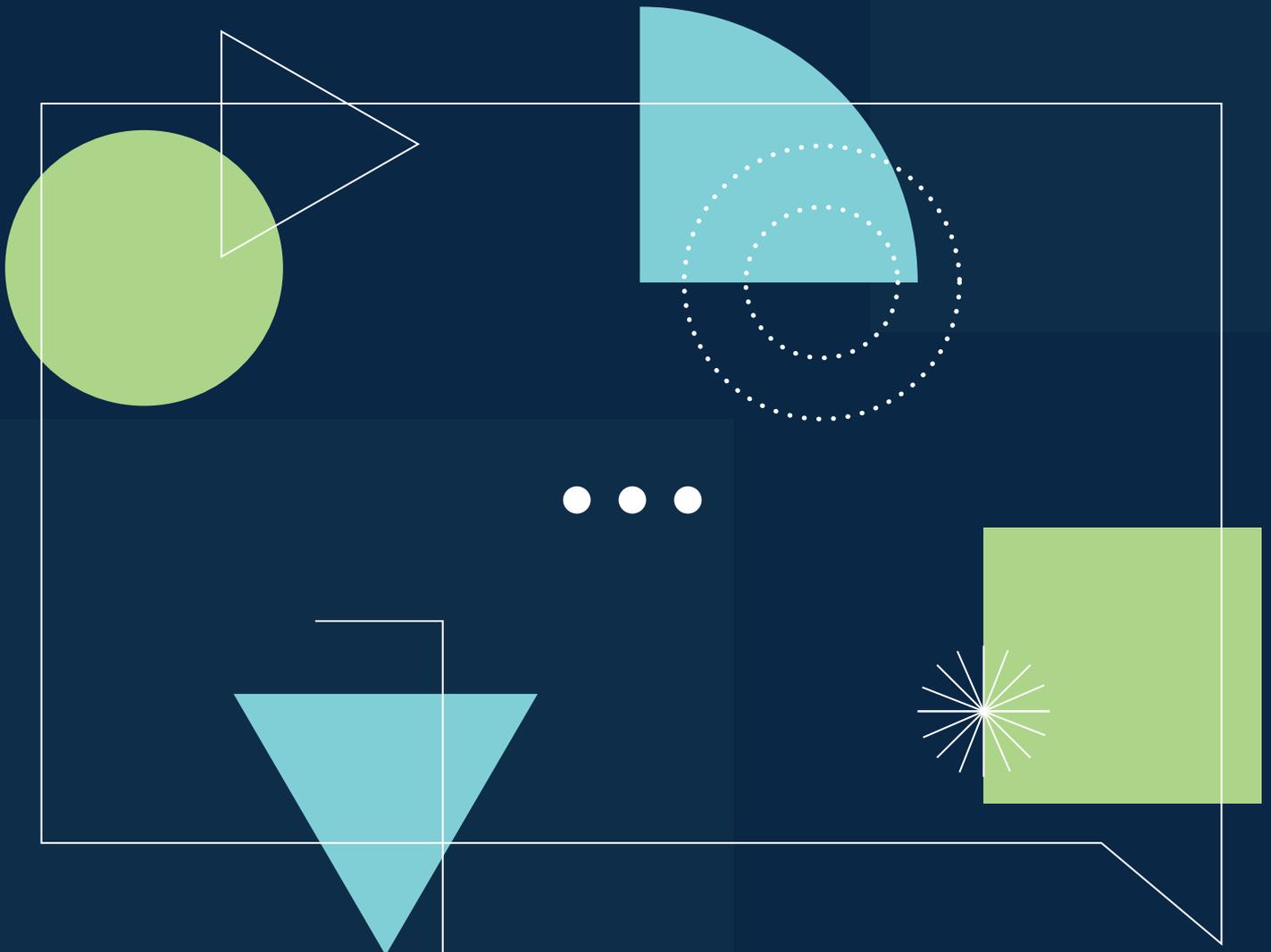




Dispelling Common Myths in Omnichannel Engagement



INTRODUCTION

“To be honest, no one really knows what ‘good’ looks like with omnichannel engagement.”

Director, Top 20 Pharma

The COVID-19 pandemic has proven that an omnichannel customer engagement strategy is essential. However, determining what “good” omnichannel engagement looks like in the rapidly changing healthcare landscape is no small task. Complicating matters are several common myths and misperceptions that have impeded successful transitions to omnichannel models.

In order to identify and address these stumbling blocks, ZoomRx has gathered perspectives from a broad range of healthcare professionals (HCPs) as well as key pharmaceutical stakeholders focused on HCP engagement.

The complexity of the healthcare sales model presents unique challenges to successful omnichannel engagement. However, by embracing these challenges and dispelling common myths, pharma marketers can position themselves for success in an omnichannel future.

Research Profile

— HCP Survey

Methodology: ZoomRx’s proprietary online quant/qual survey platform

Sample: ~100 licensed HCPs practicing across 5 key specialties (neurology, oncology, primary care, pulmonology, and rheumatology)

— Pharma Stakeholder Interviews

Methodology: Qualitative discussions

Sample: ~10 Top-20 Pharma employees involved in customer engagement strategy (manager-level or above)

To successfully navigate the transition to omnichannel customer engagement, pharmaceutical marketers must:

- Find an appropriate balance between next-generation and traditional outreach techniques
- Measure stepwise perception changes in addition to short-term sales impact
- Align strategically across the organization
- Experiment often and encourage incremental progress

MYTH 1:

Omnichannel means digital, and traditional outreach is outdated

Pharma Perceptions

Too often “omnichannel” is synonymous with “digital” and becomes the responsibility of a single (and often newly formed) digitally-focused team. This perception hinders organizational coordination and causes teams to miss out on the synergistic impact created through the integration of traditional approaches and next-generation, digital techniques within a truly omnichannel architecture.

"We have a new group focusing on omnichannel... some brands have bought into it but some brands find it distracting."

Director, Top 20 Pharma

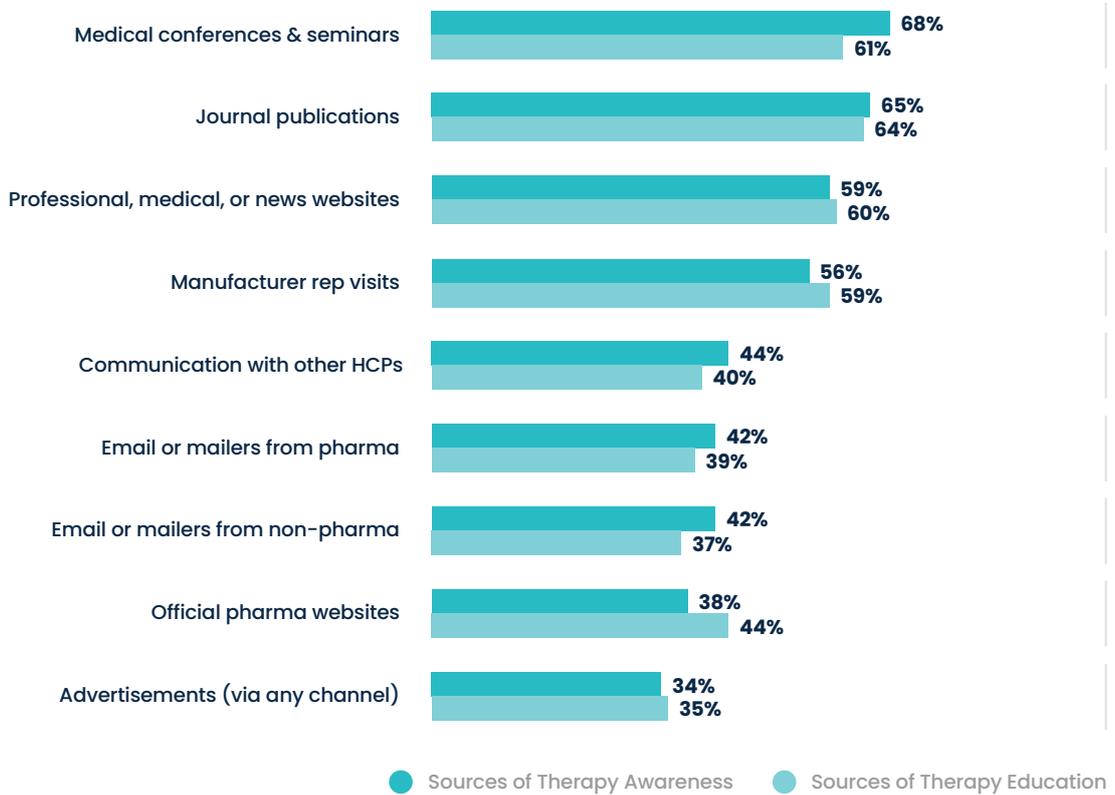
Customer Insights

COVID-19 has forced increasing investment in digital capabilities across the pharma market, and HCPs increasingly prefer a hybrid or omnichannel engagement model.¹ While these digital channels are cited by HCPs as a source of both awareness and education, traditional outreach channels such as conferences, journal publications, and manufacturer rep visits remain a critical component of these engagement models (Figure 1). Research conducted through the first year of the pandemic reinforces the high-level impact of in-person promotion when deployed in a targeted manner.²

¹ ZoomRx, “COVID-19 Impact on HCP Practices & Promotional Activity”, Apr. 2020

² ZoomRx, “COVID - 19 Impact: The Future of In-Person and Omni-Channel Promotion”, Apr. 2021

Figure 1: Sources of HCP Education & Awareness



Implications for Pharma

Omnichannel strategies must be truly omnichannel, rather than exclusively digital. To be successful, omnichannel teams require the concerted efforts of both next-generation digital marketers and experienced traditional sales/marketing experts. Organizations that take steps toward integrating traditional and next-generation engagement tactics will maximize their impact.

MYTH 2:

Sales lift and ROI are the only metrics that matter

Pharma Perceptions

For understandable reasons, pharma marketers often rely on mapping customer engagement tactics to demonstrable short-term sales impact. Easily accessible HCP-level prescribing data in the United States has resulted in increasingly complex quantitative models that focus on correlating individual promotional tactics with real-world prescribing claims.³

However, these models were originally developed for the consumer packaged goods world and require assumptions that disregard many of the complexities and nuances present in pharmaceutical markets.⁴ As healthcare purchasing decisions become more complex, and with the rapid expansion of digital tools and tactics driven by the COVID-19 pandemic, pharma marketers are increasingly seeking alternative approaches.

³ Verma, Devesh, and George A. Chressanthis. "The Evolution, Future Challenges, and Innovations for Pharma Marketing-Mix Analytics." *Journal of the Pharmaceutical Management Science Association*, 14 Feb. 2017, <https://www.pmsa.org/65-journal-of-pmsa-2018/473-the-evolution,-future-challenges,-and-innovations-for-pharma-marketing-mix-analytics>.

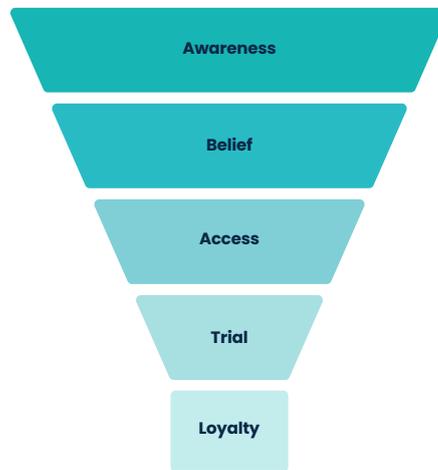
⁴ Ibid

Andrea Palmer, "Council Post: RIP Marketing MIX Models: For Healthcare, It's Time to Move Past The 'Tried And True,'" *Forbes* (Forbes Magazine, March 18, 2021), <https://www.forbes.com/sites/forbesagencycouncil/2021/03/18/rip-marketing-mix-models-for-healthcare-its-time-to-move-past-the-tried-and-true>

— Customer Insights

Changes in behavior are necessarily preceded by changes in perception. This belief is at the root of the classic “sales funnel” concept (Figure 2) many pharma marketers use (in one form or another) to guide their efforts.

Figure 2: Classical Sales Funnel



These critical shifts in perception can take place over extended periods of time. In fact, HCP survey results indicate that a majority of significant changes in therapy perceptions occurred over a time span of 3 months or more.

"Initially I doubted efficacy, but when the company simplified access and I gained experience, my impression has improved."

Neurologist

"Longer term data caused me to be more comfortable with early and prolonged use of [THERAPY]."

Neurologist

"Over time, [THERAPY] has shown strong efficacy and persistent safety."

Rheumatologist

Implications for Pharma

While the importance of driving HCP perception changes is widely accepted, too many omnichannel campaigns are overly reliant on short-term ROI or sales-lift correlations as primary metrics of success. The time-lag between marketing spend and financial outcomes is a common issue across industries, but presents a particular challenge for pharmaceutical marketers charged with measuring the success of their investments.⁵

“I do think the KPIs associated with omnichannel still need to be determined... we need to create and evolve the KPIs to maintain the competitive advantage.”

Director, Top 20 Pharma

To meet this challenge and enable more actionable measurement of omnichannel impact, it is critical to directly measure intermediate perception changes among customers exposed to the relevant promotional content. An exclusive focus on short-term financial value can hide the impact of even the most successful campaigns. In contrast, measuring incremental changes in perception can reveal how individual touchpoints work together in pursuit of higher-level strategic objectives.

⁵ “A Refresher on Marketing ROI.” Harvard Business Review, December 19, 2017. <https://hbr.org/2017/07/a-refresher-on-marketing-roi>.

MYTH 3:

Perceptions are locked and unchanging soon after therapy launch

Pharma Perceptions

Launch is undeniably a critical period for newly-approved therapies, and the post-launch period commands large investments from sales and marketing teams. Based on this investment cycle, there can be an implicit assumption that there is a narrow post-launch window in which to shape HCP perceptions.⁶ The result is a significant reduction in time and capital investment throughout later periods of the therapy life cycle.

“Naturally, when a product launches, you heavily invest. As time progresses, once brands mature, the investment declines.”

Director, Top 20 Pharma

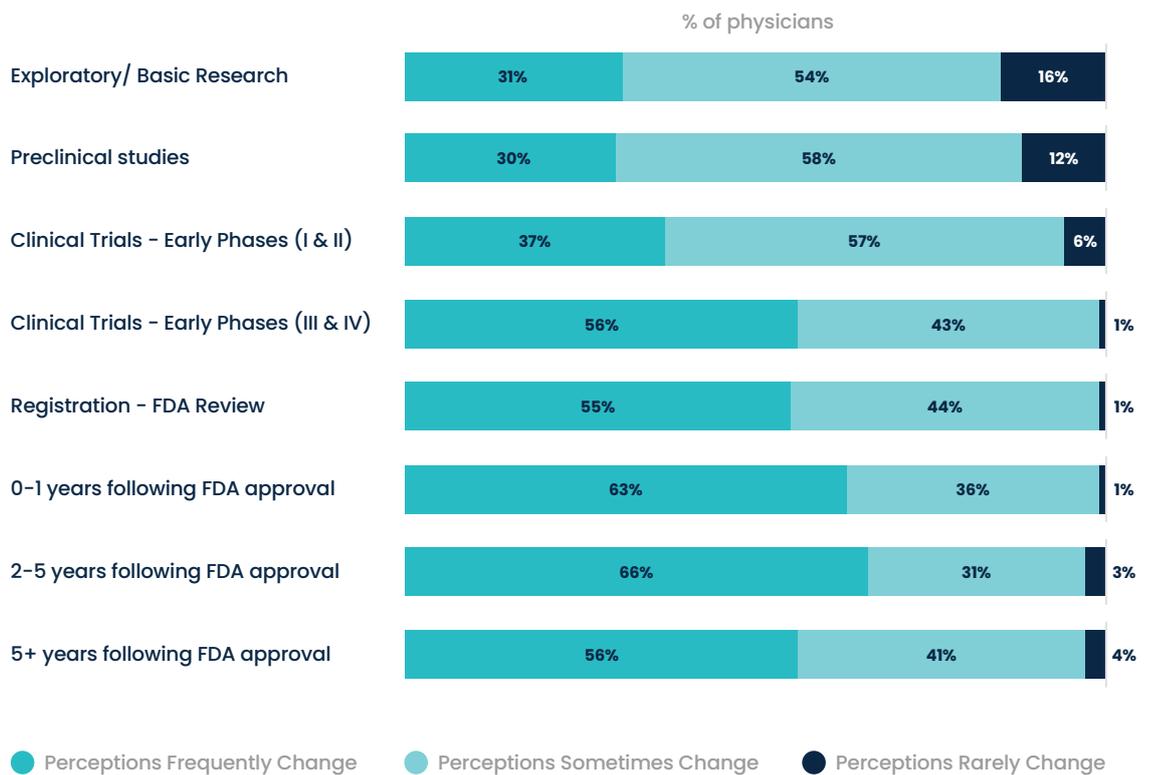
⁶ From Zero to Launch Best Practices for Successfully Launching Your First Commercial Product, April 2018. https://www.veeva.com/wp-content/uploads/2018/04/Zero_to_Launch_White_Paper.pdf.

Corstjens, Marcel, Edouard Demeire, and Ira Horowitz. “New-Product Success in the Pharmaceutical Industry: How Many Bites at the Cherry?” *Economics of Innovation and New Technology* 14, no. 4 (2005): 319–31. <https://doi.org/10.1080/1043859042000312729>.

Customer Insights

In contrast with the conventional wisdom, when asked to describe how frequently therapy perceptions change across a typical therapy’s life cycle, HCPs report an openness to changing their minds throughout the entire therapy life cycle (Figure 3). HCPs perceive their perceptions changing most frequently 2–5 years post-launch, while over half report very frequent changes in therapy perceptions 5+ years post-launch.

Figure 3: Frequency of Therapy Perception Changes Across Therapy Life Cycle



Implications for Pharma

Decades of research have demonstrated that repetition is a potent marketing tool and that multiple touchpoints, nudges, and messages are required to change customer perceptions and prescribing behavior.⁷ As scientists, HCPs seek to accumulate evidence over time. HCPs' willingness to remain flexible in their therapy perceptions over long periods of time suggests that continued investment throughout the therapy life cycle can be effective.

MYTH 4:

Omnichannel tactics can be effectively executed and measured in isolation

Pharma Perceptions

Today's pharmaceutical organizations are often highly siloed, with multiple teams (e.g., sales, digital, medical, access, etc.) engaging with HCPs for a single brand. The level of complexity and degree of coordination needed to manage this level of engagement is high, and often scales with the size of the organization.

⁷ Magloff, Lisa. "Repetition as an Advertisement Technique." Small Business - Chron.com. Chron.com, February 1, 2019. <https://smallbusiness.chron.com/repetition-advertisement-technique-24437.html>.

Schmidt, Susanne, and Martin Eisend. "Advertising Repetition: A Meta-Analysis on Effective Frequency in Advertising." Journal of Advertising 44, no. 4 (2015): 415-28. <https://doi.org/10.1080/00913367.2015.1018460>.

“It’s complicated. There’s a multichannel marketing team that works across multiple brands, a marketing team who owns all that but has a lot of input from a lot of other stakeholders.”

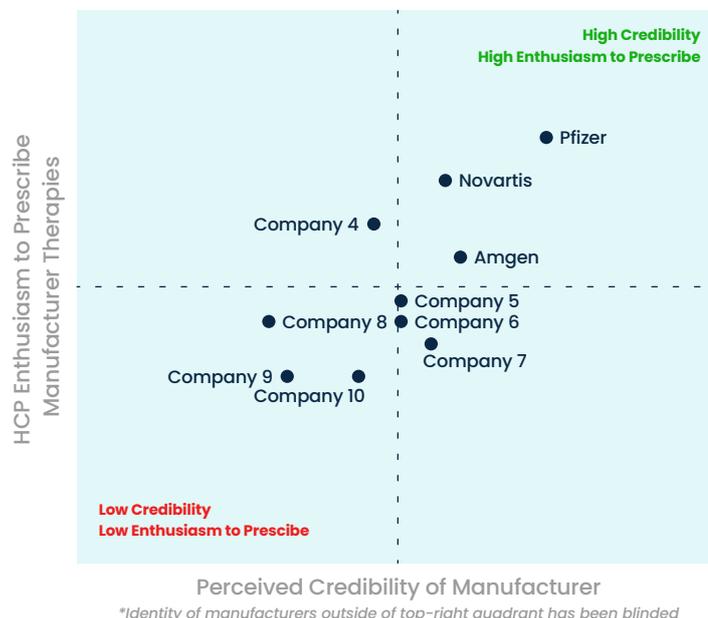
Senior Manager, Top 20 Pharma

Rather than attempting to measure the cumulative impact of parallel and competing omnichannel campaigns, individual campaign metrics are designed with a narrow set of key variables in mind (e.g., awareness, overall survival, safety perceptions, etc). The success of the campaign is then measured by impact on those variables alone. When multiple groups within the same brand/organization are pursuing separate, narrow objectives, the cumulative impact of omnichannel campaigns on brand equity or manufacturer perceptions can go unexamined or be deprioritized.

Customer Insight

There is a strong correlation between the perceived reputation and credibility of a pharmaceutical manufacturer and HCPs’ likelihood to prescribe therapies marketed by that manufacturer (Figure 4).

Figure 4: Manufacturer Reputation vs. Prescribing Behavior



Implications for Pharma

Manufacturer and brand equity are potent drivers of sales.⁸ Marketers should always consider the cumulative impact of their omnichannel engagement, and coordinate across functions to ensure that campaigns remain consistent with and build toward broader organization-level objectives. Further, direct measurement of the impact of omnichannel campaigns on broader brand and manufacturer perceptions is critical to determining the ultimate impact of the outreach.

MYTH 5:

A perfect and comprehensive omnichannel strategy is a prerequisite to progress

Pharma Perceptions

The pace of change accelerated by the COVID-19 pandemic has left teams in a difficult position. Even when there is broad agreement that the future is omnichannel, there is often a distinct lack of clarity and experience with what that looks like in practice.

⁸ Findley, Frank. MASB. Brand Investment and Valuation a New, Empirically-Based Approach, December 2016. https://themasb.org/wp-content/uploads/2016/12/MWP_BrandValuation.Findley2016.pdf.

“Leadership hasn’t provided a good example or analog of another pharma brand that has done this successfully... everyone has an idea of what [omnichannel] should look like but we’re all unsure of how to get there”

Director, Top 20 Pharma

The lack of case studies and firmly rooted best practices leaves teams feeling uncertain about the path forward. Rather than taking small steps forward, teams can find themselves continuously waiting for a perfect omnichannel master plan to be developed.

— Implications for Pharma

There is no one-size-fits-all model for successful omnichannel engagement. Rather, each brand requires an approach tailored to their unique market situation. Given the current pace of change within the industry, the ideal omnichannel approach for a given brand may also shift rapidly.

In this environment, agility and flexibility have become increasingly valuable. Teams should be encouraged to take incremental steps forward and to embrace a more uncertain world in which new tactics are piloted and adjusted more frequently than ever. Rather than measuring success against a master strategic plan, emphasize constant reference to available benchmarks and define a successful strategy as one in which your brand is making a bigger impact than your competitors.



CONCLUSIONS

The HCP and pharma perspectives considered throughout this paper highlight several key lessons for organizations making the transition to omnichannel:

- Remember that successful omnichannel strategies incorporate both next-generation and traditional outreach techniques
- Appreciate the value of long-term, stepwise perception changes in addition to short-term sales impact
- Align strategically with other teams within your organization to maximize the cumulative positive impact on brand equity and manufacturer perceptions throughout the entire therapy life cycle
- Encourage small improvements, benchmarking, and agility rather than waiting for a comprehensive master plan

The transition to an omnichannel customer engagement model is a challenging one and is ripe for misconceptions. Though the path to success may not be a straight line, avoiding common pitfalls can make the path easier to traverse.

ZoomRx is continuing to track the impact of evolving models of customer engagement within the pharmaceutical industry and is committed to providing innovative customer engagement solutions for any omnichannel future.

If you have any questions, we can help answer them. For more information on our customer engagement consulting services, visit us at <https://zoomrx.com/customer-engagement> or contact us directly at info@zoomrx.com.