

Pharma Marketing News

Reprint

Pharma's Social Media Marketing Readiness Score *Benchmarks You Can Use*

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Survey Results

Pharma's Social Media Marketing Readiness Score

Benchmarks You Can Use

By John Mack

"Alternative Media Spending Going Gangbusters" proclaims an [article in the recent edition of ADOTAS](#), a news publication focused on the Internet advertising and media industry.

"The sputtering economy has failed to stymie spending on alternative media, according to a report from PQ Media," reports ADOTAS. "In 2007, spending on alternative media—such as social networks, mobile and interactive advertising—grew by an eye-popping 22% to \$73.43 billion in 2007 and it is expected to grow by 20.2% in 2008 to \$88.24 billion. Spending on alternative media—which is slated to represent 26.6% of total U.S. ad and marketing spending by 2012—is expected to post compound annual growth of 17% in the 2007-2012 period, eventually reaching \$160.82 billion."

There are a lot of categories lumped under "alternative" media, so it is not possible to know what share of this binge is attributable to social media or social network marketing. However, you know social media has caught the attention of the pharmaceutical industry when Preeti Pinto, Head of Medical Education and Regulatory Compliance at Astrazeneca, uses Second Life to illustrate the regulatory pitfalls of alternative media.

What is Social Media?

Social media can take many different forms, including Internet forums, message boards, weblogs, wikis, podcasts, pictures and video. Technologies such as blogs, picture-sharing, vlogs, wall-postings, email, instant messaging, music-sharing, crowdsourcing, and voice over IP, to name a few. Examples of social media applications are Google (reference, social networking), Wikipedia (reference), MySpace (social networking), Facebook (social network-ing), Last.fm (personal music), YouTube (social networking and video sharing), Second Life (virtual reality), and Flickr (photo sharing).

– Source: Wikipedia

Given the regulatory pitfalls and all the hype and encouragement from vendors, pharmaceutical marketers must feel like they are doomed if they do and doomed if they don't engage in social media marketing.

If they do engage in it, they may be doomed to fail miserably because of lack of knowledge or experience or because their effort is shot down internally by legal/regulatory before it ever gets off the ground.

But, if they don't, they may be doomed to fall behind their competitors who have overcome the challenges.

Are You Ready?

Each pharmaceutical company has its own unique regulatory environment, corporate culture, and knowledge that will determine if it is ready to embark on social media marketing. In order to determine how ready pharmaceutical companies, their vendor partners, and other companies are for engaging in social media marketing, *Pharma Marketing News* is hosting an online "Rate Your Social Media Marketing Readiness" survey or tool.

To date, about 108 people filled out the survey and received their personal Social Media Marketing Readiness Score. The results offer useful benchmarks against which you can measure your company's degree of readiness to engage in social media pharma marketing.

Survey Questions

The questionnaire asks respondents to rate their companies in three different areas and assigns points to each:

- Regulatory Environment (applicable only to companies regulated by the FDA or that provide marketing services to FDA-regulated companies)—a maximum of 45 points can be awarded
- Corporate Culture—a maximum of 30 points can be awarded
- Knowledge & Opinion of Social Media—a maximum of 25 points can be awarded

The points reflect the importance of each category.

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There are several questions within each category that are also rated using a point system:

Category 1: Regulatory Environment

1. In your opinion, what is your company's general regulatory climate? (10 points, maximum)
2. There are a number of legal and regulatory issues associated with a drug firm's participation in or sponsorship of social media. How well do you and your colleagues understand these regulatory risks? (20 points, maximum)
3. How well do you think your company will be able to successfully address these compliance issues? (15 points, maximum)

Category 2: Corporate Culture

1. What is your company's tolerance for risk (e.g., initiating new or untested marketing tactics, launching bold corporate initiatives, etc.)? (10 points, maximum)
2. How does your company normally react to negative commentary from the media, physicians, politicians and other stakeholders? (10 points, maximum)
3. How uncomfortable would your company be advertising in a publication or on a web site that often contained editorial content critical of the pharmaceutical industry yet whose readers very closely matched your target audience? (10 points, maximum)

Category 3: Knowledge & Opinion of Social Media

1. Rank your knowledge of social media in general – i.e., how familiar are you with various forms of social media and how they are used? (10 points, maximum)
2. Rank your knowledge of how social media are impacting the pharmaceutical industry's customers and other stakeholders – i.e., patients, consumers, healthcare professionals, policy makers, etc. (10 points, maximum)
3. Have you ever personally used social media (i.e., read an online forum or posted a message to an online forum, submitted comments to a blog or written a blog post, edited a wiki, etc.)? (5 points, maximum)

Breakdown by Respondent Type

The survey asks respondents to self-select which of the following three groups they are in:

- **Pharma Company** (ie, FDA-regulated Pharmaceutical/Biotech/Medical Device company)
- **Pharma Vendor** (ie, Vendor company that provides or intends to provide social media marketing services to an FDA-regulated company)
- **Non-regulated Company** (ie, Other organization or individual, not regulated by FDA)

Members in the latter group was not required to rate their regulatory environment since this was not

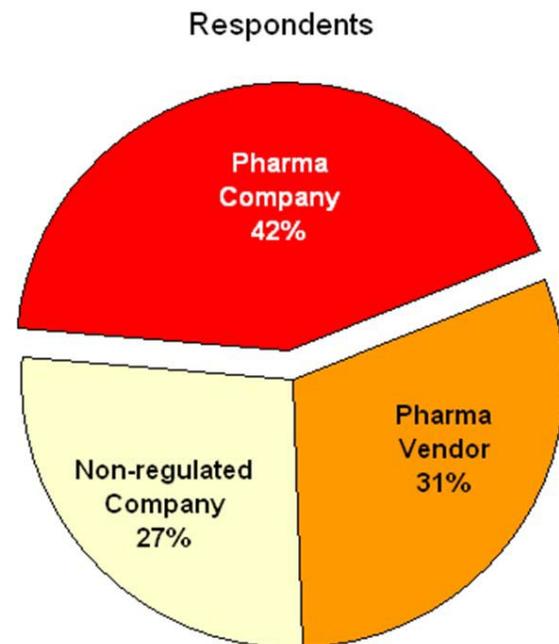


Figure 1: Survey Respondent Profile

applicable to them.

Figure 1 summarizes the respondent profile, which is similar to the *Pharma Marketing News* subscriber profile.

Overall Readiness Scores

To compute the overall score in each category, the average point scores for all questions in the category were added up and then expressed as a percentage of the total possible score for that category (the results are shown in Figure 2, pg. 19 and Table 1, pg. 20).

Regulatory Environment Benchmarks

It's no surprise that the Pharma respondents scored lower than the vendors who provide or intend to provide social media marketing services

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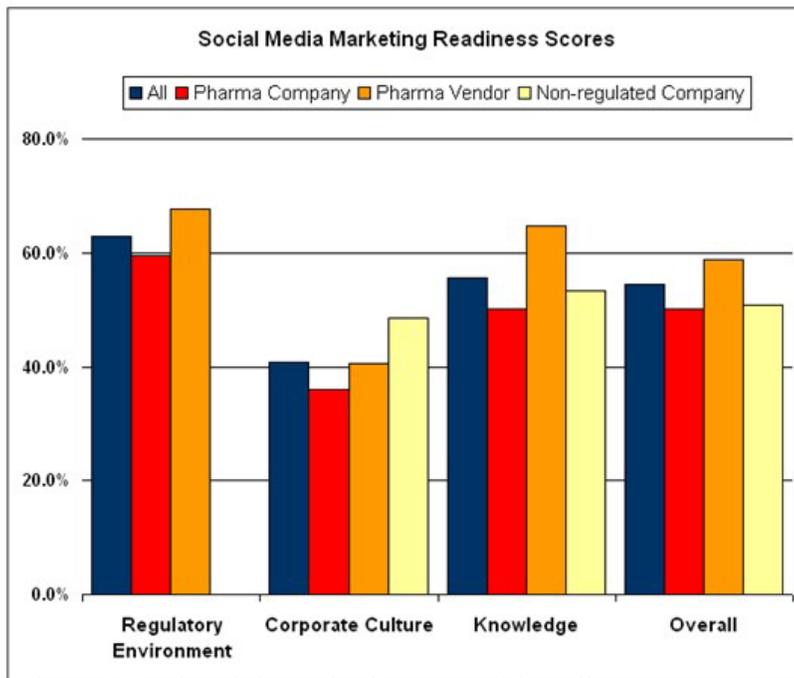


Figure 2: Benchmark Scores by Category and Overall

to them. In general, vendors tend to view their pharma clients as being as too conservative when it comes to taking on regulatory risk. Some pharma companies, however, are less risk adverse than others in this regard. "Looking at Web 2.0," said AstraZeneca's Pinto, "regulatory issues seems to me easy to overcome. Marketing issues are another matter."

If we look at the individual questions within Regulatory Environment, we can see some more significant differences (see Table 2, pg. 20). A surprising segment (19.6%) of pharma company respondents claim their "legal/regulatory people are very aggressive when it comes to taking regulatory risks and handles FDA warning letters when and if they arrive." Only 28.3% of pharma respondents say they have a good understanding of the regulatory risks involved in social media marketing compared to 48.5% of vendors. A majority of vendors vs. 28.3% of pharma respondents believe they can handle ALL regulatory issues involved. It appears that the more a person knows about the risk, the more confident that person is that the risks can be handled.

The lesson for pharmaceutical brand managers who wish to engage in social media marketing is this: educate your people about the regulatory risks in an honest and open manner. You might

start with distributing copies of the "Managing the Risks and Regulatory Issues Associated with Successful Pharmaceutical Social Media Monitoring and Marketing" developed by Envision Solutions and Cymfony (see the [Social Media Pharma Marketing Special Supplement](#) to *Pharma Marketing News*).

Corporate Culture Benchmarks

Corporate culture, more than regulatory hurdles, seem to be what is keeping pharma and its vendors from engaging in social media marketing (see Table 3, pg. 20). Neither pharmaceutical companies nor its vendors seem very comfortable advertising in a publication or on a web site that often contains editorial content critical of the pharmaceutical industry yet whose readers very closely matched the target audience. Only about 9% of pharma/vendor respondents said they would be "pretty comfortable" with that, whereas about 21% of other respondents, not regulated by the FDA, would be. To be fair, about 33% of

pharma respondents said they "may be comfortable or uncomfortable with it depending on the circumstances." There is hope, therefore, that pharmaceutical companies will soon be advertising on patient blogs, if allowed to do so.

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Comments from Respondents

"Since we are a vendor to the industry, we are held to the standard of our clients, however, many of the clients have lower standards than our own. While we ask to follow our standards, sometimes that is just not possible." –

Anonymous Vendor Respondent

"We are an agency, so our task is to partner with clients to develop solutions that fit their med/legal/regulatory culture and comfort level with risk. We then come in with a tiered plan, where we educate and try to push them in a reasonable risk way, but have back ups so that ideas don't die on the vine. Mini wins lead to more exciting ones down the line." – Anonymous Vendor Respondent

"Knowledge and experience are great attributes, but Business Process design and industry insight may be as or more valuable than the knowledge of a specific channel." – Anonymous Respondent

Knowledge of Social Media Benchmarks

According to a TNS Media Intelligence/Cymfony survey of more than 60 marketers in North America, France and the U.K., "Agencies don't get it." Clients complained that their agencies creative, media, public relations, design and others—typically treat social channels like blogs as traditional media. In other cases, their ideas are not backed up by practical skills in the area. What's more, one client pointed out that his agencies have little of their own experience using social networks or video-sharing sites for themselves.

"You get the sense that agencies talk a good game," said Jim Nail, chief marketing and strategy officer at TNS Media Intelligence/Cymfony, "They put up a good presentation about what social media is, but when you get to implementing campaigns, the day-to-day management skills are not meeting the marketers' expectations."

According the readiness survey, virtually 100% of vendors claim they have a LOT (52%) or SOME (46%) knowledge of social media in general—i.e., familiarity with various forms of social media and how they are used (see table 4). This compares to

81% of pharma people who claim a LOT (30%) or SOME (51%) knowledge. Slightly fewer (82% of vendors and 68% of pharma respondents) are very or somewhat savvy about the impact of social media on patients, consumers, healthcare professionals, policy makers, etc.

As far as "walking the walk" goes, 74% of pharma respondents and 85% of vendors say they frequently or occasionally use social media (eg, read or post a comment to a blog, editing a Wikipedia entry, etc.).

What's Your Score?

Before you give up all hope and resign to be dragged down to social media marketing hell, you might want to fill out the *Pharma Marketing News* [Rate Your Social Media Marketing Readiness online questionnaire](#) and determine what your score is. Hopefully, you will discover where you may need to augment your knowledge about social media and what internal regulatory and cultural hurdles you may need to overcome to implement a social media marketing program in your organization.

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Table 1: Respondent Type	Regulatory Environment	Corporate Culture	Knowledge	Overall Score
All	62.9%	40.8%	55.7%	54.5%
Pharma Company	59.5%	36.0%	50.2%	50.1%
Pharma Vendor	67.7%	40.7%	64.7%	58.9%
Non-regulated Company	NA	48.6%	53.4%	50.8%

Table 2: Regulatory Environment	Pharma Company	Pharma Vendor	Non-regulated Company
Aggressive in Taking Regulatory Risks	19.6%	9.1%	NA
Good Understanding of SMM Regulatory Risks	28.3%	48.5%	NA
Can Address All Regulatory Issues	28.3%	51.5%	NA

Table 3: Corporate Culture	Pharma Company	Pharma Vendor	Non-regulated Company
High Risk Tolerance in General	4.3%	9.1%	17.2%
Always Responds Quickly and Constructively to Criticism	28.3%	27.3%	20.7%
Comfortable with Not Controlling Content	8.7%	9.1%	20.7%

Table 4: Social Media Knowledge	Pharma Company	Pharma Vendor	Non-regulated Company
Has a LOT of Knowledge of Types of SM	30.2%	51.5%	35.7%
Has a LOT of Knowledge Impact of SM on Customers	11.6%	24.2%	14.3%
Frequently Use SM Applications	30.2%	48.5%	42.9%

Experts Consulted

The following experts were consulted in the preparation of articles for this issue.

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- **David Wigder**, SVP, Business Strategy & Analytics, Digitas Health
- **Members of the Pharma Marketing Roundtable**, [JOIN HERE!](#)

Resources

See articles for citations.

Pharma Marketing News

Pharma Marketing News is an independent, free monthly electronic newsletter focused on issues of importance to pharmaceutical marketing executives. It is a service of the **Pharma Marketing Network** – The First Forum for Pharmaceutical Marketing Experts – which brings together pharmaceutical marketing professionals from manufacturers, communications companies, and marketing service providers for wide ranging discussions and education on a multitude of current topics.

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