

## TRANSFORMING CUSTOMER DATA INTO SALES AND MARKETING INTELLIGENCE

Conducting a Cross-Channel Analysis of Sales, Marketing, and Service Information Drives Improved Efficiency and Increased Profitability for Today's Pharmaceutical Companies

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“Ask your doctor if this medication may be right for you.” In many countries, this now well-known line — with its accompanying litany of potential side effects — belies the rapid growth of direct-to-consumer sales and marketing, and the billions invested in such efforts. With advertising and marketing spending exceeding £49.8 billion for Europe’s six largest pharmaceutical companies and \$47.8 billion for the United States’ top four pharmaceutical companies alone, the relationship between people and medicine has subtly shifted. At the same time, sales proficiencies have substantially improved and whole classes of once arcane drugs have become household names.

Most pharmaceutical companies worldwide employ sales force automation applications such as Siebel or Dendrite to track and manage all source data — from contacts to scheduled and completed meetings, leads (from doctors offices, conferences, advertisements, and commercials), sample drop-offs, locations, and follow-up efforts, to third-party pharmaceutical sales information and doctors’ fleeting impressions of individual products. Yet, how do companies analyze and understand if their marketing and physician outreach efforts are targeted, effective, and ultimately, driving optimum revenue? Simply amassing data does not automatically beget actionable intelligence.

Pharmaceutical companies, of course, also struggle with missing or inaccurate data, and the challenge of encouraging or mandating salespeople to enter data into central customer information systems. Also, due to strong consumer data privacy laws and strict industry regulations, many companies must work with generalized sales data stripped of personal identification information. Regardless, most companies already have significant amounts of source data; they simply must better correlate and use it to improve future opportunities and growth potential.

To transform available source data into actionable sales and marketing intelligence, pharmaceutical companies must collect specific types of information, and better analyze it — whether collected by sales or another channel or purchased from data vendors — to hone marketing efforts, calculate sales effectiveness, effectively track and pursue leads and physician meetings, improve consumer loyalty, and boost profitability. Companies can then use advanced analytics to generate statistical associations between sales and marketing efforts in order to reap the most from every dollar, pound, or euro they spend. Analytics capabilities also enable a 360-degree view of both product sales and overall brand success — helping to identify sales and outreach coverage gaps, better understand

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product mixes across specific geographies, and ensure more effective sales efforts and brand reception by physicians and hospital directors, all of which drives increased revenue.

## OVERCOMING DIMINISHING RETURNS

Many pharmaceutical companies attempt to track contacts, leads, healthcare institutions, physicians' practices, prescription trends, the number of meetings with individual doctors, and samples left with physicians. Other essential data may also include lists of thought leaders by treatment type or medical specialty and currently funded beta/clinical studies, events, or grants, and the degree to which individual doctors have received training or coaching on specific products.

Even when collecting this information, however, many pharmaceutical companies face the law of diminishing returns: revenue is not increasing commensurate with additional sales and marketing data collection and outreach efforts. Hence, progressive companies focus on maximizing their relationship marketing efforts by better correlating all field activity with raw sales and linking the connections between discrete sales activities, marketing campaigns, and myriad other data points to identify how and where to focus sales and marketing budgets, and what returns to expect as a result.

## IMPROVE DATA GATHERING CAPABILITIES

Collecting the required information to guide sales and marketing efforts may entail initial enhancements, such as redesigning customer management-related business processes, upgrading CRM software, targeting additional types of data for inclusion, or empowering sales with handheld PCs. It is also important to consider face-to-face marketing technique improvements, including creating more structured approaches to conducting meetings with medical professionals, additional ways for physicians to opt into marketing campaigns, and improved strategies for gauging medical professionals' awareness and opinions of existing products.

For example, when examining how to foster a more effective sales force, pharmaceutical giant Schering Health Care Limited (now part of Bayer) identified numerous impediments in how its laptop-carrying sales force entered in-depth information related to sales calls and sample drop-offs. Innoveer helped Schering adopt new CRM capabilities supported by PDAs, so that sales representatives could use the PDA-based CRM tool to track every aspect of their face-to-face meetings, plan and organize visits, and manage samples. Meanwhile, behind the scenes, analysts can better correlate sales (by postal and

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zip code) with how many visits salespeople conduct at any given hospital.

As a result of these and other efforts, Schering has dramatically improved its sales effectiveness for its line of hormonal contraceptives, and posted a 41 percent growth in sales — especially notable given the commoditized oral contraceptive market. Today, Schering controls almost one-third of the worldwide market for contraceptives, and is further applying these sales techniques to ensure its continued competitive advantage.

## DATA PRIVACY OBSTACLES

In the United States, pharmaceutical companies can advertise directly to consumers, and also subscribe to extensive, though still somewhat anonymized, databases of patient data. In most other countries, however — including the United Kingdom and much of Europe — privacy laws more heavily curtail data tracking, and regulations restrict direct-to-consumer advertising. Where such regulations exist, companies typically run informational campaigns, and focus on promotion rather than closing sales — especially with nationalized healthcare systems in which salespeople must work with both primary care providers (general practitioners) and secondary providers (specialists).

Thus, when operating in the Netherlands, Schering's sales representatives try to meet with as many doctors as possible in any given day, discussing products and logging their feedback into their SFA application. Downstream, Schering attempts to correlate sales representatives' activities with actual orders from hospitals to gauge sales force effectiveness and guide future efforts since it is prohibited from gathering such data directly. Furthermore, Schering compares customer feedback with other sales and marketing trends to adjust its product mix and marketing strategies for optimal business outcomes.

## BOOSTING SALES EFFICIENCY

Regardless of the environment, conducting face-to-face campaigns is expensive and time-consuming — at least when compared to running call centers or conducting Web marketing. Yet, pharmaceutical companies rely heavily on face-to-face campaigns to both inform doctors and persuade them to use certain products. Indeed, of the \$30 billion spent worldwide on pharmaceutical marketing, roughly one-third supports field force activities, including face-to-face marketing. Because time is scarce, pharmaceutical companies attempt to structure salespeople's efforts more effectively, in terms of physicians visited and specific products discussed, to increase efficiency.

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Increased efficiency then enables companies to generate more lucrative results for the same amount of effort, since efficient marketing encourages doctors to prescribe products more frequently, and promotes consumers' favorable products and product line impressions. In fact, marketing effectively begets increased returns by improving brand exposure and customer knowledge, and therefore sales.

For example, take another Innoveer customer, a leading Dutch pharmaceutical company that wanted to improve its sales effectiveness, in terms of promoting products still under patent. In the Netherlands, as in many other countries, pharmaceutical companies have access to only generalized data and no access at all to data regarding patients. In fact, this company can only rely on two sources of information: its sales numbers, plus anonymous prescription information sold by third-party data providers.

To supplement this information, Innoveer helped implement specific customer management capabilities, including PDAs for its sales force and tools to support a "letter-grade" approach to rating doctors. This technique combats a lack of hard sales data by empowering salespeople to amass "socially scientific" information. Specifically, a salesperson using a template assigns a letter grade to a doctor on multiple points, including thoughts or reactions to certain products, event invitations, and which other products they use. Salespeople also classify a doctor's product knowledge from "minimal" to "ambassadors." By linking and correlating information from these channels, this company directs future sales and marketing efforts: doctors who do not prescribe its products are aggressively targeted, whereas doctors who already do are not. Ambassadors, however, receive extra hand-holding to ensure their continued goodwill.

As a result of these customer management best practices, this company has dramatically increased its sales effectiveness. When a salesperson spends two days in a region, the CRM tool can detail an itinerary, help plan the route and exactly how much time to spend with each physician, which products to discuss, and for exactly how many minutes. Now, sales calls are practically a science unto themselves.

## SPOTTING COVERAGE GAPS

By better linking and correlating source data, pharmaceutical companies can identify coverage gaps. For example, when a company conducts a multi-channel sales and marketing analysis, it might find that sales are low in one particular region. They can then drill fur-

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ther into the data to find that perhaps this location has the least number of activities, or maybe its current marketing efforts are not affecting sales. Hence, a company can determine, beyond maximizing its investments, how to derive an optimal plan for which products to promote and where.

## MANAGING SAMPLES

Most pharmaceutical companies carefully track the samples they dispense by physician and location, and follow up efforts and result. However, many of Innoveer's customers specifically track *all* samples that doctors *use* — not just those they individually dispense, since that means these doctors are recommending those products. Furthermore, companies have legal requirements when it comes to tracking samples, as doctors can only have a given quantity on hand at one time. Therefore, sales representatives must track drop-offs by physician and location and follow up, reconcile inventory levels and expiration dates, and re-stock samples. To accomplish this, many companies utilize PDA-based systems that allow salespeople to quickly record and assess sample-related information and place and save this data within central systems.

## MAXIMIZING PATENT REVENUE

When pharmaceutical companies offer a drug under patent, the race is on: they must maximize the value of their marketing and selling efforts during the patent window before generic drugs come to market — decreasing sales of the patented medication by up to 80 percent within one year. Therefore, for pharmaceutical companies, the useful product marketing lifecycle is often the time during which the company holds the patent. As a result, having tools to better link and correlate source data pinpoints extra value which literally means the difference between missing or maximizing revenue during the patent window.

## IMPROVING CRM INTELLIGENCE

Many pharmaceutical companies understand that they must improve marketing and sales effectiveness and better link and analyze source data, but they may not understand how to accomplish this. For companies operating in the United States, a deluge of raw source data makes it extremely difficult to deduce pertinent sales trends or accurately evaluate sales effectiveness. In other countries, of course, most companies have the opposite problem: too little precise sales information. In both cases, Innoveer has found that re-engineering and enhancing sales- and marketing-related business processes drives increased efficiency, thus boosting productivity and revenue. Accomplishing this requires not only rigorous source data collection, but also linking data across multiple channels and use of

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analytics to find statistical correlations between multiple channels of sales information.

## DRIVING BUSINESS GROWTH

With the use of advanced customer management and analytics capabilities, pharmaceutical companies are able to refine their sales and marketing efforts to maximize the return on field force investments. More efficient sales and marketing also increases customer satisfaction levels and therefore uptake: doctors prescribe medications more frequently and patients are more predisposed to then favor them — all of which increases revenue. Effective marketing begets further returns by emphasizing not just products, but entire brands, driving even greater physician and consumer satisfaction.

Thus, to obtain a complete view of product and brand sales and marketing efforts, pharmaceutical companies must move beyond simply amassing customer and sales data, to rigorously linking and analyzing all available information for statistical correlations. They are then able to apply these findings to continually refine sales force effectiveness, driving increased productivity and profitability.

## ABOUT INNOVEER SOLUTIONS

INNOVEER SOLUTIONS, an award-winning customer strategy and solutions consultancy, provides advanced customer management services to healthcare and high-technology companies, among others, in the areas of planning and strategy, technology implementation, and optimization. The company's deep industry knowledge, broad technical skills, and Multishore methodology enable organizations to address their critical customer-facing issues and achieve an integrated view of all customer information. With an exclusive focus on customer management since 1998, Innoveer has worked with more than 300 organizations to increase their overall business growth, improve internal efficiency, and enhance the customer experience.

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