

# Keyword Pharma

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## Conference Insights

### *Marketing ROI for Pharma:*

*in-depth report from the eyeforpharma*

*5th Annual Pharmaceutical Marketing Congress*

held in Amsterdam, 14–15 November 2005

by Dr Michel RM Rod



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### Using ROI Data for Effective Decision Making in Pharmaceutical Marketing

A KeywordPharma **Expert Review** by **Dr Andrée K Bates**

Published January 2006

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Dr Andrée Bates outlines commonly used approaches to ROI as used by the pharmaceutical industry and argues that many of these techniques rely on historical analysis that is fundamentally flawed in today's environment.

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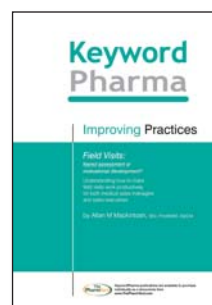
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#### Marketing ROI for Pharma

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# Marketing ROI for Pharma: *in-depth report* from the eyeforpharma 5th Annual Pharmaceutical Marketing Congress

Dr Michel RM Rod

## Executive summary

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The pharmaceutical landscape is volatile. Research and development costs are soaring, purchasing power is being vested in fewer parties and regulations on pharmaceutical promotion are being tightened. Companies are under greater pressure to control spending and drive profits.

Return on investment (ROI) remains the common mantra from the boardroom downwards. Marketers are being asked to deliver bigger profit margins from diminishing marketing budgets and to demonstrate accountability when making promotional investments. With a better understanding of ROI analysis, pharmaceutical companies can develop and implement more effective marketing communications and enhance profitability.

The 5th Annual Pharmaceutical Marketing Congress – Marketing ROI for Pharma – held in Amsterdam 14–15 November 2005, organised by eyeforpharma, showcased a diverse range of opinion in its attempts to establish best practice. This *Conference Insights* review provides analysis of the pertinent issues raised in selected presentations made at the event. It details issues such as how market research can play a major role in informing the decision-making process, and examines why the industry must adopt a more systematic approach to segmentation, targeting and positioning. Critically, it asks whether ROI is actually the best metric for evaluating marketing success.

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# 5th Annual Pharmaceutical Marketing Congress – Programme

Organised by eyeforpharma, Amsterdam, 14–15 November 2005

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## **Chairperson:**

Sean Davies, *General Manager, Ferring Ireland*

## **Day one: Data, analytics & targeting**

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### **Why marketing ROI is fundamental to the future profitability for pharma**

Sean Davies, *General Manager, Ferring Ireland*

### **The bigger picture: how to deliver profit and create shareholder value by defining your marketing strategy**

Dr Brian Smith, *Research Fellow, Cranfield Business School*

### **Case study: How Lilly applied market research from a granular to a company wide perspective in order to transform raw data into valuable customer intelligence**

Dr Kai Bruns, *Senior Market Research Manager, Lilly*

### **Case study: Amgen's application of market analytics to drive commercial planning**

Marker Wiegand, *Associate Director, Amgen*

### **Case study: How Lilly delivered ROI on critical care customer programmes through a customised marketing approach**

Juergen Guenther, *Customer Operations Manager, Lilly Critical Care Europe*

### **Gaining the competitive advantage through business analytics!**

Jakob Petersson, *Senior Consultant, Spotfire*

### **Case study: The importance of localised marketing in Roche's targeting and segmentation approach**

Harald F Stock, *Senior Vice President, Global Commercial Business, Roche PoC Diagnostics*

### **Strategy through data: new approaches to segmentation and targeting**

Martin Fagan, *VP Market Insight Solutions, Infonetica*

### **Climate change for the pharma industry... stormy weather ahead**

Omar Ali, *Formulary Advisor, NHS*

## **Day two: Successful implementation, execution & ROI measurement**

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### **The proof is in the prescription – measuring marketing ROI: how can you deliver the highest returns for your brand?**

Nina Felton, *Country Principal, IMS Consulting*

### **Discover how Pfizer used e-detailing communication programs to maximise sales effectiveness**

Marianne W Andersen, *Marketing Manager, Pfizer*

### **Achieve profitable customer relationships through enhanced brand reach, contact frequency and interaction**

Kay Wesley, *Global E-Business Director, AstraZeneca*

### **Guarantee ROI through turnkey execution of medical education initiatives**

Edward Roos, *Managing Director, Excerpta Medica*

### **Case study: Proven ways to pressure-test your brand strategy and create market leading brand communications**

Amit Makwana, *Marketing Director, Astellas Europe*

### **Case study: ROI measurement of Novartis' promotion campaigns: from theory to practice**

Ramon Guitart, *Head of Marketing, Novartis*

### **Case study: Discover how Schering measured the ROI of its online and offline global branding activity**

Mel Hayes, *Director, Global Business Unit, Specialized Therapeutics, Schering AG Berlin*

### **Doctor Panel: Access the inaccessible through a marketing strategy that delivers on doctor expectations**

Panellists comprised of European doctors, led by: Peter Ward, *Business Development Director, Doctors.Net.uk*

### **Organisational challenges in evaluating marketing investment proposals**

Anders Mansson, *Head of Strategic Planning, Intelligence & Pricing, Ferring Pharmaceuticals*

### **Implementation and integration of marketing strategies that deliver significant ROI**

Dr Andrée Bates, *Managing Director, Campbell Belman*

## About eyeforpharma

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## Introduction

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The 5th Annual Pharmaceutical Marketing Congress – Marketing ROI for Pharma – held in Amsterdam 14–15 November 2005, organised by eyeforpharma, proved to be another successful event for those pharmaceutical managers/executives, consultants, healthcare practitioners and academics in attendance. Over the course of an excellent series of presentations, workshops and discussion panels, it became evident that although marketing return on investment (ROI) is still a very hot topic, it remains an area in which there is still much to learn and to apply.

The objective of this year's conference was to illustrate, in the midst of a very turbulent environment – with a higher demand for pharmaceutical marketers to deliver bigger profits from increasingly smaller promotional budgets – that there are a few critical decision areas which, if addressed appropriately, can help deliver better ROI. This objective was met through a series of discussions in which data access and analysis leading to improved segmentation, targeting and positioning of customer solutions, effectively communicated and suitably delivered, were recurrent themes. These themes encompassed such practical suggestions as: identifying the key metrics and analytics needed to track trends in prescribing behaviour; designing, creating, implementing and executing marketing models that effectively measure ROI and gauge customer satisfaction; assessing the validity of ROI analysis, especially in comparison to the competition; and then using all of this information to determine the best allocation of promotional resources in selecting the most appropriate segments to target with specific marketing communications through the most appropriate marketing channels, such that promotional investments can be optimised. Unlike last year's conference, there was, perhaps, also the suggestion that ROI is not necessarily the metric that should monopolise our thoughts – and that, perhaps, in conjunction with ROI analysis, there should be a broadening of perspective to start embracing the notion of marketing accountability and effectiveness, such that we are able to see both the forest, and the trees.

**Dr Michel Rod**  
January 2006

### About the author

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Dr Michel Rod left his role as Manager of Intellectual Property Development at the University of Calgary, Canada, to begin an academic career at the School of Marketing & International Business at the Victoria University of Wellington, New Zealand, in 2001. He has a medical sciences background having received a BSc (Hons) in Pharmacology & Toxicology from the University of Western Ontario and an MSc in Medical Sciences (Neurosciences) from the University of Calgary. After having worked for several years in medical research, and sales and marketing environments, he completed his PhD in Commerce at the University of Birmingham, UK, in 2003.

His research interests include the development and management of collaborative relationships amongst university, industry and government organisations within the health sciences sector, pharmaceutical promotions, as well as the commercialisation of university-developed intellectual property. He has published in *Science and Public Policy*, *Qualitative Market Research*, *Canadian Journal of Neurosciences*, *Canadian Journal of Psychology*, *Stroke*, *Brain Research Bulletin*, *Management Research News*, and the *Journal of Transnational Management Development*.

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