

ACCELERATING MULTI- CHANNEL MARKETING IN LIFE SCIENCES

LEARNINGS FROM AN INDUSTRY SECTOR THAT
CAN ACCELERATE MULTICHANNEL MATURITY

white paper

INTRODUCTION

The pharmaceutical industry, like so many other sectors, has been on a quest to transform its commercial model to deliver a more aligned and relevant experience for customers. For many companies, the goal is to anticipate customer needs through powerful analytics and insights, and execute highly coordinated, seamless, and personalized conversations with each interaction connected to the last. When done correctly, this communication would create a sense of customer clairvoyance.

Despite strong agreement about the need to change, the pharmaceutical industry is behind many other sectors in achieving multichannel excellence.

Pharmaceutical companies can accelerate their journey to customer clairvoyance by examining other industry sectors with more advanced multichannel capabilities – especially industries with regulatory pressures similar to those faced by life sciences entities. Banking and financial services companies have rapidly advanced their sophistication and capability to listen, understand, and act on customer needs while increasing their agility to redirect resources based on customer behaviors and drive cost-to-serve to new lows. They have achieved this while responding to increased government regulation resulting in an upheaval in the way financial services companies go to market and interact with their customers.

This paper will explore the need for pharmaceutical and life sciences entities to mature their multichannel customer communication capabilities and examine the recent success by banking and financial services companies that can serve as a model for the adoption and refinement of a multichannel engagement strategy for the life sciences sector.

WHAT'S DRIVING THE URGENCY TO CHANGE?

Multiple factors are creating seismic shifts and accelerating the urgency for pharmaceutical and life sciences companies to execute in a multichannel mode. Some of the factors include:

- More complex customer environment
 - o Increasing trend of more organized, integrated health systems with greater purchasing and care delivery decision power; treatment and prescribing decisions are being made as a more complex matrix of C-Suite executives shift autonomy away from individual physicians
- More digitally connected
 - o Many physician practices are limiting or eliminating access to industry sales representatives; at the same time, physicians are increasing their consumption of content on mobile and on-line channels
- More demand for value
 - o Continued pressure from payers and health systems to demonstrate quantifiable value (cost and/or improvement in care) compared to established, largely generic medications
- More pressure on Sales, General & Administrative (SG&A) Costs
 - o Fewer blockbuster medicines and more focus on smaller specialty disease areas are causing greater pressures to reduce costs and improve margins.

Even with this pressure to accelerate customer communications across multiple channels, pharmaceutical and life sciences companies have lagged behind other sectors. Why? Realities such as the complex regulatory environment, rapidly changing customer ecosystem, antiquated legacy and home-grown information technology (IT) systems have been offered as barriers to advancing multichannel success. Pharmaceutical and life sciences companies have long held the belief that these challenges were unique to their industry, and that other industries have an open field advantage to achieving a multichannel nirvana.

PHARMA IS NOT UNIQUE

While there are no perfect industry comparisons, the banking industry has striking customer, environmental and internal similarities to pharmaceutical and life sciences. For example, banking is:

- Competing in a highly government regulated environment
- Responding to several greatly disruptive environmental shifts, including significant industry consolidation
- Under pressure to increase transparency and build customer trust
- Constantly innovating to keep pace with customer expectations

The multichannel journey that banking and financial services has been undertaking presents many applicable lessons that could help pharma companies accelerate their multichannel execution.

WHAT CAN PHARMA LEARN FROM BANKING?

The advanced capabilities needed to achieve multichannel customer engagement are very similar across sectors. They can be divided into three broad and interrelated categories:

- Customer understanding: Knowing your customer better than they may know themselves
- Content: Real-time accessibility to relevant and dynamic content assets
- Channel: Integration to create seamless two-way dialogue

**IT IS NOT THE
BUYING PROCESS
ITSELF THAT IS
CHANGING, BUT
RATHER THE PATH
TO PURCHASE.**

BANKING'S MULTICHANNEL JOURNEY

Banking has not achieved its current state of sophistication overnight; it has been a multi-year journey that continues today.

WHERE THEY WERE

SILOED ORGANIZATIONS STRUCTURED AROUND PRODUCTS AND CHANNELS

In the past, banks claimed to provide cross-channel experience, which simply meant that banking services were available for customers across different channels. Because banks were organized around product and functional silos, each developed independent processes that resulted in a fragmented customer experience. For example, banks would offer customers multiple ways to connect about their residential mortgage – via the Internet, in person, or over the telephone – but the customer could only converse about the mortgage. To talk about checking or investments, the customer would need to contact a completely different unit within the bank.



WHERE THEY ARE NOW

TAILORED OFFERS BASED ON CUSTOMER LIFESTYLES AND NEEDS

Banks are focused on how to truly meet customer's needs by leveraging technology rather than succumbing to it. Since 2010, increases in institutional consolidation have allowed financial institutions to offer a wider suite of products and services under one roof. This shift has prompted larger banks to place more importance on understanding the needs of discrete customer segments (e.g., mass affluent) and packaging a spectrum of products and services based on that segment's specific needs. Banks are moving toward a multichannel experience, providing services across different channels with a consistent look and feel that foster a strong brand presence across channels. However, true cross-channel integration remains a gap.



WHERE THEY ARE HEADING

OMNI-CHANNEL

The ultimate goal is for customers to truly experience the full breadth of the bank's brand, not just a channel within a brand. This omni-channel view aims to create a seamless and real-time experience across all channels that will cater to the customer who wants "everything at any time." For this customer, a new level of hyper-integration is required. Instead of organizing around functions or products, banks are organizing around significant customer life stages and events, such as a buying a house, changing jobs and retiring, and aligning products, services, and channels around these segments. Significant effort is still needed on infrastructure, systems, and processes to achieve the true omni-channel vision.

LESSONS FROM BANKING: #1 CUSTOMER UNDERSTANDING

1. IMPORTANCE OF ADVANCING SEGMENTATION – OUTSIDE AND IN

To say it is essential to understand what customers think and how they behave is an understatement. This goes well beyond simple demographics; it requires the development of deep “three-dimensional” personas representing valuable and actionable insights about key customer groups. These personas have to become the true north for product development, communication preferences and styles, trigger messaging, and even sales approaches. Often, sophisticated segmentation can be challenging to execute with customer-facing teams. Persona development should even be employed on internal teams to better understand their motivations and sales styles, and ultimately tailor training to explain the “why” behind the approach and create more effective customer conversations.

2. ORGANIZING AROUND CUSTOMER GROUPS

Using well-defined customer segments and personas, companies are beginning to align their organizations around these specific groups to create even more customer centricity. This move is breaking down some of the historical silos around product or channel organizational structures. For example, mass affluent and high net-worth customers can have extensive financial needs and many banks are undergoing a multi-year process to become fully centered around these important customers.

3. TECHNOLOGY ENABLERS TO ADVANCE CUSTOMER CLAIRVOYANCE

Mass adoption of the Internet, smart phones, and tablets, coupled with access to big data on customer behavior, presents incredible opportunity as well as challenges. Understanding the role each device and channel plays in the buying process is critical to ensure the optimal user experience and that the content matches the user scenario. While access to information is valuable, concise messaging is most important.

Synthesizing data into meaningful application is a collective challenge for both industries. Banks agree they are still in the infancy stages of understanding how to harness the power of big data and social media. A staged and prioritized multi-year plan is the approach of many institutions.

Social listening hubs that track trending topics are very hot across multiple industries. While it can be challenging for more regulated businesses, social media is the new ‘water cooler’ in every industry. Like pharma, every piece of content distributed by banks requires pre-approval and significant governance of the process. But the value of real-time social media listening can help shape future content and strategy.

CONSIDERATIONS FOR PHARMA

SEGMENTATION

- Have you developed three-dimensional customer persona groups that detail types of conversations and channels for delivery?
- Have you mapped the likely paths from product trial to usage to advocacy for these customer groups?
- Do you have a blueprint for the messages and content that you’ll need to move each customer through the various buying stages?

STRUCTURE

- Should you establish customer “advocates” for emerging customer personas to place greater focus on understanding their needs and educate your organization?
- Have you assessed and aligned current and future resources to be consistent with the customer groups?

TECHNOLOGY

- Do you understand how your customers are using their devices and for what types of activities?
- Have you modified the experience on each channel or device to match the most common customer needs and expectations?
- Have you incorporated social media to help you identify new needs or interpret early warning signals for missed expectations?

LESSONS FROM BANKING: #2 CONTENT

1. LOOK FOR THE INTERSECTION OF BRAND AND CUSTOMER NEEDS

For banking, content is thought leadership. It represents the bank's brand image with an aim to strengthen the engagement between its customers and the institution. The goals are not significantly different than other multichannel content: To be accessible and relevant to customers and their specific life circumstances.

By focusing on specific life events, such as retirement planning, a detailed messaging map can be developed for the multiple conversations that are likely to be needed throughout the life of the relationship. This step is done in advance and is channel agnostic to maximize consistency of message and the potential for reuse. This upfront planning ensures content is pre-prepared so the right content is ready for the right customer at the right time – and faster than ever before.

2. INVEST IN YOUR LIBRARY

Content is king in multichannel. It is one of the most important drivers for continued customer engagement. It is more important than ever to think bigger than your brand. Banking has invested in more forms of lifestyle content written from the customer's point of view rather than product-centric pitches. This content can take the form of stories, infographics, tips, expert advice, checklists, and interactive planning tools. Building this content library can create more engaged customer relationships and build trust, but it must be immediately accessible and relevant to their interests.

3. LISTEN, REVISE, REPEAT

Perceptions – along with facts – about your brand are shared in record time, making it more important than ever to keep a finger on the pulse of your business. A listening strategy is essential to quickly test the effectiveness of messaging as well as preempt myths and inaccuracies. Social listening hubs can be used to pick up on emerging trends and identify where new or revised content may be needed to address customer questions. Given the more regulated environment in which banking and pharma compete, a structured senior-level governance and rapid response team is likely needed to improve decision making and response time.

CONSIDERATIONS FOR PHARMA

CUSTOMER NEEDS

- Have you developed a detailed, messaging map based on customer personas and likely needs?
- Have you examined business processes to ensure they are optimized for multichannel delivery?

CONTENT LIBRARY

- Does your organization have the technology infrastructure in place (i.e., a content management engine) to aid in automation of content creation and delivery?
- Have you created a storage and reuse approach to increase content repurposing and accelerate delivery of content to customer?
- Are you thinking bigger than your brand messaging and including relevant lifestyle content to drive higher customer engagement?

ONGOING EFFORT

- Does your organization regularly listen, monitor, and collect customer feedback on your content?
- How are you leveraging field, teleservices, and social media to collect, test, and revise existing content?

LESSONS FROM BANKING: #3 CHANNELS

1. IMPROVE SALES REPRESENTATIVE IMPACT VIA INTEGRATION WITH MARKETING CHANNEL

Banking has realized their customers recognize only one company and not divisions, and that the sales process should be linked to all of the marketing and user experiences. Banks have invested in digital enablement tools to improve the connectedness of the sales teams with the other channel activity of customers.

As banking's suite of products and services has expanded, new tools were needed to take the burden off selling and place more emphasis on building a relationship with the customer. Putting more of the content – sales collateral, demonstrations, sample client reports – in the hands of the advisor via an interactive iPad app enables the advisor to showcase the value of the bank's solutions by walking through the customer's realistic needs.

2. WHEN TO SELL; WHEN TO SERVICE

In the multichannel world, understanding your customers' behaviors and then determining the optimal role for each channel is key, keeping in mind that multiple channels play roles in each interaction.

Banks had speculated that changing trends in demographics, economics, and technology advances would lead to traditional bank branches closures. However, recent studies show that even Millennial customers prefer to open accounts in branches. And, as a group, Millennials are surprisingly less likely to avoid branches than many adult customers over age 30. In addition, customers still prefer face-to-face interaction for more sensitive financial discussion around investments and loans, while perceiving that banking functions such as balance inquiries, transfers, and card replacement can be handled easily online.

So instead of closing branches, banks have opted to change the footprint and role of the branch to better align with today's customer needs. For instance, banks have reduced the size of branches, changed the design to be more open like an Apple retail store, and focused more on advisory services that will build the trust that customers seek.

3. MEASURE THE MIX, NOT JUST THE CHANNEL

As for measuring results, customers don't use just one channel to make a financial decision so why would you measure only one channel? It's that simple. While it's helpful to capture how each channel performs, it's vital to your business to really understand the role that each channel plays for your business and how each mix of channels performs together.

CONSIDERATIONS FOR PHARMA

SALES REPRESENTATIVES

- Have you reassessed what future skills and capabilities will be needed by your sales reps (i.e., account management) and remote services (i.e., contact centers)
- Are you considering what tools your reps and agents will need to support effective customer interactions?

SALES VS. SERVICE

- Are you creating integrated campaigns that include your field representatives as well as digital channels?
- Do you have a roadmap to increase the number of channels that are integrated? Start with a handful of channels, test, learn, and scale.
- Are you providing relevant digital channel customer activity to better arm your field representatives to create a more relevant, impactful next call?

METRICS

- Are you collecting channel preference/effectiveness by customer and group to better optimize future resource mix?
- How are you measuring the aggregate effectiveness of true multichannel campaigns?
- Do you know what key lead indicators can help predict performance/declining effectiveness?

APPLYING THE LESSONS

While the pharmaceutical and life sciences companies exist in a highly regulated world with increasing customer expectations, low customer trust and major disruptions in policies, the industry is not alone in these struggles. In fact, the banking and financial services industry experiences a similar set of constraints and yet has embraced multichannel customer engagement with enthusiasm, moving from a largely product-centric approach to customer interaction to an approach that recognizes and caters to the information and purchase behaviors of distinct customer segments.

We believe the pharmaceutical and life sciences companies can apply the lessons and experiences of their banking peers to accelerate their own multichannel response. These include:

- Thinking bigger than your brand to organize around customer segments rather than products
- Integrating systems, channels, operations and measurement, as well as business processes and operating models
- Recognizing that multichannel customer engagement is complicated and requires time to build enterprise capabilities

ABOUT NORTH HIGHLAND

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THE BIG TAKEAWAYS

THINK BIGGER THAN YOUR BRAND

- Organize around customer segments vs. brands
- Multichannel excellence requires enterprise capabilities and priority

INTEGRATION IS KEY

- Silos are for farmers – integrate your systems, channels, operations, and measurement
- Establishing business processes and creating the optimal operating model are just as important as new channels

IT'S A JOURNEY

- Multichannel customer engagement is complicated and capabilities take time to develop and embed
- Start small, develop a roadmap, and be committed

For more information,
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