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Integrating Online & Offline Marketing: Challenges for Pharma

by John Mack, VirSci Corporation.

Many pharmaceutical companies are currently absorbing their e-business units and personnel back into the brand teams. This may be a glass is half-empty versus half-full situation. On the one hand, some may look upon this trend as an e-business retrenchment within pharma and a renewed focus on traditional marketing. On the other hand, some may see this as an affirmation that e-business has become mainstream within pharma.

No doubt some retrenchment has gone down as several former pharma e-business marketing executives have left and joined the ranks of consultants while others have changed their titles and job functions. Yet, pharma companies are also scaling up pilot e-initiatives such as e-detailing and funding new businesses on the Internet.



Bruce Bunyan

Someone who looks upon the glass as half-full is Bruce W. Bunyan, Senior Director & General Manager at Aventis Behring, the therapeutic proteins business of Aventis. At the 2nd Annual eMarketing for Pharmaceuticals conference in Philadelphia, Bunyan used his company's experience as a case study for how to bring together the online and offline marketing mix within a pharmaceutical company. He frankly discussed the obstacles he faced and claimed "he learns more from his mistakes than from his successes." It is obvious, however, that Aventis Behring is on the right track in overcoming the challenges.

What Are the Challenges?

The first challenge is the limited—diplomatically speaking—Internet experience of the traditional pharma marketing staff. Sure, they could get experience by proxy through outside agencies, but unless the product manager "gets it," the buck stops there as it were. Also, the traditional marketing mix of slim jims, journal ads, TV spots, etc. is a "comfort zone" for product managers. Since ad agencies make most of their money in this zone, that's what they deliver.

"We have to put online people inside brand teams to move forward."

-- Bruce Bunyan

Until recently, online marketing expertise and management was segregated into separate "e-business" departments within pharmaceutical companies. "Separate departments may have been necessary a few years ago," says Bunyan, "but we have to put online people inside brand teams to move forward."

Another challenge is the diversion of e-marketing budgets for traditional marketing programs, a practice that may be standard operating procedure within many traditional pharma brand teams. The product manager "won't get blamed for doing it, because the guy above him did the same thing when he had the job," suggested Bunyan. So, how do you overcome these hurdles and move forward? Bunyan suggested several strategies based upon his years of experience in the pharmaceutical industry.

Educating the Product Manager

The first question to ask is “What is the compelling marketing reason for integration?” Although it sounds strategic and impressive, what advantage would there be to integrate online and offline marketing for pharmaceutical companies? Is it actually a good strategy for every pharmaceutical company? While nobody ever accused the pharmaceutical industry of being consumer-centric, in order to find compelling reasons to integrate online and offline marketing, we have to look at examples from the consumer world. Such examples should be chosen to “show [product managers] the value of the Internet in their daily lives so they can see how to use it with their customers,” advises Bunyan.

Integrated Marketing in the Consumer World

According to Greg Murtagh¹, CEO of eMarketing, Inc., “packaged goods marketers understand the need for integrated marketing to move the sales needle. At first they experimented with online product promotions that had no connection with what they did in the stores. Two or more years ago, however, they began to look upon the Internet as one other channel that needed to be coordinated with other channels to get the message to the consumer.”

“Many packaged goods companies are now effectively integrating their offline and online efforts with great success,” says Murtagh. One good example is General Mills, the cereal maker, with their Box Tops for Education program. Mills effectively integrates on-package promotions, in-store displays and customized micro-sites for retailers who support the program—all communicating the same message to the consumer. “The result,” suggests

Murtagh, “is a complete communication blitz that communicates the program to the target consumer at every touch point—on package, at point of purchase and on their retail partners’ own Web sites. That is effective integration”.

Although pharmaceutical products are not in the same category as cereals, pharmaceutical marketing is becoming more like consumer marketing every day. Eventually, the lessons learned from the packaged goods marketers will make their way to pharma marketers. See the box at the left for an example of how a packaged goods marketer might design an integrated campaign for a pharmaceutical brand.

A POSSIBLE ONLINE-OFFLINE INTEGRATION SCENARIO IN THE PHARMACEUTICAL SECTOR

A pharma company with a diabetes Rx product could sponsor an integrated point of care program with both online and in-pharmacy patient education components all directed to helping the pharmacy retailer grow its pharmacy business whilst promoting the Rx product.

The in-store displays and printed diabetes educational materials increase foot traffic in the pharmacy and may highlight over-the-counter products relevant to the treatment of medical conditions associated with diabetes.

Taking a page from packaged goods marketers, the Rx brand can offer a micro-site for integration into the retailer’s own Web site. The objectives of the site would be to (1) cost-effectively deliver coupons redeemable at the pharmacy with a prescription; (2) help build the brand’s opt-in consumer segment database; and (3) provide patient education content to augment the retailer’s site.

Senior Management Support is Key

Even with compelling marketing reasons to integrate and even with an educated product or brand manager, the key to successful online and offline marketing integration within the brand team is senior management buy-in and *clear*

support. “If the boss does not use the Internet, people will see this, and they won’t respond to your efforts to integrate the Internet into the marketing mix,” states Bunyan.

ROI is not another word for ‘NO’

Despite your best efforts educating the product manager, integrating online expertise into the brand team, and obtaining senior management support, in the end, the success of the pharmaceutical industry may work against you. “With Pharma return on revenues recently at 14-18%, this industry still has not yet seen the margin pressures other industries have had to face” says Robert Nauman¹, a bio-pharmaceutical consultant and former Director of Global

eBusiness at a major pharmaceutical company. Or as Bunyan would say, “we’ve been successful without doing anything different.” It’s hard to argue with that!

Some product managers may demand an estimate of the absolute ROI of an online campaign as a thinly disguised justification for spending so little of their budget on the Internet and diverting funds from the online budget to pay for traditional offline campaigns. As Mark Bard¹ of Manhattan Research stated in his article, “The Absolute, Relative, and Incremental ROI of DTC e-Marketing” (*Pharma Marketing News*, v.1, No. 7, Sept 2002), “trying to isolate the impact of the Web site free from any other channel impact is a significant challenge.” If that’s a challenge, how about evaluating a truly integrated marketing program in which channels are not meant to be *isolated* in the first place!

¹See page 7 for a list of resources and contact information of experts quoted in this article.

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eFact or eFiction?

Only sixteen percent (16%) of adults in the US use the Internet for their personal health concerns.

See **Consumer Use of the Internet for Health: Whose Numbers Do You Believe?**

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