



Medallia

3 Steps to Winning with Customer Experience

The winds of change have caught up with Pharma.

Having disrupted Retail, Hospitality, Banking, and Healthcare, the empowerment of consumers through technology is changing the way global pharmaceutical companies operate faster than drug companies can respond. Data is fundamentally transforming how patients approach their care and the way physicians and pharmacists adapt to meet those needs.

Customer experience signals are the fuel required. They provide an early warning system for movements in industry sentiment, enable prioritization of initiatives based on known impact to customer behaviors, and empower companies to experiment with innovative actions in the field whilst measuring the efficacy of ideas in real-time.

Here we will discuss how the best pharmaceutical companies will win using Operational Customer Experience Management (OCEM) to get closer to patients, physicians, pharmacists and insurers. The key areas of focus will be optimizing the patient and physician journeys, and moving quickly to capitalize on the fast-moving world of data collection, analysis and regulation.

1. Use feedback to build and optimize Digital channels that are fit for purpose

Wire “Voice of Patient” into decision making: Provide feedback options for patients.

Patients’ migration towards digital channels to research conditions, treatments and drugs can provide pharmaceutical companies direct access to a steady flow of end-customer sentiment to learn from. Gathering these data requires the correct degree of care and respect.

Digital transformation in Pharma is not about just having a mobile app, it’s about making it easy for patients to get the care they need.

The best solution is to implement “always-on” feedback collection methodologies for engaging customers in the

channels they increasingly use. A visible “Feedback” button, tab or menu option lets patients know the door is always open for constructive comments. Similarly, proactive intercepts on drug webpages can help capture actionable insights around messaging, enabling drug companies to ensure patients have access to the best and most intelligible information.

In commercial markets where patients feel their primary point of contact is the pharmaceutical company, these approaches can provide an anonymized, aggregate view on why people stop taking drugs, and intelligence on the uptake and response to new medications.

Wiring this feedback into the day-to-day activities of sales reps and stakeholders across therapeutic areas provides an additional lens when “cutting the revenue tail”. Digital transformation in Pharma is not about just having a mobile app, it’s about making it easy for patients to get the care they need.

When generic versions of patent-expired drugs can be produced for up to 80% lower cost,¹ combining sales figures with feedback arms companies with valuable additional data when determining strategy e.g., deciding which drugs to decommission or when and how to adjust ad campaigns.

Optimize physician journeys as they move online: Engage physicians in the channels they choose

The migration of physicians and medical professionals towards digital touchpoints is

even more diverse than that of patients.

As the industry continues to embrace lower-cost, virtual methods of engaging physicians through webinars and e-conferences, doctors are increasingly finding the digital world represents a wealth of options for interacting with the pharmaceutical companies.

This requires a more varied feedback collection methodology but also provides more targeted, actionable insights for drugmakers. Prominent touchpoints today include: portals and websites where doctors have personal profiles that can be optimized for; post-webinar or virtual conference interactions; and online chats with agents or bots where machine learning and text analytics can yield valuable insights.

Engaging doctors who consume research independently online enables identification of sub-optimal digital experiences, prioritization of the most impactful opportunities, and dynamic testing of improvement initiative impact.

2. Drive greater sales-force effectiveness and consistency in service excellence

Sales Reps are still potent

Whilst healthcare professionals' shift towards digital channels is very real, Sales reps remain an integral part of Pharma sales strategies and customer engagement.^{2 3}

A major European pharmaceutical company found that, on average physicians who are promoters of the company treat between 2.5 - 2.8 times more patients with its products than detractors do.⁴

There is vast opportunity to grow sales through increased prescriptions by understanding what is driving, or inhibiting, physicians from promoting drugs and better understand their interactions with sales reps.

Give them the fuel they need

By incorporating physician feedback on the sales experience, drug companies can better measure the activities and behaviors that drive sales effectiveness.

Furthermore, advanced segmentation analysis by rep geography, tenure, and drug

type can support operations in triggering automated alerts for churn risks and materials for training.

Realtime A/B Testing will be game changing, but Pharma is currently behind on efficiently testing commercial innovations in the market, especially during a new drug launch where companies can course-correct their take-to-market approach in real time if feedback is not positive.

Providing reps with a constant feedback loop to Marketing departments is very important. It delivers customer ideas and demands directly to those who can act on ensuring the engagement model is finely tuned to meet the needs of individual physicians. This process is increasingly being referred to as VoCE (voice of customer via the employee).

Partner relationship feedback gives sharper exec focus and leads to smarter investment decisions

There is much to be gained from pharmaceutical companies understanding how government agencies and insurance companies feel about their interactions to help improve relationships and drive efficiencies.

By overlaying relationship feedback from regulatory and funding bodies with physician sentiment, companies can better

understand the perception of their brands and products and start to derive more targeted action plans.

3. Maximizing on the Data Advantage

The tech titans are coming

The opportunity for data-driven disruption in Pharma has not been overlooked by tech companies and has inspired recent consolidation in the insurance and healthcare industries such as CVS Health's purchase of Aetna for \$69B, which was widely reported to be driven by Amazon's imminent entry into the space having won approval from 12 states to become a wholesale drug distributor.⁵

Amazon knows only too well how big data can support laser focused customer journey optimization targeting the right customer with the right message through the right channels in the right format at the right time in full compliance with local / state / federal compliance laws.

If Pharma is to avoid the unpredictable outcome of Mr. Bezos repeating his disruption of bricks-and-mortar retail on pharmacies, it needs to act now and swiftly whilst there is still time to leverage their considerable head start in terms of industry and legal compliance knowledge.

There is operational data to be mined

Pharmaceutical companies are in a unique position to leverage their current partnerships with clinicians, insurers, patient advocacy groups and retail pharmacies to combine data that will drive real value for patients.

Integrating customer experience feedback with the information stored in historical claims, co-payment data, customer support and call center logs, learnings from VoCE feedback, and unstructured data from social media parsed through AI text analytics engines will provide a huge strategic advantage.

Although consolidating these data from various silos will be painstaking and expensive, the result is a treasure trove for predictive algorithms and machine learning tools to build prescriptive pathways customized for each patient.

Be ready for the regulators

The impact of the concurrent data privacy revolution taking place today cannot be ignored.

As pharmaceutical companies seek to leverage data for better customer experiences, they will need to be increasingly

mindful of how they handle people's information in an environment of regulatory change.

“Data is indeed the new oil, but just like crude, it requires careful refinement and creative recombination before it can effectively fuel innovation and become the building block for new super products”

Evan Reiss – Vice President, Market Research & Analytics, IBM

New regulations, such as GDPR, increasingly require pharmaceutical companies to think differently about the management and protection of the information they hold. Everything from clinical trial data to more mundane records such as marketing lists will fall within the scope of these changes.

Consequently, maximizing the data advantage will need to be done in line with patient privacy laws and evolving regulation. Capitalizing on new technologies that enable PII masking and safe, secure transfer of non-personal data will be very important.

Conclusion

Adapt or perish

Whilst the challenges of disruption from digital transformation and customer empowerment are significant, they also provide great opportunity for the pharmaceutical industry. The winners will put patients, physicians and pharmacists at the center of their strategy for success. Integrating their feedback into day-to-day operations will directly increase sales rep success through customized service to physicians, optimize digital channels to better serve the needs of patients, and provide real time initiative testing capabilities to Marketing teams. To measure the risk of waiting, one need only observe how this wave of change has already upended global institutions once thought untouchable.

Endnotes

1. Tannoury, M.; Attieh, Z., The Influence of Emerging Markets on the Pharmaceutical Industry, Current Therapeutic Research (2017)
2. Lamotta argues that reported ineffectiveness of the rep based pharmaceutical sales model has been overstated. Whilst the size of Pharma sales forces has declined from a peak of 101,000 reps in the U.S in 2005 to 71,000 in 2016. However, this was driven primarily by the entrance of generic drugs and a decline in the sales of major blockbuster cardiovascular drugs like statins. Retrieved from: <https://www.biopharmadive.com/news/spotlight-trends-pharma-sales-force-digital-marketing/504949/> (September 18th 2017)
3. Maskaly, M., Former Pharmaceutical Executive Talks Drug Pricing, Future of Sales Reps, Retrieved from: <http://www.pharmexec.com/former-pharmaceutical-executive-talks-drug-pricing-future-sales-reps> (May 5th 2017)
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5. a) Morris, C., Why Did CVS Buy Aetna for \$69 Billion?, Fortune, Retrieved from: <http://fortune.com/2017/12/04/why-did-cvs-buy-aetna/> (December 4th 2017). b) Fontanella-Khan, J.; Nicolaou, A., CVS Health to buy Aetna for \$69bn, Financial Times, Retrieved from: <https://www.ft.com/content/868b0f60-d853-11e7-a039-c64b1c09b482> (December 4th 2017)



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About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers, and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. Medallia has offices worldwide, including Silicon Valley, Buenos Aires, London, New York, Tel Aviv and McLean, Virginia. Learn more at www.medallia.com.

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