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(PAGE 9)

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A DATA-CENTRIC VIEW OF SAMPLE OPTIMIZATION

Refining provider data down to the individual level can pay big dividends with better insights and greater effectiveness in all marketing efforts—including sampling.

BY DAVID MERKEL

A GREAT DEAL OF PRESS HAS BEEN CIRCULATING recently trying to quantify the elusive total value of samples the pharmaceutical industry distributes annually. The recent healthcare overhaul passed in March creates the requirement of drug companies to report on their sample activities but not how to measure their worth. Some companies report on market price, some on wholesale costs, and many have different definitions of a unit.

The latest report from the *New England Journal of Medicine* estimated that industry spent about \$18 million in samples in 2005. No matter how we measure the numbers, we know that the distribution of samples is a large part of pharmaceutical marketing and companies are continually looking for innovative ways to optimize their distribution methodologies to maximize effectiveness.

The economic, political, and regulatory environments today are resulting in a great deal of challenges for pharmaceutical manufacturers. Innovative companies recognize the increased importance of sound reliable provider data allowing different views into their sampling activities to optimize efforts.

PUTTING TOGETHER THE RIGHT PIECES

Simply put, companies need to distribute samples to the right person at the right place at the right time and using the right distribution channel in the right quantities. Placing too many or too few product samples, for the wrong person, or at the wrong time will erode market share.

Most companies that ventured into sample optimization implemented an analysis tool or engine that is now part of the company workflow. Provider targets are segmented into groups that make sense for the company and product. Common data for provider segmentation include specialty, market volume, and product share. Then other variables are included such as market position and managed care restrictions. Data from ERP and CRM systems are loaded into the engine for analysis, the application performs its “magic,” the workflow distributes allocations to sales operations by territories, and brand managers view outside territories at the

nontargeted providers. To distribute the actual samples, sales reps visit providers and multi-channel non-personal promotion (NPP) programs are implemented using a variety of marketing activities.

For many companies, the marketing mix has been changing dramatically in the past couple of years. In many instances, NPP activities have taken a forefront position in the marketing mix and e-marketing has become a primary channel with a focus on e-sampling. Hard-to-see providers and policy restrictions at facilities contribute to the shift in marketing mix tactics. All efforts produce a challenge to incorporating resulting data from disparate activities into the sample optimization process. Even though the term “garbage in equals garbage out” is often overused, it does have significant meaning in today’s world of sample optimization.

Sample optimization is not static—it must evolve and adapt to the changing environment and leverage data across all activities and provide new and important insights into the behavior of the providers—down to the individual provider level. Innovative and effective organizations understand the truism that accurate data drives the overall effectiveness of the sample optimization engine and therefore they tackle sample optimization from a data perspective as opposed to tweaking a specific application or workflow.

UNIQUE IDENTIFIERS

The first step in the data-centric process is to make sure that you are uniquely identifying the provider across all activities. This may sound like an overly simplistic statement but the harsh reality is that it can be quite complicated. You need to decide on a unique identifier whether an internal enumerated number or an industry standard identifier. All numbers must be fully cross-referenced so incoming and outgoing data is properly identified across all events whether driven internally or by vendors. The most important aspect is to make sure your identifiers are not proprietary to a specific vendor or you lose control over the matching and identification process.

The next data management step is to ensure

your provider data is maintained and updated frequently. With over 25,000 changes weekly to physician data alone, it is extremely critical to update these data—especially prior to an outreach. Make sure demographic data elements important to your business and brand are included in the update process. Most commonly, this includes the provider addresses such as mailing, office, hospital, email, phone, and fax. Today’s providers are active and on the move, and by updating and maintaining your address data, your company can become proactive instead of reactive to these critical changes. These data must be updated and maintained properly to execute multi-channel marketing activities effectively. For example, if you are sending a direct mail marketing piece to distribute a sample using an invalid address, you will not be effective no matter how you determine allocations.

Other demographics may be important to your

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sample optimization analysis, such as secondary specialty, hospital affiliations, group affiliations, residency or medical school attendance, year of graduation, or the nature and environment of the provider’s practice. So make sure you know what is available in terms of demographics and incorporate these data into your sample optimization process for updating and analysis. Simply put, each segment provides a different view of the provider, resulting in better insight and effectiveness in all marketing efforts—not just sample optimization.

CAPTURING VALUABLE DATA

Now that you have uniquely identified the providers and are updating and maintaining the data on a regular basis, it is time to execute your sampling activities. Every outreach will provide valuable data for your sample optimization analysis. What distribution channel was used, how was it used, and did it get samples into the hands of the provider? Did the

provider respond to a direct mail piece, entertain a sales rep’s detail, request a sample through a website, and did the provider receive samples, and if so how many? Every outreach, event, and action must be captured and stored in a response data structure for your organization. These data, being fed into the sample optimization engine, result in the refinement of activities at the provider level to maximize influence in desired behavior. Not only can you maximize your sample allocations, you also have robust valuable data in terms of provider-specific communication preferences. The process is now iterative and becomes more and more effective as data is collected and analyzed.

Also, throughout the iterative sample optimization process, make sure you consider all methods of sample distribution activities available in the industry. Instead of sending physical samples, some providers or provider segments may be more receptive to alternative samples such as vouchers or adjudicated “loyalty cards.” These programs introduce another layer of information (adjudicated data) resulting in additional views of the providers and their behaviors—not to mention patient adherence and long-term relationship management programs.

Utilizing a sophisticated sample optimization engine without accurate data is like trying to measure a soft banana with a micrometer—it is practically impossible. By taking a data-centric approach, your sample optimization engine becomes extremely effective. Each company has different challenges dealing with technology and data management, and sometimes it may seem nearly impossible to transform processes required to make a difference. But small incremental steps are not only feasible but can pay big dividends.

SUMMARY

The bottom line is that most companies face the same challenges in terms of dealing with disparate data, the difficulty of uniquely identifying providers, and a way to become proactive instead of reactive. By establishing a process to uniquely identify a provider, by updating and maintaining demographic data, and collecting all activity data in a response data structure, companies are refining their sample optimization to maximize effectiveness and market share. ○



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