

MADE TO



MEASURE

In an age of accountability, where every dollar counts, **Deborah Dick-Rath** talks to industry insiders about how they can make a measurable difference in their marketing mix

This is the dawning of the age of accountability—an era in which every marketing dollar must count. Partly a reaction to the economic tsunami of 2008, this new era reflects a buckle-down, knuckle-down atmosphere among the marketing teams in every industry—particularly healthcare, which may well be facing even more tumultuous economic disruption.

To help healthcare marketers prepare and plan effective marketing programs in this new age, we spoke with several industry insiders and experts to learn what’s working (and what’s not) in the area of marketing performance measurement.

Traditionally, healthcare marketing success metrics have been linked directly to strict ROI models that were designed by internal marketing science/forecast teams.

In many cases, these modelers were disconnected from the thinking and conceptualizing done by the marketing teams. Why? Because the marketing science/forecast teams, staffed by PhD mathematicians and statisticians, developed elaborate and accurate sales models based on sales force call schedules and corresponding script movement. No gross ratings points (GRPs) or impressions in sight.

You can see how applying the predictive science of prescription sales against the integrated consumer marketing mix of mass media

combined with a range of direct tactics has proven to be a more challenging exercise for DTC marketers. In addition, DTC marketing teams have had to face the daunting task of requesting large sums of money to reach and educate consumers without always having reliable models to justify the expenditure.

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The conundrum of “proving” the value of marketing investment is not new, nor is it unique to healthcare. Advertising accountability is not new either. As John Wannamaker once famously said, “I know half of my advertising is working. I just don’t know which half.”

Mark Davis, director of integrated consumer marketing at Novartis agrees.

“It’s really a black art,” he says, pointing to the various models and formulas that are needed to calculate return on consumer marketing programs. “It’s important to establish exactly how

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those calculations will be made before a campaign is launched, because the team always needs to be prepared for questions of campaign viability.”

Eugene Becker, SVP, director of analytics at McCann Healthcare, has run in-depth campaign analyses for several healthcare clients. He believes that “the most important thing is to go beyond defining your success metrics. You need to define a clear optimization plan—a priori—so that when results come in, everyone can deal with them as opposed to having an academic debate.”

This is a critical factor in successful DTC planning because, as Becker explains: “Measurement often falls short because it doesn’t drive action. To avoid this pitfall, it’s important to establish an approach with clear objectives and an action plan based on whether those objectives are met.”

Evolving consumer techniques to healthcare marketing

Healthcare and medical marketers have a tremendous capability to understand the value of their field forces and how they can drive NRxs and TRxs. But as the healthcare marketing arena becomes increasingly complex, with patients and consumers involved in their therapeutic decisions/outcomes, it’s important that healthcare marketers consider how consumer industries have worked to make their ad spends more efficient, and then start to evolve their strict ROI mandates/guidelines.

While healthcare has quickly adopted many of the integrated marketing planning tools and tactics, it has been slower to recognize the value of other industries’ ROI experience.

For example, like pharma, the automotive and telecommunications industries sell expensive, but much-needed products. And not unlike prescription medicines, consumers must go to a specific place to learn about and purchase the marketed product.

Automotive and telecom are very competitive industries, dominated by huge market leaders. Interestingly, both use highly developed return on marketing initiative (ROMI) models to plan and optimize their spending.

“We see great analogies between traditional consumer industries, like automotive and DTC,” notes Scott McKinley, CEO of FactorTG, a marketing performance measurement company that handles automotive, telecom and healthcare clients. “Once you understand what the individual success criteria are for a company, you can then work to define a measurement system or solution that works best. Unfortunately, companies sometimes change what that criteria is, or make it so unique to them that it’s difficult to benchmark.”

Learning to leverage knowledge from consumer industries to healthcare may be a challenge, according to Jamie Adams, EVP, director of data strategy at Deutsch.

As he points out: “All pharma companies are research-based, so they are quite sophisticated in the areas of measurement and experimental design, compared to other industries we work with. But this can also make it a challenge for them to seek and accept ‘softer’ contributions to ROMI, such as changes in consumer attitudes and behaviors that must come before script requests, fills and refills. The most successful process: Awareness, consideration, physician requests, fill rates on initial scripts and persistence.”

Mike Kalfus, president of M2 Worldwide, a global relationship marketing consultancy, echoed the point, adding that consistency is also a key factor in measurement best practice.

“One of the most critical elements of a measurement platform is the ability to have analyzed data on a consistent basis,” he says. “The best practice combines both quality and quantitative measures, such as awareness, likelihood to present to a physician and, ultimately, conversion to a brand. Once these measures are in place, marketers need to determine compliance rates. Patient longitudinal is best here, but takes too long to read. Therefore, online and offline surveys are needed. Pfizer and Wyeth do this best.”

Kalfus also observed that there can be some obstacles in measurement objective setting when management is planning on instant financial gratification.

“Focusing on the brand objectives is critical with determining patient lifetime value (one year and three values),” he adds. “From a [relationship marketing] perspective, the biggest barrier is having

10 steps to effective measurement

- 1** Set realistic **objectives** and goals. Make sure that objectives are “readable” and results are actionable.
- 2** Acknowledge **challenges** in advance. New campaign, new category, new supplier, new media, new team, etc. Recognize and establish communication streams or processes to avoid problems before they happen.
- 3** Obtain **benchmarks** and/or acceptable analogs. These may be internal or from the supplier. Just make sure that you are ready to answer the question, “How do these results compare to ...?”
- 4** Gain **agreement** on KPI’s in advance. Make sure that everyone from upper management on down is onboard with milestones.
- 5** Leverage supplier expertise to your advantage. Use your strategic **partnerships** to help you achieve the best measurement plan possible, with norms, benchmarks or other inputs from other brands and categories. This can enrich your view of your results.
- 6** Create an **integrated** and aligned team. Keep everyone on the same page regarding the measurement plan so there are no detractors or naysayers when results come in less/better than expected.
- 7** Allow for bumps and **glitches**. See #2 above about challenges, and always be prepared for the worst to happen. It’s not the end of the world. Almost everything can be fixed.
- 8** **Validate** and cross-validate data. As the carpenters say, “Measure twice. Cut once.” Marketing expenditures are constantly questioned and can easily be devalued without evidence or data that supports results. If possible, have more than one “test measure” in your pocket.
- 9** Resource measurement **cost** from the media/marketing budget. This sends a great signal of confidence and continuity regarding the marketing plan.
- 10** Report, **optimize** and repeat. Ongoing measurement and optimization leads to greater campaign effectiveness and profitability over time. Keep building on lessons learned to maximize your marketing plan and build your brand.

management look at more than a one year break-even point.”

However, in Becker’s view, healthcare marketers possess a wealth of information that can uniquely help them establish DTC measurement goals. “If anything, pharma companies are advantaged because there are vendors like CrossX, Wolters Kluwer and Verispan with patient longitudinal data. That kind of customer data is rarely available in other sectors.”

New media, new tools

In addition to challenges with “softer” metrics of consumer behavior, cohesive marketing measurement has lagged within healthcare companies because “traditional” media is often measured one way while “new media” is measured another—with no set of integrated standards. However, as more marketers realize that the framework for communicating with consumers about health is becoming increasingly digital, measurement tools are converging, too.

“Now that 70% of adults research their medical conditions online, Google and Yahoo! function as massive continuous market research samples,” notes Deutsch’s Adams. They provide an unprecedented opportunity to gauge and track these previously invisible portions of the purchase funnel.

FactorTG’s McKinley is even more adamant, stating, “With the fragmentation of media and rapidly changing consumer behavior, advertisers need better tools than ever to keep up with their audiences. He adds that marketers without innovative technological measurement tools in place can really lose out.

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— Eugene Becker, McCann Healthcare

“Today’s marketers have access to new tools to provide visibility, accountability and control of the advertising investment. With these capabilities now fully vetted and in use by leading marketers, it is simply irresponsible for any major advertiser to invest without measurement and optimization.”

Deutsch’s Adams even suggests that healthcare marketers can use search as a component of a metrics plan. He provides a formula for doing so (see sidebar above right, “Using search as a gauge of brand health”):

He also adds that “real-world media and consumer data (particularly in the Internet age) can never be as rigorously controlled as a laboratory experiment, but there are still many similarities. Careful planning and design of a metrics plan will still yield valuable and accurate information when marketers: Identify baseline levels of pre-campaign activities that predict NRx, like website visits, condition research on medical information websites, and search activity on condition and branded keywords; monitor the accurate allocation of media activity by channel; pay careful attention to mixing proprietary and syndicated research data; and monitor KPIs, not just for total volume of changes, but for changes in well-established ratios—such as keyword searches per NRx, Brand A website visits to Brand B website visits, portion of website visitors viewing the prescribing information section, etc.”

Going beyond DTC, Kalfus and his team at M2 WorldWide

Using search as a gauge of brand health

GAUGE LEVEL OF AUDIENCE RESPONSE:

Correlation of Search Activity + Media Spend

EARLY INDICATOR OF MARKETING IMPACT:

Correlation of Changes in Keyword Searches + Change in NRx Volume

GAUGE OF RELATIVE STRENGTH OF COMPETITIVE BRANDS:

Comparison of Search to NRx ratios within a Therapeutic Category

also see a future in applying consumer measurement tools to physician marketing. “Non-personal promotion is the fastest-growing area in pharma,” he declares. “Some companies are beginning to delve into the area, but are looking at things more tactically than strategically.”

He also sees that measurement is ground zero in the age of accountability—no matter if you are targeting consumers or physicians.

“Margins are being cut and the need for more fine-tuning of the marketing mix is critical,” explains Kalfus. “You must have the ability to understand the key business drivers for the brand on both a physician and consumer marketing spend level.”

Even though DTC is not practiced outside the US like it is here, there are some brands that effectively utilize direct-to-patient communications. However, as Kalfus notes, “Global direct-to-patient communications is the most challenging to measure. There is no patient longitudinal data, many countries have different waiting times to see a specialist and the list goes on.”

“But there are some fantastic case studies that show how EU marketers have used traditional DTC tactics—PR, doctor’s office, SEO, etc.—to drive awareness presentation and optimal therapy review,” he explains. “Ever since launching the first global DTP initiative for an ED product, the challenges are still prevalent but are beginning to loosen.”

Continual measuring for greater accountability

Healthcare marketers have an opportunity to constantly improve results by using new measurement tools and to set goals that deliver profitability. They can be broad or granular in their approach, but they must be vigilant and they must insist on using measurement results to drive integrated and holistic planning.

As Adams recognizes, “In the past, the ROI impact of DTC campaigns was so significant that many marketers could look only at changes in NRx volume and still demonstrate a highly profitable return. As a consequence, the impact of DTC on other efforts such as persistency was often ignored.”

McKinley summarized the need for measurement best when he said: “Today’s media landscape is difficult to navigate for those who refuse to adapt, but full of opportunity for those who embrace it. New capabilities in measurement provide near-time feedback about media efficiency and creative effectiveness, allowing smart marketers to take advantage of the dynamics of a wildly volatile media marketplace to maximize their ROI.” ■

Deborah Dick-Rath is SVP, healthcare practice leader at FactorTG