

2016 Digital in Indian Pharma Survey : Commercial Report

"I do not think that the power of digital is being harnessed in the true sense. In India, we are experimenting more and more with emails and webcasts, but haven't really understood how to engage a customer through these mediums" EVP at a top 10 global pharma company

The Veeva 2016 Industry Survey: Digital in Indian Pharma Report explores the current state of digital in the Indian pharmaceutical industry. This survey represents the views of respondents from commercial excellence, marketing, sales and IT at domestic and multinational pharmaceutical companies in India.

In the last 2 decades, there has been a sea of change in pharma selling. Market has moved from acute to chronic. Pharma companies want to focus on customer engagement rather than being just Rep centric. Physician access has gone down while expectations of the healthcare professionals (HCPs) have increased. Government has started bringing in regulations as well as price controls.

While Indian pharma has taken some time to respond to these changes, the industry has seen some shifts in its sales and marketing activities. Digital is slowly making way in the pharma marketing tool kit though it has been slow and an incremental effort to the current Sales Force Excellence projects.

Key Findings

- Nearly two-thirds of respondents agree digital is yet to become a part of their overall pharma DNA, and one-third believe digital is well integrated within their organization.
- While companies have initiated digital activities in various silos, one-third of the respondents believe these are tactical in nature.
- Top two challenges pharma companies face in institutionalising digital are organizational readiness and lack of digital as a strategy.
- 21% of respondents feel digital should be driven by management, along with 24% voting for Digital Marketing. However, with customer relationship at the core of business activities, 31% believe Sales Force and Commercial Excellence are also responsible for the transition.
- With integrated digital strategy, pharma companies aim to increase customer touch points through multichannel (93%) and improve customer engagement (79%). The other benefits of integrated approach are greater competitive advantage, reduce execution gaps, improve content creation and delivery, and enrich customer data.

- 59% of the respondents believe the industry will see a digital transformation in the next 1-3 years.

Digital - a Strategic or Tactical Approach?

Pharmaceutical companies have been experimenting with digital through various activities –from sales force automation/ excellence enhancements, mobility solutions to multichannel engagement. Many industry leaders believe that there is a strong intent to consolidate and look at digital as a strategic decision. Pharma has to move over from patching up old systems or building incremental solutions. Digital opportunity is not an incremental approach. It will open new possibilities to engage, communicate and be relevant.

69% of survey respondents agree it's time for Indian pharma to think about digital strategically. Business units are working in silos, looking to achieve their objective of sales force excellence, digital interactions, state-of-art IT tools, content platforms, etc. These islands of excellence and practices need to be mined from business units to an enterprise strategy.

Pharma's approach to digital has to change substantially to truly leverage the power of digital. The traditional "visit" need to be augmented with call and click to enable a more meaningful conversation with physicians.

Current state of Digital

Industry respondents agree that digital must be a strategic decision, however almost two-thirds of pharmaceutical executives say it is yet to become a part of pharma DNA. Right from customer relationship management (CRM), to closed loop marketing (CLM) and multichannel marketing with web portals, email marketing, webinars, etc., organizations are still looking at creating independent digital assets or 'digitising existing processes' one at a time. One third of the respondents believe digital is integrated in their systems and processes. With a few organizations leading the way, digital will become a mainstream conversation. Pharma need to think about digital from a long term perspective, as opposed to the current way of setting short term goals, which may actually become barriers in your digital success.

Current State: To what extent does digital permeate within a pharma company's activities?

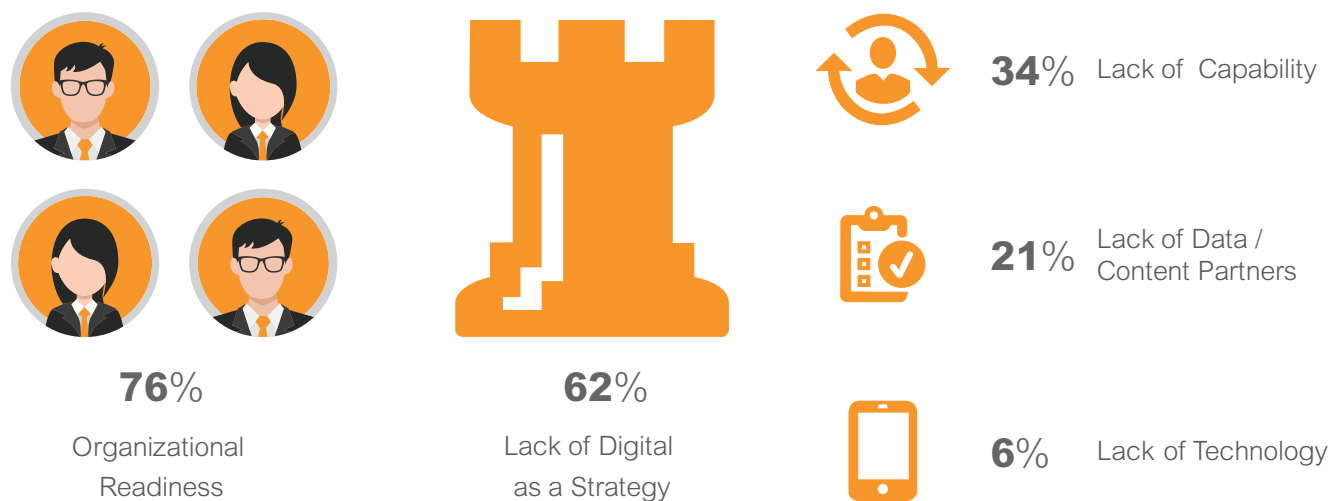


Barriers in institutionalizing Digital

With newer digital advancements coming in everyday, it is not the lack of available technology but the readiness of the organization (76%) and a lack of digital strategy (62%) thereof that are cited as the main barriers. Respondents unanimously voiced that while there are efforts being made by various teams, lack of capability (34%) and data/ content partners (21%) are some of the commonly faced challenges.

Despite the intent to increase physician engagement, India pharma has been unsuccessful in implementing digital as a strategy. Lack of awareness of digital opportunity, lack of long term vision, and, the resistance to overhaul business processes have resulted in the snail-paced growth of digital success, rather increasing the investments with trial-and-error initiatives.

What are the barriers of institutionalizing digital in Indian Pharma?



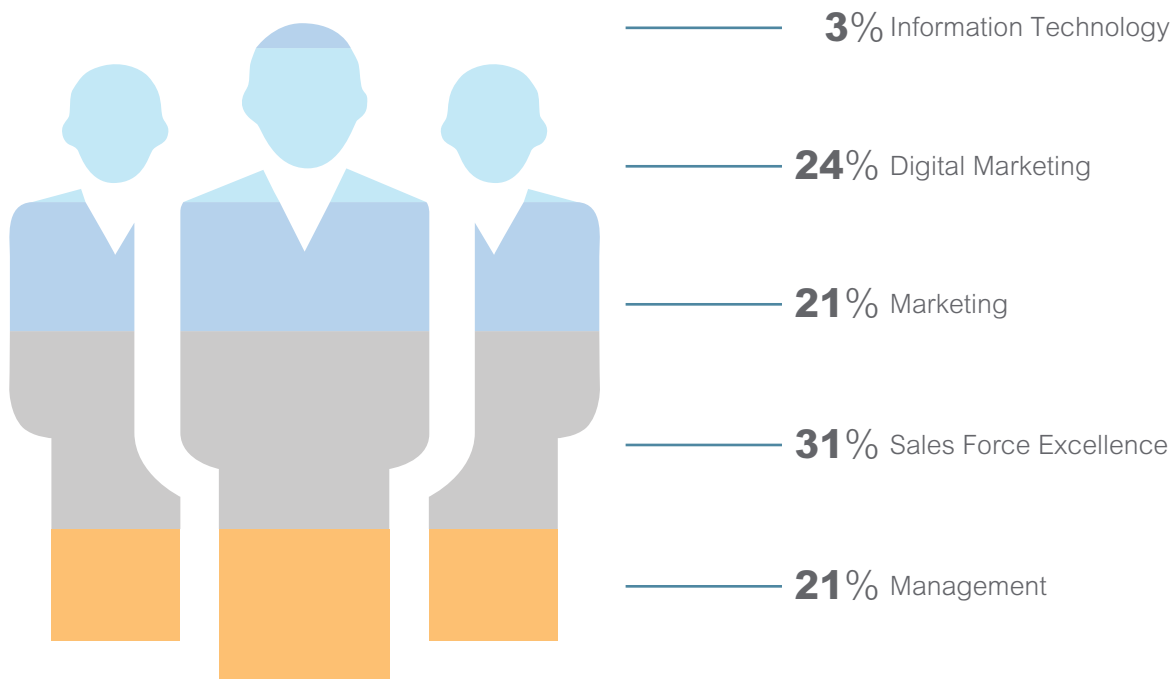
Who is responsible for Digital Transformation?

Pharmaceutical companies in India are divided in their expectations of who is really responsible for this transformation. With an equal distribution of responses among Management, Sales Force Excellence and Digital Marketing, it is clear that it is not just an IT project. A shift of this nature needs multiple internal teams collaborating to set a foundation for true transformation.

To bring in a strong execution focus and an aim to keep CRM at the core, 31% believe that Sales Force/ Commercial Excellence is responsible for digital transformation. While 21% insist such a transformation must be led by the management, 24% vote for digital marketing. A smaller percentage

think marketing (21%) and IT (3%) are responsible for digital.

Team or Silos: Who is responsible for digital transformation?



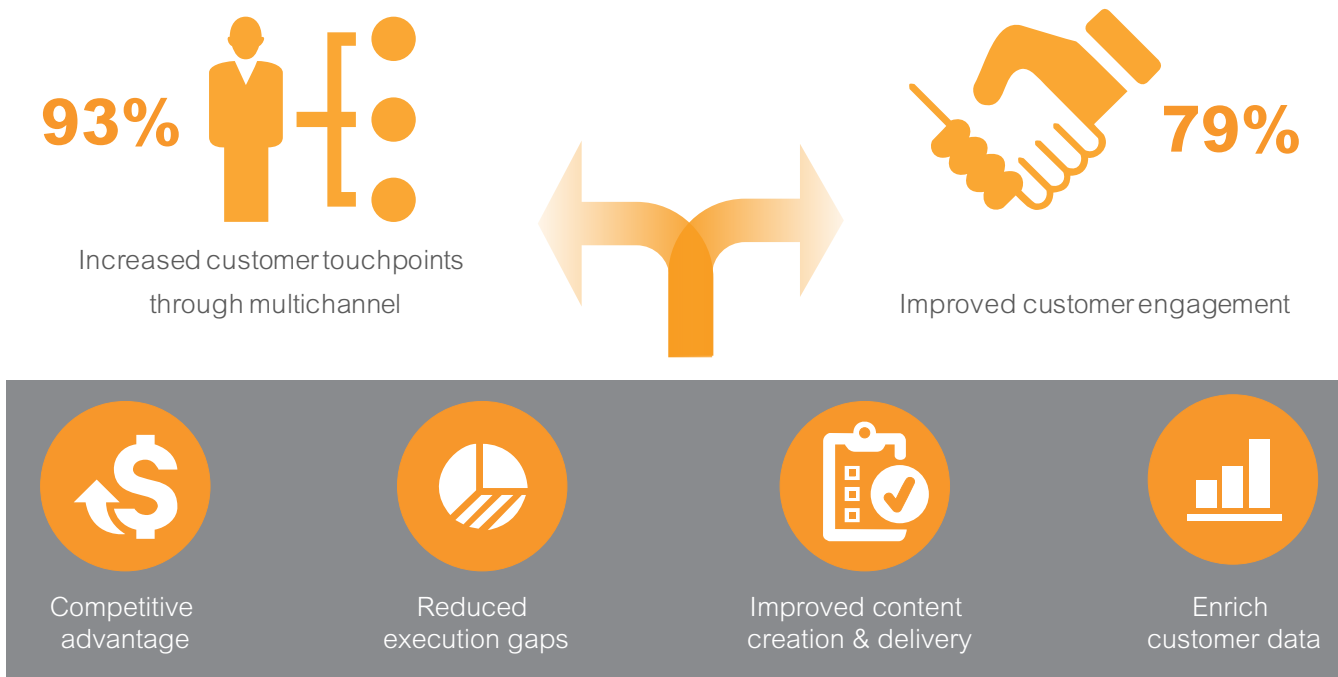
Top reasons to look at Digital as a strategic investment

A staggering 93% of the respondents insist multichannel is clearly the next wave of transformation within Indian pharmaceutical companies. "It is time to outgrow the recency-frequency model and bring in a new *level of customer focus*", Sudhir Kandarth, Country Manager - India, Veeva Systems Inc. and industry expert.

79% of the respondents want to improve customer engagement with a strong digital platform where sales representatives can have meaningful interactions with physicians in a standardized manner. Designing a robust digital platform also helps pharma companies to bring in rich customer data that is essential in segmentation and positioning as the market grows more complex.

Respondents believe having a strong digital strategy will help them enrich their customer data (48%), reduce execution gaps (62%), gain competitive advantage (59%), improve content creation and delivery (48%).

How will pharmaceutical companies benefit from digital initiatives?



Next 1-3 years crucial for Digital Transformation in Indian Pharmaceutical Industry

With majority of pharma companies starting out digital, they are yet to see the power of digital and its opportunities. While the process begins with determining their own organizational goals and business requirements, the impact of these initiatives will defer the route of execution each company adopts. 59% of the respondents see a major shift in pharma business selling and the role of digital in the next 1-3 years, while 34% think it may be a little longer than that (3-5 years).

Conclusion

Pharma companies started their digital journey with SFA tools which originated from a recency-frequency selling model. In order to leverage digital opportunity, most organizations have adopted purpose built applications that might suffice needs of a brand or a business unit. However, senior pharmaceutical executives have started thinking about digital as a way of achieving business objectives.

Digital as a Strategy

Independent activities will no longer yield long-term benefits to the company. Digital has moved from a single business unit activity to a boardroom discussion. Pharma companies need to have their strategy and a roadmap to implement digital successfully.

Organizational Readiness

Understanding the scope and benefits of a sound digital strategy is key to breaking the barriers and enabling companies to be ready for change. Adopting digital as a strategy requires rewiring the way to work in future. There is clear need to set new internal processes, build or bring in new skills and design new goals/metrics to measure the emerging operating model. This requires priorities and support of senior executives to make the change possible.

Multichannel and Customer Engagement

While they are the next buzz words for the industry, there is a strong focus on delivering a personalized, coordinated customer experience. Understanding the physician's requirements and making the right information available, at the right time, through their preferred channels is the goal. The next wave will see how Data, Content and Interactions together work seamlessly to help pharma keep pace with market dynamics. With a strategic roadmap, pharma must aim at creating built-in best practices that helps its team to coordinate planning and execution, boost productivity whilst remaining compliant, and drive improvements faster.

Pharma Companies Prepared for Change

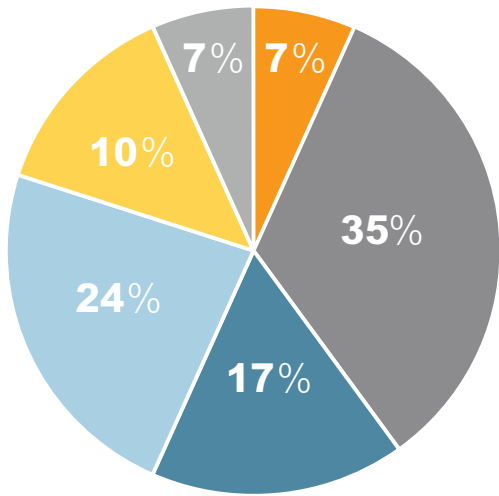
The industry believes true impact of digital will be felt in next 1- 3 years (59% of respondents). Companies will look at drawing plans aiming at getting the strategy and execution right. This effort to change will not be driven within the companies alone as they learn to bring in new ideas and thoughts from digital thought leaders, consultants, technology vendors, digital agencies etc. This outside perspective will help Pharma learn the best practices and learnings from other industries.

Methodology

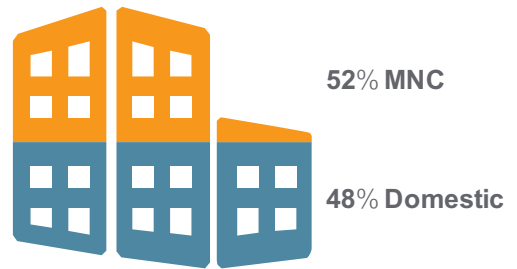
This report draws on inputs from 29 industry executives (15 companies) across the domains of sales, marketing, sales force and commercial excellence, digital marketing, information technology and management. This survey was conducted by Veeva Systems Inc., and the completion of the survey was voluntary. All respondents were offered a summary of the survey results. No other compensation was offered or provided. This is a first in its series in our bid to keep the industry up to speed with the fast pace of changing technology, market and business trends.

Survey Respondent Demographics

Representation



- Management
- Sales force excellence
- Marketing
- Digital marketing
- Information technology
- Other



Contact

For more information about this study, please contact us at info_india@veeva.com.