

***Attitudes and Views
Regarding Healthcare
eMarketing Activities***

**A Whitepaper Report
by**

DOCTORDIRECTORY

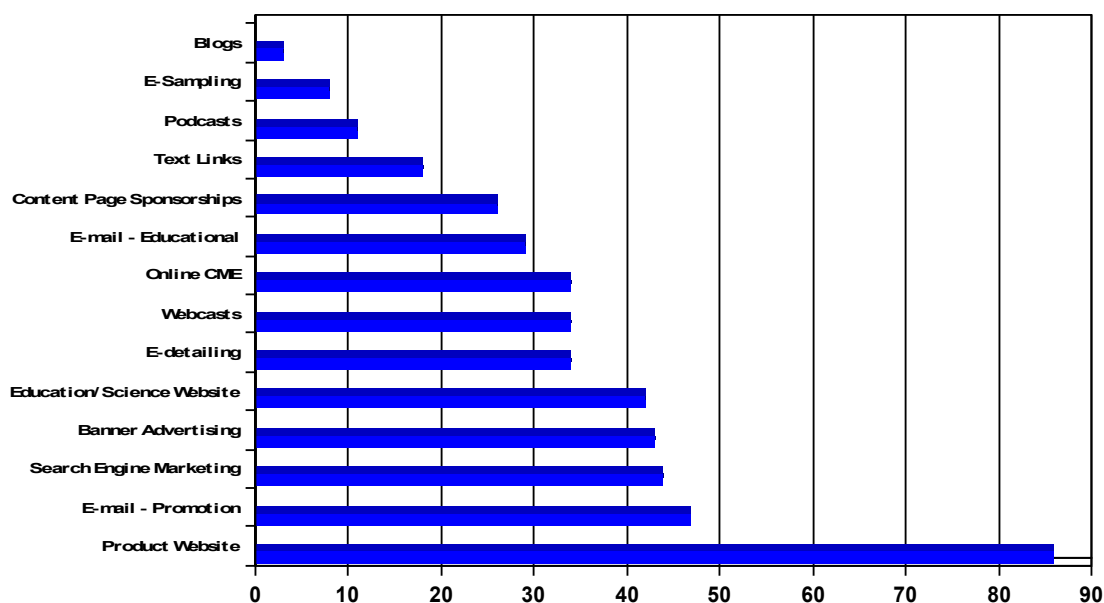
In December of 2007, DoctorDirectory.com initiated a survey to gain insight into e-marketing activities within pharma, biotech, and medical device industries.

About the Study

1. *Of the 98 responders:*
 - a. 3 Vice Presidents
 - b. 46 Directors
 - c. 49 Managers
2. *Average number of years in pharma marketing* was 8.5 years for all industry types. Average for pharma was 9.2 years
3. *More than 70% of the responders represented the pharma industry* with nearly 85% of those from companies that market only branded products.
4. *Responders represent companies of various sizes* with 43% from companies with fewer than 1500 employees and 39% from companies with greater than 6000 employees.

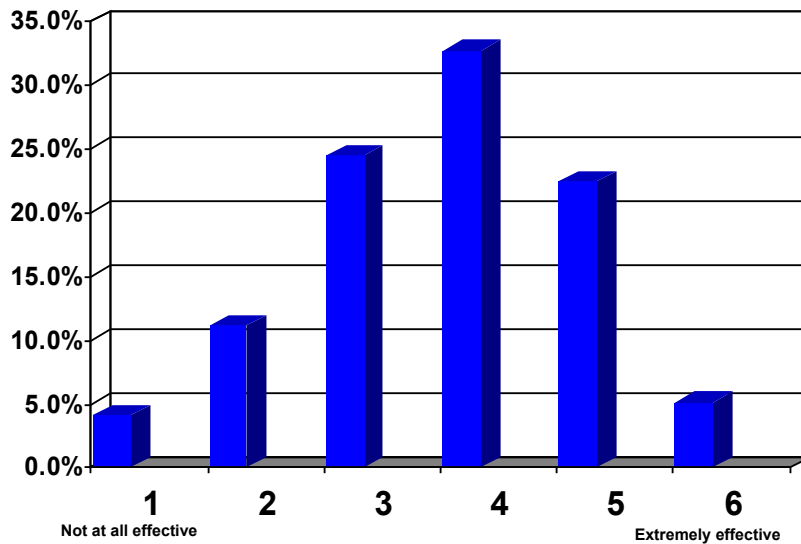
Results

1. *Just under 80% of the responders report they deploy emarketing channels as part of the overall marketing mix* with the pharma sector leading the way with 73% of those who deploy emarketing channels.
2. *Just under 60% of the responders report their respective organizations do not have an independent functional unit responsible for the strategy and tactical execution of emarketing activities* suggesting that emarketing is incorporated into the overall brand team.
3. *With various size companies represented in the responders, the average total promotional spend was \$3.46 million*; however, more than half (56%) reported spending in excess of \$4 million – 92% of this coming from branded pharma companies. While the majority of promotional spending comes from the branded pharma companies, a few generic companies are allocating large budgets for promotion.
4. *Of the total promotional spend, responders reported that the average percent allocated to emarketing activities was just over 4%*; however, half of the responders indicated a spend of 4% or greater with a third allocating 5% or more.
5. *Types of activities deployed on behalf of brand – Totals*



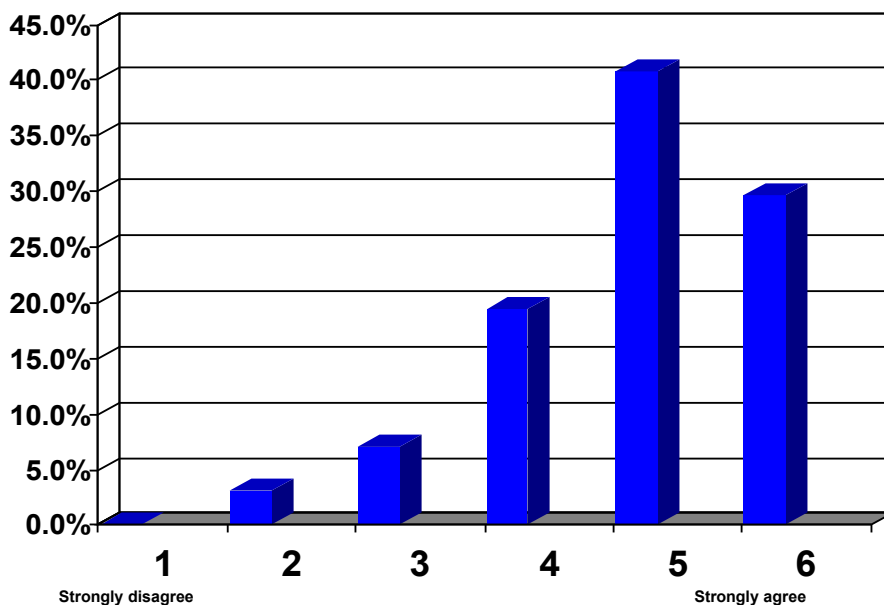
Only 3.1% of responders reported using blogs suggesting social marketing has not penetrated the professional audience as it has into the consumer world.

6. *When asked about the number of emarketing providers used*, responders reported an average of 2.39 providers with more than 10% using 5 or more providers for emarketing services.
7. *Overall effectiveness rating for emarketing activities*. Mean score = 3.73 suggesting an “average” overall rating. 27.6% rated as highly effective (score =5/6) and 15.3% rated as not very effective (score = 1/2).



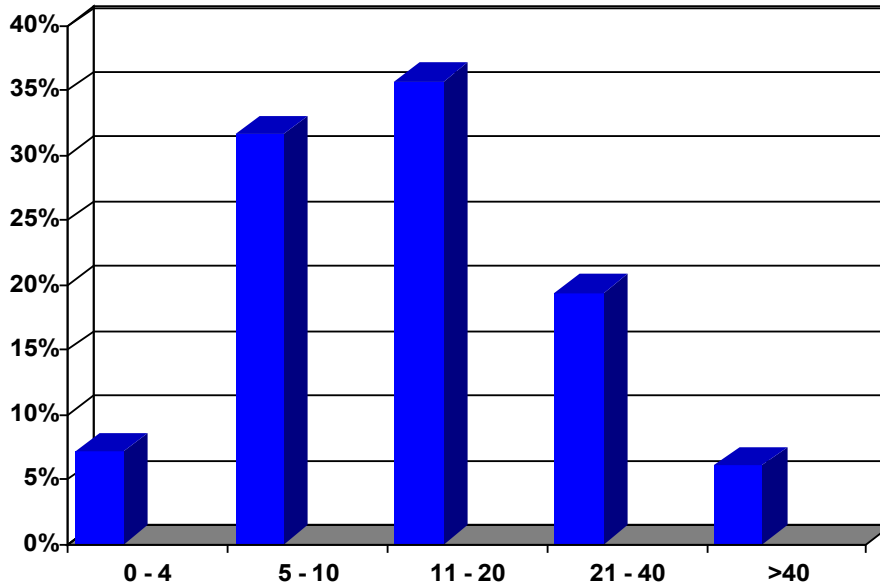
8. *“The pharmaceutical industry is in the midst of a fundamental shift in the manner in which Rx products are marketed as a result of restricted physician access, strong physician communication preferences, and unsustainable sales force cost structure.”*

More than 70% of the responders rated as 5 or 6 with only 3% rating as 1 or 2 suggesting a very high agreement with this statement.



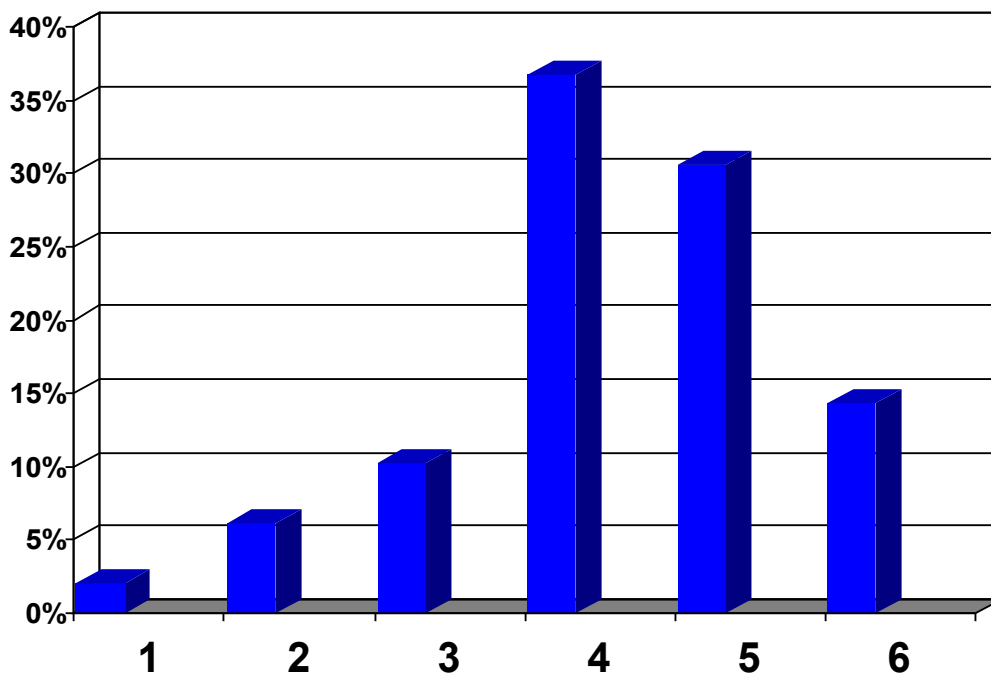
9. *Percentage of targeted, called-upon physicians considered “no-see” or “difficult to see.”*

Responders reported an average of 17% of their physicians as “no-see.” This result is similar to other reported surveys of 19%.

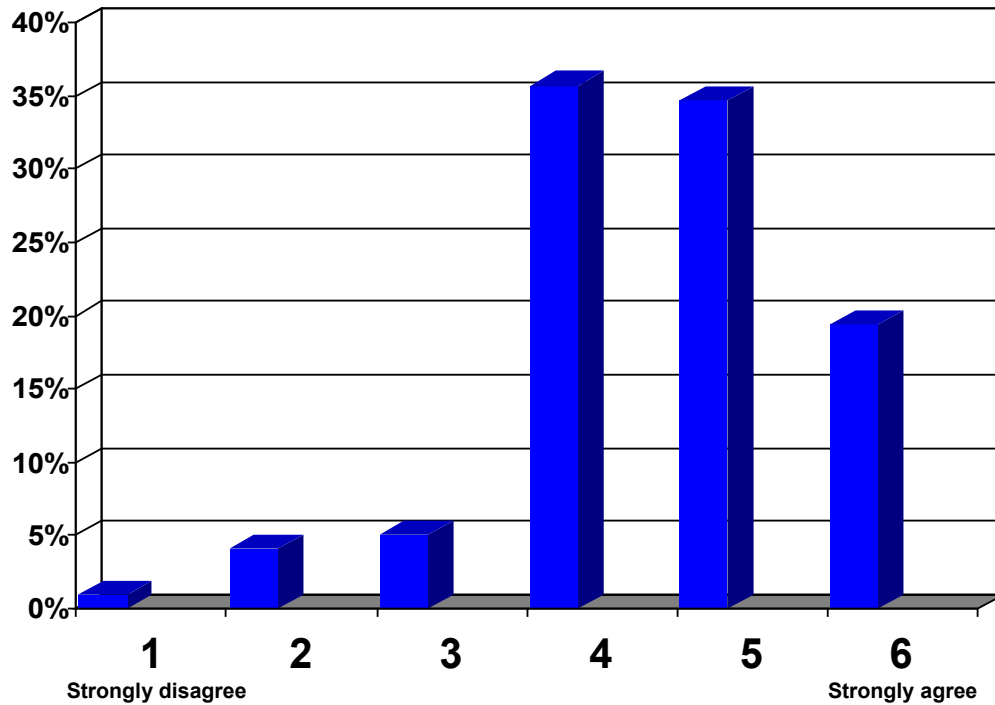


10. *When asked about the percentage of physicians that they feel have restricted sales representative access, responders reported an average of 16.7% of the physicians have access restriction policies. This number is considerably lower than data from physician reporting suggesting that as many as 70% of physicians may have some form of access restriction in place.^{1,2} Marketing teams may simply not be aware that restriction policies have increased dramatically over the past few years.*

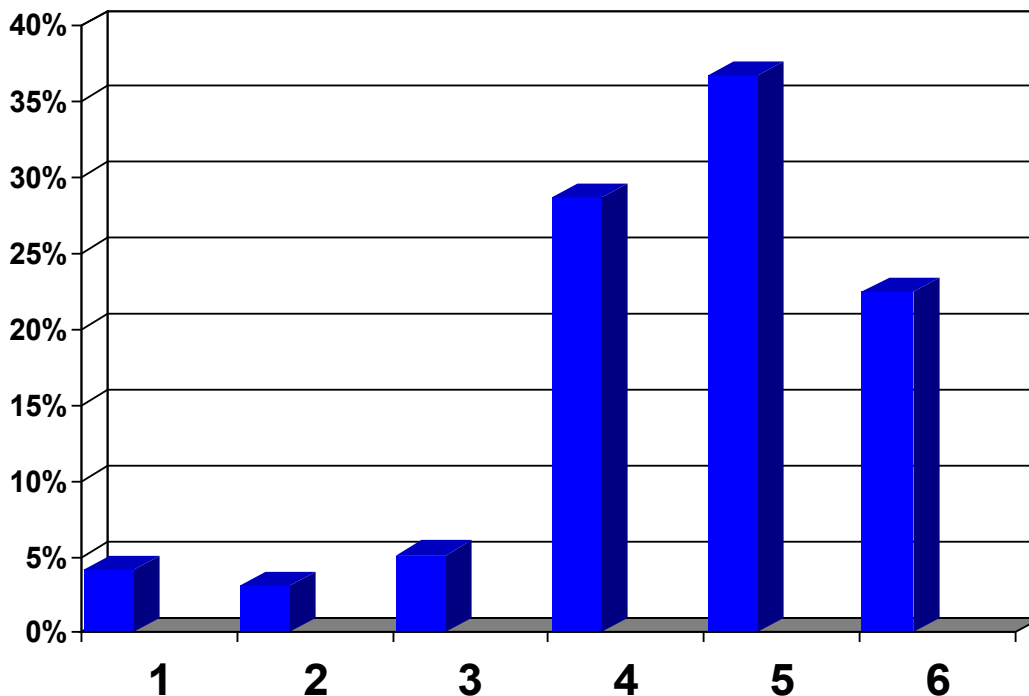
11. *Percentage of responders and their agreement that overall return on investment from their sales force is in decline. 44.9% highly agree (score = 5/6); 8.2% mostly disagree (score = 1/2).*



- Strongly disagree** **Strongly agree**
12. *Percentage of responders who agree that fewer representatives effectively targeted could yield stronger results for lower cost.* 54.1% highly agreed (score = 5/6); 5.1% mostly disagreed (score = 1/2). Overwhelming agreement from pharma that more effective targeting with fewer reps could yield stronger results. Very little variation based upon level of responsibility (VP/Dir/Mgr).



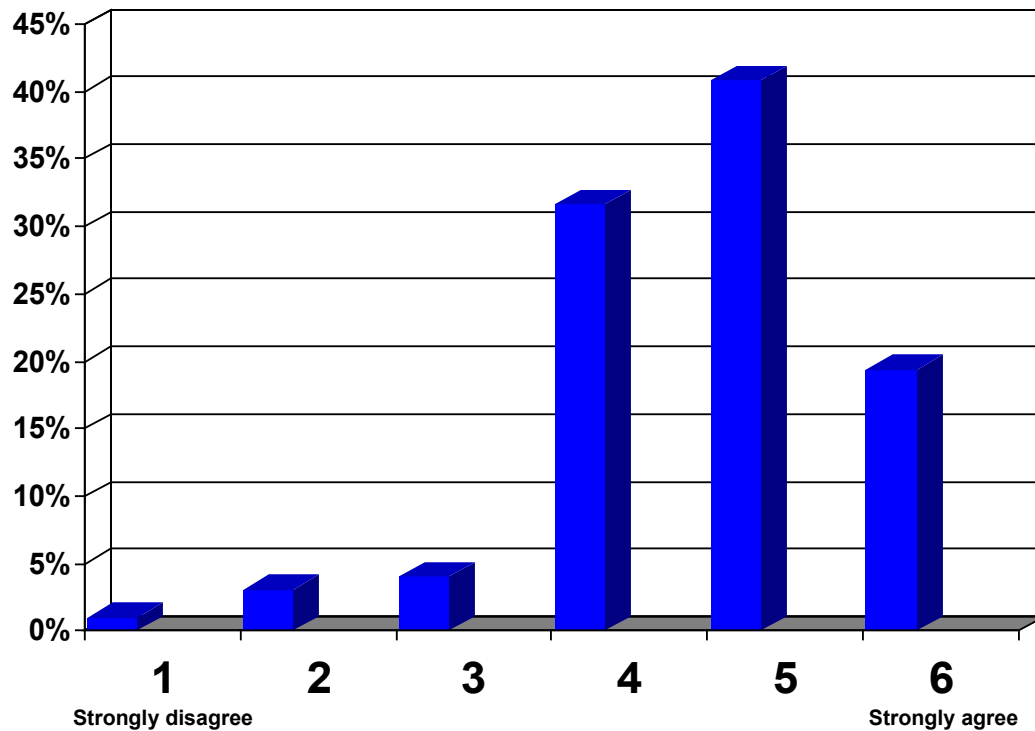
13. *Percentage of responders who agree or disagree with the concept that electronic services such as e-detailing and/or e-sampling could complement or enhance current sales rep services.* 59.1% highly agreed (score = 5/6); 7.1% mostly disagreed (score = 1/2).



Strongly disagree

Strongly agree

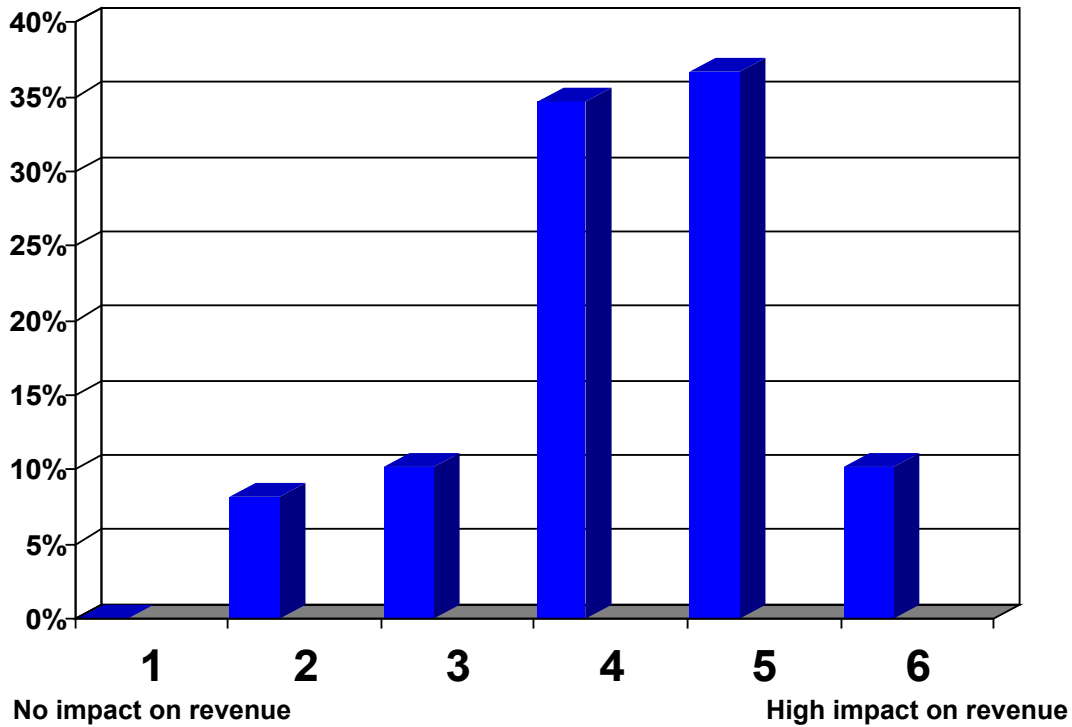
14. When responders were asked if they were currently employing an e-sample program for their brand, 74 (75.5%) replied they were not utilizing any e-sample program. It appears that electronic sampling has not penetrated pharma e-marketing programs.
- Of those who responded yes (24), 66.7% felt it was effective or very effective.
 - Of those who were not utilizing e-sampling (74), only 13 (17.6%) felt they were likely or very likely to deploy one in the future.
15. When responders were asked if their current strategy was to target deciles 7 through 10 with the sales force, only 9.2% indicated this was definitely not their current strategy indicating that the traditional strategy of targeting the top four deciles has not changed.
16. Can saturation occur when any one group is targeted too heavily? Responders mostly agreed that this indeed can happen with 60.2% scoring a 5 or 6 and only 4.1% scoring a 1 or 2.



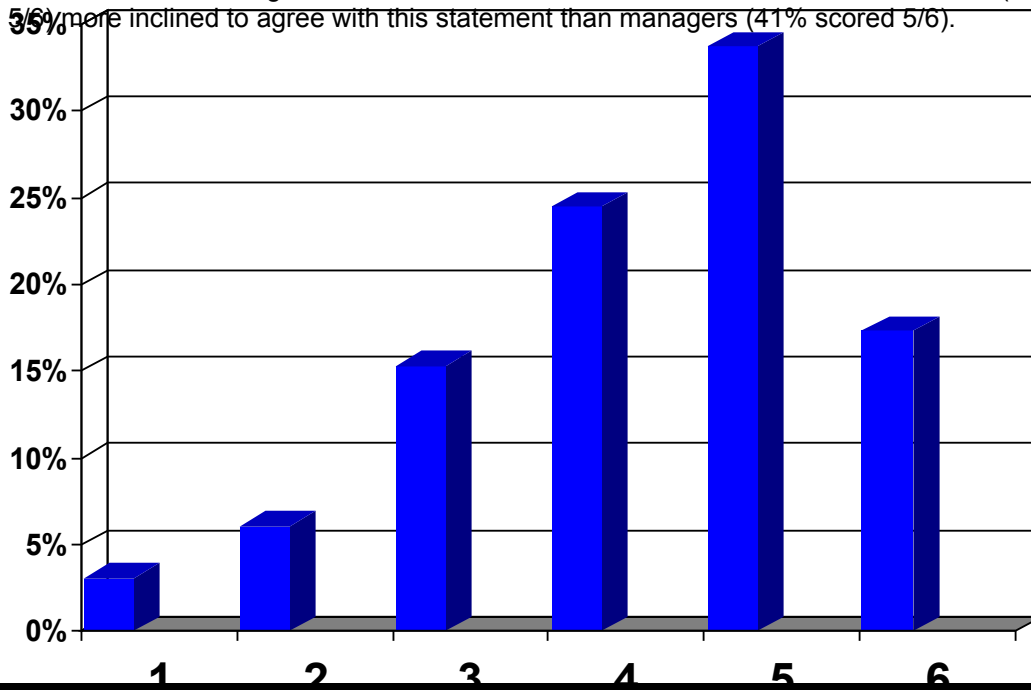
References:

1. Accel Healthcare Communications. The Accel Report. Through our customers eyes. May 15, 2003.
2. Mack J. Marketing's role in limiting physician access and what to do about it. Pharma Marketing News. March 2005. 4:3; 1-3.

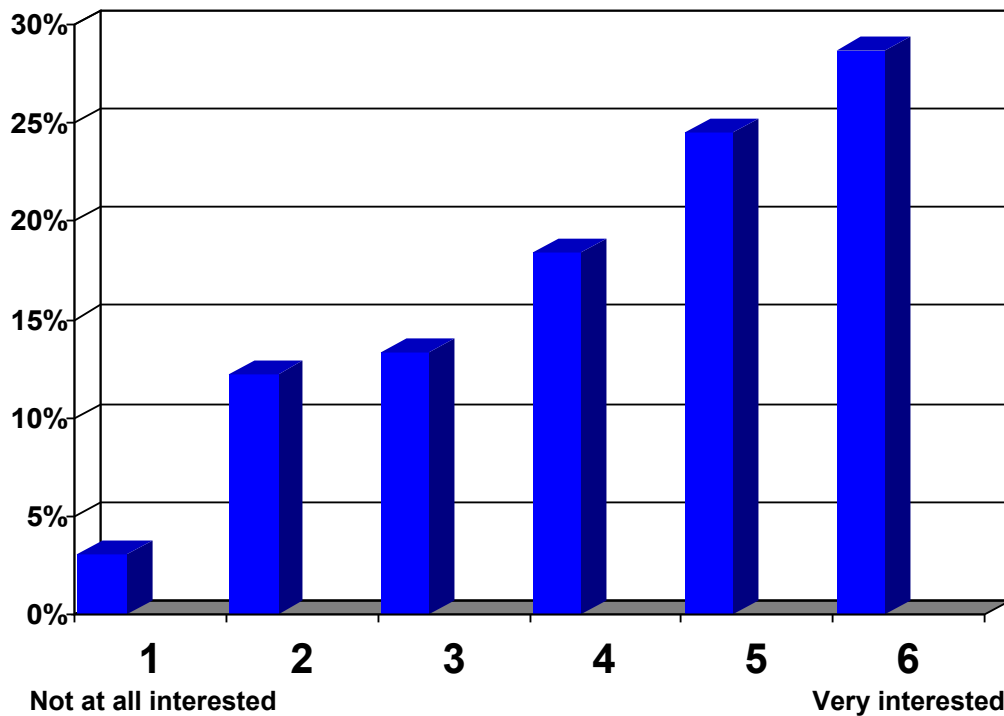
17. *Impact on revenue if responders could reach mid-decile physicians with high potential growth in a cost effective manner.* Approximately 47% of responders felt that by reaching mid-decile physicians in a cost effective manner would have significant impact on brand revenue.



18. *Measuring incremental revenue is the best method for determining the effectiveness of electronic and/or virtual services.* More than half the responders felt that incremental revenue was the best method for determining the effectiveness of electronic/virtual services with Directors (56% scored 5/6) more inclined to agree with this statement than managers (41% scored 5/6).



19. Respondents **Strongly disagree** a business model in which provider guarantees a **Strongly Agree** and shared in gain of incremental revenue as payment. Overall, most (53.1%) of responders were mostly interested (score = 5/6) in the gain share business model concept with slightly more Directors (58.7% scored 5/6) than Managers (49% scored 5/6) expressing the high level of interest.



20. With nearly a 2 to 1 difference (65.3% vs. 34.7%), more responders felt that a performance based model would be the best fit for their respective companies when asked to choose between a traditional fee-for-service model and a performance-based model. This was equally shared across all levels of responsibilities.

21. When asked what the least effective ROI they would accept for e-marketing activities, the predominant answer was a 3 to 1 return. This was equally shared across all levels of responsibilities.

22. Attribute ranking by importance for web-based promotional and educational tactics.

Attribute	Ranking			
	Ranked	Ranked	Ranked	Mean Rank
	1st	1st/2nd	1st/2nd/3rd	Order
ROI	35.7	46.9	62.2	2
Content	30.6	53.1	71.4	1
Overall design	20.4	35.7	56.1	3
Stickiness	5.1	24.5	37.8	4
Links to synergistic resources	4.1	8.2	13.3	8
Interactive functionality	2	10.2	22.4	6
Navigation	1	8.2	16.3	5
Data mining	1	13.3	20.4	7

It is clear that content, ROI, and overall design are the key attributes that marketing teams view as important to the quality of any web-based promotional tactics.

23. *Participants were asked to identify the most important attribute they looked for when selecting an e-marketing partner/provider. Below are the top ten response categories.*

#1	Experience/Expertise	23.5%
#2	Proven success with examples of past success	20.4%
#3	Ability to deliver/competency/good customer support	16.3%
#4	Understanding customer's needs/ability to empathize with customer	16.3%
#5	Tailored solutions/no cookie-cutter/custom solutions	9.2%
#6	ROI	9.2%
#7	Ability to think strategically	7.1%
#8	Price/cost/cost effectiveness	7.1%
#9	Ability to demonstrate understanding of target audience	6.1%
#10	Consistent high level of quality	6.1%