



Developing Customer Trust in a Multi-Channel Environment

The rise of digital media, among other factors, has helped shift marketing from a sales-force centric model to a multi-channel customer-centric, value proposition. With the majority of consumers conversing online about health, trust is crucial for pharmaceutical manufacturers to be able to keep their consumer and physician retention levels up.

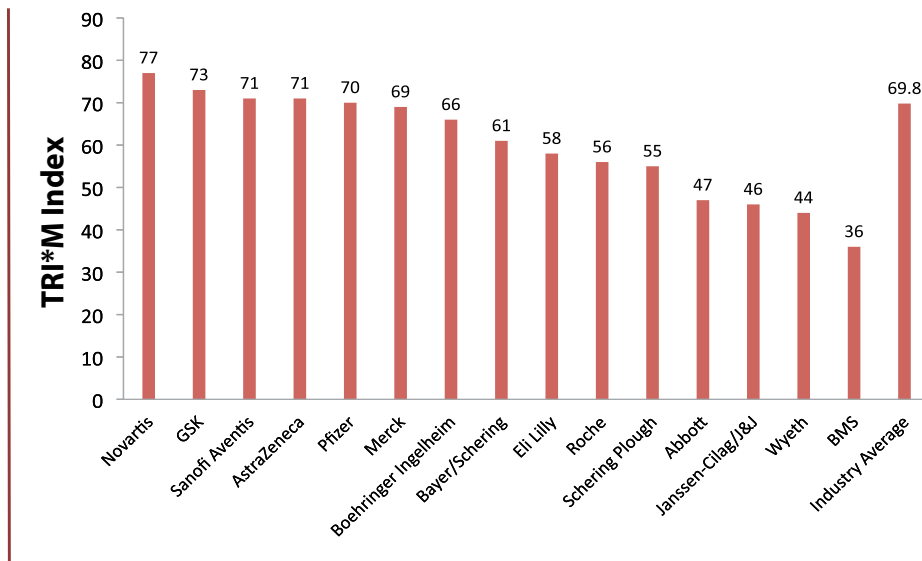
BY MARK SALES

One of the biggest “sea changes” that pharmaceutical companies are going through right now is the move slowly but surely from a sales-force centric model with marketing largely in a support role to a multi-channel customer-centric, value proposition. As well as market factors such as the decline in the “blockbuster” drug and the flow of the tide towards generics and more personalized drugs, the “rise and rise” of digital media has had a part to play in this shift.

According to a recent report from Web monitoring firm Synthesio, the top international topic of conversation online is health. While other reports suggest that more than 95 percent of consumers are engaging in healthcare conversations online, 38 percent of doctors internationally are participating, with a whopping 83 percent feeling that they would be more likely to join in the online dialogue as well when proper guidelines and regulation come on board. Because of this – and despite the restrictive pharma environment – pharma companies have been diverting marketing spend to digital channels, with SDI noting an increase of more than 32 percent in industry spend-

ing on “ePromotion” to physicians, and Econsultancy and Exact Budget pointing to a 10 percent shift to Internet and social media channels in 2010 for the international pharma market (compared to a 65 percent increase in the market overall). But is this shift making pharma marketing more effective? Multi-channel is not the same as multiple channel; an all things to all men increase in Tweeting that doesn’t tie in with any of other marketing will have the same negative effect as an ill thought through ad campaign, although it will probably reach many more people. And right now a significant majority of patients (70 percent) and healthcare professionals (60 percent) do not wish to communicate with pharma via (currently unregulated) social networks, increase in digital spend or not. So what’s the issue? One word – “trust.” Take the physician, for example; as the official gatekeeper to the consumer, it goes without saying that in the new scheme of things, it’s really important for the pharmaceutical marketer to keep them on side. The mind set tends to go like this, “They are still prescribing my products and they aren’t turning away my reps so they must be loyal, right?” Wrong. Just because the doctor

Figure 1: Novartis leads the pack for pharma companies in the TRI*M Customer Retention Index.



keeps ordering doesn't mean that the offerings are "just what the doctor ordered."

Measuring relationship strength

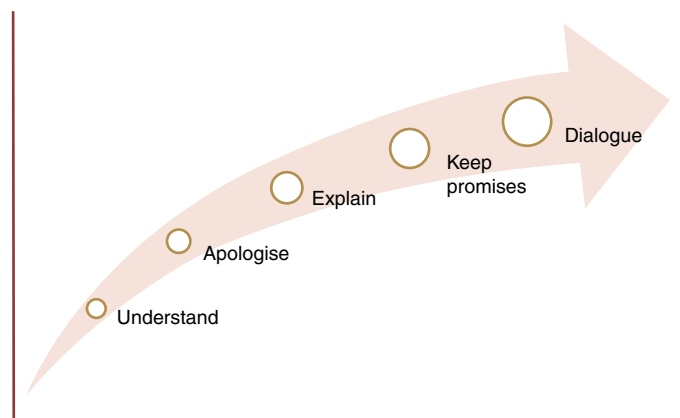
An ongoing Kantar Health survey – *The Changing Pharma Commercial Model*, based on the TRI*M Customer Retention Index – which was set up some years ago to determine the strength of pharmaceutical companies' relationship with primary care physicians and general practitioners in the U.S. and Europe, has shown that there is a tendency to mistake complacency for loyalty and that this tendency has become even more of an issue in these changing times. In countries where organizational changes were made in 2008/2009, retention indices dropped, the U.S. losing a statistically significant three points in 2009, then regaining them as the changes settled in 2010. In this new world, it's also not just the physicians who are recommending brands (or not). Patients will no doubt be sharing stories and (often strong) opinions in cyberspace and rating performance. Some are voting with their feet if they don't trust a brand – one quarter of new prescriptions written never get filled and more than half don't get used within six months, not only costing healthcare systems a lot of money but hurting the pharmacy companies in terms of lost sales. Again, gaining trust and advocacy is the key; delivering open, transparent and targeted messages in the right mediums, constantly monitor the impact and making adjustments along the way. It's no longer about "tell and sell."

Trust's impact on retention

Going back to another Kantar Health survey that was conducted in Dec. 2009 around the value of Corporate Reputation, it's interesting to see which pharmaceutical companies are leading the performance tables on the ultimate "trust" metric, customer retention and how that related to their marketing and sales strategies. All in all, the survey showed that big companies struggled with achieving retention, but compared to industries like finance which generally showed very poor retention at under one third of customers for 2009, a TRI*M reputation index for the pharmaceutical industry in general doesn't seem quite so bad (see figure 1). Novartis, a clear leader in the Reputation stakes and also in terms

of Retention for the past three years, would appear to have a very strong cross-company multi-channel strategy. An interesting knock on effect from this is that, judging by the results from our survey, their top score in terms of reputation clearly links to their bottom line. So what has Novartis been doing to ensure they are effective in their multi-channel marketing and sales effectiveness? They are a very interesting case. They have a strong and consistent trust building marketing strategy that sees them leading the way in leukemia education and communication (for example, CML Earth, a social network that connects chronic myeloid leukemia patients, is popular with patients, patient groups and healthcare professionals from

Figure 2: The psychologist's model for building trust.



around the world), and campaigning in all channels to help end leprosy. They also have enormous stakeholder/ key opinion leader buy-in, leading the way in the *Forbes* “Most Admired Companies” league tables for the sixth consecutive year, scoring a *Fast Company* “Most innovative company” award, voted number one in the *MedAdNews* “Most Admired Pharmaceutical Company,” given the employee vote in *The Scientist* (the best place to work in the industry), not to mention awards for their research into rare diseases and vaccines, a big thumbs up in

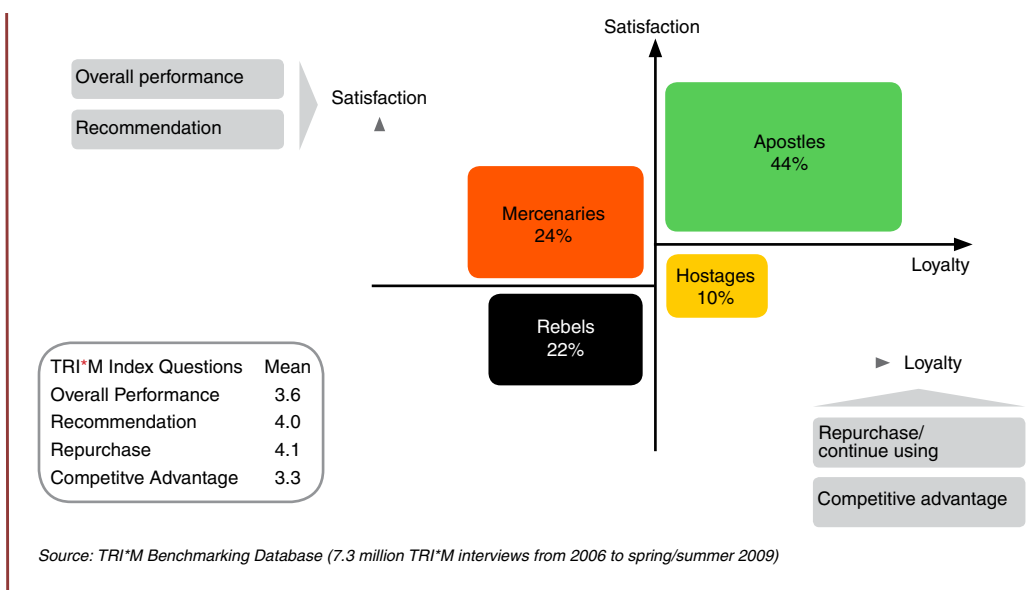
the global diversity stakes from DiversityInc and a No. 6 position on the global list of *Newsweek’s* 2010 “Green Rankings.” In a separate sales effectiveness survey run by Kantar Health, they also lead the way. However, they have, quite recently, been sued very publically for illegally marketing Trileptal as a treatment for bipolar disorder and nerve pain to neurologists, psychiatrists and pain specialists. Although due to patent protection and the rise of generics, this is no longer one of the company’s best selling drugs, the news was obviously a blow to its reputation and trustworthiness.

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Regaining lost trust for the long-term

The key to managing this situation and regaining trust was that they monitored opinions to get an understanding of “the hurt,” acknowledged that they had been wrong, explained why, committed to doing better next time and opened up the dialogue rather than hiding their head in the sand (see figure 2). To err is human and it is not a deal buster as far as trust

Figure 3: Kantar Health’s model for trust-building, TRI*M Customer Retention Benchmarking.



is concerned – as long as you don’t pretend that bad things haven’t happened and as long as you show you are doing your best to make amends (see figure 3). All of this goes to show that, as with any relationship, retention and advocacy won’t happen without pharma companies having consistently believable, reliable, competent, committed and engaging dialogue through multiple channels with high value customer segments. Online is a great place to build trust but it’s not the only way and there are easier routes to take while key customer segments are still reluctant to engage and regulations restrict usefulness. To gain trust from physicians, key opinion leader advocacy – identifying and partnering with those experts who can really support your marketing efforts with hard facts – is an important marketing strategy as is overall corporate reputation management. For the end customers, important trust building themes are education, the transparent flow of information and a more customer-centered product development process. And if you are not measuring how effective your multi-channel campaigns are at winning trust from all the key stakeholders, it really is time to start thinking long and hard about how to get some metrics – the signaling and coordinating glue in the system – in place.

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