

ROI, Performance Metrics, Launch & Maximizing Digital Performance



Table of Contents

▪ Executive Summary	pp. 3-10
• Research Overview	p. 3
• Key Findings & Insights	p. 6
▪ Detailed Research Findings	p. 11
I. Measuring Return on Investment	p. 12
✓ Top Areas for Digital ROI	
✓ ROI Drivers & Characteristics	
✓ Measuring Impact across Lifecycle Stages	
II. Performance Measurement	p. 25
✓ Assessing the Value of Multichannel Metrics	
✓ Effective Metrics for Individual Tactics & Channels	
III. Assessing Digital Competitiveness	p. 34
✓ Top Forces Undermining Digital Competitiveness	
✓ Impact of Regulation on Digital Approaches	
✓ Approval Speed & Effective Approval Tactics	
▪ APPENDIX: Benchmark Class Profile	p. 43
▪ About Best Practices, LLC	p. 48



Research Objectives & Methodology

This research examines a host of foundational benchmarks required to achieve best-in-class performance in digital marketing in the healthcare sector, and foster a stronger digital culture throughout the organization.

Research Objectives:

- ✓ This benchmarking deliverable is part of a series of Best Practices' studies designed to examine Digital Marketing performance excellence in the healthcare industry.
- ✓ This study analyzes benchmarks around:
 - Top operational areas for measuring and demonstrating return on digital investment and high customer impact
 - Key drivers and timing factors for maximizing ROI
 - Valuable cross-channel performance metrics and proven tracking measures for individual channels
 - Impact from regulations, program approval timeframes and removing competitive obstacles

Field Research & Insight Development:

- ✓ Best Practices, LLC engaged 39 digital marketing leaders at 30 companies through a benchmarking survey instrument.
- ✓ Research participants worked in such functions as digital, multichannel marketing, business excellence & intelligence, marketing, and sales.



Business Objective:

- Identify high-ROI areas around the industry
- Assess performance measurement approach to better capture progress, publicize successes and inform longitudinal strategy
- Determine competitive vulnerabilities and enhance speed and ease of new service delivery

Data Segmentations & Acronyms Used in this Study

To help distill the most precise and relevant benchmark insights, several data segments were used in this study. Definitions of these data segments, as well as other research terms and acronyms used throughout this research are provided below.

Data Segments:

- **Larger Companies:** Annual revenue > \$10 billion (US) in 2014
- **Medium & Smaller Companies:** Annual revenue <\$10 billion (US) in 2014
- **Global Teams:** Any respondent company where the digital marketing is a global responsibility
- **US Only:** Any respondent company where the digital marketing function is responsible for US region.

Key Terms & Acronyms:

- DM – digital marketing
- EHR – electronic health record(s)
- HCP – healthcare provider
- MCM – multichannel marketing
- ROI – return on investment
- SEO – search engine optimization
- SM – social media

Universe of Learning: 30 Top Companies Contributed to this Research

This research engaged 39 digital marketing leaders from 30 leading pharmaceutical, biotech, and life sciences companies. Thirteen study participants represent large pharma organizations, while the remaining benchmark class represent medium or small companies.

Benchmark Class:

Large Companies (Revenue > \$10 Billion US in 2014)



Medium & Small Companies (Revenue < \$10 Billion US in 2014)



Key Findings

The following key findings and insights emerged from this study:

- **Medium & Smaller Companies Better Leverage Content, Analytics than Large Pharma:** Digital marketing teams in the medium/smaller company segment show relatively greater success in their use of dynamic content, advanced analytics, and online engagement tactics. Roughly one-third of these teams report “high ROI,” compared to just 15% of large pharma peers. Sixty-one percent of large companies also indicate “unclear ROI” from social media programs.
- **Traditional Websites Register Highest Impact, with Mobile Gaining Steam:** Websites were ranked by benchmark companies as delivering the highest impact overall, followed closely by content and collateral development and field support activities. Driven by market demand, mobile is climbing the ranks as a valuable customer engagement channel. Analytics may have little direct impact on customers, but predictive modeling is key to informing strategy and tactics across a wide spectrum of customer channels.
- **Compliance Hurdles Are Ranked the Most Significant Force Undermining Today’s Competitive Digital Deployment, followed by Insufficient Resources:** Regulatory pressures in the healthcare industry render approval hurdles with various medical, regulatory and legal teams the most persistent challenge to digital competitiveness.
- **Most Content Approvals Require >1 Month Across the Industry!:** Approval is required for mobile, email, website and video content and campaigns at virtually all benchmarked companies – but a sizeable percentage of surveyed DM teams (between 39% - 61% depending on the area) need more than a month to gain this approval! Almost 60% call the use of a business case as at least somewhat effective in securing new content or program approvals, though 13% find them ineffective. A carefully developed pilot program with cross-functional input and buy-in was seen as at least somewhat effective for gaining digital campaign approvals by 79% of benchmark partners. Using FDA guidance alone was insufficient for most respondents.

Medium & Smaller Companies Better Leverage Content, Analytics

Digital marketing teams in the medium/smaller company segment show relatively greater success in their use of dynamic content, advanced analytics, and online engagement tactics. Roughly one-third of these teams report “high ROI,” compared to just 15% of large pharma peers. Sixty-one percent of large companies also indicate “unclear ROI” from social media programs.

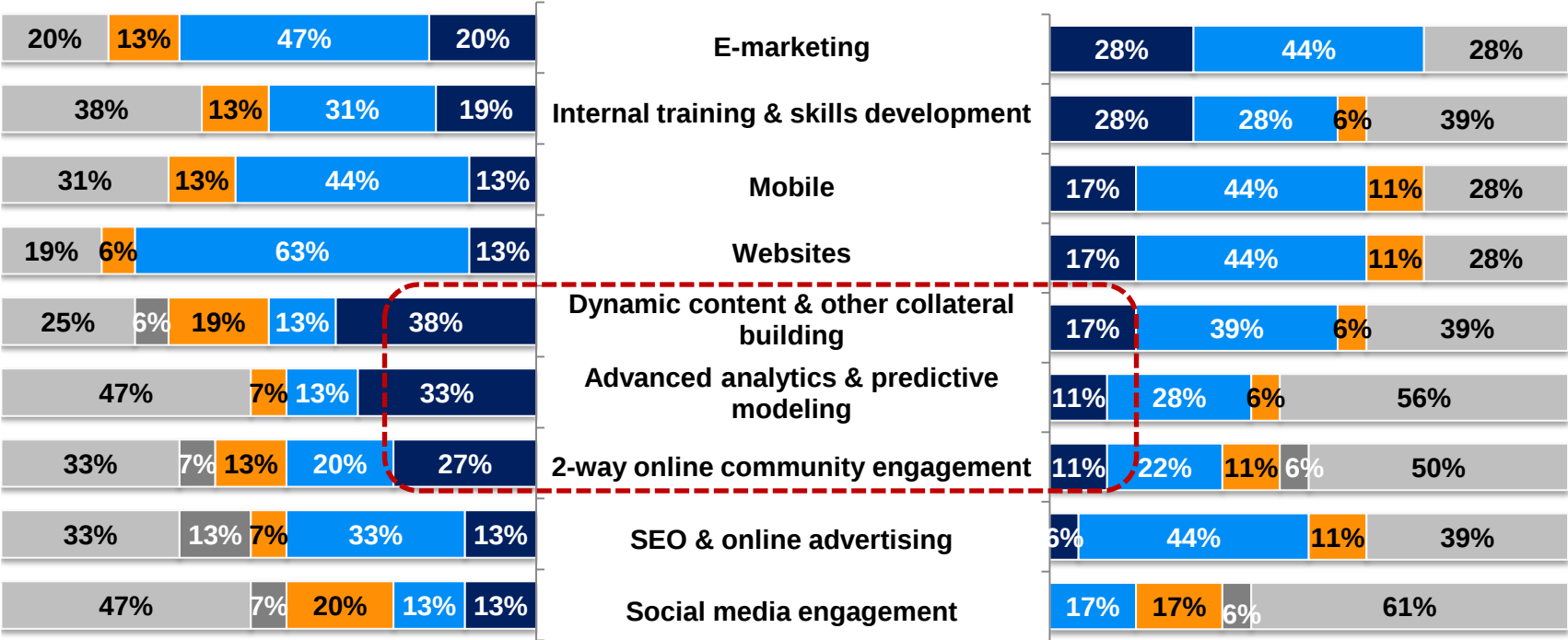
Q. What degree of ROI have you been able to show for each of the following digital activities?

Top Areas for Digital ROI:

Mid-Small Companies

Large Companies

■ High ROI ■ Some ROI ■ No ROI ■ Negative ROI ■ Not Clear



N=16

% Respondents

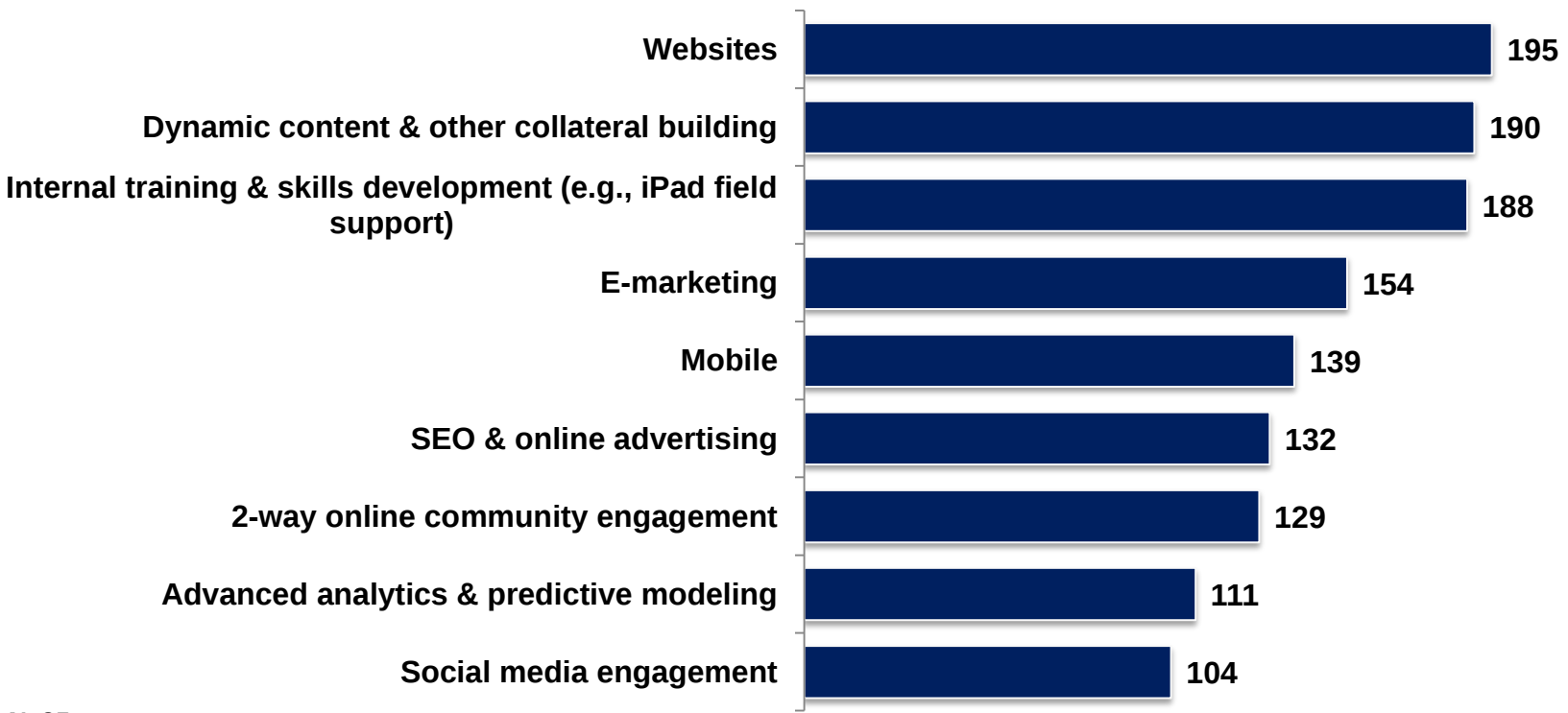
N=18

Traditional Websites Register Highest Impact, with Mobile Gaining Steam

Websites were ranked by benchmark companies as delivering the highest impact overall, followed closely by content and collateral development and field support activities. Driven by market demand, mobile is climbing the ranks as a valuable customer engagement channel. Analytics may have little direct impact on customers, but predictive modeling is key to informing strategy and tactics across a wide spectrum of customer channels.

Q. Which of the following common digital activities have had the greatest positive impact on engaging and influencing your customers?

Ranking the Impact of Digital Activities:



N=35

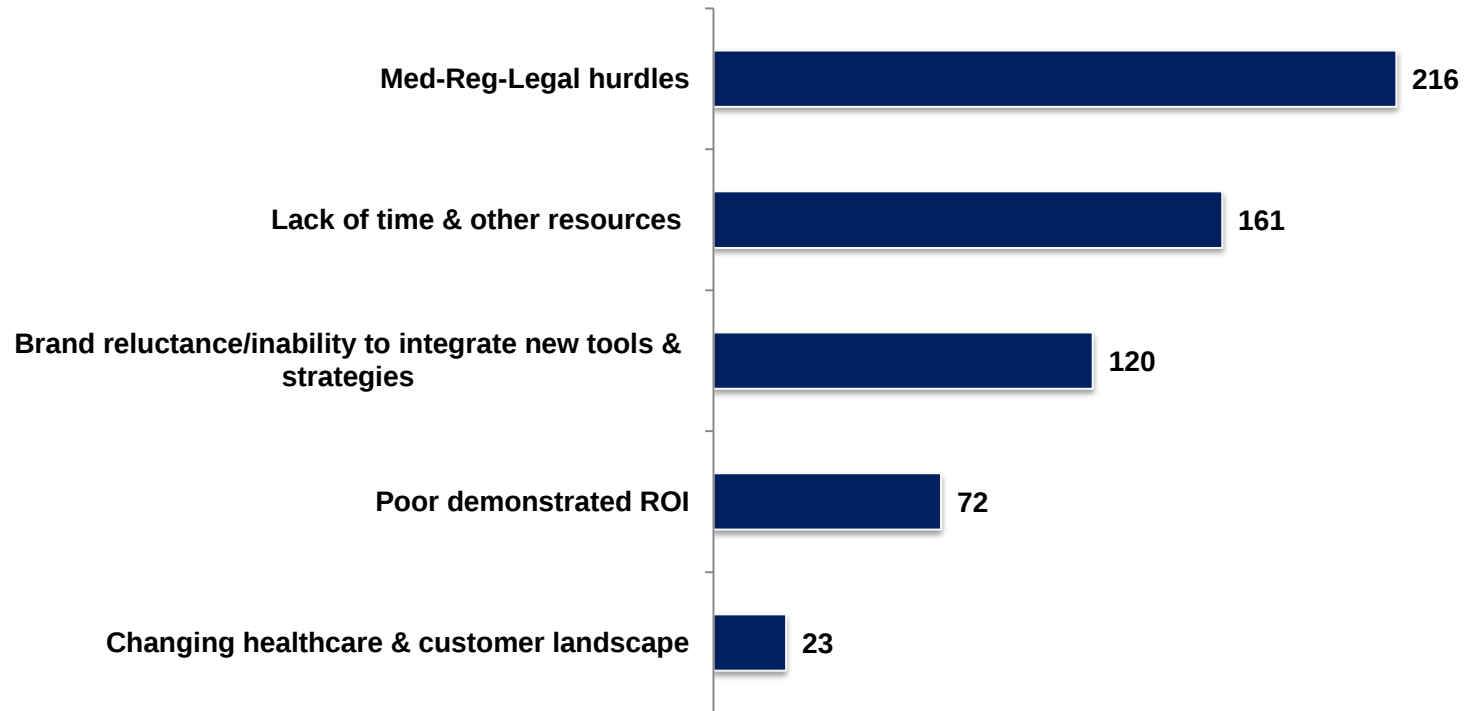
Research Note: The above scores represent a weighted average based upon survey participants' rank order of impact of various digital activities. Higher scores indicate higher impact ranking for a particular digital channel or activity area.

Compliance Hurdles Are Single Largest Factor Undermining Today's Competitive Digital Deployment

Regulatory pressures in the healthcare industry render approval hurdles with various medical, regulatory and legal teams the most persistent challenge to digital competitiveness. Insufficient time and resources was are also clearly hampering overall performance, followed by difficulties in aligning with brand teams.

Q. Please rank the most decisive factors which undermine the digital performance of your organization in the marketplace.

Factors Undermining Competitive Digital Deployment:

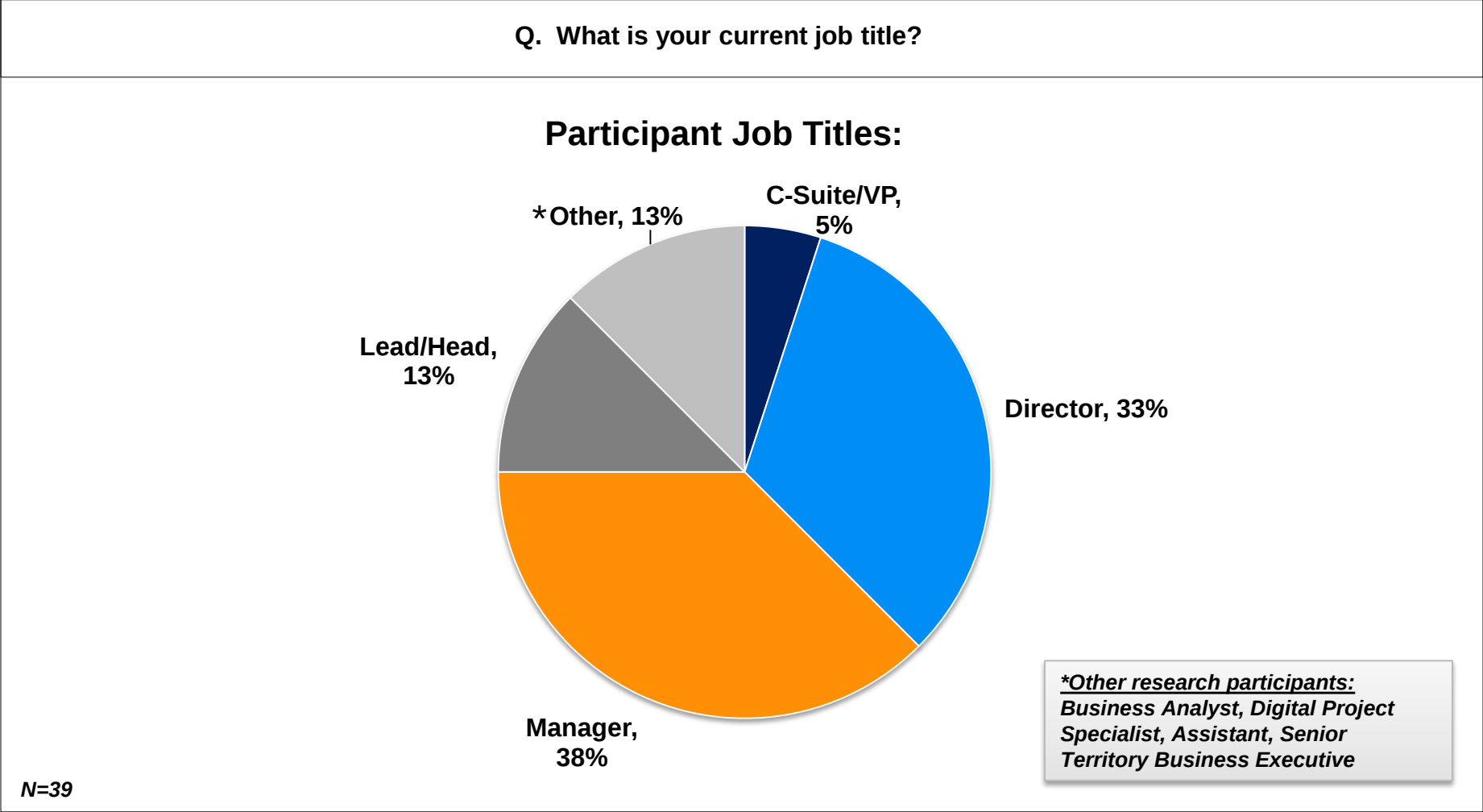


N=24

Note: Score is a weighted calculation. Items ranked first are valued higher than the following ranks, the score is the sum of all weighted rank counts.

Universe of Learning: Insights Drawn from Host of Biopharma Experts

This research features quantitative insights from a wide range of leaders from the digital marketing function. Roughly half of respondents serve at the VP or director level, or as heads of digital units.

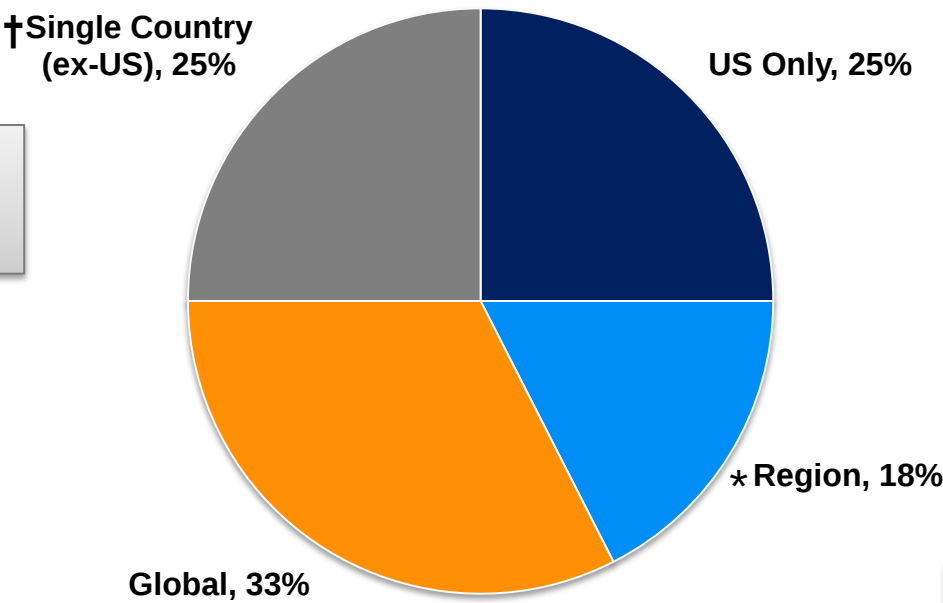


One-Third of Respondents Claim Global Digital Responsibility

A third of survey participants currently handle global DM responsibility for their organizations. A quarter focus only on the US, with another 25% tasked with country-specific (non-US) responsibility.

Q. What is the geographic scope of responsibility for the digital or multichannel marketing team to which you belong?

Geographic Responsibility:



†Single Countries: Brazil (2), Canada, China, Germany (2), Japan, Korea, Portugal, Russia

*Region: Americas, APAC, Europe (2), Middle East & North Africa, North America, UK and Ireland

N=39

Learn More About Our Company:



Best Practices®, LLC is an internationally recognized thought leader in the field of best practice benchmarking®. We are a research, consulting, benchmark database, publishing and advisory firm that conducts work based on the simple yet profound principle that organizations can chart a course to superior economic performance by leveraging the best business practices, operating tactics and winning strategies of world-class companies.

**6350 Quadrangle Drive, Suite 200
Chapel Hill, NC 27517
(Phone): 919-403-0251
www.best-in-class.com**