

OPINION LEADER ROUNDTABLE

FIVE TECHNOLOGY TRENDS IMPACTING CONSUMER & PHYSICIAN eMARKETING

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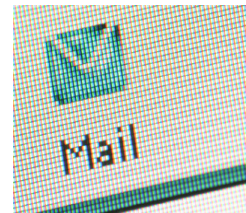
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▶ **Web 2.0 & SOCIAL NETWORKING.** How is the convergence of media impacting the ability of marketers to reach a fragmented consumer and physician audience?

▶ **EMAIL MARKETING.** What innovations can we expect to see in the realm of email marketing in the coming years?

▶ **CUSTOMER SERVICE.** How is technology impacting the relationship between detail reps and their target audience of physicians?

▶ **PRODUCT SITES.** As a growing number of product sites become a resource for millions of consumers, what will the next-generation of product sites look like?

▶ **SEARCH.** What can we expect to see from the leading search engines in the coming years?

We discuss these topics in this second edition of the Opinion Leader Roundtable from Manhattan Research – a look at what some leading marketing innovators are considering for the years ahead.

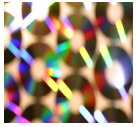
As the relative power and importance of “alternative” media has quickly moved to the forefront of the marketing conversation in the pharmaceutical industry, we decided to talk with a few individuals changing the future of marketing – one company at a time.

While these experts represent a diverse group, they provide a valuable snapshot of what is new and innovative in the field of integrated marketing. We wanted to know how they keep pace with new technologies and evolving consumer demands.

Thank you to our opinion leaders for participating and for sharing their insights with us (and with you). Given the level of innovation over the past five years, it is exciting to imagine what will change in the *next* five years, as technology continues to enable the end user with control over content and media. Let us peer into the future and into the minds of this select group.

Sincerely,

Mark Bard
President of Manhattan Research



▶ TREND ONE: WEB 2.0 & SOCIAL NETWORKING

One of the most popular buzz-phrases right now is “Web 2.0”.

We will define the concept as the second generation of Internet-based services collectively – including social networking, collaboration tools, blogs and podcasting. Are there implications from this second wave of Internet companies and technologies that must be recognized by health and pharmaceutical companies? Or is the primary impact limited to entertainment?

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- **Blane McMichen:**

The potential opportunity is obviously rising as these sites are where users are spending their time online, resulting in greater opportunities for marketing exposure.

The biggest issue to be addressed is privacy, specifically as it relates to health conditions. The ability to expose a user to a relevant message about a product or service largely depends on insights about the individual, which essentially opposes the auspices of privacy initiatives.

Other considerations related to fair balance raise concern about being compliant with regulations. For example, a video from a product site cannot be lifted from the site and posted on YouTube, because it could be separated from its related fair balance. Clearly, there are solutions to address this need, and as an industry we will need to determine just how to do it.

The real issue is maturity. In order for the health industry to invest in iTunes broadcasts, video on demand, and social networks; a lot of details need to be resolved around restricted access, patient privacy, and let’s not forget about critical mass adoption.

It’s exciting to watch and mentor as it matures, but the real potential will be realized when it “grows up.”

“... the tables have turned and physicians are not the sole purveyors of medical information today.” ▶ **Cara Levinson**
- **Kim Milnes:**

Social networking has the effect of amplifying the discussion on any topic about which peer opinions are important. If people want to understand others' experiences with and views of something - cars, pharmaceutical products, vacation destinations - online social networking is a big part of the process.

We already know pharma products and healthcare in general fall into that category. With that perspective, it's clear that the healthcare industry must recognize the power of this aspect of the internet and factor it in as an opportunity to be leveraged.
- **Cara Levinson:**

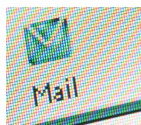
Social networking has a very real impact on health and pharmaceutical companies. Consumers and patients are often using these sites to validate physician recommendations with other patients.

For example, consumers with a particular form of cancer may ask other patients for their opinion of a physician recommendation. The request receives responses from very medically-sophisticated patients.

So the tables have turned and physicians are not the sole purveyors of medical information today. While these seemingly savvy patients might be espousing incorrect information, they do have credibility among their peers.

Healthcare companies will need to recognize the increasingly important role of the sophisticated “patient opinion leader” and the platform they now have been given by Web 2.0 and social networking tools.
- **Nancy Phelan:**

I think that as an industry we need to continue to monitor and learn about the uptake and utilization of these online services. As adoption of these services becomes more widespread, I believe that the pharmaceutical industry will begin to incorporate, as appropriate, based on the target audience and their communication preferences and informational needs.



▶ TREND TWO: EMAIL MARKETING

Let's step back for a second – way back – and talk about a technology that dates back prior to the World Wide Web... electronic mail.

If we think of email in the context of next-generation trends, where is this technology taking marketers in the next two years?

- **Nancy Phelan:**
We're already seeing that e-mail communications within the pharmaceutical industry are evolving beyond a "blast" approach with limited segmentation and message customization.

In the future, I believe that the pharmaceutical industry will increasingly utilize technology to reach the consumer at key milestone points such as in the physician's office to deliver relevant, timely and customized information and tools to help them have more informed dialogues with their healthcare provider.

"The true opportunity in the coming two years for email is customization" ▶ Blane McMichen

- **Blane McMichen:**
The first emails were basic text messages sent electronically. Nothing too amazing in content, but the concept of sending a message instantly and getting a reply changed business. Now if we look at the current technology, we can pack a lot more into the message content.

The ability to combine media, links, and images has given us more options to convey a message. The true opportunity in the coming two years for email is customization. The limiting factor is not the ability to customize a message, and I mean truly custom content based on interest and preference, is the ability to integrate and drive the message from an enterprise system.

The future of email is actually here today in terms of the technologies that enable it. However, the future potential is latent potential that is locked up in corporate infrastructure, fragmented databases, and operational silos. The best integrated solutions are offered by small companies that have built their infrastructure from the ground up with this goal in mind, or by large companies that have invested heavily in integration.

(continued...) The envelope already exists, we just need to stuff the envelope with meaningful content – analogous to postal mail, it is the difference between junk mail from Publisher's Clearinghouse and a birthday card from Aunt Susie with a crisp five dollar bill enclosed!

- **Cara Levinson:**
My first thought is that pharmaceutical email programs have not been terribly successful. And they will not provide real return until the companies hit the basics: know your audience, establish a dialogue, be relevant to his or her needs, and provide timely information in the format that they individual wants to receive the information.

There was a study last year that analyzed the use of email by pharmaceutical companies and the results were abysmal because pharma companies were not achieving these basic requirements.

So in my opinion, any discussion of next-generation is premature until they focus on meeting the current needs.



▶ TREND THREE: CUSTOMER SERVICE

One area that has been radically overhauled and revolutionized by the Web has been the realm of customer service. However, there seems to be a gap between innovation in other sectors of the economy - such as banking and travel - and what we see happening within the pharmaceutical industry.

Is functional customer service online a reality in the next two years for most companies? If not, what is the time horizon? What are the barriers?

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- **Nancy Phelan:**
The pharmaceutical industry has traditionally focused on innovation in the lab, not innovation in marketing. In many cases, pharmaceutical companies have developed their brands as stand-alones, separate from and not associated with, the firm itself and so I wonder how successful a “corporate” customer service initiative can be unless it is supported by a larger corporate branding effort.

Even then, it will always be important to understand who your “customer” is and their preferences for information and ensure that you meet them.

- **Kim Milnes:**
Three things stand in the way of true online customer service in our industry. First, lack of a consistent definition of “customer”, both within and between healthcare organizations.

Second, limited centricity around that customer across functions, in terms of structure, process and information flow.

Third, a regulatory environment which encourages the use of the gray area, while online information exchange is black and white.

- **Cara Levinson:**
Regulatory and legal hurdles are present, and I am not sure the industry is ready or able to tackle this one in the short term. Typically pharmaceutical websites limit the ability for a visitor to type anything into a box. The types of service most customers seek from pharmaceutical companies involve asking questions.

The ability to choose from a list of pre-populated questions is a start, but if the answers are just statements lifted from the approved product insert, then customers will be frustrated. This is the big hurdle for customer service online and I think it is more complex than booking a hotel or paying a bill.

“Three things stand in the way of true online customer service in our industry...” ▶ Kim Milnes

- **Blane McMichen:**
Much of this has already been touched- on because email is a touch point to deliver customer service. We know that customers want to be served online and offline, in the method that is most convenient for them at that moment.

Let’s look at banking. I can make a deposit in the local branch window, later make a withdrawal at an ATM, and that evening I can go online and see all my transactions from that day—and pay my cell phone bill online.

We need to get to the same level of integration to make customer service meaningful. For healthcare professionals we need to be able to integrate sales rep interactions, call centers, invitations to events, and sample requests—then make the history and status of these interactions available through a website.

In the next two years we will not see massive integration of all these service offerings, but we will begin to see websites that do a pretty good job of creating a single “looking glass” to meet the basic needs of professional customers. Some of the barriers to this happening sooner include; time to integrate to corporate infrastructure, multiple systems that create integration complexities, and sales reps that are not savvy or comfortable with technology platforms.

Sales reps are a major driver for success. They own the relationship with the professional customer and are an important part of updating information to make the integration useful.

Changing the attitude and behavior of the sales force presents the biggest challenge—but also offers the greatest return.



▶ TREND FOUR: PRODUCT SITES

We crossed critical milestones recently with respect to the evolution and strategic value of sites for individual products. Recent data show that leading sites now attract upwards of five million U.S. adults annually. Given the economics of this boom – namely, the rapidly dwindling cost per interaction – are we on the cusp of a new generation of sites that truly become destinations for all things product, disease, and customer service? What are best practices for a new product site?

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- **Blane McMichen:**

For the pharmaceutical industry, a single website that is “all things product, disease, and customer service” is not near. In the process of developing products there is much about the disease that is learned.

However, when we are communicating about a disease on a product site the depth and breadth of the information is limited to the extent that is in the label or indicated use. What is near is a website that can be a destination which integrates the variety of services and information available from a company.

Integration of these service offerings will better serve customer needs. Some companies are already moving in this direction and have solutions today. Best practices today integrate the services used by physicians in a “one stop” starting place. These websites can branch off to other website, but having a clear starting point is important. Product sites for consumers need to focus on the insights about the end user, and it is not always the patient. User insights not only address the content needs, but the user interface and resulting experience.

Best practices sites support readability, audio-video prompts or instruction, easy navigation, search tools, user guides/instruction.

- **Cara Levinson:**

Three topics come to mind. Building sites that recognize where a visitor is coming from and providing a tailored experience based on their needs.

Creating product websites that really provide value requires producing content and tools that are created specifically for the web. There are many pharmaceutical companies creating product sites that still are just repurposing offline materials. Consumers expect a product website experience that provides real value and utilizes the power of interactivity and the Internet. The chasm between the pharmcos that understand this and those that don’t will continue to grow, with the innovators reaping success from these next gen sites while those that don’t embrace the power of the Internet falling further behind.

We have seen from research that consumers view multiple sites in their consumption of healthcare information, so while product sites might include a broader range of content, there will still be a need to distribute information through third-

(continued) party sites, unbranded sites, etc. Information needs of patients suggest distributing content wherever the user is in her journey through the web, not only through product sites.

- **Kim Milnes:**

We need to orchestrate a meaningful web presence that meets our customers’ varied needs. Understanding what they are looking for and how that information will affect their behavior is just the starting point; we then need to understand how, when and from what sources they want this information. I find it a bit self-centered and naive to think that a pharma company could or should directly provide any and all information a patient could want on a product or condition— there are limits to what patients want from us, after all. The greater value may be in ensuring other reliable sources of information are out there and that the patient knows where to get them.

This holistic view of the online landscape represents, in my opinion, a more sophisticated approach to leveraging the channel for mutual benefit.

- **Nancy Phelan:**

I think we need to be careful about drawing a lot of conclusions based on site visits alone other than that it demonstrates that people are seeking information on pharmaceuticals and that the Web is a primary destination for healthcare information. In many cases, pharmaceutical companies and their products that have a presence on the Web do so to provide information on treatments and diseases or conditions that have high incidence and prevalence levels. I think that in those cases, it may be a “better” measure to understand the percent of the population with the particular condition relevant to the site being visited and where they are on their journey when they go to the site.

I believe some of the best practices for sites today are insuring that sites are built to maximize organic search, have content that delivers information and resources for the full range of patient and caregiver behaviors along the treatment continuum and, of course, that the site is easy to use and navigate and that it offers dynamic content.



▶ TREND FIVE: PHYSICIAN & CONSUMER SEARCH

Fruitful discussions about the future of interactive and online marketing must address the topic of search. Arguably, search has created more value than any other technology application online today. Furthermore, it also plays an incredibly important role in getting people to a website.

Where do you see the innovation in search over the next two years?

- **Nancy Phelan:**

Search is a critical component of the “mix”. I believe the future of search will include greater specificity within search so that a searcher can avoid going to an entire product site homepage and just go to the section they really want - for example, an FAQ section within the site.

Not only will this bring more value to consumers, it will also bring valuable insights to marketers who may be able to better meet needs for information.

- **Blane McMichen:**

“Search” has become so valuable to marketers because the user enters the relevant topic in the search request. This is the trigger for relevant message delivery.

Where search falls short are the limitations of a single link and character limits in the ad. Fair balance in these ad units is required on the next page and can sometimes create unpleasant user experiences. Search engines that offer “premium” text ads with multiple links and longer text will create incremental revenue opportunities for themselves.

Another innovation that can improve marketing is “ad blocks” that can place multiple ad units at the same price in the top of a search result. For example, a company that has multiple products that market with the same search terms can be competing for position against one of its own brands.

By placing “ad blocks,” a company could bid for the top positions and determine what order to position the ads based on corporate priorities. New opportunities can begin to develop as search providers integrate a registration feature, which can be used to serve relevant ads based on the user’s defined interests, or searching patterns.

For example, a Google user that is searching heavily on a topic can be offered an email sent to their GMail account related to their recent search activities.

- **Cara Levinson:**

Search is incredibly valuable, particularly for healthcare information. This includes both consumers and physicians.

I think the entire industry understands the importance of search to the healthcare field, and innovations will revolve around personalized search and vertical healthcare search that provides context and helps searchers understand what is credible and relevant.

We have spent a lot of time thinking about the opportunity around search and we are focusing ourselves around demand servicing -- satisfying the needs of those people who have actively searched for information about a specific disease or treatment need and fulfilling that need with information this is easy to find, understand, act on, and share.

“Search is a critical component of the ‘mix’...” ▶ Nancy Phelan



▶ WHAT THE FUTURE HOLDS

A few parting thoughts on key technology trends impacting eMarketing...

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- **Blane McMichen:**

Without a doubt, technology adds value to business. What is most important is to strike a balance between the needs of today and capability building for tomorrow. We need to keep exploring new ways to market products.

We need to keep trying new things with select pilot programs that will deliver some value today, but it also gives us a glimpse into the future...or more importantly what our future industry needs will be. All this needs to be balanced with the near-term needs of the business.

Using data and research to determine your opportunities is a rational approach...and sometimes you discover a “Seabiscuit” for your business.

“As we find more and more ways to make technology work for us, I think we have an obligation to ask ourselves the hard questions about what problems we really need to solve...” ▶ **Kim Milnes**

- **Nancy Phelan:**

I believe the adoption of electronic health records will dramatically impact other adoption curves of technology. I also believe that wireless technology will drive improved customization and information sharing at physicians’ offices and at point-of-sale.

- **Cara Levinson:**

A recent Newsweek article declared: “If 2006 was all about social networks, user-generated content and YouTube, then it’s a fair bet that 2007 will be about further personalizing life online.”

Widgets are the technology that is helping to fuel this fire. They allow you to bring whatever personalized information you are interesting in directly to your desktop - it brings the web right to you instead of you having to go out and find it. I think the acceptance of the widget will be a key trend in the next year or two that redefines how we access information.

- **Kim Milnes:**

Technology is seemingly equipping us to do things we never thought possible. Yet I have a growing concern that we make too much of it, overestimate its capabilities and impacts.

Technology can only support and expand something we are capable of otherwise doing ‘manually’; it is not a panacea and can’t overcome our limitations.

This example comes out of the hospitality industry but could easily apply to healthcare: a company frustrated by its limited ability to understand the customer puts a CRM system place to store and make transparent all the customer knowledge held across its organization. Problem solved, right?

Except what they don’t realize until after millions have been spent is that technology was not the problem, nor the solution. The company did not understand the customer because the departments in touch with the customer preferred not to share their information, and each distrusted what the other “knew.”

A CRM system does not change this behavior; it just makes it more expensive. As we find more and more ways to make technology work for us, I think we have an obligation to ask ourselves the hard questions about what problems we really need to solve and what opportunities we most need to embrace and whether technology is truly the answer.

▶ For More Information

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