CONCLAVE REPORT
Pharma Future 2014 – organised by Indegene, was held on May 16, 2014 in Shanghai. The conclave was addressed by key industry experts. They brought focus to challenges in the current state of affairs and outlined progress made so far in China; and provided an outlook towards finding the right balance between the old and the new, the past and the future, and to arrive at solutions that will enable them to capitalize on the present.

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Introduction: Evolving Pharmaceutical Commercial Models
– A View from the West

Bob Glaser
Chief Marketing & Sales Officer, Indegene Inc., USA, previously Senior Vice President, US Human Health Marketing, Merck, USA.

Key Highlights
- Pharma Commercial models have evolved from focus on drugs to healthy outcomes
- Significant decrease in the number of sales reps as there is an increase in ePharma
- Physicians over the Past 5 Years in the US
- Shift to value-based outcomes in drug development
- Increased penetration of specialty drugs
- Affordability is the key for improving patient access and for driving growth
- Emerging markets are anticipated to play a vital role in the sustainable growth of the industry
- No ‘One size fits all’. Commercial models to be devised based on the needs of the company

Bob Glaser set the stage providing a western view on pharma evolution in the United States. He went on to describe how the impact of this evolution has started a snowball effect throughout Europe and now through the emerging markets. The highlights of his discourse are summarized here.

Pharmaceutical Commercial Models Have Evolved From Drugs to Healthy Outcomes

The commercial models have evolved gradually from an era when focus lied on blockbuster drugs to drive the growth of pharma and concentrated mainly in chronic care type areas, to an era where major multinational drug companies, have broadened their focus to include specialized products to balance out the portfolio having a more outcome-based approach. Drivers of this change have come from trends in the past like the R&D productivity, patent cliff, globalization, demographics, and pricing & reimbursement to the more recent healthcare reforms, Health IT, consumerism and value mining.

As these drivers have changed toward outcome-based medicine, the strategy and tactics of the industry in the west have also been shifting to include even patient and payer perspective not just exclusively focus on the physicians.
Healthcare Systems and Policies are Being Adopted to Provide Better Health Outcomes

Healthcare systems and policies have been changing toward health outcomes. Consumers are now actively participating in understanding and driving the move towards new therapeutic changes in their area. Empowerment of patients through internet and coalitions have contributed to this change.

Healthcare reforms, like the ObamaCare or the Affordable Care Act, is opening up access to new medicines and new providers for 7 million new patients in the US landscape. In addition, the explosive growth in the healthcare-related IT that has enabled sharing of electronic medical records between institutions, payers and providers, is helping patients to transition to a healthier lifestyle. The emergence of social media and mobile technology has further boosted this trend. Value-based pricing and reimbursement and value-based types of designing of clinical trials compare with effectiveness of standards of care versus new standards of care.

Although these changes have been gradual, they have been dramatic. In the United States, it has forced manufacturers and healthcare providers change their thinking about the healthcare landscape and develop new commercial models over the past few years. The US markets have seen a gradual decrease of about 40% in the total number of sales reps in the field from 2007 through 2012. But to balance this, there has been a more than 20% increase in ePharma physicians over the past 5 years. Currently, about 9 out of 10 physicians in the United States are accessing technology and pharmaceutical information on a daily basis through their cellphone, laptop, PDA, or computer.

**Fig. 1:** Dramatic Change in Communication Channels

**BRIC companies are expected to be one of the top 10 global market by 2016 and accounting for an expenditure of USD 244 to USD 284 billion.**

**Importance of Emerging Markets:**

Growth rates of developed markets have fallen compared with those of emerging markets since the late 1990s. A large part of this decrease in growth rates of developed markets is due to the collapse of the financial sector in 2008.

**Pharmerging Markets Have the Potential to Drive the Growth of the Global Pharmaceutical Industry**

- Pharmerging markets include 70% of the world’s population and generate 31% gross domestic product (GDP). They will account for 30% of the global pharmaceutical expenditure by 2016.
- BRIC (Brazil, Russia, India, and China) nations are expected to be among the top 10 global pharmaceutical markets by 2016, accounting for an expenditure of USD 244 to USD 284 billion.
- Many pharmaceutical companies have no more than 10%-30% of their revenues coming from emerging markets.

**Fig. 3:** Importance of Emerging Markets

**Building Effective Business Models in the Emerging Markets**

Strategies change from company to company, depending on the market and the company. Different approaches could be adopted such as a price volume-based strategy, market-based strategy, or a collaboration-based strategy. Pharmaceutical companies that can improve products,
which add relatively small cost but generate high value, are opting for innovation-based strategy in emerging markets. Where as in the United States, a tier-based approach is being used, that can provide a wide range of products to customers based on their ability to pay.

Various models are being looked at by pharmaceutical multinational companies for emerging markets. But companies that are able to best balance their global competencies with the approaches that are needed evaluating these approaches in the local territories within the local markets will be the ones that will succeed. The approaches are going to be different for every local market. The leadership of the local markets will have to drive that change and drive the consumer model that best fits the needs of their local market.

Emerging Markets: Strategies to Drive Growth

Affordability is the key for improving patient access and for driving growth eventually. This can be through price reduction, tackling different government policies, price capping, reimbursements and available finance options. There has to be a marketing mix that tailors strategies specific to market needs. The strategy has to cater to patients and their medical needs. The mix should also adopt methods for improving physician and patient awareness; improving detection, diagnosis and treatment; allowing patient compliance and improving health outcomes; and managing adequate pharmacy supplies.

Conclusion:

Critical success factors for new commercial models to succeed in emerging markets would be to understand the unmet needs and challenges and tailoring corresponding long-term strategies to meet them. The United States has been a continuously evolving market and has remained a challenge for the last 20 years.

Strategies as per different segments:

- BRICMT countries: Localization of functions, including R&D, manufacturing, market access, and marketing and sales
- Second-tier markets: Cooperation with local distributors and governments and price reductions
- Africa and sub-Saharan countries: Focus on local partnerships and limited investment in building local infrastructure

Critical success factors for the new commercial models to succeed in Emerging Markets is to understand unmet needs and challenges and tailoring corresponding long-term strategies to meet those needs.
China Healthcare market is already No. 2 in 2013. China has taken a major leap of being positioned at no.9 in 2005 to no.2 in 2013.

Alok Kanti presented on why multi-channel marketing is an important strategy to provide value communications in the pharma business and how China is emerging as an important market for the pharma companies. The highlights of his talk are presented here.

The Economic Dominance of China is Inevitable.

China is the second largest economy in the world (the United States being the first). This has been possible through long-term economic policies, which have been implemented in a sustainable fashion in 10-year cycles. There is a lot of optimization at this point. However, if China goes into recession, it could effect recession on a global level. Hence, the importance is inevitable.

The purchasing power parity (PPP) of China is likely to overtake that of the United States as early as 2015. There have been predictions in the past sighting this growth by 2020, but in recent studies, there is a clear indication of an obvious acceleration in the growth, which has reduced forecasted time by 5 years.

This plays out into the healthcare market as well. China’s Healthcare market was already No. 2 in 2013. China has taken a major leap in this aspect from being positioned at no. 9 in 2005. Depreciation in the Yuan has also added to the growth.
In the pharma healthcare market, there is a lot of innovation in the products. China, on the other hand is taking the global approach. Therefore, it is important in China to understand what works today, and also keep an eye in what will work in the future. China is in an advantageous situation, where the marketers can understand and accept the success and failures of experiments in other countries.

Despite the growth, there are still significant unmet medical needs in China. However, there has been a dramatic increase in the investments in healthcare infrastructure, and significant commitment and delivery. China has seen a significant improvement in healthcare intervention over the last 5 to 10 years. Basic insurance coverage has gone up from 35% to 90%. It is an approximate 350 Yuan per person in the rural areas, but it’s still over a 9-year period. There has been a phenomenal increase in comfort. However, there is still opportunity to improve, and it is time for the pharma industry to recognize this. Out-of-pocket expenditures on a national level have dropped significantly.

High prevalence of non-communicable diseases and advancements in the treatment seem to be the main growth drivers for the pharma sector in this market.

According to the National Health and Family Planning Commission (NHFPC) press release, the organization "has identified as its top priority to controlling the increasing prevalence of non-communicable diseases, in particular cardiovascular diseases"
Compliance and governance are critical in new models. It’s important to factor the government regulations in the strategy to ensure compliance. In December 2013, China’s NHFPC issued a Notice on “Nine Prohibitions” to Strengthen Healthcare Industry Compliance.

Besides viewing these commercial models from a growth and efficiency standpoint, it is also important to be able to implement these in a controlled and tactical manner.

**How could companies respond?**

- The first response could be to bring innovation as fast as possible. Bringing products as fast as possible into the country (as close as possible to the Japanese, US, and the EU timelines) can, to a certain extent, be beneficial to the patients and also protect the product.
- It is important to expand the product portfolio to enhance growth. Further, companies have now started transitioning from applying one strategy to promote multiple products to having different strategies for each product. The strategies to differentiate a product from the competition now depend on the individual product and are focused at increasing efficiency, while continuing the growth in a way that’s governable.
- There are diseases with unmet needs that need innovation. This move is a research driven move. The nature of the therapeutic area is causing to rethink the commercial models.
- An innovative marketing approach should be implemented. The strategy needs to stand out to make the task for a medical rep easier. This is where multi-channel marketing (MCM) comes in.

**What is MCM?**

It is a model that involves integrated marketing communications, that is using various levers to drive one point to a physician. This includes not only giving information, but also strategizing the channels used to deliver the information. Depending on the product and the needs of the physician these levers might be slightly different.

In the past, the traditional channels used for marketing were very crowded with tremendous competition within the channel, which made differentiation from competition also a challenge. However, using multiple channels for marketing has helped overcome these challenges.

Email has emerged as the most preferred channel for content enquiry. This channel works usually around efficiency and time. Although, email is the most preferred among E-channels for drug information enquiry, conference/seminar information, and product promotions, it is observed that most physicians still have a preference for personal contact, and hence face-to-face rep visits are still necessary to deliver messages and should be included in marketing activities.

**Conclusion:**

A successful approach would be one that uses both traditional approaches, which have proven in the past, and newer digital channels to support the entire communications strategy. The key learning is that different therapeutic areas have slightly different models and these slight differences may have significant different impacts.

Companies have to think of novel strategies based on their product marketing needs, the challenges of access and efficiency of growth, and regulatory challenges, and leverage different existing marketing tools systematically.

The key learning is that different therapeutic areas have slightly different models. The slight difference may have different impacts. Companies need to rethink of their product needs are and challenges of access and growth, along with regulatory challenges, and leverage all the marketing tools systematically.
Key Note Presentation-2: New Physician Engagement Models
Technology as Enabler

David Lennon
Chief Marketing Officer,
Novartis China

Key Highlights

• Growth is likely to continue in China, but with increasing pressure on finding cost-effective measures to engage customers
• Current approaches have been to just add on to the existing model, and lack aspects of stickiness, longevity, and scalability required for pharmaceutical commercial effectiveness
• Pursuing more integrated, technology-enabled solutions to a broader range of customers will be needed

28% of the GDP comes from China with over 250 cities contributing to that growth, remarkable amount relative to any other markets around the world.

David Lennon presented on the importance of focusing on customer experience when targeting China’s pharma and healthcare market. The highlights of his discussion are mentioned here.

China is an important market. 28% of the world’s GDP comes from China with over 250 cities contributing to that growth. Hospital sales are growing and CAGR has been around 22% over the last 10 years, which is a slow down of 12% to 15% over the last couple of years, and this will continue the slow down as the market gets bigger, projecting a double-digit growth.

Challenges obstructing further growth of the industry

A bigger challenge to overcome is a lack of innovation. For most companies, sales from new products that came in the last 5 years is less than 5%-10%. A lot has to do with the long access change, but it also reflects the struggle to introduce new products. There is increasing price pressure. There is a significant impact over time as average prices for a standard unit have decreased over the last few years. At the same time, there has been an increase in number of sales reps. It’s clear that China is moving forward very quickly at 25%+ CAGR in terms of rep and MR expansion.
The challenge of price and profitability are being driven on increasingly lower margins, due to healthcare reforms. There is also a war of medical reps that is a challenge. On the positive side, the GDP growth is increasing healthcare access thus providing opportunities to grow further in the future.

Companies are responding to these challenges

There is a rise in the awareness of ethical promotion. There is a better understanding of the need to promote the right behaviors from physicians and reps. Thus, there is a need to increase investments in MSLs and these should be more patient centric. A key account manager is required to increase the access and the need for alternate channels has become evident.

The current approaches are to add on to the existing models. The market, on an experimental basis, is looking at a number of smaller marketing initiatives. The concept of digital promotion has become a trend. Another predominant option is the call center-virtual medical representative channel. Ultimately, it is important that more products are added to broaden the market and portfolio. All these are the reasonable next steps that will move forward in China.

The success rate of following these approaches along with the traditional channels of interaction of the sales reps with physicians is much higher. Reps remain a very important component of the interaction with physicians.

There is a need to improve the interaction that happens and augment the way it happens. Although taking these incremental steps is necessary, companies should also recognize the hurdles that don’t allow to work. The hurdles are discussed below:

- Emerging intermediaries: One of the challenges with e-marketing is that there are restrictions of hospital authorities limiting the number of prescriptions that a doctor has. Thus, it does not matter how many calls are made to physicians or how many channels are used to call on, there is a limit in the potential number of prescriptions they can create.
- Meeting information needs of physicians: Despite the warnings HCPs may have against using the internet for information, in the reality they still want information in real time. Feeding aggregated information from various places has become an important approach. Even as companies have tried to adopt some of the digital marketing approaches, customers are evolving faster.
- Requirement of business-to-business channels: The business of the physicians is intermediary. They are not the final consumers. Companies need to recognize that there are certain requirements to business-to-business relationship that are different from a business-to-consumer relationship.

China can be called as many markets in one Every province is different in terms of healthcare expenditure. The total city level healthcare spending from 2011, in Shanghai has been 19 billion RMB, where as, Nanjing is at 2.1 billion RMB. This difference is considering only the amount spent, policies implemented, coverage, access to medicine, the physician and consumer behavior, and channel purchase.

Systems Adopting More Sophistication

China’s healthcare systems too are becoming more sophisticated. They are adopting technology to increase level of delivery of healthcare. Many hospitals in China now maintain electronic medical records in different formats in systems, although the knowledge on the effective usage is not high. These systems are being implemented at a fast pace. Data from these methods can be combined with analytical models that are able to predict outcomes and judge the performance.

Companies can now seek to provide decision support tools for this to help deliver better healthcare. There are not many ways to contain cost, but there are many ways companies can support in managing a patient effectively throughout. It is important to understand that this is the way the market is going, and cost containment would be a major hurdle companies face. In addition, as payers and providers adopt more analytical methods, the dynamics will get more complex for the companies in terms of what they are dealing with, but at the same time will provide an opportunity to deliver value.

Engagement Opportunities at Multiple Levels

Marketers need to recognize the fact that in the China markets, engagement exists in multiple levels,
considering the opportunities and barriers to implement a plan. For example, a company may adopt a plan at a hospital level, but certain developments at a city, provincial, or national level, may in a short time make the plan obsolete or not appropriate any more. There is a need to engage at every level of an organization to build value propositions and to understand the diversity of the attributes being addressed to it.

There are challenges to doing this. Marketing channels is the issue of emerging intermediaries and the diversity of that group.

Smartphones and mobile portals have become the most preferred channel to get information by the HCPs. Customers are expecting personalized information. They want information, directed to them, on demand. But that opportunity exists to intervene in a time-dependent way in decision-making of consumers.

There is a mass approach with core messages and delivered in a proper manner in call or at events. In spite of having a marketing strategy and budgets identified, if the core message changes or if there are challenges in adopting the plan, the result will also change.

Consumers want to consume information in a different way. Companies are confronted with this challenge. That’s how they were confronted with it before, but they did not have access to solutions then. Companies need to get more proactive and provide solutions.

Companies are now looking at developing models to target the right customer with the right message at the right time. This will need identifying the right customer, and providing them with the right answer to their questions. A barrier to the development of such a channel is change in the behavior.

**Successful commercial model requires more customer involvement**

It has become an important practice to involve customers much more in planning. Customer engagement in this area is the key concern among global CEOs. Companies that can collaborate with their customers directly, generally have higher performance than companies that don’t.

B2B Channels have even Higher Requirements. Most customers tend to connect and stay with brands their entire lifetime. Ensuring that the channels used for interaction a dimension beyond just right customer, right time, right solution, focusing on developing stickiness, longevity, and scalability is crucial.

- • Stickiness is the ability to go make a customer get back again to a channel for information. The customer should develop a wanting to go back to it again and again thus develop a relationship. Conversion of physicians in terms of the numbers to a level of relationship takes a long time.
- • There should be longevity of relationship. The customer’s wanting for getting back to the channel should last a long time. This would mean having assets developed and maintained for communication for a lasting relationship
- • Scalability of the channel is one of the key considerations. The Pharma industry is a big business, which means there is an expectation for bigger sales and likewise other aspirations would also be bigger. It is important for companies to scale up their channels to meet these. New channels have to replace the cost.

**Fig. 2: Requires More Customer Involvement**

![Shifting Focus: Organizational Openness](image)

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**Collaboration with customers drives superior financial performances**

- • 39% Underperformers
- • 60% Outperformers

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<th>Today &amp; 3-5 Years</th>
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<td>Environmental and social policies development</td>
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How can technology help us move forward?

1. Devising innovative integrated multichannel marketing (MCM) supported by technology (eg, Robo-Rep) to provide a more effective method to reach customers directly, with a high ROI
2. Finding low cost interventions at alternate points of value chain of healthcare
3. Applying large data to current approaches

What is a Robo-rep?

Robo-rep is an integrated rep-led MCM tool, developed on the concept of integrating different channels. It does the same job of a rep, but continuously, interacting with not just one doctor on call, but multiple doctors in succession in different geographies, utilizing all the channels available to them.

Integrated content management, high-end CRM, and powerful CLM analytics have enabled this concept of Robo-rep.

Creating value at alternate points of “sale” is important. Ideally, this could happen at the point of access, point of diagnosis, and/or point of dispensing.

The large amounts of data needed for this should be carefully chosen since they will have to be scalable with business demands, enable adoption with existing IT landscapes, support mixed workloads, accessible across all locations, focus on consumption and support healthy ROI with experimentation. It is important to understand the organizational data availability, ability to collect data, use of proxy data when required data is unavailable, and accessibility to data across organization.

Embedding a culture that relies on data to generate some of the results and also them promote experimentation and help directionally get feedback quickly and analyze data in more real-time.

Conclusion:

Growth likely to stay in China but pressure increases as companies are looking for cost-effective ways of customer engagement and deliver growth. The current approach is either on the medical side or repeat what has been done in other markets, but companies need to experiment and go beyond that in China by not just focusing on how to reach customers with the message at the right time but develop channels holistically so that they are sticky, that last and are scalable to size the business. Leveraging technology by pharmaceutical companies to create value to customers will be a driver for moving forward. But it may take multiple vendors in putting that together for the organizations strategy.
Panel Discussion: The Path Forward—Harnessing the Changes in China’s Healthcare Landscape

Bob Glaser—How does your organization define creating customer value with respect to meeting customer expectations within the China market?

Daniel Qiu—From commercialization perspective, I think that the key to create customer value would be personalization, through which we can understand the physicians or HCPs better and can customize any information for them to make the right decision.

Darren J. Ho—The whole concept is to understand a customer and a patient’s journey in terms of moments, which would be the “Moments of Opportunity.” The first thing is to identify the moments that are driven by customer needs, and the challenge is to balance those moments with the business needs. Obviously, ultimately is when these come together and the knowledge is serving the customer entirely 100%, and also meeting needs of the organization.

Hans Lopez-Vito—We find ways to build better stories. It is all about storytelling. Storytelling is all about what the product does, and is all about working on the messaging. Most importantly, the best stories are connected by an emotional quotient as well.

Bob Glaser—If we look at the patients as the customers in China in this new emerging model, how would you identify the patient expectations or even the providers of the products, and how would you recommend your audience to take that into consideration and support the commercial model?
Hans Lopez-Vito—This would be achieved through market research. Our focus is on understanding our consumers not only in terms of their personal preferences with respect to a product or a brand but also by gathering the stories of their lives. It’s about weaving in product stories with the human stories to create the most powerful communication for health care professionals.

Derrick Miu—Looking at the commercial models from a patient’s or a consumer’s perspective is the overall health. The digital health trend is all about fitness, big data, and how we can help to deliver better care and improve health. In pharma industry, we’re pushing the brand and trying to push the right message to the right customer at the right time in many ways. But, how do we evolve here? In China, brands are still focusing on one product per rep system. We need to move from a single-product to a multiple-product portfolio and ultimately to outcomes.

Bob Glaser—Are there any great examples of a brand or a company within the Chinese market that has embraced this patient centricity and concept and has benefited from it?

Yanmei Shi—Many companies are thinking in that perspective, especially in two ways. First, in primary care sections, patients have a strong decision power. Second, in specialties such as oncology, pharma companies understand the emotional and financial needs of cancer patients and their families. It really helps the companies to identify the leverage points and connect with consumers to drive the whole value chain come forward.

Bob Glaser—How rapidly are the organizations in the Chinese market moving toward patient centricity and expansion of the health care system?

Darren Ho—we are not one of the first movers in the commercialization aspect, which is different on the research and development side, where innovations and forward thinking are present. When we looked at China evolving to its current position 5 or 7 years ago, we could foresee based on the hospital structures, the customers’ attitude toward learning new information, their mobility, and their desire to learn international information. We could foresee the growing need for delivery of that information. Information can come in a solution, as one aspect of it. I think now, the environment, the way it’s been with regards to what we can do to access customers, how we’re accessing them, compliance and ethics particularly, we’re finding that new model, the multichannel approach is going to a necessary approach, so I think that we’re probably not behind now. I think we’re on the right track on where we need to be. I think that’s exciting for Eli Lilly right now and for the rest of the industry.

Bob Glaser—Are there any significant structural changes or personal changes you have gone through over the last couple of years?

Darren Ho—we have personally invested not only in marketing capabilities but also within the business unit. We have a commitment all the way from traditional to multichannel approaches. The multichannel approach also includes the sales channel, which is a blend of both digital and non-digital channels. These changes were made before 3 years ago.

Daniel Qiu—Roche China is completely committed to going in this direction and has a new digital team called as the Global Digital Team. Roche is a specialty drug company with a huge oncology portfolio and also has a primary care portfolio.

Hans Lopez-Vito—we need more digital people in the organization to change the culture. The younger people are the true digital natives. In the perfect world, we would actually want senior people to listen to you, but we have to realize that the younger people understand smartphones and gadgets much better. We need to meet the needs of younger people who know most about the technology in terms of mobile devices, apps, tablets, etc.

Yanmei Shi—Although we have all these multichannels and customers, the essence lies in mapping the right channel to the right customer and developing a matrix around it.

Derrick Miu—China is a fast-moving market. China is a unique country because it’s still emerging although it’s developed. Pharma companies here need well-experienced reps with good capability and professionalism. In lower tier cities in the
western regions where infrastructure is still building up, companies need to have a broad market approach, for example, call center or multichannel capabilities, to enable them to reach the customers or patients in a very quick and fast way. Very quick in investment in terms of resources—now we have to look at maximizing it, so how do we move into much more patient centric or may be physician in a more holistic way, broader product sense of portfolio, not just single brands pushing, how do we look at multiple brands, how do we look at patient adherence, those programs are what we should be thinking about.

Bob Glaser—Is your organization truly integrating the new channels with the sales rep and MSLs?

Daniel Qiu—This is a work in progress. It’s a challenging task to integrate all the channels with sales rep and MSLs. CRM is very important as it is the master database with all the information, and organizations need to invest to build a holistic CRM platform.

Darren Ho—The objective is to change the organizations’ mindset. Again it takes a discipline. One really needs to centralize an enterprise thinking in the setup, so it’s an opportunity to really leverage CRM to its true value. CLM plus how that CRM gives you the ability to see other touch points, your customers are actually experiencing. There really not any downside to adding multiple digital touch points to what’s sales reps gets to do to our customer, but organizations need to ensure that both reps and customer relationship improve by enabling these channels.

Yanmei Shi—CRM database integration has provided a powerful tool for us to capture information pertaining to understanding physician behavior, how much prescription can be derived, what is the physician’s response to multichannel or any of the educational games, what information they want, etc. CRM is a perfect tool to capture all the information.

Hans Lopez-Vito—All my clients have made huge investment into the CRM. CRM is a great way to experiment and see what’s working, because it captures real-type data. In this category, brand differentiation is a huge gap. Organizations can leverage CRM multichannels to layer and circle the messaging, probably more about emotions and stories in combination with message of product and benefits and solutions, and analyze what difference will that make and that have incremental impact, it can be certainly an experiment to learn more about the markets.

Darren Ho—Certainly, as we see in other markets, storytelling is becoming more powerful. In Japan, it is more about storytelling. We’ve seen the trend in the United States as well. But how do we really do a good storytelling? I think that’s a really challenging task for the Chinese pharma industry. This can be an opportunity for the pharma companies to differentiate their brands.

Bob Glaser—What do you see as the two major obstacles to overcome to successfully execute these new practices?

Daniel Qiu—It’s the change management. The commitment to drive new practices should not be limited to only digital marketing teams but also should come from the organization. We need commitment from the top management to understand the value of multichannel, which is feasible. The challenge lies in changing the mindset of the entire organization to implement multichannel. We have to combine the top-down and bottom-up approaches together. We need to show not only the customer values but also sales organization value for using these different channels and different approaches. I think that is really the challenge, a resistance within the organization.

Darren Ho—we need to understand the market, and we need to dig deeper to learn more about our customers, their behavior, needs, expectations, and everything.

The second biggest challenge is to shift of culture from diagnosis to patient care. How, one as an organization help change the culture can and shift healthcare through what we do in pharmaceuticals by knowing just from diagnosis, which is product based and information based into the care mode. It’s based on understanding stories. It’s based on human aspect.

Hans Lopez—One of the big obstacles probably is to make most out of digital. With digital, not only reaching the audiences is easier but also it gets so innovative that audiences also share it with each other.
Bob Glaser—What technologies or what projects or programs have you undertaken in your organizations that have really been successful in the last couple of years in the Chinese market?

Daniel Qiu—We have this CRM system, which is really comprehensive to manage rep-centric customer engagement and understand physician behavior. However, this is a work in progress in terms of integrating multiple channels to the CRM platform.

Darren Ho—We have built a few customer portals for important face-to-face interactions, which have received a fantastic response rate. We also have executed e-mail campaigns successfully, with more than expected “open rates,” which means better read rates. One of the programs we found extraordinarily successful is our partnership in diabetes care. This is a solution where we’re able to really get education in a solution out to customers that allows hospitals and hospitalizations to leverage it in its diabetes care. It’s not a branded program, but it creates multichannel conversation. This is one of those cases that we find that by the volume in China is absolutely and questionably every month returnees and new customers, new tests just to promote care, diabetes care and not just diagnosis.

Bob Glaser—What changes in resource allocation have you seen between these new channel alternatives and more traditional promotional spending?

Daniel Qiu—By next year, the entire industry has to move from a sales organization to a more effective efficiency- or productivity-driven organization. Mandate comes during the budgeting process when multichannel and digital marketing is to be integrated into the marketing strategy. The brand teas need to make sure that multichannel and digital marketing is integrated in their plan next year.

Darren Ho—We can start to have serious consideration for commercialization. In the last 3 years, expenditure on alternate channel mix has risen up and will rise in the coming future. Change management is critical in this process, and this is for leaders to ponder about how to improve commercialization through alternate channel mix.

Derrick Miu—In the given environment, level of investment on the face-to-face side across industry has been increasing, and more investments are being made into resources and budgets, which implies that we have both growth and newer opportunities.

Hans Lopez-Vito—Across different industries, we can see an increase in the expenditure in media, TV, and advertising even for B2B classes. Digital is growing very fast.

Bob Glaser—How have the key stakeholders on the customer side responded to these changes in the marketing mix?

Daniel Qiu—This is another challenge—how to measure the effectiveness of digital marketing or multichannels programs. One of the ways is to do a market research to find out the most well-received communication that can be face-to-face or digital marketing.

Darren Ho—We measure channel effectiveness in two different stages. First is customer satisfaction, customer experience, simple ways to measure the states after different interventions like website and online portals. This gives us a lot of qualitative data that help us measure program value. The other bigger piece that we have to push toward the larger one, which is are we positive in our approach to make sure that we are building stronger enterprises and business.

Bob Glaser—Are customers accepting the new modern multichannel approach in the market?

Darren Ho—Surprisingly, customer response to the new channel has been exceptionally good. In fact, customers want to be responded in different ways, and in unique ways.

Derrick Miu—We measure customer’s preference qualitatively by measuring click rates and open rates, and then moving toward a quantitative solution. We should think about how we can integrate all the channels together to capture information such as which information is shared with which doctor through which channel. This integration would help pharma companies to improve alternate channel adoption.
Yanmei Shi—In addition to this, the message that is delivered to customers also plays a key role. For example, a pharma company’s e-mailer campaign had a very low response rate. They changed the e-mailers to a comic format and the response rate increased exponentially. Sometimes a little modification in the content can enormously increase the impact.

Bob Glaser—Finally, what is your vision of how pharma companies will engage their stakeholders in the Chinese market in the year 2025?

Hans Lopez-Vito—We should be able to aggregate data from all the sources and leverage it to create a customized solution. Today we use smartphones, and it may change to using Google glasses or more advanced technology to share information.

Darren Ho—In 2025, we want to move forward in terms of patient care through easy accessibility with the help of evolved technology. We need to find some right partnerships to drive health care reform to become more reachable for patients.

Daniel Qiu—By 2025, there will be new drugs in China that will improve patients’ health. Increased access of health for patients.

Bob Glaser—Do you think the pharma industry will be ahead of this growth versus a consumer industry or do you think that we will be still lagging behind?

Derrick Miu—There is already disruptive technology that by 2025 would replace the body parts. Health outcomes and patient centricity is the crux. In 10 to 15 years from now, we foresee a trend that would move away from brands and billion-dollar drugs to perhaps more specialized, customized solutions that can be tailored to the needs of the patients. In addition, in terms of engagement, we believe the doctors will be at the core of making decisions. We’ve got large data on this. With technology taking over, we see a trend of patient centricity.

Hans Lopez-Vito—The future is about building powerful and rewarding communications. In 15 years from now, pharma companies will be able to do better and communications will be interesting.
About Indegene

Indegene is a leading provider of Clinical, Commercial and Marketing solutions to global pharmaceutical and healthcare organizations. We partner with clients to drive both productivity and revenues by delivering better patient outcomes; optimizing cost; enhancing R&D agility and improving sales and marketing effectiveness. We apply deep scientific knowledge, flexible delivery models, proprietary technology, and a client-centric approach to drive transformational initiatives.

With offices in US, UK, China, India, and Australia, Indegene can partner globally with clients, leverage a global talent pool of clinicians, technologists, creative specialists, domain experts, business process specialists, deploy global infrastructure assets, and harness global healthcare knowledge to solve client challenges.