Managing the Marketing Gap: Navigating in an ‘Insight-Driven’ Era

Marketing is undergoing a wide-scale transformation to enable individual customer-driven interactions, automated cross-channel campaign management, and rapid feedback loops. The enablers of this new marketing will be technology, big data, and new skills and processes. Given the profound changes impacting the Life Sciences commercial model, marketers are facing a major challenge to evolve their approach and demonstrate value for their marketing spend.

By Bob Harrell

The pressure on Life Sciences marketers has never been greater. Customers have hundreds of sources they can turn to for information, corporate financial pressures are tougher, and the regulatory and political environments increasingly uncertain.

At the same time, Life Sciences marketers have a phenomenal opportunity. More behavioral data than ever before have become available to identify needs, design relevant customer interactions, and sequence activities for maximum effect. Flexible technology tools, not available even a few years ago, can radically improve visibility for marketing efforts, enable marketers to optimize tactics, and communicate real value to management. Plus the opportunity for professional growth and learning today is unparalleled.

Other industries have long been on the journey to develop new levels of marketing capabilities. Authors of a landmark Harvard Business Review article, “Rethinking the 4Ps,” proposes replacing the customary Product, Place, Price, and Promotion with SAVE – Solution, Access, Value, and Education, as a result of what technology now makes available. Their groundbreaking work with a division of Motorola involves a solutions mindset, a focus on the customer, and that ever-elusive partnership between marketing and sales.


It was a game-changer, transforming Samsung into a market-dominating company whose stock price has increased 7x over the last ten years while it’s primary competitor, Sony, has dropped in half.

What does change look like?

Marketing is evolving to be customer-centric, integrated across channels, and insight-driven to deliver measurable performance. What was once a macro-focused, creatively oriented discipline is now becoming both macro- and micro-focused, data-reliant, and quantitative. Life Sciences marketers who embrace this journey have a tremendous opportunity to increase their impact, grow their skills, and outperform their competitors.

This is the new “holy grail,” and marketers who understand and can implement this transformation will be ahead of the curve for their brand, their company and their own careers.

The extent of this change is illustrated by what Appature calls the Marketing Maturity Curve. (See Figure 1.) As pressures on margins and ROI increase (y-axis), together with the complexity of channels and customer types (x-axis), so
must the organization’s sophistication in marketing capabilities. The process required to make substantive change involves bringing together all relevant customer data, integrating channels to shape the customer experience, and leveraging insights to achieve an optimal and demonstrable state of performance.

Three-step process to change

Appature has developed a three-step process to help marketers assess where they are on the Curve, evaluate the fit with the market situation, and develop an action plan.

a) STEP 1: Take stock of your current approach to marketing.

The Marketing Maturity Diagnostic helps marketers see quickly where they are in terms of needs, capabilities, and gaps, and bolsters the case for taking action. The diagnostic helps marketers analyze each brand across four categories: Customer Data & Segmentation, Customer Experience, Marketing Analytics, and Marketing Technology.

Customer Data & Segmentation
- Levels of granularity for customer definition
- Frequency of data use to refine/reassess segments
- Degree of integration of customer data sources

Customer Experience
- How the brand team plans and executes campaigns

Marketing Analytics
- Access to data/reports and timing
- Timeframe for analysis and optimization decisions
- Basis for future marketing investment decisions

Marketing Technology
- Use of marketing tools and systems – e.g., 360° customer database, campaign management and execution, centralized reporting
- Integration with other company systems – e.g., sales force automation, call center, finance, market research

b) STEP 2: Evaluate the fit to the market situation.

The self-assessment gives marketers a general idea where they locate along the Marketing Maturity Curve’s multi-dimensional approach. Is the brand suited to traditional tactic-driven marketing? Does it represent a foundation for a new approach in development? Has true customer-centric marketing been achieved? Have marketers advanced to the stage of insight-driven informed marketing?

Keep in mind that the most advanced stage is not necessarily the best choice. Strategic marketers carefully calibrate the approach to each brand, fine-tuning it using real-world and real-time information wherever possible. The following four stages form the basis of the Marketing Maturity rating:

Stage 1: Tactic-Driven Marketing

This traditional approach involves creating and deploying tactics to a broad target audience, with limited coordination of tactics or use of technology and little or no access to information about what’s working and what isn’t. It is well suited to brands with low ROI pressure, a less complicated customer base, less need for customer engagement, and already established.

Stage 2: Foundation Development

Brands in this category use tactic-driven marketing while doing initial groundwork for advancing up the Marketing Maturity Curve, putting in place operational investments to enable a future state of more insight-driven marketing. This stage fits with brands under ROI pressure or serving a more complex customer in a more complex media landscape.

This is a necessary stage, providing the “plumbing” for future changes, but with intrinsic business value. Many companies get stuck here, caught in a vortex of data collection and system building, often taking on large “on-premise” (not cloud-based) infrastructure that move slowly. Brands at this stage are in peril unless marketers develop clear, time-bound plans for moving to Stage 3.

Stage 3: Customer-Centric Marketing

Brands in this stage are beginning to truly organize campaigns around the customer. Marketing campaigns for these brands are executed across channels and provide at least some effectiveness information for more informed decision-making. Brand marketers have developed close partnerships with IT and/or external providers, and are beginning to leverage technology to deliver on their goals. Multiple channels are used to create a coherent “customer journey.”

At this stage marketers still may lack 24/7 access to campaign data and continuity in the customer journey, and encounter gaps during the loyalty phase.
This sounds pretty advanced, but there is still significant opportunity to move further up the curve. If the brand has a competitive market, complex customer base, sophisticated multi-channel campaign or faces financial pressure to deliver efficiently, keep reading. The brand belongs in Stage 4.

Stage 4: Insight-Driven, Informed Marketing
Marketers whose brands reach this level on the Marketing Maturity Curve have achieved real transformation. Their capabilities to use real-time information to drive marketing campaigns enable them to deliver high-value, personalized experiences for their customers, be more informed in their optimization decisions, make changes while campaigns are still ongoing, and exhibit more agility.

This is the new “holy grail,” and marketers who understand and can implement this transformation will be ahead of the curve for their brand, their company and their own careers. If marketers fit this description, they are truly leveraging information to personalize the customer experience, partner with sales, create multiple unique experiences for the customer, optimize campaigns midstream, and use cloud-based tools to develop insights in real time.

c) STEP 3: Create a plan to move up the curve.
Three interconnected components are essential to implement meaningful insight-driven marketing—skills, processes, and technology. (See Figure 2.)

Skills: Working with Data. Technology alone isn’t enough to achieve Marketing Maturity. In today’s increasingly data-rich world, marketing departments will need the talent to work with the information—data scientists, mathematicians, IT professionals and financial analysts. This will require building of new internal skills and strategic partnerships with external experts.

Structures will also have to change. Goodbye channel-specific and functional silos, hello intra- and inter-departmental collaboration. This means ensuring the skills to build coalitions across functions and put in place governance processes.

Operational Processes: Getting to “Fast.”
Both marketing departments and management across functions will need to re-orient around widespread use of analytics and rapid, insight-driven decision-making in order to drive higher revenue and business success.

New technology is only part of the equation. Marketing leaders are also being challenged to:

- Develop policies and procedures for deploying multi-channel campaigns
- Train Medical/Regulatory/Legal teams in how to deal with the new business—rule driven, automated campaigns

• Estimate and make the case for the additional resources that may be needed
• Encourage and enable A/B testing for campaigns

Marketing Technology: A Key to Insight-Driven.
Technology is the hub from which teams manage customer information, customer communications, and campaign outcomes. It contributes to Marketing Maturity in three ways:

- Integration of customer data helps marketers deeply understand their customers across virtually limitless variables
- Automation of marketing campaigns enables personalization, greater responsiveness, continuity, and coordination
- Advanced analytics engines provide real-time performance insights by campaign, channel, or even individual customer

Marketers who know they need to ramp up their capabilities often hit a brick wall when it comes to figuring out how to compare specific product features and functionality of various solutions. This is a difficult, and critical, decision that can significantly impact costs and effectiveness. One of the key decisions will be what kind of technology solution works best for specific market situations—whether to build an “on-premise” IT solution or go with cloud-based software-as-a-service (SaaS) solutions. Cloud-based solutions are designed for fast implementation, are flexible to scale, and provide broad access to users through the web. There is no hardware to procure, and software upgrades happen centrally and frequently.

Another factor in selecting technology is the extent to which (Continued on page 44)
MARKETING MATURITY CURVE

(Continued from page 16)

each platform is integrated. Does it deliver customer database, campaign management, campaign analytics, and delivery channels as one seamless platform, or do discrete solutions have to be connected? The assessment form outlines a number of parameters that have implications for speed, cost, and usability.

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Meeting the challenge

Changes in skills, processes, and technology are all required to meet the new, more sophisticated insight—driven demands of today’s Life Sciences marketplace. By understanding the Marketing Maturity Curve and any accompanying diagnostic tools, assessments, and planning support, marketers can make sense of the new environment and understand the decisions necessary to move up the Curve.

These are major challenges not only for marketers but for the pharmaceutical industry as a whole. Marketers and their operational support teams have an opportunity to lead this transformation, one that can radically change how they meet the needs of their customers, ensure strong performance, and demonstrate stewardship of marketing dollars. DTC

Download Appature’s White Paper, Managing the Marketing Gap (http://www.appature.com/whitepaper), for a more detailed explanation, diagnostic evaluation scorecard, assessment tools and guide to action plans – including a “non-tech-speak” scoring assessment form for technology platforms to help marketers and other departments involved in the decision to ask thoughtful questions and compare responses on a uniform scale.

References


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