Becoming customer-centric seems to be the goal of almost every life science company. We see many companies in the process of moving from a brand / tactic-centric business model to a customer-focused business model. No one can argue with the goal of becoming customer-centric: focus on the needs of the customers – both healthcare providers (HCPs) and patients – to improve patient outcomes. This approach can deliver significant benefits to an organization, including improved customer experience, consistent engagement with customers over time, and increased sales and ROI when compared to the brand / tactic-centric approach. Additionally, the brand / tactic-centric business model is becoming increasingly inefficient in today’s digitally connected world where customers can obtain tailored information from a wide variety of sources.

There are, however, two challenges to achieving value from a customer-centric approach:

1. An organization must have the capabilities to implement customer-centricity. These capabilities include:
   • collecting and integrating all customer data;
   • building / maintaining a customer database;
   • developing customer analytics that provide a 360-degree customer view of customer profitability and promotion attribution analyses;
   • developing customer promotion strategies; and
   • actively managing the customer experience.

2. An organization must be structured and have processes in place to use the customer-centric capabilities mentioned above.

It has been our experience that building the capabilities is the easier of the two. In fact, we have seen organizations that have developed great customer-centric capabilities but under-utilized them because they aren’t prepared to implement them. This leads to less than optimal promotion results and confusion within the organization: the customer-centric capabilities exist, but the organization is still going to market using a brand / tactic approach.

It is interesting to note that as life sciences companies migrate to become more customer-centric, the typical path that is followed is to become customer-centric with HCPs, and then integrate consumers / patients. There are two reasons for this: First, most life science companies believe that the consumer marketing approach used today – acquisition, conversion and adherence – is sufficiently established when compared to the HCP marketing process. Simply put, life science companies want to start developing customer-centric capabilities for HCPs because they believe that the existing consumer marketing process is better than the HCP marketing process. Second, and somewhat related, there is more upside opportunity to improving the HCP marketing process. In this article, we will follow this trend and focus on the evolution of the HCP marketing process while discussing opportunities for the consumer marketing process.
So, what is the optimal organizational structure and process to implement customer-centricity? Before answering that, it is instructive to discuss the evolution of the life sciences marketing organization.

**Life sciences marketing – circa 2000**

About 10–15 years ago, the marketing function rested within the brand team. Specifically, the brand team held the promotion budget, worked directly with the marketing tactic suppliers, and partnered with internal marketing science teams for measurement, which typically focused on sales / Rx lift. This structure is illustrated in Figure 1.

This structure highlights several characteristics about a brand / tactic organization:

1. One brand team has several managers who are each in charge of delivering a single tactic to the marketplace.
2. Each manager works on his or her own tactic, making communication across tactics challenging.
3. Messages across tactics are not linked, cadence is not coordinated.
4. Messages are delivered to customers at the company’s convenience, not at the customer’s convenience.
5. Managers from multiple brands are using different agencies / tactic suppliers to provide the same service.
6. While promotion coordination within a brand is challenging, promotion coordination across the portfolio is almost impossible.
7. The target lists for each brand overlap, meaning that brands are likely competing with each other for that customer’s time and attention.
8. No one is managing the overall customer experience.
9. Success metrics are based upon whether or not the tactic was delivered to market on schedule and, when the data is available, sales / Rx lift.

From a customer perspective, the brand / tactic organization delivered information in a haphazard way that was not tailored to individual needs. This led to customers “tuning out” and looking for their information elsewhere.

**Consumer marketing** during this time focused primarily on using television advertising to drive patient opt-ins. Patients were then put through a 6–12 month pre-planned communication stream, offering a series of messages and offers. These communication streams were developed independently by the brand with little knowledge of whether a consumer had opted in to multiple brands within one company.

**The traditional “acquisition – conversion – adherence” approach is now a component of the consumer marketing program.**

**Structural organizations of today**

Life sciences companies recognized the inefficiencies in the marketing function and made significant changes to address them. Specifically, there were two main areas that changed:

1. **Organization structure**
2. **Roles and responsibilities**

The changes in organization structure focused on creating a centralized group that owned the marketing function. This change was designed to improve cost efficiencies, as now the brand teams would need to use the centralized group to implement marketing tactics. These centralized groups – typically called centers of excellence, multi-channel marketing (MCM), new commercial channels, new innovation group or another similar name – were responsible for implementing marketing programs. This is illustrated in Figure 2.

In this model, roles and responsibilities between the brand teams and the new commercial channels group are clearly defined. The brand teams still own the marketing promotion budget and still have strong influence over how that money is spent – which tactics, cadence, etc. While the new commercial channels group will influence the brand team on the final design of the promotion plan, the final decision rests with
the brand team. Once that decision is made, the new commercial channels group is then responsible for marketing operations, in essence ensuring the plan is delivered to the marketplace as expected. The new commercial channels group will also measure the performance of the promotion campaign focusing on response and engagement rates and partner with the marketing science organization to measure sales and Rx lift, which will help guide recommendations for future campaigns.

However, note the limitation of this model. While each brand team works with the new commercial channels group, there is still no customer focus. Specifically, each brand continues to target its own customers with a brand promotion plan. Customer overlap is not accounted for, and the brand promotion plans continue to target customers in a haphazard way. This typically leads to poor customer experience and low customer engagement with the campaigns. In short, while internal company efficiencies are obtained, there is no change in the customer experience.

Our expectation is that the first companies to fully implement customer-centricity will do so within the next 18-24 months.

Consumer marketing has evolved modestly. Most consumer marketing programs focus on improving the efficiency of the acquisition channels, segmenting consumers into three to five different groups, each based upon the consumer’s personal preferences and/or characteristics. Messages and fulfillment are routinely tested to optimize engagement and the refill rate. However, these programs are often optimized in the brand silo, meaning that there is no coordination across brands. Additionally, the goal of these programs is still focused on capturing the opt-in and then, if they do opt in, providing the patient with information at a pre-determined cadence not based upon the patient's preferences.

The next evolution

With the marketing organization centralized, the next evolution is changing the go-to-market approach. This is highlighted in Figure 3.

In this structure, the brand teams continue to own the P&L, product lifecycle management, positioning and message development. What's different is that the brand team no longer owns the go-to-market promotion plan. That responsibility now moves to the customer-centric team, which also owns delivering on the customer experience, customer analytics / measurement / attribution and promotion planning and optimization.

A key point is that the customer-centric team is an “above brand” team. That is, all brand teams use the customer-centric team to develop, deliver and optimize marketing promotion. Key aspects of the customer-centric team:

- Captures all customer data, including value metrics, promotion interactions and inbound engagement
- Maintains a complete 360-degree view of the customer
- Understands the value of the customer to the organization and each customer's engagement preferences
Develops a customer experience and promotion plan based upon how that customer should be engaged from an enterprise view

Has P&L responsibility

The P&L responsibility is critical. The customer-centric team receives the marketing budget from the brand team and, based upon their knowledge of the customer, develops a portfolio promotion plan that optimizes the customer experience as well as ROI. The team is then held accountable for delivering on the ROI.

Note that the brand teams no longer own or manage the customer marketing strategy or implementation of the marketing plan. Those functions are now owned by the customer-centric team. Remember that the customer-centric team is ‘above brand,’ meaning that all brand teams partner with the customer-centric team.

To be successful, the customer-centric team consists of four sub-teams, as shown by Figure 4.

Consumer marketing is firmly embedded in the customer-centric team. However, the direction of consumer marketing changes significantly. The traditional “acquisition – conversion – adherence” approach is now a component of the consumer marketing program. A bigger component is using digital data to target specific messages to consumers based upon their characteristics. It is becoming possible to use third-party providers of social networks to target consumers based upon very specific characteristics. That is, we can influence consumer behavior without having to own the opt-in. This flexibility significantly changes the approach to consumer marketing.

What happens next?

While the customer-centric team is the most important aspect of unlocking the potential of customer-centricity, other areas, both within and outside the organization, also need to change. These include agencies, which need to develop customer-centric creative; legal / regulatory units, which changes from approving a single piece of creative at a time to approving a campaign; and the sales force, which needs to be trained on how to leverage the marketing assets when driving the relationship with the HCP. 

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