

'Conservative' pharma slow to take advantage of online marketing opportunities

While the internet has altered the landscape in the retail sector and revolutionised the airline industry, pharmaceutical companies have been slow to take advantage of the marketing opportunities offered by the internet. However, the same cannot be said of customers, who are increasingly using the web to source information.

By [Dr Sandra Reynolds](#) 23 Apr 2008

With existing sales and marketing strategies widely considered unsustainable, Pharma needs to evolve and engage with its customers online or risk being left behind. As highlighted in a new report* from independent market analyst Datamonitor, the current initiatives undertaken by Pharma are largely ineffective. The exploration of other communication channels is necessary if Pharma is to keep in touch with its customer base and maximise its return on its marketing spend.

Why is the current sales & marketing model no longer sustainable?

Pharmaceutical companies have not had the easiest of times recently. Challenges currently facing traditional sales and marketing media include tightening pricing and reimbursement controls, increasing pressure on physician time and public scepticism of the Pharma industry, all compounded by tightening regulatory framework.

However, this is no time for Pharma to stick its head in the sand, says Datamonitor senior pharmaceutical analyst Dr. Sandra Reynolds. "Customers are already using the web extensively to meet their information needs and will continue to do so at quite a sophisticated level.

"The onus is on Pharma companies to get up to speed with existing and emerging technology and use the web in conjunction with existing marketing practices to bolster their share of voice," she says.

Sales and marketing strategies in the past consisted of large-scale sales forces, direct to consumer (DTC) advertising, targeting disease awareness, and setting up patient advocacy groups to establish brand awareness. The strategy most prominently and heavily invested in was building the relationship between the sales representative and physician. Companies employed large sales force teams to pound the pavement to establish a share of voice, and doctors in return received perks ranging from free pens to four-star meals and vacation-style trips. However, the increasing numbers of reps calling (sometimes two from the same company per day), ate up physicians' time. Other factors like aggressive physician-calling tactics helped bring about a change in attitude towards this sales approach.

Pharma sales representatives are having increased difficulty gaining access to primary care physicians/GP's. Reps therefore need to evolve and vary their approach to accommodate the changing physicians' practices. For Pharma the problem is no longer just the cost of maintaining large sales forces but the simple fact that they are no longer as effective. Pharma sales representatives must become much more specialised in specific therapeutic areas to provide real value to its customers who are under increasing pressure to prescribe generic drugs, and have less time to see representatives than in the past, Dr. Reynolds says.

“Pharma has been slow to engage with its customers online; to explore other avenues besides the company website, which unfortunately for Pharma is met with a certain degree of mistrust and scepticism.

“Understanding the needs of physicians when designing online strategies is vital. For instance, websites geared towards physicians should be much more clinical in content and appearances with less marketing language,” she says.

Pharmaceutical companies main target customer has always been the primary care physician/GP, but that is now changing. Pharma now needs to reach out to new and increasingly influential customers such as patients, pharmacists and payers. This is especially true in the US, where pharmacists in certain states have the power to prescribe. In addition, empowered patients who turn up at their doctors armed with a wealth of knowledge gleaned from the internet challenge physician's decisions.

In the EU, it is more difficult to communicate with patients with the ban on DTC advertising. However, a proposal published in February 2008 by the European Commission could potentially allow pharma companies to disseminate non-promotional information - including price - via television and radio for prescription-only medications to patients. If this goes ahead, it will create a much-awaited opportunity to communicate drug information to patients who presently feel that Pharma's lack of communication infers that they have something to hide. It is also an ideal way to improve public image, by providing health related information online that is tailored to the educational needs of its patients, Dr. Reynolds says. “My only concern is that if they cannot achieve effective online communication with physicians, then how will this happen with patients?”

Safety fears and high-profile lawsuits have also not helped the industry's image. Striking the right balance when engaging with the public online is vital. This is not easy for pharma companies. The industry is known for its conservative nature and given the tight legal restraints it must abide by, interacting with customers online is daunting. However, there is no avoiding the obvious benefits of engaging with customer's online - improving public perception for starters.

How to move forward

While Pharma is beginning to explore new media, the industry is both slow and hesitant to do so. However there are some initiatives such as e-detailing, which has become an important tool in targeting the right physician at the right time with the right message. This enables representatives to reach a much wider audience, which creates the need for the doctor to see the representative to answer more specific questions. This approach means that the actual interaction period between the doctor and representative is much more valuable to both parties. Media features such as podcasts are used extensively on the web and are simple to use and inexpensive compared to traditional marketing efforts, yet they are currently underutilised by Pharma, Dr. Reynolds says. “The ever-growing popularity of social media could also be better utilised by Pharma, including live video detailing and social network sites like second life.

“Legal limitations can no longer hold back pharma companies from engaging with its customers. The restructuring of Pharma companies' internal processes, so campaign approvals can happen faster would be a good start,” she says.

* eHealthInsight Series: Reaching doctors and patients through new digital media. Datamonitor's report *Reaching doctors and patients through new digital media* explores the challenges facing Pharma's communication models and assesses current online strategies as well as novel strategies that could be

adopted to convey messages to doctors and patients through emerging digital media channels.

ABOUT THE AUTHOR

Dr Sandra Reynolds is Datamonitor's senior pharmaceutical analyst and the author of the report.

For more, visit: <https://www.bizcommunity.com>