

**The transition from**

# PUSH TO PULL

Successful CRM programs should engage, educate and inspire customers in new and meaningful ways. This requires a shift from generating awareness to delivering value. Simply stated, it's about pull, as opposed to push, marketing. By **David Kramer**.

**F**or the pharmaceutical industry, 2004 is rapidly shaping up as the year of customer relationship marketing (CRM). Companies are aggressively building up their CRM staff and support infrastructure. The ones that will reap the biggest and fastest benefits will be those that amplify and anchor learnings from other industries with deep insight into pharma's uniquely diverse customers, and the relationships that pharma has with them.

Making the transition from pharma's historic product focus to a customer focus calls for changes in the way companies think about, and relate to, their customers. Perhaps most important, it requires recognizing that the foundation of any customer relationship is the exchange of value. We like to call this approach customer value marketing (CVM).

CVM emerges from the notion that a pharmaceutical company maximizes the value of a brand by maximizing the value of the brand's customers, meeting the needs and influencing the behaviors of key customer segments throughout the critical points in the product lifecycle. It requires movement from generating awareness to delivering value in the form of service and support. Simply stated, it's about pull, as opposed to push, marketing.

Brands without a customer value approach are at risk of failing to realize potential value due to lack of customer understanding, or even of losing value through uncoordinated, duplicative or competing marketing efforts.

Brands with a CVM approach achieve new levels of intimacy with key customer segments and micro-segments. They embrace an integrated approach that delivers information, service, and support both online and offline, according to customer preferences and customer value. And they deepen, intensify, and prolong their customer relationships through data collection, insight generation, and business accountability.

### The "R" depends on the "C"

CVM has two distinct flavors, one for professionals and one for consumers. Healthcare professionals are pharma's oldest and best-understood customers. But nowhere is the contrast between customer focus and product focus more glaring. A high-prescribing primary care practice, for example, which may, in aggregate, account for \$1 million or more annual revenue across a pharma company's brand portfolio, may be called on by as many as a dozen different representatives from that company — each with their own, competing product messages and business objectives.

In professional marketing, therefore, the overriding goals of CVM are a single customer view for the pharma company and a single point of contact for the physician.

Consumers, by contrast, tend to have relationship with only one of a company's brands, not with the company itself — and that relationship is often tenuous. Across the decision-making continuum, from awareness to acquisition to conversion to retention, there are multiple points at which consumers can — and all too often do — end the relationship prematurely.

The goals of consumer CVM, therefore, are to maintain and progressively deepen the customer relationship, so that patients under-

stand their conditions, become aware of relevant therapies, seek appropriate treatment, and adhere to their regimens as prescribed — thus receiving the full value of their therapies.

But fostering and maintaining deep relationships that consistently deliver value to you and your customers requires knowing those customers. For most industries, this means acquiring, mining and massaging mountains of customer data.

American Express epitomizes this approach. AmEx knows what kinds of clothes their members wear, what they eat, where they travel, how they contribute to charities and what their politics are. And they use all of this data to generate insights that enable them to up-sell, cross-sell, and service their members.

### The trouble with pharma

Pharma is different. Not only are there few commercial sources of customer data relevant to pharmaceutical marketing, but there are increasingly draconian limits — embodied in HIPAA and a growing body of state legislation — on the kinds of customer data they can collect themselves. Pharma marketers must rely instead on marketing partners that already have the necessary insights into disease states, therapeutic categories, patient behaviors, etc.

CVM is designed to align channels and tactics with customer value to maximize acquisition, conversion and retention. It enables brands to deepen and intensify interactions with high-value customers such as influential physicians or chronic-condition patients.

The approach employs a range of coordinated tactics, including starter kits, videos, newsletters, e-mail, call centers, support groups and Web sites, to develop value and multiple touchpoints.

What form these touchpoints take is a critical success factor. For example, is a starter kit needed? How much contact is useful? What, exactly, would enhance compliance? Too often, these questions are answered on the fly or according to a standard checklist. The best answers, however, are developed with insight into the brand's character and customers' needs, situations, and capabilities.

## CUSTOMER VALUE MARKETING

### AIMS AND EXPECTATIONS

*Helps decide which are the most valuable things to do*

- Prioritize customer segments by value
- Optimize channels by cost and customer value
- Integrate all channels and assets in synergistic programs

*Helps document the business value of everything you do*

- Analytics and feedback built into program planning and evaluation

*Helps maintain a long-term lifecycle-based view of your brand*

- Forward-looking planning through expiry
- Level of sophistication ramped up as additional customer knowledge is gained and success documented

## CVM ACROSS THE LIFECYCLE

<b>Launch:</b>	Maximize sales growth through identification and targeting of key customer segments
<b>Growth:</b>	Increase value per customer through segment migration and channel optimization
<b>Maturity:</b>	Reduce attrition by mobilizing brand loyalists through lower-cost channels

## 10 STEPS TO CVM

1. **DATA:** Information is collected, managed, and mined to provide a comprehensive view of customers
2. **RESOURCES:** Customer segmentation is used to govern resource allocation decisions
3. **TOUCHPOINTS:** Modeling and analysis is used to plan and optimize customer touchpoints
4. **DESIGN:** Programs are designed to meet the channel and information needs of customers
5. **TESTING:** Programs are "road-tested" to maximize impact on audiences
6. **INTEGRATION:** Programs are integrated across multiple audiences (consumer, professional)
7. **SHARING:** Information is being captured and shared at all customer touchpoints
8. **FINE-TUNING:** Programs are tailored to account for human factors
9. **MONITORING:** Customer profitability/lifetime value is tracked and managed across channels
10. **ADAPTATION:** Continuous innovation and adaptation of strategies, messages, and programs is a way of life

Few pharma products are as relationship-intensive as chronic therapies for lifelong conditions. Brand X, a leading disease-modifying anti-rheumatic therapy, uses a value-oriented approach to forge a dynamic connection with customers.

The marketing team's goals were first, to support patients through the initial use of this self-injected biological; and, second, to support patients in managing their ongoing treatment. DTC advertising at launch was effective in creating initial awareness about the condition, acquiring customers and driving initial trial use. From there, a strategy of service and support based on CVM principles was developed to ensure successful starts and ongoing compliance.

The starter kit, for example, initiates the brand/customer relationship using a brochure, newsletter, video and diagrams, as well as the apparatus required to administer the medication. This allows patients to choose the learning mode that suits them best.

In their earliest exposures to the treatment, customers are introduced to a support program. Beginning as a series of newsletters focusing on personal success stories, it has grown into a robust pro-

gram for users, featuring e-mail, video and Web communications.

A multimedia-based acquisition campaign is also a part of the program. An unbranded Web site gives visitors information on the condition in exchange for entering their names and contact information into the database. It includes an 800 number to build a database of prospects for branded messages. Customers are alerted to the site by print and direct-response TV ads.

Meanwhile, the product Web site features experiences of other patients such as "My sense of independence," "My relationship with my doctor," "How I felt about administering the treatment for the first time" and "My symptoms before and after treatment." This comforts and assists patients who are learning about the therapy.

The brand has been extended further by creating material for syndication on other Web sites. For instance, there is a segment about the condition on a health-and-science site for teenagers. A call center has also been set up. Staffed by trained representatives and nurses, it is able to assist customers with a range of issues from reimbursement to medical questions.

Another component of the CVM platform is a special program that brings loyalist patients and advocates together once a year at locations around the country so they can share their stories, and hear from experts on living successfully with their condition.

The brand's constituency gets the information it needs, when they need it, across the entire relationship continuum. It fosters a sense of community, and equally important, it helps impact compliance and retention. All of these efforts have the common theme and purpose of creating touchpoints where the brand and customer exchange value, and maintain and sustain a relationship.

And the results are impressive. More than 70 percent of users access the brand site, and in a category where opt-in rates hover in the high-single digits, this program has achieved over six times the industry average — and with negligible dropout rates.

## Measures of success

The more relevant the information, the more intimate the touchpoints and the more genuine the commitment that marketers develop, the greater the value generated. But to truly optimize the lifetime value of their customers, pharmas must first measure that value for key customer segments and set targets.

Lack of formal objectives undermines too many customer initiatives and makes it hard to prioritize them. CVM provides a framework for setting targets and priorities and a platform for creating powerful, lasting customer relationships.

Value accrues to the brand in the form of increased demand, sales, loyalty and compliance. For patients, CVM delivers value in the form of improved health and well-being, heightened awareness of symptoms and treatments, and improved use of the medication. And for healthcare professionals it delivers value in the ability to practice more effectively by providing patients with concise, relevant, accessible information whenever and wherever they want it. ■

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