

TODAY'S HEALTHCARE MARKETING BUDGETS

MORE DATA AND LESS DOLLARS

BUILDING SUSTAINABLE DIGITAL TOUCHPOINTS WITH PATIENTS AND PROVIDERS

Healthcare organizations are changing the way in which they spend their now limited marketing resources. Increasingly marketing leaders, brand managers, and IT executives are looking for effective and efficient ways to further drive campaigns using more data and fewer dollars.

This article explains the importance of taking advantage of aggregated-market, sales, and socially driven trend data to build stronger, cheaper—and yet, more effective—campaigns.

THE GOAL OF A SUCCESSFUL MARKETING CAMPAIGN IS TO ATTAIN EQUILIBRIUM WITH THE MANY INPUTS THAT AFFECT DEMAND CREATION.

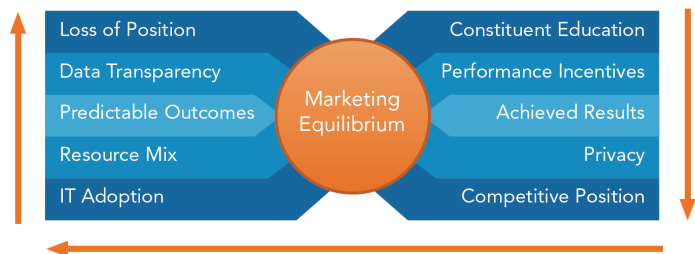
In the face of shifting market dynamics, economic pressures, and regulatory demands, healthcare and life sciences organizations must rethink traditional sales and marketing practices. Previous campaigns relied heavily on spending money on trade shows, local HCP events, and large-scale advertising, which did not necessarily allow organizations to accurately identify or target their campaigns to have significant impact based on demand. However, today's sales and marketing budgets are predicated less on direct spend dollars and more on efficiently and effectively structuring the information needed to build targeted campaigns, launch new product offerings, and/or identify affinity (loyalty) program relationships.

Historically, healthcare and life sciences marketing campaigns relied heavily upon uninformed spending on non-personal promotion channels (direct mail, TV, fax, etc.), which do not allow organizations to accurately identify or refine their campaigns, or with highly personal but high-expense channels (sales reps, field marketing, trade shows) where scalability and staffing are heavy influencers. Even with more modern, timely, and cost-effective channels like Web, e-mail, and social media, questions often remain: "Was my message well-received? What was the response to the call to action? Was it well-integrated and timely with other marketing efforts?"

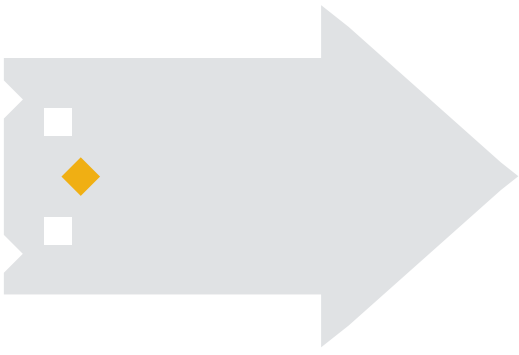
As marketers, we are faced with many customer avenues for both analysis and action. Given these avenues, we are faced with a host of problems and opportunities, and must ask ourselves:

- ◆ If we are not analyzing the metrics of historical marketing wins and losses, how can we expect to learn and grow?
- ◆ If we are not utilizing all of the available information about our customer, both internally and externally generated, are we launching ineffectual—or even wasteful—marketing campaigns?
- ◆ If we don't fully understand our competitive position and location within the marketplace, how can we be expected to effectively compete?
- ◆ If our audience is not adequately educated, how can we expect them to make informed decisions?

The goal of a successful marketing campaign is to attain equilibrium with the many inputs that affect demand creation. Research and experience have allowed us to depict a potential balance across key marketing levers, to help define an optimal mix, or a "marketing equilibrium" (shown below).



The Marketing Equilibrium Framework can be understood as a series of levers that are comprised of opposing forces or opposite objectives. The ultimate success of a marketing campaign is dependent upon finding the appropriate balance across all levers. Failure of marketing campaigns can be traced back to the overall application of force or focus in any one area—to the detriments of its opposing lever (e.g., too much transparency can risk customer privacy).



HEALTHCARE SOLUTIONS

SALES AND MARKETING MODELS ARE BEING TESTED WITH THE FOCUS SHIFTING FROM A RETAIL/DETAIL APPROACH TOWARD A CUSTOMER-CENTRIC PARTNER STRATEGY.

Attaining such equilibrium becomes the function of a data-driven approach that drives demand. Understanding the impacts of each of these levers fosters insight into constituent behavior. Often, many pharmaceutical, life-sciences, and managed-care organizations launch marketing campaigns designed to inform patients and providers without considerations to the dependencies across the aforementioned inputs. These campaigns tend to be ineffectual or noise-ridden because they do not take into account personalization, timing, medium, and other cross-channel activities. In short, they have shotgun-marketed to their customers using historical efforts, without having learned to capture the mindshare of the patient or provider through new and more personalized avenues.

These new marketing channels and improved ways to better use existing channels (“white spaces”) can provide unique and rewarding relationship opportunities with your customers. Identification of these opportunities often requires looking through one or more lenses to become aware of the new possibilities and opportunities. Through these multiple lenses, a more dynamic emerging market can be seen, and marketers are able to digest and process new data to make more educated and informed decisions.

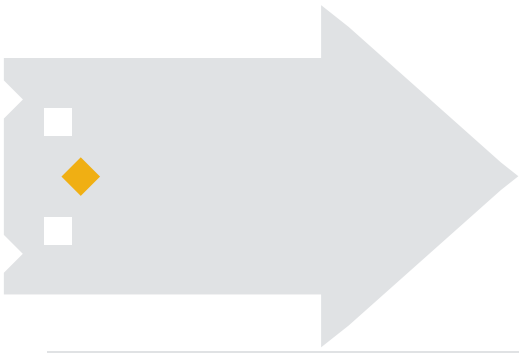
The alignment, management, and measurement of sales and marketing channels by function and activity are the real challenges to decoding white space. Sales and marketing models are being tested with the focus shifting from a retail/detail approach toward a “customer-centric” partner strategy.

Moving to this strategy will leave most with immediate questions of:

- ◆ What should be the mix of channels to educate, inform, and market to physicians, key opinion leaders, patients, and members?
- ◆ How should patient-/consumer-demand levels impact physician prioritization for the direct sales force?
- ◆ Which territories/regions should be prioritized for each drug? Each product? Each procedure?
- ◆ How can I drive message relevancy and timing to influence demand?
- ◆ How often should each doctor be contacted? Each member patient? Each vendor?
- ◆ How can a robust view of patient profiles be captured while maintaining necessary privacy provisions around healthcare information?
- ◆ How can I capitalize on the investment in rolling out my closed-loop-marketing tools and tablets, and start to truly realize the benefits of capturing all of that data?

In a rush to improve the efficiency ratios caused by less marketing resources and lagging marketing results, many organizations across the ecosystem focus exclusively on reducing expenses. While cost-cutting efforts are necessary to improve an organization’s short-term economics, they must not detract from investment in innovation for maintaining growth through loyalty and an evolving customer/member/patient base. In short, marketers need to be able to navigate and make sense of a tremendous amount of data to find the right mix of messages, across the right channels, in order to maximize the return on their marketing investment.

The desire to expand into new markets and welcome potential opportunities derived from mergers and partnerships can only be evaluated when customer information can be converted into easily interpreted and well-disseminated knowledge across both brands and product lines, thereby enabling informed marketing action with the creation of messages that are context-aware, evolutionary, and personal.



“INFORMED MARKETING IS NOT JUST A PRINCIPAL, BUT A PRACTICE. IT IS THE ONLY WAY THAT LUMBERING MARKETING EFFORTS CAN TAKE ADVANTAGE OF TODAY’S DIGITAL TOUCHPOINTS TO CUSTOMIZE TARGET REACH TO A MORE DISCERNING AND SOPHISTICATED CONSTITUENT WHO IS ALREADY WELL-INFORMED THEMSELVES THROUGH THEIR PERSONAL DATA RESOURCES.”

Brian Murphy, President- White Space Healthcare Marketing

INFORMED MARKETING

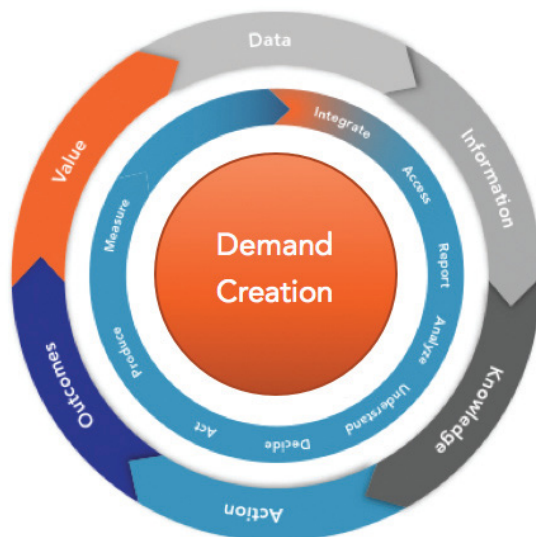
Clinical, operational, financial, and market data is growing at a phenomenal rate through traditional and emerging channels. The amount of data in the typical organization doubles approximately every five years. Studies show, however, that the average business actually only analyzes 7 to 10 percent of the data it creates or collects. Therefore, a vast majority of data available to marketers is not factored into their decision-making process. Additionally, in response to growing regulatory pressures and economic constraints, both the internal and external view of the customer needs to be managed.

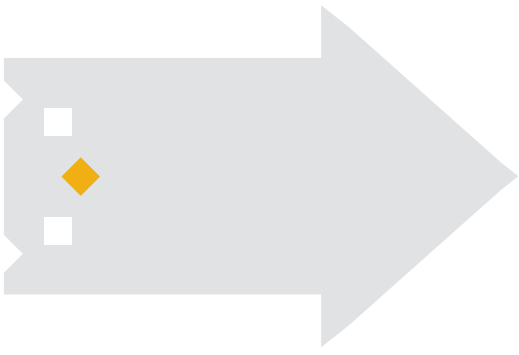
Internally and externally generated touchpoints create huge volumes of transactions that are rich with demographic, attitudinal, and behavioral information about patients and providers. This information, typically stored across several disparate operational systems supporting those touchpoints, creates a rich repository of constituent knowledge in a very holistic fashion. As the physician and patient move online to digital mediums, and are more available for both marketing action and insight, the marketing organization becomes responsible for the acquisition and analysis of this data in a timely and effective manner.

The below diagram illustrates that through the correct collection and management of internal and external customer data, immense opportunity arises to create customized programming that is timely, contextual, personal, and relevant. Disparate data is captured and rationalized across silos to become information that can inform directed and specific marketing activities. An actionable, consolidated, and accurate view of customers across all marketing channels will lead to truly “informed marketing” efforts, and will help “close the loop” that has evaded many marketers, despite previous investments. Similarly, an intuitive, usable interface to all activity at the marketing manager’s desktop will enable consistent analytics of marketing activity to ensure effective marketing spend, constituent insight, and metrics on behavioral, attitudinal, and demographic data.

ACTION PLAN FOR PHARMA

When it comes to digital marketing, nearly 45 percent of pharmaceutical executives made it clear that they need to better understand the opportunity, and more than one-third said they’re not adequately organized to take advantage of these opportunities.





If you are a pharmaceutical marketer, it is essential to make sense of the tremendous amount of sales and marketing data available (both internally and externally generated) to get a complete view of each customer. However, a complete customer view is not enough; the application of analytics is the key to driving insights, providing end-to-end transparency, and promoting product effectiveness. In so doing, marketers earn the capability to:

- ◆ Define smaller sales and marketing teams focused on communicating value-driven benefits around a brand
- ◆ Gain insights to drive more geographic and regional customization for:
 - ◀ Physician preferences and appropriate channel mixes
 - ◀ Managed-care formulary coverage and access patterns
- ◆ Drive products and programs centered around physician related data
- ◆ Differentiate by prescribing behavior (data-based “deciles”)
- ◆ Analyze physician behaviors and preferences from collected e-detailing programs, and incorporate insights into overall marketing outreach efforts to “close the loop”
- ◆ Analyze behavioral and attitudinal customer data to prescribing habits
- ◆ Garner greater insights into preferences and behaviors of patient populations
- ◆ Drive greater participation from disease management and consumer relationship management campaigns and programs

How can you accomplish this?

- ◆ Evaluate the optimal mix of push vs. pull channels to target physicians within each market
- ◆ Prioritize physicians based on their regional and local demand levels and other strategic factors
- ◆ Calculate ratio of current to potential agent performance, and identify characteristics of over- and under-performing brand distribution
- ◆ Assess channel performance through gathering and analyzing customer-preference, segmentation, and financial data
- ◆ Analyze the trade-offs between channel preferences and internal cost structures to find opportunities to improve channel functionality, integration, and economics
- ◆ Create customized physician campaigns tailored to preferences and behaviors

- ◆ Measure, monitor, and adjust campaigns as more and more tailored programs are developed and rolled out to identify the optimal approach and mix of touches for each segment
- ◆ Evaluate patient population enrollment patterns, behaviors, and channel preferences to optimize new and existing disease management programs
- ◆ Optimize disease awareness campaigns through the optimal mix and execution of a channel strategy

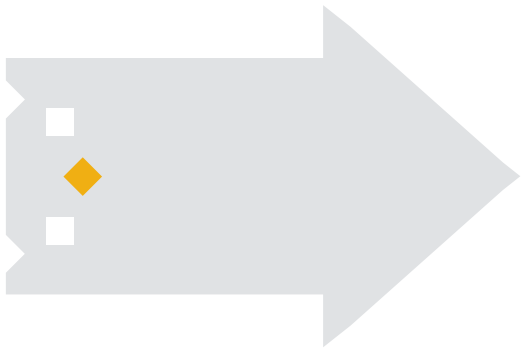
ACTION PLAN FOR PAYOR

Payors need the ability to provide transparency into product efficacy and lifecycle, including the time elapsed from ideation to implementation, overall cost of products, and performance of the product portfolio to:

- ◆ Aggregate customer data touchpoints from across channels
- ◆ Aggregate product data to align market segment to market profitability
- ◆ Attain product cost-segmentation—per member, per month—at a granular, business, and technology level by having an integrated, 360-degree view of the member
- ◆ Identify product opportunities by identifying derivative demographic groupings
- ◆ Stratify product offerings by profitability to identify potential derivative mixture of services to enhance portfolio
- ◆ Define customized or identify potential derivative products by disease state and demographic severity

How can you accomplish this?

- ◆ Create a 360-degree portal to obtain a consistent, complete, and integrated view of member/provider data that can facilitate the correlation, enhancement, management, and analysis of that data, as well as respective member/group decision-making processes
- ◆ Build custom marketing campaigns by member and disease segments, aligned reimbursement changes, and utilization variations
- ◆ Evaluate patient population enrollment patterns, behaviors, and channel preferences to optimize new and existing product offerings



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PEER REVIEW

Jim Robinson – VP Health Systems
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Brian Murphy – President
White Space Marketing
(former Director of Marketing at LifeScan, a Johnson & Johnson company)

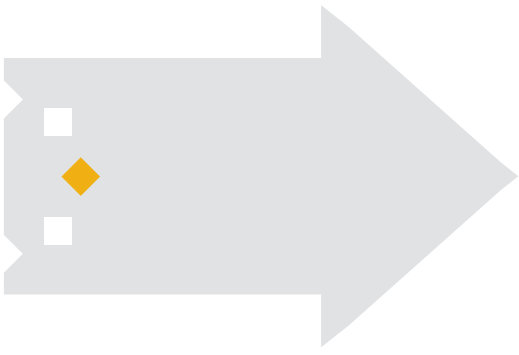
ABOUT THE AUTHORS



Matt Hallett, Appature’s Director of Product Strategy, has more than 10 years of experience in digital marketing strategy, business intelligence software implementations, and project/product management within the life sciences and software industries. Matt has extensive knowledge of marketing enablement through the federation of customer data sources to drive “informed marketing” with the effective use of customer insight, marketing action, and marketing analysis.
Jill Schubmehl



Jill Schubmehl is a Senior Manager in West Monroe’s Customer Experience practice with more than 10 years of experience as a management and technology consultant, analyst, and project manager for a diverse set of clients. Her focus in the pharmaceutical area is centered on information and knowledge management, document management, and collaboration.



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