence-based marketing. He manages Pharma Strategy Consulting in Huntingdon, UK, which specialises in creative and pragmatic solutions to fundamental strategic, ethical and marketing problems in the pharma industry.

Earlier in his career, Barrie held executive positions at Ciba-Geigy, Merck & Co., Syntex, Biogen and Schering-Plough in strategic planning, marketing, operating management and business development.

His books and reports on the pharma industry have become standard industry references and his work has been cited in *Business Week*, the *Economist* and the *Financial Times*. His latest publications are *The Little Black Book of Pharma Marketing* and *PharmVision 2015: A Short History of the Future*.

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