

WHITE PAPER

# Customer-Centric Disruption

Pharma through the eyes of  
patients, physicians and pharmacists

**Medallia**



# The winds of change have caught up with Pharma.

Having disrupted Retail, Hospitality, Banking, and Transportation, the empowerment of consumers through technology is changing the way global healthcare operates faster than drug companies can respond. Whilst the introduction of new regulatory and privacy processes accompanying the data revolution will provide challenges, by far the greatest task will be accommodating the fundamental shift in how patients approach their care and the way physicians and pharmacists adapt to meet those needs.

Customer experience feedback is the fuel required. It provides an early warning system for movements in industry sentiment, enables prioritization of initiatives based on known impact to customer behaviors, and empowers 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.

## The classic patient engagement model

Historically, a patient's path to a given drug followed a standard journey: a patient experiences symptoms, goes to the doctor who diagnoses the issue and prescribes a suitable drug to treat the condition. The choice of treatment is based on external research but relies heavily on information from in-person conversations with Pharma reps. The patient accepts the prescription and purchases the recommended drug at a pharmacy (for now we will include the influence of payers and insurers on the choice of drug as part of the physician's selection).

In this model physician-targeted marketing and rep-physician interactions are central to defining which drugs become prevalent in the market. Pharmaceutical companies duly arm their reps with information on drug efficacy through clinical trials and a competitive price. The relationship built through the sales pitch takes care of the rest.

## The patient journey is changing

Healthcare is rapidly becoming more consumerized. The empowerment of customers in other industries is changing

expectations of how people research and consume healthcare. Just as Amazon has moved next-day delivery into the status quo, online apps have enabled customers to seamlessly integrate booking appointments or selecting and ordering products and services into their daily lives.

The universal hunger for data is also changing the competitive landscape as people turn to price comparison sites, social media discussion forums and customer feedback in general to drive their decisions. The rise of wearables and tracking apps in the fitness industry is having a big impact on lifestyle choices and providing a plethora of new data to augment healthcare decisions.

Patients today are paying more out-of-pocket through increased copayments and prescription charges.<sup>1</sup> Because of this, they increasingly want to be part of their diagnoses and make educated decisions based on their own research rather than simply what their doctor tells them.<sup>2</sup> One measure of this is seen simply by observing the rise in health-related Google searches, which now stands at 1 in 20.<sup>3</sup> Understanding and optimizing for the diversification of patient journeys is key to influencing the outcomes.



**1 in 20 Google searches are related to health<sup>3</sup>**

## The physician journey is changing to meet demands

As patients increasingly consume information via digital channels, physicians are following suit, partly to keep up with the requests patients make of them, but also to make best use of physician forums and advances in research distribution enabled by technology. This shift is seen in a 30% drop in accessibility of physicians to Pharma reps over the last 9 years with only 46% of physicians today considered “accessible” (defined as willing to take a meeting with a rep).<sup>4</sup>

This has fundamental implications for how companies take drugs to market. Whilst some of the shift can be attributed to increased wariness of anti-bribery and anti-corruption (ABAC) compliance liability,<sup>5</sup> a recent survey of 1,800 physicians conducted by DRG Digital Manhattan Research found that “stale detail” was one of the main issues that physicians had with their engagement sales rep.<sup>6</sup>

The proliferation of digital channels has made a lot of content shared by reps on product or promotional information seem repetitive. Bain (a consultancy) has also shown that

physicians, payers and providers are increasingly seeking more medical information online than with Pharma sales representatives.<sup>7</sup>

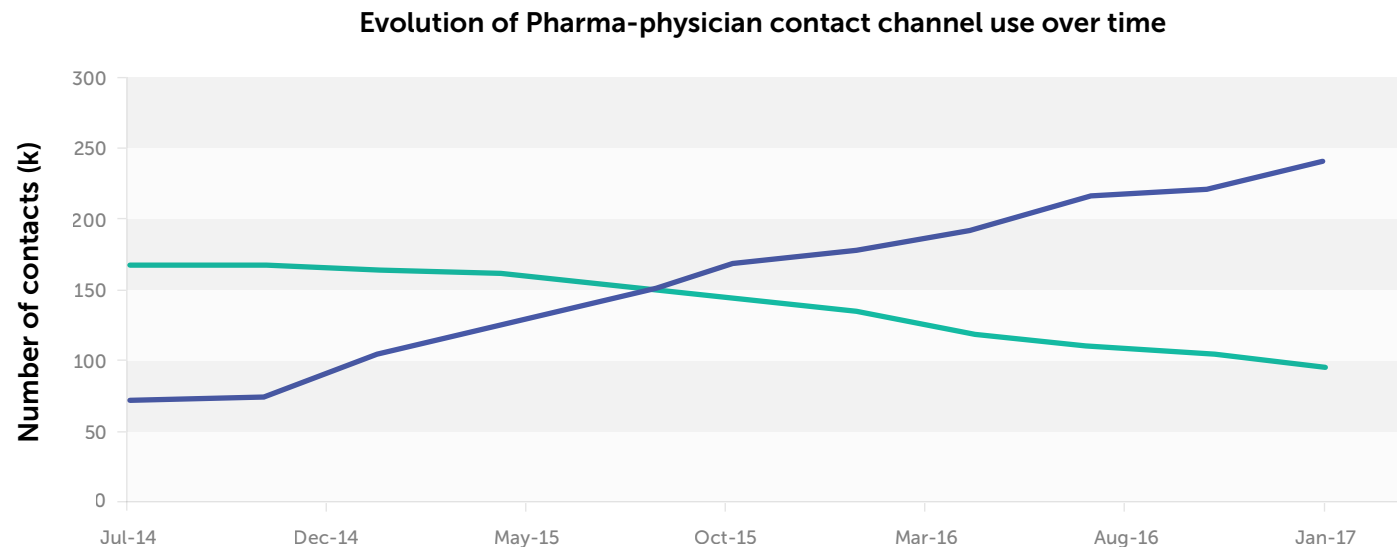
## Pharma is trying to change its approach to match

As models of clinical decision-making move online (Figure 1), pharmaceutical companies have increased their usage of digital channels to reach customers. As well as meeting

**Figure 1**

Outbound calls to doctors were surpassed by digital content pushes in 2015<sup>8</sup>

- Digital push sends to physicians
- Answered calls from reps



physicians in the channels of their choice, another driver for this digital migration is to reduce costs. However, tangible results are yet to be seen.

A study of the revenue per employee (a measure of sales effectiveness) for the top drug manufacturers actually shows a decline since 2010 (Figure 2).<sup>9</sup> Additionally, the revenue per dollar invested in SG&A (selling, general and administrative) expenses has remained flat. These data suggest that companies are not receiving the expected return on their investments in new sales and marketing techniques. The question is: why? Those who figure it out fastest will be the ones to lead the industry through these times of customer-centric disruption.

## Understanding the customer is the key

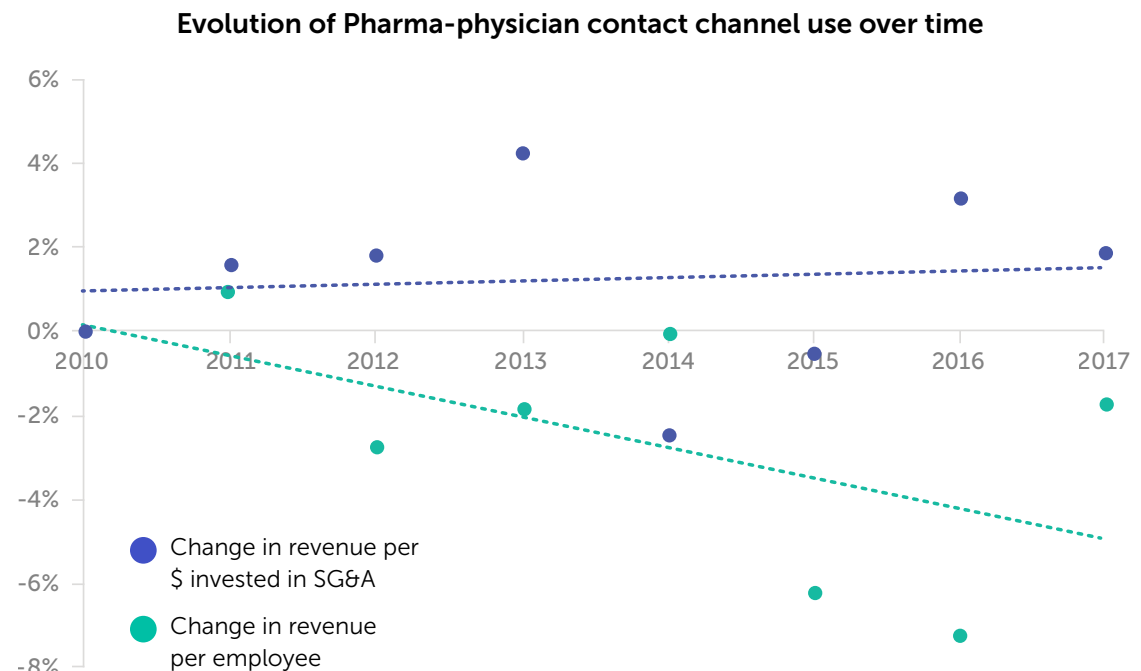
Whilst no longer a groundbreaking concept, recognizing the global shift of consumers to digital channels is very important. The consequent top-down adjustment of Pharma go-to-market investments in digital is essential. However, it is not enough because it poses a simplistic solution by assuming a homogeneous shift in consumer preferences when the data revolution is messy and

constantly changing how people engage with the world. To capitalize on this heterogeneous movement, companies need to get laser focused with their customer segmentation in order to provide the customized experiences that consumers crave.

Incorporating customer experience feedback into strategic analysis is the best way to do

this. It allows companies to go door-to-door to gain the loyalty of customers. Rather than relying on historical market research data, businesses can broker bespoke solutions to individual demands that drive satisfaction and advocacy from customers.

In this way, the historic hindrances of company size to agility are flipped and scale



**Figure 2**

For the top 9 global pharmaceutical companies, revenue per \$ invested in SG&A expenses remained flat (blue) from 2010-2017 and revenue per employee generally decreased (green) despite investment in cheaper digital channels

becomes a potent strategic weapon in the arsenal of innovation. Those with the most data can perform real-time A/B testing of new initiatives, outreach methods, and drug launches providing the best targeted experiences through a deep understanding of the patient and physician journeys.

## Optimizing the Patient Journey: Disseminating info (driving “pull” sales)

The majority of pharmaceutical companies run on a B2B2C (business-to-business-to-customer) model with direct revenue sourced primarily from patient insurers, employers, retail pharmacies, and national healthcare organizations. However, these intermediaries exist to serve their customers and, as such, it is the patients who ultimately hold the power in the relationship. They are becoming more demanding. Services like Amazon continue to sermonize customer obsession<sup>10</sup> and have raised the bar on the speed and ease of doing business. However, with this great change comes great opportunity; Pharma can learn from the first movers in Retail to drive new revenue streams as eCommerce leaders have shown consumers to be open to paying for premium services such as shorter waiting times for delivery.

The fact that patients are spending more of their own money through copayments or prescription fees is adding to their desire to be in control of their care. But again, this challenge provides new engagement opportunities providing services that enable patients to self-serve.

Tech companies such as FitBit and Apple have been very successful in encouraging customers to collect and share their fitness and wellness data by providing services that enable them to make educated lifestyle decisions from the analysis.

Companies need to get laser focused with their customer segmentation in order to provide the customized experiences that consumers crave.

Pharma can follow this model to provide customized patient experiences whilst also mining the data for innovation opportunities. Companies such as Pfizer, Roche, GSK and others already offer free mobile apps to help monitor and increase awareness of conditions such as diabetes, depression

and hemophilia while Novartis is in collaboration with Google on glucose-monitoring contact lenses.

This will all come with its own regulatory challenges that we will cover later. Improving the efficiency of marketing campaigns that precisely target customers at the right stage of their patient journey is becoming easier as customers provide feedback and self-segment by migrating towards certain channels. Novartis demonstrated the opportunity to capitalize on this very well when launching Gilenya,<sup>11</sup> the first oral therapy for multiple sclerosis (MS). The “Hey MS, Take This!” ad campaign was based on positive patient stories and championed early diagnosis. It almost exclusively leveraged social media and video blogging to build a movement around getting checked and building a community against the disease.

Patient feedback on how people experience the process of researching, buying, and consuming care can provide invaluable insight into how to meet their needs and likely future behavior when it comes to key treatment e.g., likelihood to follow the proper course of treatment for its entirety.

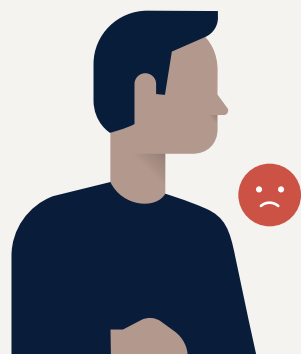
# Patient Journeys

Just because two patients have the same condition, does not mean they approach their care in the same way. Aligning with their chosen journey is key. Consider two patients:

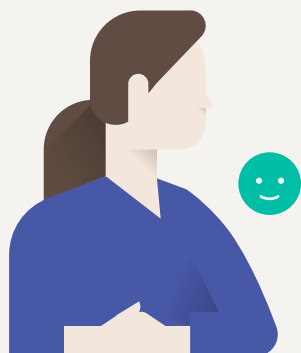
**Patient Peter is an affluent millennial, generally in good health.** When he does have a health concern, he likes to research the symptoms online through social forums and be fully up to speed and engaged in possible treatment tracks before seeing a doctor - he believes this will save time and he also has an inherent distrust in "Big Pharma".

**Patient Patti is slightly older.** She is well-off and employed but managing a couple of chronic health conditions. Patti looks for convenience in her care but wants to be reassured with expert advice and therefore tries to fit doctor appointments around her work schedule.

**Both patients** are diagnosed with the same condition and prescribed a 6-month treatment by their doctors.



**Peter** has doubts about his treatment and stops refilling the prescription after 2 months and tries a few other treatments. Ultimately, he goes to a different doctor after 6 months reporting no improvement in his symptoms.



**Patti** completes the course and reports back to her doctor in good health.

**Pharma cannot afford to rely on old school submissive patients lest they lose patients like Peter.** Drug companies need to ensure the right information reaches those researching online to encourage them to finish their courses. How? By understanding how they are feeling at different stages of their journey and acting accordingly to support them.

## Optimizing the Physician Journey: Upleveling Sales Rep interactions and investing in the right Digital channels (driving “push” Sales)

Classic Pharma commercial models are heavily reliant on physician interactions around generating prescriptions, but the journey starts well before and ends long after that touchpoint in time.

Feedback on how physicians experience the process of researching, prescribing and handling treatment follow-up can provide invaluable insight into how to meet their needs and their likely future behavior when it comes to prescribing.

The easiest way to know which doctors prefer which approach is to ask them. Customer experience feedback provides a pulse check on each individual and enables drug companies to adjust their outreach and target the channels physicians favor.

## Physician Journeys

Physicians are looking for the same information on conditions and drugs, however their approaches vary and require different support models. Consider two doctors:

**Doctor Dana** is a highly experienced clinician with good knowledge of the latest academic research and drug pipeline in her field. She wants to have a detailed conversation on the specifics of treatment options with providers before prescribing drugs to patients, so she can give one-to-one advisory and consultancy. Her preference is to call up the pharmaceutical company specialist and have an in-depth discussion about specific issues rather than have a generalist rep come by every few months selling the latest drug.


**Doctor Dylan** is a newly trained general practitioner. He graduated from a teaching hospital where Pharma rep access to doctors has been largely eliminated, so he is accustomed to researching products from alternate channels. Dylan wants instant access to all the available data on a given drug in a format that he can share with patients interested in understanding the research behind their care. He prefers to have real time, up-to-date information on all the options available from a given pharmaceutical company through a secure search engine that is easily accessible through single-sign-on from his Practice, or on his mobile device when on the move.

Pharma companies need to apply specialist strategies to meet the needs of different physicians. Firstly, optimizing and modernizing their sales rep approach to meet the demands of the ever-changing market. Secondly, developing digital channels that are easy to interact with and extract value from, in formats consistent with users' daily lives.



# Building an Experience Program for Big Pharma: Where to Start

Transforming enterprise businesses to put customer experience first is not straightforward. It requires careful collection and analysis of information, strategic thinking and innovation, diligent risk assessment, and most importantly, en masse activation of employees. The kernel of all of this is a trustworthy method of measuring success. In essence, Big Pharma requires Big Data. But where to start?



"The leaders use an omnichannel approach and personalized marketing to build a digital customer experience and increase their reach while significantly raising return on marketing and sales investments. Cost-effective technology tools help companies move from a siloed view to an integrated view of customers, ensuring messages are consistent and aligned as communication channels proliferate."

Michael Kunst - Lead partner of Bain & Company's EMEA Healthcare and Pharmaceuticals practices



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

## First and foremost, ensure compliance: Anonymize PPI in line with regulations

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.

Anti-bribery and anti-corruption compliance has become a day-to-day reality in big pharma. The UK Bribery Act and US Foreign Corrupt Practices Act have driven the world's pharmaceutical giants to shore up their policies and it is important that

patient feedback does not allow drug companies to "follow the prescription". It is incumbent on feedback programs to exercise caution when designing triggers for patient feedback and to ensure no link may be drawn between patient and physician. Such a link could leave companies open to accusations that the controls intended to safeguard against recruiting doctors based on their propensity to issue prescriptions are not fit for purpose.

## Wire "Voice of Patient" into decision making: Provide always-on feedback for patients

The best solution is to implement "always-on" feedback collection engaging customers in the channels they increasingly use. Patients then know the door is always open for constructive comments.

In commercial markets where patients feel their primary point of contact is the pharmaceutical company, this approach 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".





**Promoter  
physicians  
prescribe 2.5-  
2.8 more than  
detractors<sup>15</sup>**

When generic versions of patent-expired drugs can be produced for up to 80% lower cost,<sup>12</sup> 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 drug makers. 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.<sup>13 14</sup>

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.<sup>15</sup>

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.



A photograph of two men in business suits sitting at a desk. The man on the left, wearing glasses and a striped tie, is holding a tablet. The man on the right is pointing at the tablet with a pen. They are both smiling and looking at the device. On the desk, there is a glass of water and some papers.

“Stories about the death of the sales rep are greatly exaggerated... as a corporate leader, there is nothing like when a sales rep goes on vacation and you get a call from the doctor’s office asking, ‘what happened to our rep? These people are intimately involved in helping physicians with caring for their patients. Access [to doctors] is getting worse, but it’s not as bad as some suggest, especially if you are an established pharmaceutical company”

Alex Azar - Former President of Lilly USA

## 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.<sup>16</sup>

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.



**Providing reps with a constant feedback loop to Product Marketing is key to keeping messaging fresh**



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.

“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

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.

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.

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## About Medallia

Medallia, the leader in Experience Management cloud technology, ranked #15 in the most recent Forbes Cloud 100 list. Medallia's vision is simple: to create a world where companies are loved by customers and employees alike. Hundreds of the world's largest companies and organizations trust Medallia's cloud platform to help them capture customer and employee feedback everywhere they are, understand it in real-time, and deliver insights and action everywhere—from the C-suite to the frontline—to improve business performance. Medallia has offices worldwide, including Silicon Valley, New York, Washington DC, Austin, London, Buenos Aires, Paris, Sydney, and Tel Aviv. Learn more at [www.medallia.com](http://www.medallia.com).

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