

## **Devising an effective medical marketing strategy for a sustained customer engagement for a medical product organization**

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### **Abstract**

Protecting premium pricing is a challenge for pharmaceutical & medical device players in the global markets. With the global trend of making the healthcare services more affordable and more inclusive, this challenge continues to push us to create innovative strategies in marketing.

Engagement of Healthcare Professionals through medical marketing strategies with appropriate planning and execution can lead to sustained value creation beyond product for which customers are more than willing to pay. This paper presents the planning and execution process of medical marketing strategies for enhanced customer engagement and improved business outcomes.

### **Introduction**

During the past decade, pharmaceutical or medical device business has undergone a paradigm shift. It has changed from a state of a collection of transactional events between the Healthcare professional (HCP) and a medical representative to a healthcare continuum that includes a multitude of activities. In this continuum, medical product companies have been steadily expanding their role to have wider positive impact on their customers and other stakeholders. The healthcare industry is no longer being rewarded for selling the most pills or devices and me-too products or products with incremental innovations. Organizations need to demonstrate that their brand in the form of a holistic solution adds benefit to the customers and offers a value beyond just a product. A valued solution that customer not only wants but also is willing to pay a premium for!

With the pressure of narrowing margins in the mature markets, incremental growth in marketing expense would be perceived as additional burden on the bottom line.

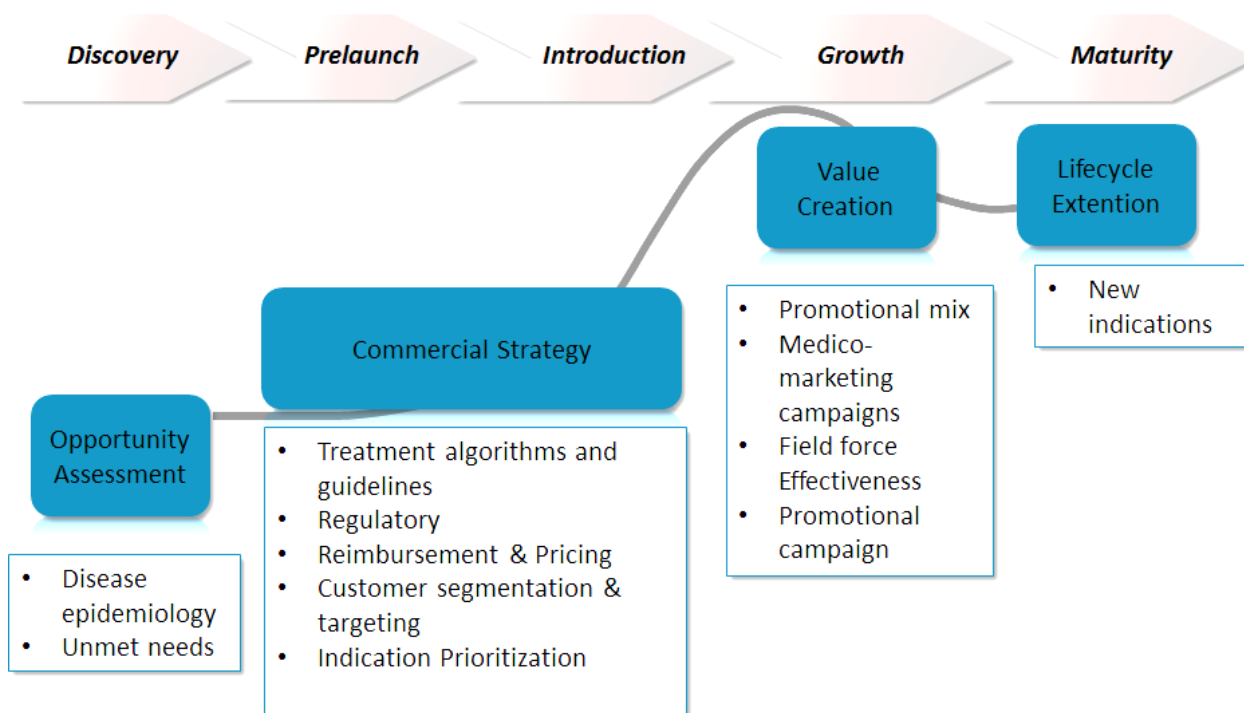
The pharmaceutical industry spends more than \$27 billion on drug promotion<sup>1</sup>, more than \$24 billion on marketing to HCPs and over \$3 billion on advertising to consumers (mainly through television commercials).

### **Customer Engagement for Sustained Value Creation**

A healthcare marketer has to influence multiple stakeholders for shaping or expanding the market. An important prerequisite for building medical marketing plan is to identify and prioritize the types of customers to engage. At any given time it is difficult to target all customers with a single program. Still, strategic initiatives can be designed to be more inclusive in terms of customer involvement. For example, Skills enhancement training curriculum for nurses can be prepared by HCPs and later conducted by them in the form of series of workshops with the help of sales team. Thus, with this one initiative three different sets of customers (HCPs, nurses and sales team) are engaged.

Customer engagement is a long term process with tactical spur of activities based on the business plan or product life cycle stages. Let's look at avenues of HCP engagement during the entire product life cycle. These are summarized in the figure 1.

Figure 1. HCP engagement helps product life cycle management



HCP engagement which begins at the product discovery stage pays rich dividends. Johnson and Johnson has developed a knee implant suitable for the Indian market as well as a reusable stapler for use in surgeries at price points that are amenable to the Indian market. Roche Diagnostics has developed a screening device for cardio-vascular diseases that is suitable for use in rural settings.

Philips Healthcare is using its recent acquisitions in India to develop and launch a low cost cardiac catheterization laboratory for the Indian market.

Similarly at every stage of the product, customers can be engaged through a blend of strategic mix of medical and marketing strategy.

In emerging markets, like India, pharmaceutical global players have been quite successful in penetrating the market. According to Care Ratings, the Indian drugs industry is valued at US\$ 25.87 billion at present. It is also expected to grow in the local market due to aggressive rural penetration by drug makers, increased government spending on health, and growing health awareness among people.<sup>2</sup> Unlike pharmaceutical companies, the global players in medical devices and equipment industry have not found great success in penetrating the market given the same market situations and challenges. The Indian medical devices and equipment industry valued at US\$ 2.5 billion contributes only 6% of India's US\$ 40 billion healthcare sector.<sup>3</sup>

The Federation of Indian Chambers of Commerce and Industries (FICCI) in its report identified key challenges in the medical devices and equipment industry. These are low penetration, low accessibility, and low awareness.<sup>2</sup> In the same report FICCI gave some recommendations to overcome these challenges. These were to increase the quality and enhance consistency of training received by medical and paramedical staff. These would provide creative resources for leading medical innovation efforts and to encourage greater collaboration between medical centers and technology universities. Such recommendations are important for planning customer engagement strategies.

In emerging markets, innovation in medical marketing strategies have shown tremendous impact on the pharmaceutical business. Such customer centric strategies can also help medical devices companies to penetrate the emerging markets. Various strategies for customer engagement have been deployed by healthcare players.

### HCP engagement models and returns

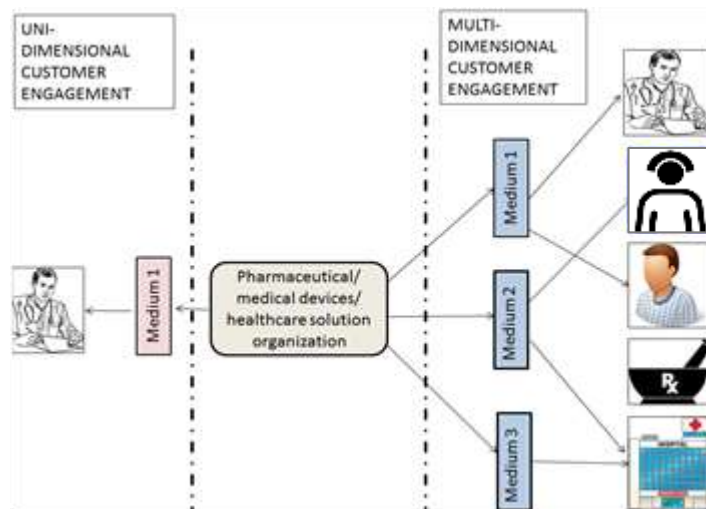
HCP engagement by a company sales representatives still remains the core for all pharmaceutical or medical devices companies. But different methods/channels of customer interactions may lead to opportunities which converge into a multipronged engagement strategy.

Unidirectional Engagement is a conventional engagement between company representative and HCP which develops through the in-clinic interaction. Most often it is one sided communication about the drug or device. Its focus is on the outcome which is product selling hence such engagement can be referred as a transactional in nature.

Through the approach of Multidirectional Engagement, healthcare solution provider or product seller can engage multiple customers through multiple mediums. Different types of customers like Physicians, paramedics, patients, pharmacists, healthcare institutes can be engaged through various channels/mediums.

Medical marketing strategy helps to leverage various mediums for multidirectional engagement. Engagement models are depicted in figure 2 below.

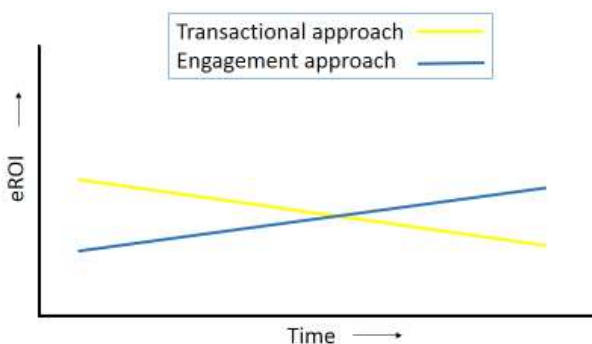
**Figure 2. Basic types of Engagement models**



**Transactional Engagement v/s Partnership Engagement**

Conventional customer engagement through which company representatives are perceived as product sellers by doctors is transactional in nature. On the other hand, to build partnership engagements with Healthcare Professionals (HCPs), pharmaceutical companies require to undertake long term initiatives to maintain long lasting associations with HCPs.

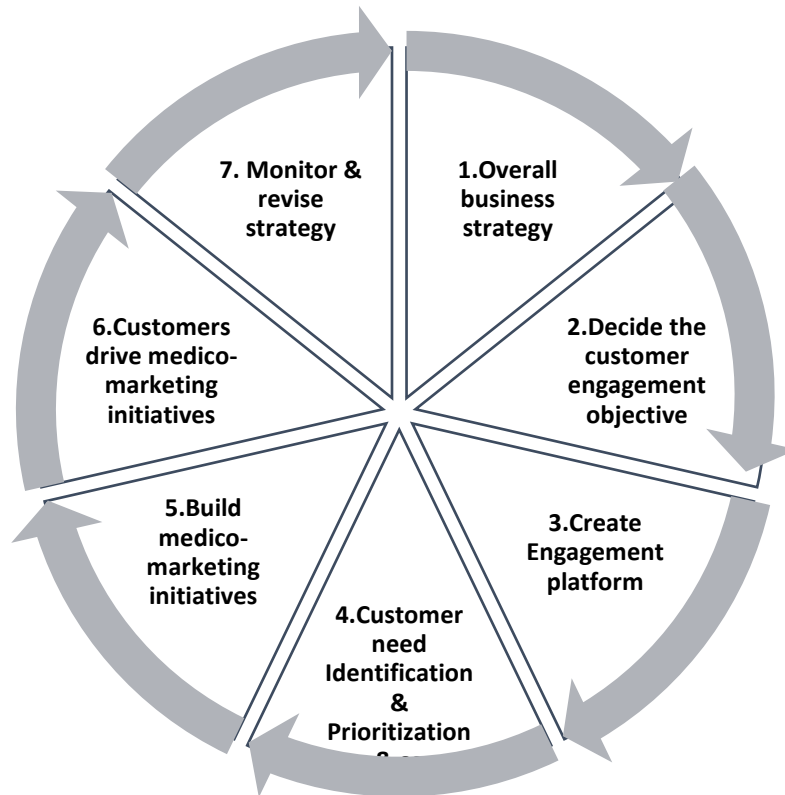
Figure 3. Comparison of Engagement return on investment (eROI)



Comparison of return of investments for customer engagement in transactional approach and partnership approach is depicted in figure 3. Initial returns are higher with transactional engagement but returns may diminish over period of time and also such returns are difficult to sustain longer. In partnership approach sellers transform themselves into a broader role and HCPs perceive them as partners in their clinical practice. In partnership engagement, initial investments are higher but returns steadily increase and are better sustained as the time progresses.

**Medical Marketing Strategy for effective Customer Engagement**

Figure 4 summarizes the framework for building medical marketing strategy.



**Figure 4. Medical marketing strategy formulation process**

The process describes a true ‘participative way of strategy formation’ in which HCP ideates, plans, and partners with pharmaceutical company to execute the strategy along with the healthcare product marketer leading to **Medical Marketing: Of the HCP, by the HCP, for the HCP.**

The eight step process of medical marketing strategy formulation is described below:

### **1. Overall business strategy**

For its success, the medical marketing strategy must be aligned with the overall business strategy. Business objective of a medical device global leader was to increase the market share by increasing the customer base and become the market leader in airway management in India. The goal of medical marketing strategy was to increase the customer adoption of the airway management products. Hence, the end users i.e. paramedic staff were engaged in a yearlong training program on their product usage which helped them to achieve market leadership.

### **2. Decide the customer engagement objective**

An important outcome of the medical marketing strategy is the successful and sustained customer engagement. Internal stakeholders like sales team can identify the tangible objectives behind such customer engagement.

A US based multinational pharmaceutical had a strong presence in migraine therapy area. The objective of the customer engagement was identified as ‘to move away from being just a pill provider for HCPs and become the therapy leader in migraine prophylaxis.’ Thus, an initiative called LEAD (Let Education and Awareness Defeat) migraine was launched. Under this medical marketing project, key neurologists across the globe were engaged and Continuing Medical Education (CME) seminars for HCPs and patient education on migraine prevention were successfully carried out.

### **3. Create engagement platform**

The next step post the identification of the customer engagement objectives, is to bring key customers together on a single discussion/brainstorming platform.

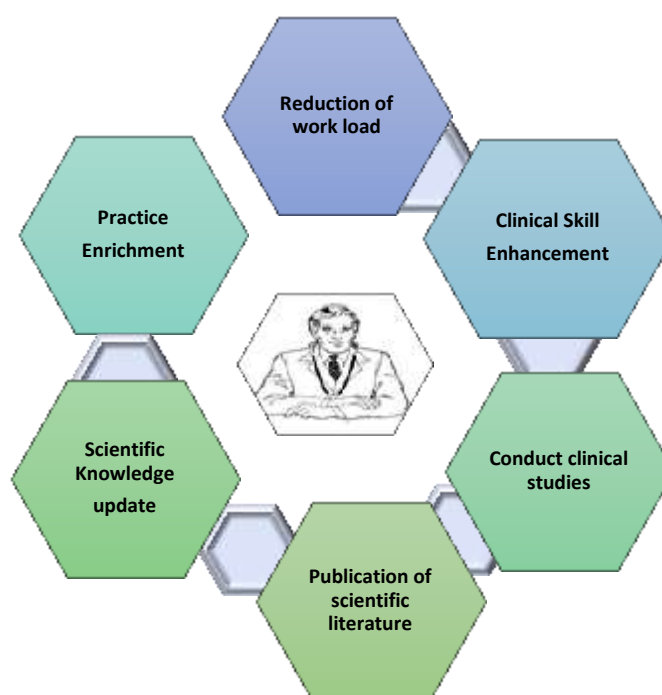
General theme and motto of the platform should reflect the shared purpose and goal of the Strategic Business Unit (SBU)/ company and its customers.

For example, themes like ‘enhancing patient outcomes’ inspire both HCPs as well as healthcare companies which have patient centric vision.

#### 4. Customer need Identification and Prioritization

Unfulfilled customer need is not only helpful to generate new product ideas but it also unearths ideas for engagement opportunities. Such idea generation requires brainstorming sessions with group of customers. Best engagement ideas can emerge from real time insights around the needs of HCPs. Mentor board or advisory board discussions help identify such needs and can lead to generation of new ideas. Figure 5 depicts few universal needs of any HCP. These are applicable to clinicians of all specialties and across all geographies.

**Figure 5. Few universal needs of a HCP**



#### Customer need prioritization & selection of focus area

Discussions and advice from key customers can lead to identification of multiple needs. To build an effective medical marketing strategy it is imperative to prioritize these needs and select the ones that are most pressing. Identification of common or similar purpose between needs of SBU/organization and needs of HCPs is helpful in deciding what needs to focus upon. Such common needs become priority need (P-need) and this P- need becomes the origin of medical marketing strategy. This concept is represented in the form of a simple Venn diagram in the figure 6.

**Figure 6 Identification of P- need**



This is applicable at all levels: P-need can be identified at a company level or SBU level or at any specific brand level.

Following case explains this concept.

Organization need:

Global leader in tracheostomy tubes desired critical care specialists to use their tubes which required special technique to use in of their key geography.

Customer/HCP need:

Critical care specialists were keen to learn new techniques so as to enhance their clinical skills.

Hence this tracheostomy tube provider engaged a key opinion leader and tied up with simulation training center which provided hands on training for critical care specialists on the new techniques of tracheostomy. Thus it was beneficial for the company as well as for the HCPs.

## 5. Build medical marketing initiatives

Project ideas/initiatives that originate from unaddressed needs of the HCPs are more relevant to their practice.

A leader in airway medical device market in India partnered with top critical care specialists across India to develop an innovative educational initiative for paramedical staff to bridge the knowledge gap in Ventilator Associated Pneumonia (VAP) prevention practices. Through this initiative 500 nurse educators were created and 4500 nurses were trained within one year.

Listening to and responding to the 'Voice of the Customer' (doctors) and the need of India's patients, a US multinational launched a patient assistance program called *SPARSH* (which means 'touch' in Hindi), which has touched 20000 patients over 110 towns in India. The program offers comprehensive diabetes management including diet counseling, exercise counseling, education on diabetes and its complications via a call center in Hyderabad, India.<sup>4</sup>

Another multinational pharmaceutical in India launched an initiative called *Arogya Parivar* (which means 'healthy family' in Hindi), to tap the bottom of pyramid population of India. It offers improved healthcare for 42 million people living in 33000 villages, expanding their access to affordable products, improved health infrastructure and community education. It began returning profit within 30 months of its launch and since 2007, sales have increased 25-fold.<sup>5</sup>

## 6. Customers drive medical marketing initiatives

If HCPs are involved in the planning of the medical marketing initiatives right from the beginning then their ownership and motivation levels are high. HCPs themselves drive these initiatives in their respective hospitals using their sphere of influence.

A Medical Device Company needed to shape and prime the market on their innovative ambulatory pain management device which offers patient controlled analgesia and better patient satisfaction.

Anesthetists and Pain specialists in their close group meeting with this organization brainstormed on the current situation on pain management. The anesthetists and pain specialists agreed on the need of such innovative device but shared that the hospital management and surgeons are not in favor of this device due to fear of rise of the cost of surgery. In the same meeting anesthetists proposed educating the hospital management and surgeons about the deficiencies and low level of patient satisfaction with the current pain management practices. These anesthetist volunteered to play the role of investigators in a patient survey on pain satisfaction. This resulted in a multicounty, multi-centric survey being conducted with 1200 patients.

## 7. Monitor, Improve and revise strategy as per the set objective

Medical marketing initiatives are most often long term projects and require project management skills to drive their timely completion and continuous feedback loops to plan for the future initiatives.

Horlicks was the most trusted health drinks brand of India in the year 2004. After nearly a decade GlaxoSmithKline decided to rework and make Horlicks 'clinically proven brand'. They tied up with key pediatricians in India and conducted a clinical study in collaboration with the National Institute of Nutrition, Hyderabad. This study helped them to evaluate impact of Horlicks on growth and development in children. Five signs of growth like height, strength, healthy weight gain, blood health and concentration are used by GSK in their claim of 'Horlicks makes you stronger, sharper and smarter'.

The approach thus described is a basic framework or guiding principles which needs to be applied in the context of the marketplace.



The healthcare market is transitioning to a more consumer-centric model. Driving this change are medical and marketing functions in the organization and importantly the informed and price conscious patients. The patients are increasingly turning key partners in the design and delivery of care. Pharmaceutical giants are engaging patients for development of crowd sourced drug discovery platforms. Technology enabled real-time interactions can empower patients to design, manage, and deliver the kind of care they need—the way they want it, at their desired place and time.

According to Peter Drucker the aim of marketing is to know and understand the customer so well so that the product or service fits him and sells itself. As the maturity of relationship between patients and the healthcare ecosystem evolves, involvement of patients would become standard norm and then what would be the future role of marketer of healthcare product?

#### References:

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[http://www.skainfo.com/health\\_care\\_market\\_reports/2012\\_promotional\\_spending.pdf](http://www.skainfo.com/health_care_market_reports/2012_promotional_spending.pdf).

<sup>2</sup> [http://indiaibusiness.nic.in/newdesign/index.php?param=industryservices\\_landing/347/1](http://indiaibusiness.nic.in/newdesign/index.php?param=industryservices_landing/347/1) accessed on 10 December 2014

<sup>3</sup> [http://www.ficci.com/sector/76/Project\\_docs/Medical\\_Devices\\_and\\_Equipment\\_Sector\\_profile.pdf](http://www.ficci.com/sector/76/Project_docs/Medical_Devices_and_Equipment_Sector_profile.pdf) ,accessed on 9 December 2014

<sup>4</sup> [www.msindia.in/responsibility](http://www.msindia.in/responsibility) accessed on 9 December 2014

<sup>5</sup> India Pharma Inc.: Capitalising on India's Growth Potential, [www.pwc.com/india](http://www.pwc.com/india) accessed on 9 December 2014

## About author

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Abhishek has over a decade of cross-functional experience in medical affairs, strategic marketing, brand management, and clinical development in the pharmaceutical and medical device industry. His experience spans the Indian sub-continent, US and Asia Pacific. In his current role, lead of medical marketing in the life sciences unit of Tata Consultancy Services, he leads a team of consultants in medical information management, Key opinion leader engagement, medical education & training, medical affairs driven outcome research and promotional compliance as per global regulatory guidelines.