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„The importance of an omnichannel strategy and a respective segmentation in the pharmaceutical industry: A qualitative exploratory study through benchmarking including expert interviews“

verfasst von / submitted by

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Abstract

The pharmaceutical industry is undergoing a big digital transformation. Since the COVID-19 pandemic started in 2020, pharmaceutical companies had to shift their focus more on digital interactions than on face-to-face contact with physicians. The way the companies interact with physicians will change further in the future and customers, in general, are using more and more different purchasing channels nowadays. Pharmaceutical companies are hence forced to undertake new customer-oriented strategies. Therefore, a new marketing strategy is implemented in the company examined called “omnichannel” and the topic in this thesis is based on real-life business needs. Omnichannel has the purpose to give the customer an integrated and personalized experience regardless of the use of the channel.

Although segmentation is known to be important to achieve a competitive advantage in an organization it is still unclear how an effective segmentation approach can be managed in an omnichannel environment. Literature reviews on omnichannel have been conducted in recent times more often. Nevertheless, a closer look into the omnichannel literature together with the segmentation literature needs to be investigated.

This study explores how segmentation in an omnichannel setting in the pharmaceutical industry might look like. It also examines further the effects of an omnichannel segmentation approach on the physicians’ engagement and the commercial impact. The researcher follows a qualitative research design by conducting benchmarking with companies of other countries in Europe of the examined organization. The data will be collected through expert interviews and further analyzed by content analysis. Different segments including the respective criteria within every segment which the countries interviewed have in place can be found from the data. Furthermore, the impact of a respective segmentation on the physicians’ engagement and the commercial impact is shown. The findings have both theoretical implications for research related to the omnichannel segmentation literature and practical implications for respective people in the pharmaceutical industry regarding the operationalization of the omnichannel concept.

Die pharmazeutische Industrie befindet sich in einem großen digitalen Wandel. Seit dem Ausbruch der COVID-19-Pandemie im Jahr 2020 müssen die Pharmaunternehmen ihren

Schwerpunkt stärker auf digitale Interaktionen als auf persönliche Kontakte mit den Ärzt*innen legen. In der Vergangenheit wurde dies kaum getan, was unter anderem auf die strengen Vorschriften in der Pharmaindustrie zurückzuführen ist. Die Art und Weise, wie die Unternehmen mit den Ärzt*innen interagieren, wird sich in Zukunft weiter verändern, und die Kund*innen im Allgemeinen nutzen heutzutage immer häufiger verschiedenste Kanäle. Die pharmazeutischen Unternehmen sind daher gezwungen, neue kundenorientierte Strategien zu verfolgen. Aus diesem Grund wird in dem untersuchten Unternehmen eine neue Marketingstrategie eingeführt, die als "Omnichannel" bezeichnet wird, und das Thema dieser Arbeit basiert auf einem realen Geschäftsbedarf. Omnichannel hat das Ziel, dem Kunden ein integriertes und personalisiertes Erlebnis zu bieten, unabhängig von der Nutzung des Kanals.

Obwohl bekannt ist, dass eine Segmentierung wichtig ist, um einen Wettbewerbsvorteil in einem Unternehmen zu erzielen, ist es immer noch unklar, wie ein effektiver Segmentierungsansatz in einer Omnichannel-Umgebung gehandhabt werden kann. In der Vergangenheit und auch in jüngster Zeit wurden immer wieder Literaturarbeiten zum Thema Omnichannel durchgeführt. Dennoch muss die Omnichannel-Literatur zusammen mit der Segmentierungsliteratur näher untersucht werden.

In dieser Studie wird untersucht, wie eine Segmentierung in einem Omnichannel-Umfeld in der Pharmaindustrie aussehen könnte. Darüber hinaus werden die Auswirkungen eines Omnichannel-Segmentierungsansatzes auf das Engagement der Ärzt*innen und auf die kommerziellen Auswirkungen untersucht. Die Forscherin verfolgt ein qualitatives Forschungsdesign, indem sie ein Benchmarking mit Unternehmen anderer Länder in Europa der untersuchten Organisation durchführt. Die Daten werden durch Experteninterviews erhoben und durch eine Inhaltsanalyse weiter ausgewertet. Aus den Daten lassen sich die verschiedenen Segmente einschließlich der jeweiligen Kriterien innerhalb jedes Segments ableiten, die in den befragten Ländern gelten. Darüber hinaus wird der Einfluss der jeweiligen Segmentierung auf das Engagement der Ärzt*innen und die kommerziellen Auswirkungen aufgezeigt. Die Ergebnisse haben sowohl theoretische Implikationen für die Forschung im Zusammenhang mit der Omnichannel-Segmentierungsliteratur als auch praktische Implikationen für die entsprechenden Personen in der Pharmaindustrie betreffend die Operationalisierung des Omnichannel Konzeptes.

Table of Content

ACKNOWLEDGMENTS	2
ABSTRACT.....	3
TABLE OF CONTENT.....	5
LIST OF FIGURES	7
LIST OF TABLES	7
LIST OF ABBREVIATIONS	8
<u>1 INTRODUCTION.....</u>	<u>9</u>
1.1 RELEVANCE OF THE TOPIC	9
1.2 MOTIVATION AND OBJECTIVE OF THE THESIS.....	11
1.3 RESEARCH QUESTIONS AND RESEARCH STRATEGY.....	11
1.4 THESIS STRUCTURE.....	13
<u>2 THEORETICAL BACKGROUND</u>	<u>14</u>
2.1 PHARMACEUTICAL INDUSTRY.....	14
2.2 OMNICHANNEL IN THE B2B CONTEXT	16
2.3 CUSTOMER EXPERIENCE IN THE B2B CONTEXT	17
2.4 MARKET SEGMENTATION.....	18
2.5 SUCCESS FACTORS IN OMNICHANNEL MARKETING	22
2.6 SUCCESS MEASUREMENT	23
2.7 PHYSICIAN ENGAGEMENT	23
2.8 OMNICHANNEL AND THE PHARMACEUTICAL INDUSTRY.....	24
2.9 BENCHMARKING.....	26
<u>3 RESEARCH GAP</u>	<u>28</u>
<u>4 METHODOLOGY</u>	<u>29</u>
4.1 DATA COLLECTION	29
4.2 DATA ANALYSIS	32

<u>5</u>	<u>RESEARCH RESULTS</u>	<u>35</u>
5.1	SEGMENTS.....	35
5.2	CRITERIA WITHIN SEGMENTS	38
5.3	DATA COLLECTION & DATA TRACKING.....	41
5.4	SUCCESS ASSESSMENT OF PHYSICIANS’ ENGAGEMENT	43
5.5	SUCCESS ASSESSMENT OF THE COMMERCIAL IMPACT	45
<u>6</u>	<u>DISCUSSION & IMPLICATIONS.....</u>	<u>47</u>
6.1	DISCUSSION	47
6.2	THEORETICAL IMPLICATIONS.....	49
6.3	MANAGERIAL IMPLICATIONS	50
<u>7</u>	<u>LIMITATIONS AND FUTURE RESEARCH</u>	<u>54</u>
<u>8</u>	<u>SUMMARY AND CONCLUSION</u>	<u>55</u>
	APPENDIX A: INTERVIEW QUESTIONS	56
	APPENDIX B: TEMPLATES WITH INTERVIEW QUESTIONS.....	58
	APPENDIX C: AUDIT TRAIL.....	67
	APPENDIX D: CODING BOOK	68
	APPENDIX E: INTERVIEW TRANSCRIPTIONS	69
	APPENDIX F: ENGAGEMENT PLANS & CUSTOMER JOURNEY	121
<u>9</u>	<u>LIST OF REFERENCES.....</u>	<u>123</u>

List of Figures

Figure 1: Omnichannel approach.....	10
Figure 2: Distribution process.....	15
Figure 3: The stages of the benchmarking process.....	30
Figure 4: Segments	35
Figure 5: Percentage of segments presented by countries	36
Figure 6: Commercial relevance sub-segments strategies	39
Figure 7: Algorithm of "digital affinity"	40
Figure 8: Criteria of "digital affinity"	40
Figure 9: Criteria of "content preference"	41
Figure 10: KPIs of the segments "digital affinity" and "content preference" regarding commercial impact.....	46
Figure 11: From planning to execution of an omnichannel strategy	51
Figure 12: Multichannel interaction plan for Bisoprolol	121
Figure 13: Multichannel interaction plan for Ticagrelor	121
Figure 14: Multichannel interaction plan for Vildagliptin & Metformin	122
Figure 15: Omnichannel Customer Journey	122

List of Tables

Table 1: Examples of meaning units, categories, sub-categories and sub-subcategories .	34
Table 2: Segments presented by countries	36
Table 3: Internal and external data collection and data tracking	42
Table 4: Researcher diary	67
Table 5: Coding book.....	68

List of Abbreviations

Abbreviation	Explanation
B2B	business-to-business
B2C	business-to-customer
ComOps	Commercial Operations
CRM	Customer Relationship Management
F2F	face-to-face
HCP	Health Care Professionals
KPI	key performance indicator
MCQ	multichannel equivalent
MS	Microsoft
NPS	Net Promoter Score
OTC	over-the-counter
RTE	rep-triggered-email

1 Introduction

1.1 Relevance of the topic

In the current times, especially due to the current COVID-19 pandemic, offline channels are dramatically declining while various digital channels are showing significant growth. As these channels are rising and are offered to the customers, their experience is becoming more digital (Kang, 2019). Through the pandemic, the ways of working have changed around the globe and across all different industries. Also, pharmaceutical industries had to adjust to the fast-moving digitalization and virtual interactions with customers (Kaiponen, 2021). Moreover, due to fast technological advancements the increase of channels and the way how customers engage in these channels, customers today have many different possibilities in how to interact product providers. Also, for firms, to better understand and meet their customer's needs and preferences, many have implemented an omnichannel strategy (Akter et al., 2021). This strategy becomes more and more common to overcome the crisis of offline channels, as these are declining even more (Kang, 2019).

The topic of omnichannel provides a complexity that has never been present like this before. Companies have difficulties in generating insights to provide their customers with superior experiences. This involves particularly understanding the interaction choices of customers and their reasons for them and the creation and implementation of effective segmentation approaches which provide better customer experiences in this complex environment. Instead of managing physical and digital channels separately, companies should monitor their multichannel strategies and create one holistic approach, which is called an omnichannel approach (Akter et al., 2021). A multichannel approach where various channels are being used independently of each other has lost its efficiency and companies therefore replace this approach more and more by omnichannel strategies. With this approach, the most efficient channels are integrated (Azoev et al., 2019). How companies will implement an omnichannel strategy will be different from one another but it is important to have a clear understanding of the omnichannel concept which will help them further to expand its benefits (Akter et al., 2021).

Organizations in the pharmaceutical industry are quickly moving into the world of the right person, right content, right moment messaging (Figure 1) to move from a single channel

strategy to an omnichannel approach (Company Sandoz, personal communication, 2021) since a one-size-fits-all strategy has become outdated (Azoev et al., 2019). Due to the current pandemic, the channels and how to best reach doctors have changed and will change in the future (Company Sandoz, personal communication, 2021). The companies have to reconsider their ways of working and interacting with healthcare professionals (Kaiponen, 2021). Now as the industry had to shift towards digital channels, virtual congresses are happening and virtual exhibition halls are introduced but when the channel is changed, also the context needs to be changed. In the future face-to-face (F2F) visits will return less and the channel type will be more of a balanced mix between F2F and digital. The physicians want to have a choice to choose between the different channels and what is most convenient for them. Therefore, companies have to be flexible about what to offer and how to best reach them. One must have a good understanding of consumer demands and needs. Companies should focus on channels that work best for different customers, markets or therapy areas (Company Sandoz, personal communication, 2021).

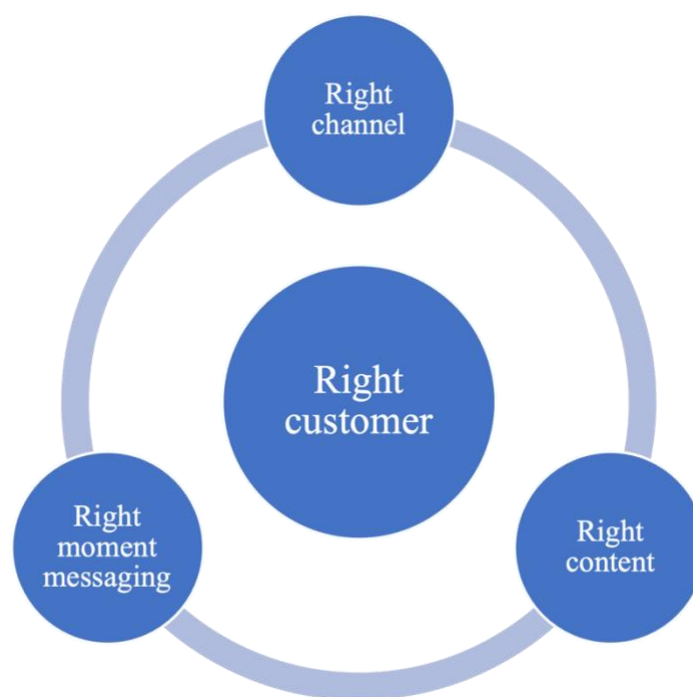


Figure 1: Omnichannel approach

Furthermore, one must keep in mind that also a change in healthcare professionals is going on as older doctors already retired and younger generations of physicians are interacting in different ways and searching for information through different channels (Kaiponen, 2021).

1.2 Motivation and Objective of the Thesis

The topic of this thesis was developed from a real-life business need of the company where the author is working, as they do not yet have developed a solid omnichannel strategy. Also, the channel usage with the customers has not yet reached its maximum potential and outcome. The motivation and possibilities will be that with this work, some additional research on omnichannel in general and especially in the pharmaceutical industry with regard to a segmentation approach will be provided. It will also take additional digital channels into account as well as the changing environment, especially during the COVID-19 pandemic. In marketing and strategy reaching the right customers through the right channel and with the right content is more important than ever. Customer experiences are changing continuously and in this master thesis the focus is on the omnichannel strategy in the B2B context where up to now only very little research has been done. Therefore, also here new research will be provided. Furthermore, new findings in the company Sandoz itself on the omnichannel strategy will be given and will help to further develop this strategy.

The thesis will aim to conduct benchmarking with other companies of Sandoz in other European countries and with the company Novartis in Austria, as Sandoz is a division of the Novartis group, to see if they have omnichannel strategies and segmentation in place and to discover how this looks like. The challenge here will be how to segment. The segmentation will be the basis and the measurement of success for the content, channel and timing (Company Sandoz, 2021). Moreover, it will be interesting to see if a respective segmentation then leads to a higher purchase intention of the physicians and thus to a higher commercial impact. The overall aim in the end will be to investigate some theoretical and practical evidence to further explore this trend of an omnichannel strategy and to narrow the current gap in the existing omnichannel segmentation literature.

1.3 Research Questions and Research Strategy

The following research question RQ was constructed which is based on the current omnichannel strategy of the company Sandoz in Austria, where a gap can be identified. The purpose of this question will be to discover how other countries segment and execute their omnichannel strategy. Shi et al. (2020) did a research regarding omnichannel retailing on the effect of the overall experience quality on the shopping intention of customers and

the determination of the success of an omnichannel strategy. The authors tried to conceptualize the impact of an omnichannel customer experience on the shopping intention. But they did not examine the effect of a respective segmentation on the purchase intention (Shi et al., 2020), which will be further investigated in this work. In the existing literature not very much can be found about omnichannel segmentation, not even to mention in the pharmaceutical industry. Barwitz and Maas (2018) studied a segmentation approach, but the researchers stated that additional work is needed to refine and test it. Moreover, they suggest using actual company data from a few companies to show the applicability of the segmentation strategy (Barwitz & Maas, 2018).

- *RQ: Which segmentation should be considered when developing an omnichannel strategy in the pharmaceutical industry?*

The sub-question in this thesis derived from this research question will be as follows.

- *RQa: Does a respective segmentation lead to higher physicians' engagement and thus to higher commercial impact?*

With this question RQa, the researcher wants to find out if a segmentation even leads to a higher purchase intention of the physicians and therefore to a higher commercial impact. Otherwise, it will not be relevant for the company to implement such a strategy. For a marketing campaign that generates a product, omnichannel marketing may be required to draw customer purchasing attention, boost sales turnover and make marketing campaigns more successful (Junianti et al., 2021). Shi et al. (2020) state that “*the experiential nature of omnichannel shopping remains relatively unexplored*” (Shi et al., 2020, p. 326) but it is inevitable for firms concerning an omnichannel strategy “*to identify, promote and provide customers with various experiential benefits*” (Shi et al., 2020, p. 326) to improve their shopping intentions (Shi et al., 2020).

The strategy in this thesis will be to conduct an exploratory qualitative research through benchmarking including expert interviews. This method is to be found to be the best to answer the research questions. The data analysis method will be content analysis.

1.4 Thesis structure

The master's thesis structure is constructed that the reader will be first given some information on the theoretical background of the thesis, including the pharmaceutical industry, different definitions and topics relevant to this study, such as the omnichannel strategy in the B2B context, market segmentation or the term benchmarking. The idea is that the reader will have an overall understanding of the topic examined. Following, the identified research gap and the empirical study will be demonstrated. The empirical part including the data collection and analysis which will be elaborated on in the next step are classified as company-sensitive strategical choices and due to confidentiality reasons, the results should not be shared and assessed by anyone outside the company. Moreover, theoretical and practical implications will be presented and a conclusion and limitations will make the thesis complete.

2 Theoretical Background

2.1 Pharmaceutical Industry

The pharmaceutical industry counts as one of the most profitable and largest industries in the world (Pieriegud, 2018). In 2020, the global pharmaceutical market was worth more than one trillion USD (Mikulic, 2021) with Europe and North America being the world's largest markets (Pieriegud, 2018). This industry includes the areas of research & development, production, distribution and marketing of medicines (Kaiponen, 2021). In the pharmaceutical industry, various stakeholders can be found, such as manufacturers, wholesalers, retailers, healthcare providers, physicians, pharmaceutical representatives and so on. However, this industry is heavily restricted and regulated compared to other industries since it works with human health. Moreover, the biggest amount spent on sales revenues goes into marketing, about one-third, which is twice as much as the companies spend on R&D (Pieriegud, 2018). The pharmaceutical organizations which are firms that manufacture, develop and market medicines (Kaiponen, 2021) work closely together with the healthcare professionals to improve the lives of their patients (Pieriegud, 2018).

The current COVID-19 pandemic has led to pharmaceutical companies shifting their focus more on R&D and digital transformation. One of the biggest challenges for these companies at the moment is to find the optimal channels to deliver promotion and information to the customers, here to the physicians (Pieriegud, 2018). Furthermore, digitalization is the major focus of pharmaceutical industries at the moment (Azoiev et al., 2019). Companies in the pharmaceutical industry have to adopt marketing strategies if they effectively want to sell the products and services (Kakishova, 2020), adapt them to their company's needs on the market and also improve them further to their best. *"A strategy is a plan of action that is intended to move an organization toward the achievement of its shorter-term goals and, ultimately toward the achievement of its fundamental purposes"* (Kakishova, 2020, p. 29).

2.1.1 The role of physicians

In the healthcare industry, certain regulations and limitations apply to different actors involved (Sohn et al., 2013). At the moment, three main customer segments exist in most pharmaceutical companies – physicians, hospitals and pharmacies (Alt, 2003). This thesis

is focused on the relationship between the pharmaceutical company and the physicians (Figure 2). Sales representatives are not allowed to sell medicines directly to the patients, but to the physicians. Therefore, the physicians have the bargaining power and the power to select brands whereas patients do not have the right to make such a choice. The decision about the prescription of most of the drugs, unless they are sold directly over-the-counter (OTC) at a pharmacy, is made by the physicians (Sohn et al., 2013). Physicians are professionals in medicine who have the right to prescribe drugs (Kaiponen, 2021). Therefore, patients rely a lot on the judgment of the doctors since they can show greater medical expertise and they also do not act against the decisions of the physicians due to a lack of information (Sohn et al., 2013).

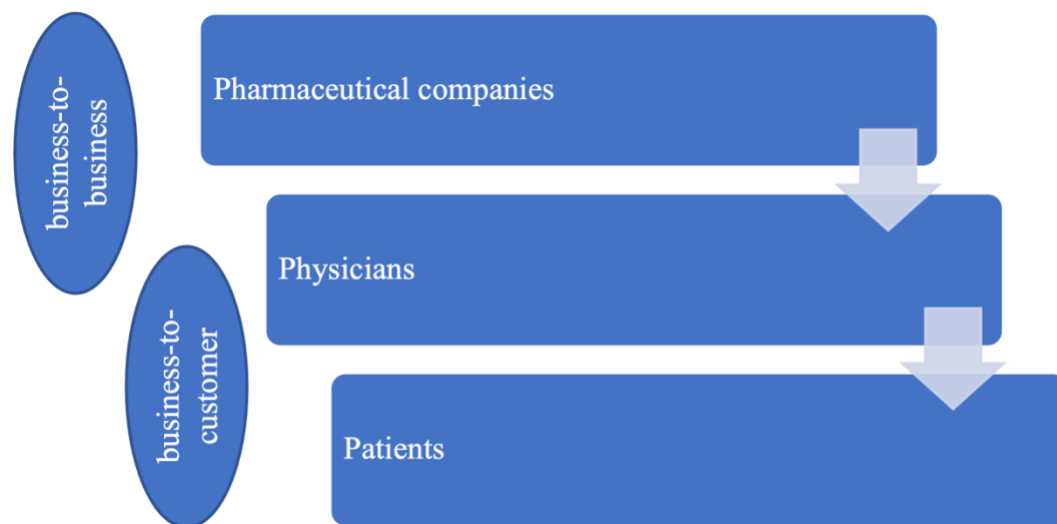


Figure 2: Distribution process

Physicians have knowledge about all kinds of diseases and medications. They are also allowed to decide on behalf of their patients and therefore they are among the biggest decision-makers in the healthcare industry (Sohn et al., 2013). They are thus the most important customers for pharmaceutical companies (Alt, 2003). The role of physicians in the pharmaceutical industry when making a purchasing decision is different from B2B customers in other industries with regard to their commitment. Physicians may be less committed to a certain sales representative but even more to certain brands of medicine (Sohn et al., 2013). Webster and Wind (1972) developed the “Buy-Grid” model of organizational buying behavior at buying centers which can be also adapted to the physicians in general since *“The buying center consists of those individuals who interact for the specific purpose of accomplishing the buying task”* (Stevenson & Swayne, 2011, p. 103). Therefore, physicians are in a B2B context deciders, as they decide on suppliers and

product characteristics (Stevenson & Swayne, 2011) whereas the patients are the final buyers and users of the medicines (Alt, 2003).

2.2 Omnichannel in the B2B context

“Omnichannel is a marketing term, which means mutual integration of separate communication channels into a unified system with the goal of seamless and uninterrupted communication with the client” (Azoev et al., 2019, p. 919).

“Omni” is a Latin word that means “universal” or “all” (Lazaris & Vrechopoulos, 2014). When searching for papers that researched on omnichannel, the number is not very large, since the term was first mentioned in a study that was conducted in 2009 by IDC’s Global Retail Insight research unit reports (Kang et al., 2019). This new term comes from business practitioners but recently gained increased attention among academic researchers. In literature, Rigby (2011, p. 4) first mentioned this term and further researchers all agreed that this concept has an integrated and seamless experience using all channels as common (Lazaris & Vrechopoulos, 2014). Various dimensions of the omnichannel concept definition can be found in the paper of Lynch et al. 2020. Hence, authors such as Alexander and Alvarado (2014), Blazquez (2014) and Cummins et. al (2016) take a holistic omnichannel approach where retailers must think in all channels, both offline and online, holistically and a seamless holistic experience should be delivered to the customer (Lynch et al., 2020). Moreover, researchers such as Brynjolfsson et al., 2013 and Verhoef et al., 2015 point out a possible coordination between online and offline and they suggest also using online and offline channels seamlessly (Valentini et al., 2020).

The term got more and more recognition as companies continuously offered new channels to customers (Kang et al., 2019) and they nowadays are more familiar with various types of devices (Lynch et al., 2020). Omnichannel is a retail concept where the boundaries between online and offline are disappearing. The channel type can be separated into an online and offline channel or physical and virtual channel. With regard to offline channels or physical channels, information flows through a physical infrastructure while with online channels or virtual channels the information is conveyed via online technologies (Kang et al., 2019). In omnichannel marketing, the channels are integrated and information across

channels flows seamlessly (Min, 2021). But still, the consequences of omnichannel experiences are quite unknown (Lynch et al., 2020).

If done correctly, a seamless omni-channel experience blurs the distinctions between physical and online interactivity, turning the world into a showroom without walls (Cummins et al., 2016, p. 5).

In this study, it is important to look at the business-to-business (B2B) context since the health care professionals (HCPs) are not final customers but other companies. Their nature and purchasing decisions are different from those of end consumers (Alonso-Garcia et al., 2021a). Experts with rich knowledge about their products use persuasive marketing strategies in B2B marketing so that there is an engagement received between the B2B customers and the sellers of the products or services. On the customer side, it is important to have all the facts about a product which should be bought as well as a possibly longer business relationship. Customer retention is important to build up the long-term profits of both parties and the opportunities in today's competitive market (Sohn et al., 2013). The technology changes that have occurred amongst end consumers are effective for business clients as well, here the doctors, and the company's relationship with its business partners. Even if most of the papers focused on the retail sector, also companies that are one level up in the supply chain such as wholesalers, distributors or manufacturers who operate the business operations, are just as affected by the change in the customer buying behaviors and in the transformation of the use of channels to more digital ones (Alonso-Garcia et al., 2021b).

In conclusion, if companies want to be successful with their omnichannel strategy, they have to start with omnichannel marketing. Segmentation will therefore be inevitable to promote the attractiveness and convenience of an omnichannel shopping experience for the customers as a one-size-fits-all strategy is already outdated and not effective anymore (Min, 2021).

2.3 Customer Experience in the B2B context

Customer experience is inevitable to understand for firms nowadays to give a competitive advantage. In literature, the focus on customer experience is more and more increasing as

customers now interact with firms through endless touchpoints and multiple channels available (Barwitz & Maas, 2018). Therefore, omnichannel strategies have become the norm in many companies. For firms it is very difficult to manage and track the experience of their customers (Lemon et al., 2016). Already a long time ago, Abbot wrote “*what people really desire are not products but satisfying experiences*” (Abbot 1955, p. 40).

Customer Experience received big attention amongst business-to-consumer (B2C) and business-to-business markets. But most of the existing work focuses on the B2C market, whereas on the customer experience in the B2B market little is known. In the B2B market, many different actors interact in different ways depending on their roles. Capturing the customer experience is quite complex and complicated since the experience develops from all kinds of interactions between suppliers and clients as well as many other stakeholders involved. There are many concerns expressed about the measurement of the customer experience by practitioners across many sectors. A few are such as the amount and quality of the feedback (Zolkiewski et al., 2017).

2.3.1 Touchpoints

In a B2B context, the outcomes of a customer experience are not individual perceptions. Rather it consists of different points of interaction between the firm and the customer, being called touchpoints (Lemon et al., 2016). In a B2B setting, touchpoints occur across a wider network which is not examined in the B2C setting which does not allow then a holistic picture to be involved. For example, if one looks at the different touchpoints between a pharmaceutical company and the physicians and the touchpoints of the end consumers, the touchpoints will be different. So, there are complex multiple customer journeys (Zolkiewski et al. 2017).

2.4 Market segmentation

Many different consumers exist in the world, each having different and specific needs and behaviors (Martin, 2011). When companies want to add value by getting to know their customers, they mean market segmentation (Murray, 2016). The aim of segmentation is to define uniform customer groups in large populations (Swenson et al., 2018). Market segmentation groups individuals separated after criteria that dictate their placement into one or more categories (Kent, 2007). Segmentation is the “*classification of consumers*

within a market that share related needs and establish related purchasing behavioral habits” (Martin, 2011, p. 15). It allows companies to have a better focus on behaviors and purchasing patterns of their customers (Martin, 2011). Moreover, segmentation has the intent to tailor customers with the products that meet their individual needs (Martin, 2011). Segmentation together with tailored communication are complementary and used as tools to target and retain customers (Krendyukov et al., 2020). In addition, if marketing segmentation is done effectively, firms can reach a very high return of investment (ROI) for their investments in sales and marketing (Martin, 2011).

Market segmentation can be separated into consumer market segmentation and business segmentation (Martin, 2011). In literature, consumer market segmentation differs into four types which are behavioral segmentation, demographic segmentation, geographic segmentation and psychographic segmentation. The first one mentioned divides the market into groups based on certain variables that are related to consumer behaviors. These include knowledge, consumers’ unique behaviors and consumers’ behaviors in using a product or responding to it (Indartoyo et al., 2016). Business segmentation differs into three types, geographic segmentation, buyer behavior and customer type. By using customer type segmentation, the company tailors each product and service to a specific target market, instead of offering them just to everyone. Therefore, firms can allocate marketing resources more effectively and hence only target the parts of the population who are most likely to buy their products (Martin, 2011).

Market segmentation follows several steps, starting with defining the market, followed by identifying the market segments with homogenous criteria. Then the segments are examined in more detail, so they suit a product’s characteristics. Next, marketing strategies can be established for the respective segments and the resources used to achieve a competitive advantage (Kakisheva, 2020). A segment development strategy has the aim to develop homogeneous groups of individual customers who differ from already existing consumers in the market. In the past, marketing research has hardly focused on the identification of opportunities for segment development (Dickson & Ginter, 1987). The goal of segmenting a market is to gain revenue and profitability and to discover which market segments offer the highest potential return on investment (Murray, 2016).

In current times technological developments are rapidly increasing and firms utilize more and more the internet and online channels to communicate with their customers. Therefore, a new type of marketplace was created. Customers who purchase via online channels have a different shopping behavior than those who buy via traditional channels. For customers who buy online it is easier and faster to compare and purchase products. For this reason, firms must use a segmentation analysis to understand the characteristics of the online customers to better meet the changing needs and also to allocate the marketing resources efficiently (Akar, 2021). To show the development of channel strategies from the firm perspective (Neslin et al. 2006), in current research it is found that customers are segmented based on their observable behavior and channel usage. It is inevitable to understand and interpret the touchpoints of customers to provide them with the full customer experience. To better meet their needs, companies have implemented and expanded their omnichannel strategies. But it is a very complex subject. Many companies have difficulties to understand the reasons for the interaction choices of customers and they also face problems regarding the adoption of an effective segmentation approach to provide customers with better experiences (Barwitz & Maas, 2018).

As Kakisheva (2020) states, the pharmaceutical markets are not homogenous in their needs and wants. Therefore, if pharmaceutical firms want to gain a competitive advantage, they must develop an effective market segmentation strategy. Advantages of a respective segmentation can be for example to identify the most appropriate channels, to exploit segments that have not been considered, to use proper promotion strategies and also to allocate advertising media effectively. The reason why pharmaceutical companies identify markets for their products is that they can easier and better target their campaigns and resources for these groups where one group makes up one segment (Kakisheva, 2020). In the healthcare industry market segmentation is used to offer insights into consumer behaviors and attitudes. It leads to a closer connection with the targeted customers and it is important for the discovery and development of medical products (Swenson et al., 2018). MacLennan and MacKenzie (2000) argued that in any organization exist forces for and also against market segmentation. This resonates mainly from limited resources available at the firm (MacLennan & MacKenzie, 2000). Moreover, Swenson et al. 2018 state that in several research papers market segmentation is examined but without connecting it to a formal model (Swenson et al., 2018).

In other industries, different segments were identified. Mosquera et al. (2019) investigated three different segments in the fashion industry regarding the omnichannel shopper experience. The segments are “reluctant omnishoppers”, “omnichannel enthusiasts” and “indifferent omnishoppers”. Furthermore, significant differences among these segments were discovered. These are age, gender, income level and the behavior concerning omnichannel. But, no differences in the use of channels and devices were found in this study (Mosquera et al., 2019). However, most of the studies differ in the channel segment between online and offline. Valentini et al. (2020) investigated an omnichannel segmentation in the fashion, electronic and groceries industries and found that the customers are either online or offline but not both and stated that therefore the customers view omnichannel more as a segmentation tool rather than an integration tool (Valentini et al., 2020). Konus, Verhoef and Neslin (2008) discovered segments in regard to the channels customers used – “multichannel enthusiast” and “store-focused” segments. De Keyser, Schepers and Konus (2015) identified the segments as “web-focused” and “call-center-prone” based on the actual channel usage of the customers (De Keyser et al., 2015). Chocarro et al. (2018) did a segmentation in the fashion industry regarding the degree to which the channel usage habits of the customers involve a mix of offline and online channels. They identified three segments which are “monochannel customers”, “partially omnichannel customers” and “complete mix omnichannel customers” (Chocarro et al., 2018). Furthermore, researchers found consumer segments such as “store-focused shoppers”, “pragmatic online shoppers”, “extensive online shoppers”, “multiple touchpoint shoppers”, and “online-to-offline shoppers” (Wang et al., 2020). Min (2021) identified four categories in regard to the segmentation of omnichannel customers. They are segmented by generational differences concerning learning technology that might impact the shopping behaviors of the customers (Min, 2021).

In the pharmaceutical industry, Schwarz (2021) classified the customers, the healthcare professionals, into three categories: the “expert”, the “patient-oriented” and the “fact-oriented” doctor (Schwarz, 2021). Kakisheva (2020) listed segmentation criteria in general which were used in the pharmaceutical industry. These include the criteria “demographic”, “socioeconomic”, “geographic”, “psychographic”, “behavioral”, “consumption patterns” and “consumer predispositions” (Kakisheva, 2020).

2.4.1 Personas

Detailed segment profiles can be very complex and therefore difficult to communicate in an organization. As a result, firms take these profiles and create personas to facilitate the work with them (Murray, 2016). Personas are archetypical characters that are based on empirical research representing explicit behavioral clusters, goals and motivation of customers. They are usually used as tools to help companies in decision-making. Personas, if they are used correctly, are powerful design tools, to help the company to maintain focus on their customer needs, desires and requirements. Moreover, in practice, personas and market segmentation are complementary methods. Market segmentation can help marketers to evaluate commercially more effective personas for their product development (Ketamo et al., 2020).

A persona is a customer profile of a fictitious individual that is created from observations of many customers who have similar profiles. To develop a persona, a firm starts to first perform a segmentation analysis. The aim is to understand the key customer profiles and then these segments are filled with data of the channel and prescription behaviors. When personas are developed, the clinical, emotional and physical aspects of the customer experiences are recorded so that the company better understands the behaviors and attitudes of the prescribers with respect to a disease or condition (McKinsey & Company et al., 2018). A good persona is easily and quickly recognized within the company and has unique preferences and defining features that are easy to remember. The detailed segmentation information which firms developed should not be destroyed since in the future a deeper dive into the data might be needed. Nowadays, many firms are creating and using personas as they then can put the market segmentation approach into action (Murray, 2016).

2.5 Success factors in omnichannel marketing

If a company wants to be successful with the omnichannel strategy it must focus on a few specific factors as Murray (2016) states. First, the firm must know its customer segments. Second, it should know its competitors and watch closely if they are able to serve their main customers with digital channels (Kaiponen, 2021). Third, companies have to be aware of the impact of digital and online presence on the customer experience. Furthermore, firms should study the effect of omnichannel on product selection. An important success factor is also looking at the digital channels and whether they are responsible for an increase in

customer engagement (Murray, 2016). The best outcome of omnichannel marketing will be that the sales and profitability of the company will rise, which is researched in this thesis as the commercial impact, and also the number of their served customers, which is named in this work as the physician engagement (Kaiponen, 2021).

2.6 Success measurement

By collecting data about the customer behaviors and attitudes the company can learn more about their needs. Customer engagement therefore can be measured by data collection about following the customer navigation through sites, what choices they make or also how much time is consumed in different sections of the site. Firms can then use this gathered data consequently to develop the digital environment (Kaiponen, 2021). But until today there is no standard measurement to be found for the omnichannel concept (Domański, 2021). The measures which companies use in online environments can be the same as they use in physical environments. For example, profitability, revenue or return on investment are important measurements independent of the sales channel. However, firms have more and different possibilities to gain more in-depth insights into the measurements in the online environment such as how many people visit the website or store, how long do they spend time in each area or on each website, at what parts of the website do they look at, what products do they search for and how do they navigate. With these behavioral measures, the firms can then improve the online environment and model the preferences of individual customers or segments (Murray, 2016). In literature, the most used measurements of omnichannel are financial ones. However, as Domański (2021) states, non-financial measurements only allow to capture the concept of omnichannel (Domański, 2021).

2.7 Physician engagement

As Perreira et al. (2019) write in their paper, the term “physician engagement” is recently used more often (Perreira et al., 2019) and it has become more common in literature (Kaissi, 2013). However, it is not well defined and measured (Perreira et al., 2019). Physician engagement is inevitable for healthcare organizations as it leads to cost reduction (Milliken, 2014) and improved patient care outcomes (Perreira et al., 2019). For the term physician engagement itself there often exists no definition at all (Kaissi, 2013). Because the term is so widely used it is an ambiguous concept (Perreira et al., 2019). Recently there have been

attempts by researchers to define it as a separate construct. Researchers in the UK, the US and Canada tried to better understand the measurement of physician engagement (Kaissi, 2013) because there was hardly any agreement on it and also there was only little evidence on the relationship between the physician engagement and a potential improved outcome. But most of these studies are only based on opinions (Perreira et al., 2019) instead of empirical evidence and theoretical models. Kaissi (2013) states that researchers measure engagement by using three approaches – as a description of a condition under which people work, as a psychological orientation or as a behavioral outcome (Kaissi, 2013), which is relevant in this work.

2.8 Omnichannel and the pharmaceutical industry

2.8.1 Digital Transformation

The pharmaceutical industry is a highly regulated one. It is therefore very difficult to freely use the communication strategy, tools and messages for new medical products. Communication platforms are becoming more and more essential and digital technologies are trying to fulfill this need. Nowadays, one can differentiate between conventional and digitalized communication channels to exchange with HCPs (Krendyukov et al., 2020). An increasing number of such channels are adopted by healthcare companies (Azoev et al., 2019). Kaiponen (2021) expects that the marketing channels which are already available will stay but that the digital channels will be added with more differentiated content, which a few years ago was done during the F2F interactions (Kaiponen, 2021). Therefore, it is suggested that an optimal communication strategy will include face-to-face interactions as well as digital communication. The most common conventional channels are face-to-face interactions, round tables, workshops, exhibitions or direct post mailings whereas the most commonly used digital channels are webinars, virtual round tables, consumer health tracking apps, online educational platforms, company websites or product-specific websites (Krendyukov et al., 2020).

Before the transformation in channels became more digital, the sales force was the main source for the HCPs to receive their information about products (Sohn et al., 2013). Today that the digital channels are more present, how pharmaceutical companies interact with HCPs changed (Krendyukov et al., 2020). Also, vice-versa the expectations of the HCPs towards the pharma companies changed (Kaiponen, 2021). Almost all physicians

nowadays are using the Internet regularly (Alt, 2003). Face-to-face visits are limited, also because of the current global pandemic. Research also suggests that the sales force has not kept up the pace with the information needs of the HCPs nowadays (Krendyukov et al., 2020). Therefore, pharmaceutical companies need a more efficient and better trained sales force (Alt, 2003). These days, virtual congresses and webinars are used so that medical representatives can remotely interact with HCPs (Azoev et al., 2019). However, besides the advancement of the digital interaction possibilities, HCPs prefer talking to the sales force first when it comes to prescribing a new product or when a recently prescribed product is now used for a different indication. Then they can make better outcomes for their patients by understanding the treatment options and disease area (Krendyukov et al., 2020). Also, the HCPs choose the pharmaceutical products very carefully about what the sales representatives have to offer (Sohn et al., 2013). After a face-to-face visit, the doctors are already allowed to prescribe the new medicines to their patients. Therefore, pharmaceutical companies should always stay close to their customers. Nevertheless, the adoption of technological advances is required and to stay trusted partners in the future, pharmaceutical companies need to adopt multi- or omnichannel strategies (Krendyukov et al., 2020). An omnichannel strategy is already proved as efficient by leading healthcare companies, such as Johnson&Johnson. The omnichannel strategy is seen by many companies simply as an integration of traditional and digital channels. However, if pharmaceutical companies want to be successful, digital channels need to be integrated properly into the omnichannel environment which will further automatically lead to business growth (Azoev et al., 2019).

2.8.2 Omnichannel development at Sandoz ComOps Austria 2020-2022 – Communication channels to exchange with HCPs

At the beginning of the omnichannel journey at Sandoz in the year 2020, before the COVID-19 pandemic started, the strategy had no segmentation in place. It was a one-size-fits-all strategy, meaning that every health care professional received the same content via the same channel. The same newsletter with the same content was sent to different doctors and therefore they all received the same sample proposals. There was no comprehensive segmentation of the physicians in place, hence one goal of Sandoz Austria is to elaborate the omnichannel approach. Today most of the teams at Sandoz are operating traditional face-to-face engagement models, while some teams have already started to execute multichannel engagement campaigns. The goal in the next few years will be to integrate

the systems and have a continuous evolution by teams moving towards a customer engagement experience that will be dynamic and tailored to the individual customer preferences and needs (Company Sandoz, personal communication, 2021).

Before the COVID-19 pandemic, only a few channels were available at the company Sandoz. Mainly F2F visits during scheduled visits or meetings were conducted, besides post mailings, print advertisements and educational events such as congresses with attendance in person. No digital activities were in place. The most executed and successful channel was the F2F visits through the sales representatives. In 2022, the channel development transformed over the last two years during the global pandemic, and more digital channels are in place now. These include next to the already existing channels mentioned above, software banners, newsletters, rep-triggered-emails (RTEs) or a webpage. Furthermore, congresses are taking place virtually or hybrid and HCP education mobile apps and E-Health, patient disease awareness apps, were introduced (Company Sandoz, personal communication, 2021).

2.9 Benchmarking

Nowadays, the organizational environment is rapidly changing and very competitive. Companies must implement and adopt innovative management techniques if they want to participate in the competition (Yasin, 2002). A marketing process counts as one of the critical organizational processes. Through conducting benchmarking, these processes can be improved. This is a very effective approach if the company wants to improve their performance (G. Goncharuk & Getman, 2014). Benchmarking became an accepted business practice and can be used amongst others to identify strategic gaps in a company and to search for best practices. These gaps can be then reduced or eliminated to serve the customer even better. Since in today's times putting the customer in the center of focus is more important than ever, many firms conduct benchmarking (Yasin, 2002). Furthermore, benchmarking is a tool used for creative breakthroughs and to move away from tradition. In the end, after conducting benchmarking, firms should recognize their shortcomings, learn from other companies and then implement what they have learned in their firm (Bhutta & Huq, 1999) thus developing an adopt, adapt, improve strategy. Sometimes, benchmarking is understood that companies imitate or copy other companies but instead it helps innovation rather than imitation (Dattakumar & Jagadeesh, 2003).

In literature, there can be found many different types of benchmarking. In this work, an internal benchmarking will be conducted (Yasin, 2002). Internal benchmarking is an activity used to '*identify the internal performance standards of an organization*' (Yasin, 2002, p. 243). Moreover, it is applied when an organization wants to compare the performance between its divisions. The transfer of best practices is one of the most tangible knowledge transfers (Bhutta & Huq, 1999). The firm uses this approach to examine itself to find best practices (Yasin, 2002). Moreover, benchmarking should contribute to the overall business strategy and objectives of the company (Bhutta & Huq, 1999).

3 Research Gap

Omnichannel is a very complex topic where lots of literature can be found on but there is still a research gap as there are no studies so far on omnichannel strategies in the pharmaceutical industry in Austria to be found with a focus on a segmentation approach. Also, literature writes that omnichannel has no defined definition and that there still must be a lot of research done on this topic, especially in the nowadays changing digital environment (Lemon et al., 2016). Until today, there has been done only little research on omnichannel in the B2B field (Alonso-Garcia et al., 2021a; Shannon et al., 2016). Omnichannel marketing has an increased focus in the literature regarding consumer behavior, but in the B2B context empirical research and theoretical frameworks are lacking (Cummins et al., 2016; Shannon et al., 2016). This shows a big research gap that the researcher will address in this master's thesis. Most studies in the omnichannel field have been conducted especially in the retail industry context of end consumers (Alonso-Garcia et al., 2021b). Therefore, the examined topic has been mostly studied in the B2C (business-to-customer) context.

Most studies regarding omnichannel in general can be found in the fashion industry (Alexander et al., 2014; Blázquez, 2014; Junianti et al., 2021; Lynch et al., 2020; Mosquera et al., 2019) and in a B2C context (Akar, 2021; Junianti et al., 2021; Lynch et al., 2020; Min, 2021; Kazancoglu et al., 2018) and on customer experience (Alexander et al., 2014; Blázquez, 2014; Lemon et al., 2016; Picot-Coupey et al., 2016; Shi et al., 2020).

Furthermore, there are hardly any papers to be found on omnichannel and segmentation including a success assessment, especially in the healthcare industry. Papers with regard to a segmentation approach focus mostly on the channel segment foremost on consumer segmentation based on channel usage and demographics whilst other segments are not being examined (Barwitz & Maas, 2018). Besides, Kazancoglu and Aydin (2018) studied the consumer purchase intentions towards omnichannel shopping thus from a consumer-centric perspective and not from a firm's perspective.

4 Methodology

The goal of this study is to conduct a benchmarking with other Sandoz companies in other countries throughout Europe and with Novartis in Austria, since Sandoz is a division of Novartis, to gain a deeper understanding of their omnichannel segmentation strategy. These companies are the manufacturer of the products and therefore the distribution partners of Sandoz Austria will be interviewed. Based on this, it will be important to see whether they have already a segmentation in place and how this is executed. Moreover, the researcher wants to learn if an effective segmentation can lead to more physicians' engagement and thus to more commercial impact. From these results, one can learn in the company Sandoz in Austria and eventually adopt some of the results in their omnichannel strategy. The master's thesis takes an exploratory qualitative research design with expert interviews since the topic needs to be studied and understood more in-depth which has not been done until today. These results then can lay the groundwork for future research in this area.

As G. Goncharuk and Getman state there are not many studies to be found that concentrate on the benchmarking tool for marketing processes at pharmaceutical companies. Still, it is mentioned that benchmarking is an effective tool for the improvement of pharmaceutical companies in their marketing activities (G. Goncharuk & Getman, 2014). In this thesis, internal benchmarking will be used (Bhutta & Huq, 1999) to search for strategic gaps in the omnichannel strategy and to furthermore search for best practices of a segmentation approach of other Sandoz companies in other countries in Europe and Novartis in Austria.

4.1 Data Collection

Benchmarking can be conducted in many different steps and many different theoretical constructs can be found. Bhutta & Huq (1999) evaluated five major components and the benchmarking wheel was formed (Bhutta & Huq, 1999). In this work, the benchmarking process was undertaken in four stages (Figure 3) and for a benchmarking model, the researcher orientated herself on the benchmarking wheel of Camp (1989).

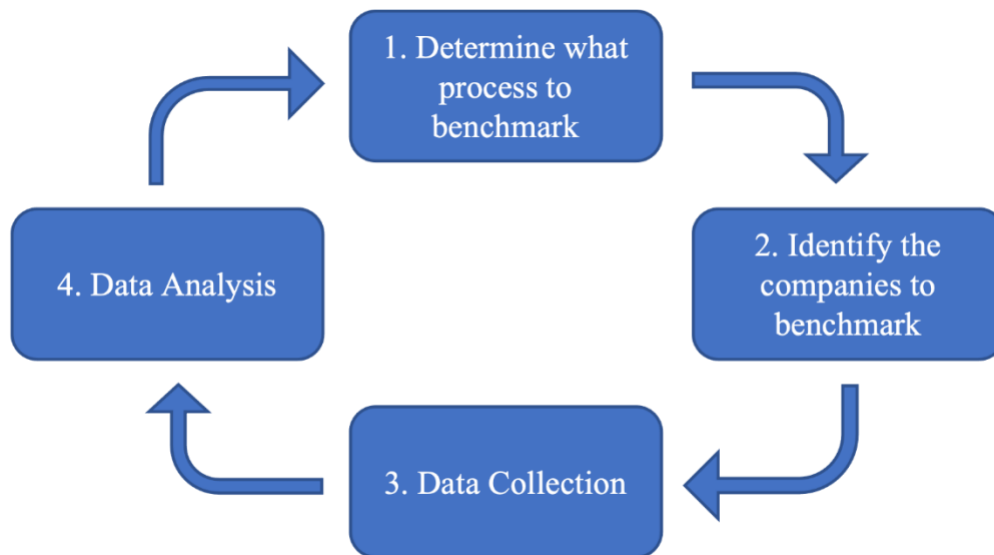


Figure 3: The stages of the benchmarking process

First, it was determined what exactly will be benchmarked. The company Sandoz in Austria is already implementing an omnichannel approach in its strategy. It is more and more moving from single channel to omnichannel. But there is no standard requirement from Sandoz globally on how to implement this. In addition, it is a very new and complex topic to which no real prior experience is given. The pursuance of an omnichannel strategy aligns with one of the overall big bold objectives of the company “Data & Digital” (Company Sandoz, personal communication, 2021), which is important as a firm should benchmark processes that are in alignment with the overall business strategy (Bhutta & Huq, 1999). Therefore, a marketing process was chosen to benchmark as it counts as one of the critical operating processes (G. Goncharuk & Getman, 2014).

Second, the companies which will be benchmarked were identified. Poland, Germany, Belgium, Austria (company Novartis), Russia, Switzerland and Croatia were chosen as they count as pioneers in that process. Only European countries were selected. Omnichannel is only a relevant marketing strategy for share of voice countries as the HCP can here choose which products to prescribe compared to tender countries where they follow a tender business where the best bid wins. Therefore, only countries were selected that have a strong focus on the share of voice business. Then these companies were contacted by mail with a proposal to participate in the study by conducting interviews including the interview questions (see Appendix A). Benefits were highlighted as not all companies which will be contacted might want to participate (Bhutta & Huq, 1999). The proposal was accepted by five countries – Poland, Germany, Belgium, Novartis Austria and Croatia. From

Switzerland and Russia no reply or interest to participate in the study was received. In addition, the consent form was sent to the participants for signing the agreement.

Third, the researcher will execute the data collection by conducting an exploratory qualitative research study to explore the dimensions of omnichannel segmentation in detail. The researcher takes a qualitative research design in this work as the examined research area is still quite new and therefore not many studies exist on this topic, as Auer-Srnka (2009) states. Also, the richness of ideas one gets out of expert interviews is important to mention (Auer-Srnka, 2009). The researcher conducted semi-structured expert interviews with respective managers and employees of other Sandoz countries and Novartis Austria with rich experience in omnichannel marketing and segmentation to gain an in-depth understanding and perceptions of their omnichannel strategy and segmentation from the perspective of the firm. Therefore, the participants were asked open-ended questions in individual interviews. Beforehand, the participants received the questions to read and fill them out before the interview. During the interview, first, the current strategy and the status quo were asked to see which segmentation is in place and how the data is collected. Secondly, the participants were asked to provide a success assessment concerning the physicians' engagement and the commercial impact. Third, they were asked to provide an engagement plan if they have one in place to get this information and an idea for future research.

Subsequently, the data collected were analyzed by content analysis. This is the heart of the benchmarking process as the data analyzed will be transformed into information that can be compared with the company's own data (Bhutta & Huq, 1999). As Camp (1989) already stated, the main purpose of conducting benchmarking should not be to discover which countries are the best and how much they are in advance but rather to find and examine the best practice (Camp, 1989). Moreover, after the data is collected and analyzed, it will be recommended that action is taken by the company to adapt and improve its omnichannel segmentation strategy.

4.1.1 Expert Interviews

The complexity of the omnichannel topic can be contained through qualitative expert interviews. The data one gets out of these interviews provides a detailed understanding of the omnichannel segmentation. In addition, it can help to examine a more effective

segmentation approach (Barwitz & Maas, 2018). In this work, the researcher will concentrate on the firm's point of view, meaning that the firm, here the company Sandoz, is designing and crafting an experience for the professional customer (Lemon et al., 2016). The idea behind conducting expert interviews in the pharmaceutical industry is that the topic studied will be explored and discussed deeply (Silverman, 2019). Expert interviews aim at collecting data about a specific field of interest by focusing on the knowledge of the expert (Döringer, 2021). In general, by conducting the interviews, it will be expected that rich and detailed information will be gained from the experts (Kvale, 1996). They count as knowledgeable informants of a particular subject and they are seen as experts having a position and status in the community with a specific knowledge (Kaiser, 2021).

4.1.2 Interview Protocols

The interviews were conducted via the video conferencing app in Microsoft Teams (MS) and transcribed with an automatic software directly in MS Teams. Then the transcription was checked for accuracy and accordingly adapted by the researcher. Intelligent verbatim was used to transcribe the interviews where the oral to the written norms are adapted (McMullin, 2021). Duplicate words, repetitions and filling words like “um” were deleted, so there is a better reading flow since the content is important as the researcher wants to gain pure facts from the interviews and not the analysis of the behavior of the person interviewed. Broken sentences and long paragraphs were adapted.

4.2 Data Analysis

Content analysis was applied when analyzing the data that was gained from conducting the expert interviews. Qualitative content analysis was chosen to be the most applicable one since it is not linked to any specific science (Bengtsson, 2016). “*Content analysis is a research method that provides a systematic and objective means to make valid inferences from verbal, visual, or written data in order to describe and quantify specific phenomena*” (Downe-Wamboldt, 1992, p. 314). During the qualitative content analysis, as mentioned above, the data was prepared and organized by transcribing the audio recordings. Then the transcriptions were read several times to identify patterns and repeated ideas in the data. First, deductive coding was used based on the initial ideas. These predefined categories and sub-categories were established from prior knowledge and from the research questions and interview questions. Then coding was applied by tagging the meaning units with the

identified categories. The researcher went through each interview and tagged it with the categories. While going through the data, new categories and sub-categories were developed and added to the coding system and therefore inductive coding was applied to get a more unbiased look at the data. This was done by using a qualitative data analysis software, called MAXQDA which was the most suitable software for conducting the content analysis. The elaborated coding scheme evolved and changed during the further progress and due to new information learned during the analysis of the interviews. Based on Graneheim and Lundman (2004) the unit of analysis was selected. The interview texts were divided into meaning units and from these meaning units, categories, sub-categories and sub-subcategories were built. The different meaning units were compared based on similarities and differences and in the end merged into 11 categories, 12 sub-categories and 5 sub-subcategories. Examples of the meaning units, categories, sub-categories and sub-subcategories are shown in Table 1 (Graneheim & Lundman, 2004). With the help of the coded data together with the templates (see Appendix B) the findings were gained.

To reduce researcher bias and to improve the validity of this study, the researcher accurately presented the meanings given by the participants. The descriptions in the findings were phrased very closely to the meaning of what the participants said during the interviews and not much was added to that and direct quotes were used. Moreover, a peer review was done and the interpretations of the data in the findings were checked and critically challenged by the tutor in the company of the researcher so that the readers can place more faith in the findings. The tutor checked if the interpretations and results fit the data that have been collected so that the researcher becomes more objective in analyzing the data and more aware of an improvement in the study (Johnson, 1997). Additionally, an audit trail was made to keep a record of all the activities involved in the research including the audio recordings and transcriptions, the methodological decision, the recorder's diary (see Appendix C) and the coding book (see Appendix D) to become more transparent. These all build up to trustworthiness so that the reader can trust the researcher and the results of this master's thesis (Leung, 2015). Furthermore, the analysis steps including the videos of the interviews, the interview transcripts, the consent forms of the participants or the email conversations with the interviewees are documented, saved and archived at the personal laptop of the researcher.

Table 1: Examples of meaning units, categories, sub-categories and sub-subcategories

Category		Segmentation			Criteria within segments	
Sub-category	Commercial relevance			Digital Affinity	Scientific content	Governance
Sub-subcategory	Demography & professional details	Potential	Propensity			
Meaning unit	The most basic stuff is demography and the professional details. So, things like specialty or the title or the practice or the city of practice of the HCP is of course the information that we rely on in order to segment HCP's as well.	The second dimension is a potential so the number of patients that are treated by the given HCP.	And then we have the propensity, which basically means that prescription share of Sandoz brands among the fight market. So what is the likelihood for Sandoz product to be prescribed instead of the competitors.	We are complementing our existing commercial segmentation and targeting with a digital affinity.	And here we kind of created four ones across the board which were scientific. So, doctors who would like to get really the latest studies, the latest findings, all these kinds of things.	And then the last we have is governance, which has more to do about all the rules changes coming from the government, from the authorities on the health care system, but also about new treatment guidelines and rules that are set by associations.

5 Research results

During the data collection phase employees and managers of Sandoz of five countries in Europe have been interviewed. From the gathered data one can declare that some of the countries are still more in the multichannel phase whilst some of them already have an omnichannel strategy in place and implemented. But most of them are still at the beginning of this journey. Following statements were made about the current status quo by participants of the research:

- *“Look, we of course are on the way of omnichannel but don't want to rush it, which means that we step by step evaluate as it makes sense and then add something additionally”* (full interview transcripts are presented in Appendix E).
- *“I would say in general we are going towards omnichannel, but we are more in the multichannel phase, which means that we have in segmentation and targeting still the majority of the criteria commercial relevance which we used in the past.”*
- *“I have to say that this is all we are very in the beginning of all those projects, so we are starting to do that now.”*

5.1 Segments

Three different segments can be derived from the data collected which the countries currently have in place. The 3-dimensional segmentation includes the segments “commercial relevance”, “digital affinity” and “content preference” (Figure 4). One can see which segments the countries have implemented (Table 2; Figure 5). In the next sections, the segments will be explained in more detail by the researcher.

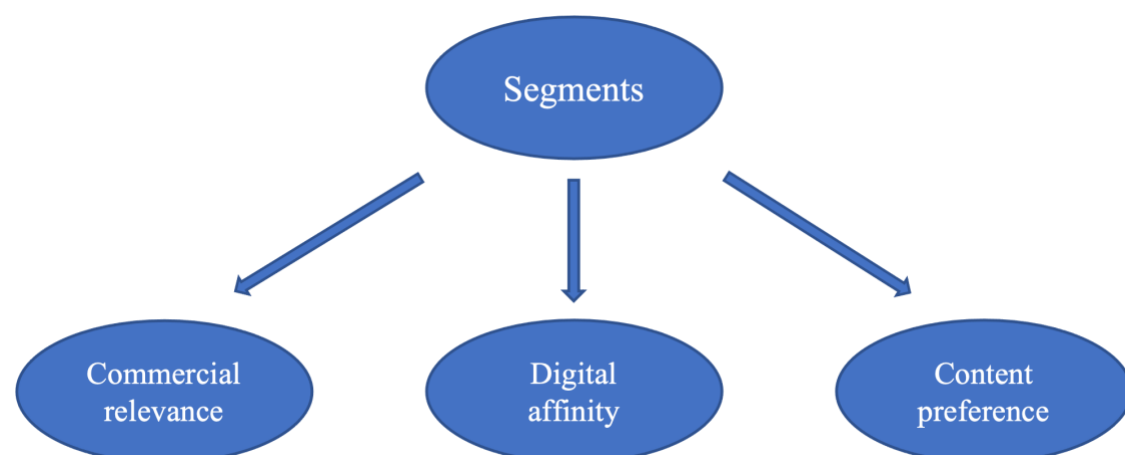
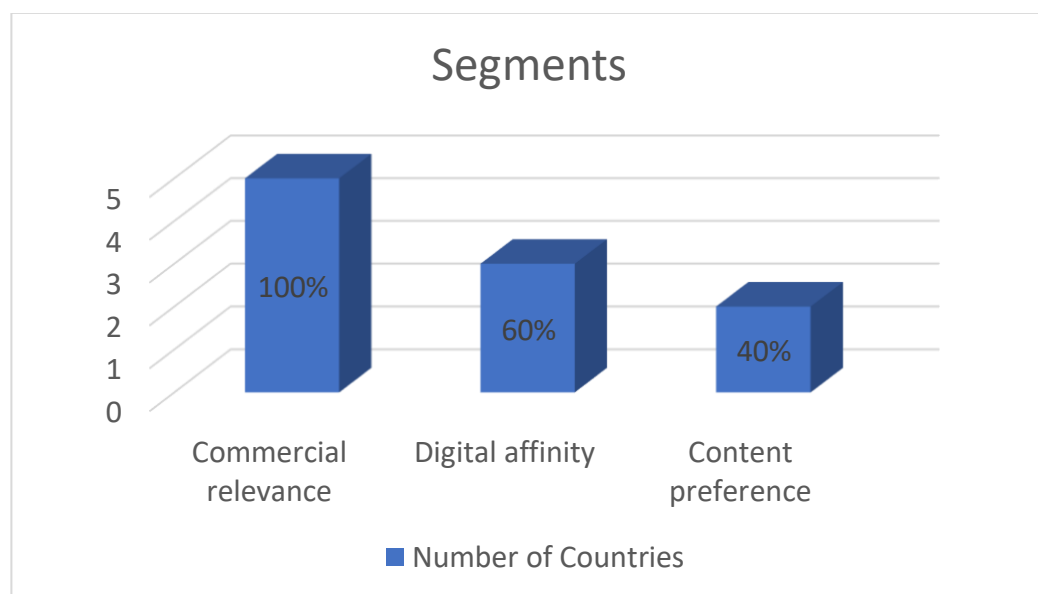


Figure 4: Segments

Table 2: Segments presented by countries

Segments	Commercial relevance	Digital affinity	Content preference
Poland	yes	yes	no
Germany	yes	yes	yes
Novartis Austria	yes	no	no
Belgium	yes	yes	yes
Croatia	yes	no	no

**Figure 5:** Percentage of segments presented by countries

5.1.1 Commercial relevance

“Classically we segment by commercial relevance”. This statement underlines that all five countries have originally a commercial segmentation in place. “Commercial relevance” describes the potential and propensity of a health care professional. The majority of segmentation and targeting strategy of the five countries still consists of the segment “commercial relevance”. Sub-segments of commercial relevance are ‘demography & professional details’, ‘potential’, ‘propensity’ and the ‘influence level of HCP’. First, ‘demography & professional details’ mean the specialty, the title, the practice or the city of the practice of the HCP. Based on this, the physicians will be segmented. Second, ‘potential’ states the number of patients that are treated by the given health care professional. Third, ‘propensity’ means the prescription share of Sandoz products among

the relevant market. It states the likelihood for Sandoz products to be prescribed instead of the competitor products. Fourth, the ‘influence level of HCP’ can be separated into four influence levels – the formal or informal influencers, independent treatment decision-makers, patient journey influencers and others. ‘Formal or informal influencers’ are prescribers that have an influence on the treatment decisions of their own patients and the patients of other physicians, ‘independent treatment decision-makers’ are prescribers that have an influence on the treatment decisions of their own patients ‘patient journey influencers’ are people who are mainly involved in identifying patients and referring them to the centers of treatment such as assistant physicians or nurses and ‘others’ are for example students or maternity/paternity leaves.

Additional important information was mentioned by one participant. The commercial relevance segment is something that the company does for itself, so to get the most it can from the market and not to serve any better experience to the client. This means who exactly and how often the HCP is visited and not how and with what content this HCP is contacted. However, the next segment in the list, “digital affinity”, is used to provide the health care professionals with a better experience regarding how the customer is reached out to, via which channel.

5.1.2 Digital affinity

Three countries segment added to the commercial segment in a segment that is named “digital affinity” or “channel preference”. This implies how much the health care professionals prefer the digital channels. As one participant stated, this segment is mostly named digital affinity and not digital or channel preference because the company does not have the analytical capacity and experience at the moment to model per channel. Therefore, they use a high, medium and low digital affinity which will be explained further in detail in the section “criteria within segments”. The channels that are used by the countries which were mentioned in the interviews are physically the face-to-face visits and webinars and digitally the webinars, RTEs, emails and phone calls.

5.1.3 Content preference

The third segment that two countries use is content based or behavioral segmentation also called “content preference”. It indicates which content the HCPs prefer and respond to.

With this additional segment, the company not only looks at which channels the health care professionals prefer, but also which content they want to receive, such as a short- or longform video or rather a text? Combined with the digital segment, it can mean: *“If you prefer digital channels, what kind of content in these digital channels do we prefer?”*

5.2 Criteria within segments

5.2.1 Commercial relevance

In the segment “commercial relevance” the account of the health care professionals is classified as high, medium or low. Based on the potential and propensity, strategies for the customers are created. Then the customers are assigned to the letters A, B and C depending on their potential and propensity. A means high, B medium and C low customers in terms of commercial relevance. This classification is based on the size of the population in this account, but the definition differs across the disease area and besides it depends on the indication, as one participant mentioned. The sub-segments strategies are shown in Figure 6 and explained in more detail. For example, if the HCP is assigned a high potential but low propensity, then the strategy will be to convince this health care professional. If there is a high propensity but low potential, this means that the company must build efficiently. It implies to keep the market share and at the same time to not invest too much time into these HCPs. If a high potential and high propensity exist, then the overall strategy is recognition meaning to keep the market share is important. Low potential and low propensity mean that they are lower value or lower potential customers. Summing up, the segment of “commercial relevance” is used to find out with whose health care professionals to engage more intensely. Then this information is used to build targeting and select the customers that are worth talking to. This is the basis for the next step for the algorithm of the “digital affinity”.

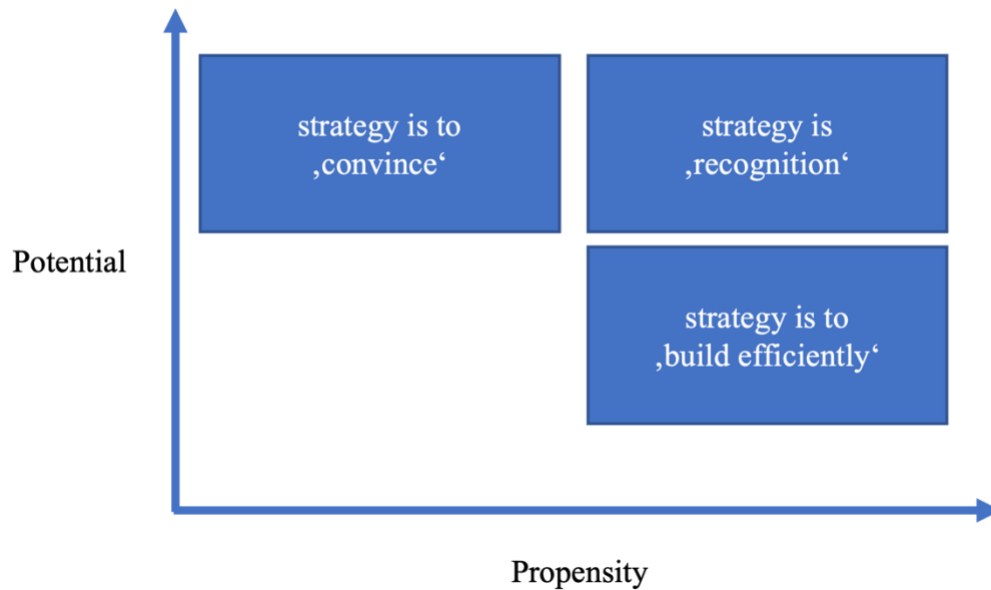


Figure 6: Commercial relevance sub-segments strategies

5.2.2 Digital affinity

This segment helps the organization to find out how to best engage with the customers. The criteria within the segment “digital affinity” depend on how much the HCPs prefer digital channels. When executing the algorithm of the digital affinity, one must differentiate between the declared and the actual likelihood and readiness to use those channels, meaning that the company distinguishes between which channels the health care professionals use and what they say that they use since the declaration of the HCPs and the reality can differ. From this classification, the criteria and persona are derived. Again, everything is mapped on a high, medium and low segment. High is assigned to the letter A, medium to the letter B and low to the letter C.

One participant from the country Poland explained the algorithm behind this more in detail as shown in Figure 7. They assigned personas to the different letters. A is ‘digital savvy’, B is ‘digital oriented’ and C is a ‘traditionalist’ as demonstrated in Figure 8. This classification however depends on the actual behavior and the declaration of the HCP. For example, if the doctor conducts remote calls, this automatically means that the HCP is assigned to the persona ‘digital savvy’. Moreover, if this doctor never experienced remote calls but declares to be open to them, the HCP falls into the same persona. Concerning segment B, the persona ‘digital oriented’, the company pays attention to other digital channels such as the attendance of webinars or RTEs and to the information when the health

care professional is actively using the digital channels. Also, if there is information that the HCP is not interacting with these digital channels but declared the readiness to use them, the physician falls under ‘digital oriented’. The rest of the customers are ‘traditionalists’. The company still tries to approach the health care professionals with digital channels, but they expect a lower engagement than in the other personas. However, they want to allow the HCPs to engage with the company digitally to observe if they should maybe fall into another persona. In general, it is expected by the organization that in a remote setting, like during the current pandemic, there will not be many customers who fall into the persona of ‘traditionalists’ since the company must approach the HCPs digitally next to the traditional channels. Another country, Germany, mentioned the personas ‘digital engagement preference’, ‘hybrid engagement preference’ and ‘traditional only’ (Figure 8). Based on this assessment the sales representatives can optimize the plan.

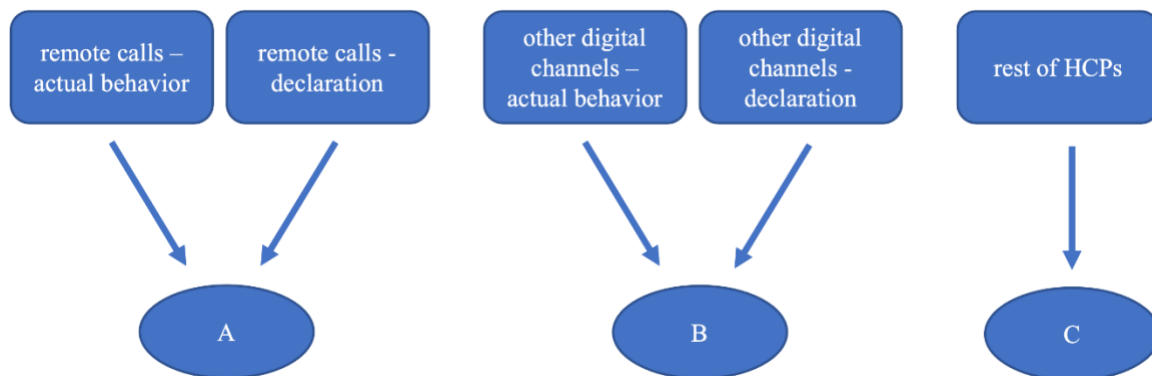


Figure 7: Algorithm of "digital affinity"

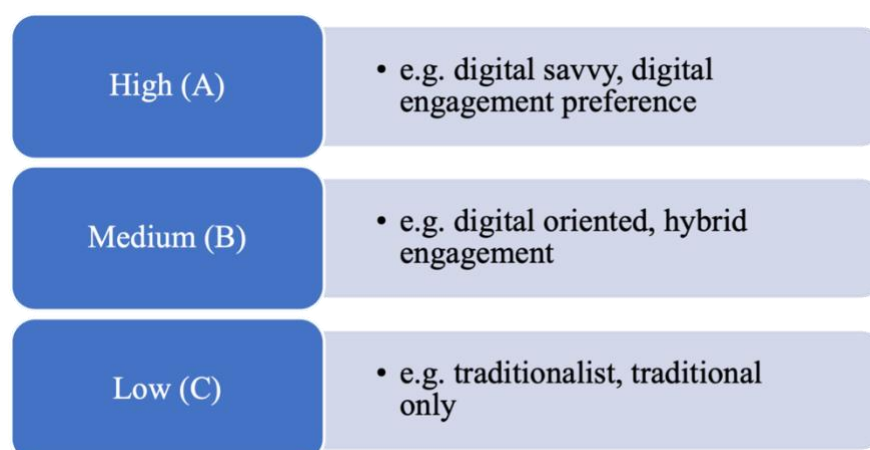


Figure 8: Criteria of "digital affinity"

5.2.3 Content preference

In the segment “content preference” the question of what content to engage the health care professionals with is answered. Four types of criteria (persona) within this segment can be identified and derived from the interviews as shown in Figure 9: ‘scientific content’, ‘patient-related information’, ‘service-oriented doctors’ and ‘governance’. ‘Scientific content’ stands for doctors who would like to get information on the latest studies and findings. The persona ‘patient-related information’ implies physicians that want to receive content about how the patient feels during the treatment, information about patient journeys or patient support programs and groups. Every information that is related to the patient. ‘Service-oriented doctors’ like to get information about additional services such as material to distribute to their patients on how they can better structure their day. This includes doctors who are not very interested in getting a lot of information but who would like to receive the latest news on for example new support programs. The persona ‘governance’ includes physicians that are interested in all the rule changes that come from the government and authorities on the health care system or new treatment guidelines and rules that are published by associations.

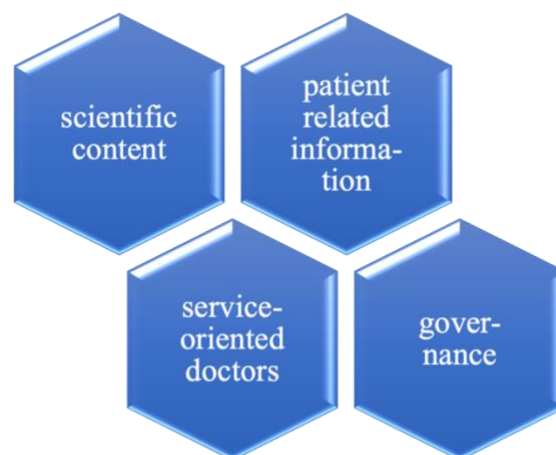


Figure 9: Criteria of "content preference"

5.3 Data collection & data tracking

Deriving from the interviews conducted one can differentiate between internal and external data collection and through which systems the data is being tracked. Depending on the different segments, the data for those segments are coming from different sources, as shown in Table 3.

Table 3: Internal and external data collection and data tracking

Segments	Internal data collection	External data collection	Data tracking
Commercial relevance	- Sales representative feedback & input in CRM system, then assessment	- External vendor (IQVIA)	- Own Data Warehouse (CRM System) - Dashboards
Digital affinity	- Collection of marketing consents - Interaction data from CRM system (marketeers) - Sales representatives assessment based on HCP survey	- External vendor: IQVIA project	- QlikSense dashboards - Excel - CRM system (Veeva, Scout)
Content preference	- HCP survey (through sales representatives)		- QlikSense dashboards - Excel - CRM system

5.3.1 Internal data collection

In the “commercial relevance” segment, a lot of field force input is used when performing segmentation and targeting. Even after the data is gathered through external sources, the assessment of the sales force is included. For example, if a physician is marked as an A customer, however the sales representative supposes that this health care professional is not relevant and should fall in the criteria of a C customer, then the sales representative can tweak this assessment. This counts as a way for giving feedback and refinement.

First, concerning the segment “digital affinity”, the data that is collected internally by Sandoz are marketing consents of customers to allow the organization to use the data for marketing purposes. Secondly, interaction data is collected in the CRM system such as emails sent, emails opened, emails click through rates or which whom the field force conducted video calls. From that data one can draw certain assumptions. Moreover, the data is collected through HCP surveys done by the sales representatives in face-to-face conversations where a couple of questions are answered together with the health care

professionals. Based on that, the company obtains information on the digital affinity and the content preference. In the next step, the sales representatives can upgrade the plan based on their knowledge of the HCP before the data will be entered into the CRM system.

The data for the “content preference” is also collected through HCP surveys including a questionnaire on the preferred content with standardized questions that are unified across all business units. Based on this, information on the content preference is collected. *“That all people who attended the webinars are visited after the webinars and then the field force needs to do a follow up after the webinar and they need to mark in Scout the reaction.”*

5.3.2 External data collection

Additional to the internal data collection, data in the segments of “commercial relevance” and “digital affinity” is gathered through external vendors such as IQVIA. With regard to commercial relevance, these exercises are run every 3-4 years with IQVIA to reassess the potential of the HCPs. *“We are doing with IQVIA the project on digital segmentation and targeting ... So, we will compare the data and multichannel activities from Sandoz and from the IQVIA data source.”*

5.3.3 Data tracking

The data tracking (Table 3) accounts for the KPIs of both the physicians’ engagement and the commercial impact. It can be done basically in three ways. First, after the data are collected, they are stored in own data warehouses of the organization in the CRM systems, called Veeva, Scout and Cognus. Secondly, data is tracked in Excel. Lastly, to track the data on a more regular basis, it is done in QlikSense dashboards which allow a more complex calculation. The organization aims to have better supporting data in the end when the exercise of the segmentation of health care professionals will be refreshed. The goal is to easier adjust the customer segments in the future.

5.4 Success assessment of physicians’ engagement

5.4.1 KPIs

To start with, the segments “digital affinity” and “content preference” are overall measured based on two main KPIs which are share of voice and Net Promoter Score (NPS). Both are used to measure impact. First, the company tries to drive more interactions towards certain

health care professionals independent of the channel, what is called share of voice. It thus wants to achieve that the most important customers are not missed. Secondly, the company wants to achieve that the customers will be happier about the interactions which result in higher customer satisfaction (higher NPS). For example, if the sales representatives just visit a doctor, it might not change anything. Instead, they need to have a meaningful conversation with that physician. Out of that visit, one gets the interaction itself and the satisfaction of that interaction which is about quantity and quality of an interaction. Derived from the interviews, the interaction mix to receive higher SOV and NPS and therefore more physicians' engagement is very important. The interactions are a mix of the face-to-face visits, phone calls, the number of RTEs and emails sent or webinars. So, the mix of interactions leads to higher SOV and NPS.

Additionally, as one participant mentioned, several sub-KPIs exist dependent on each of these channels. For example, the sales force has an interaction plan for the upcoming quarter which is based on face-to-face interactions and phone calls. These interactions are then tracked and the sales representatives need to have at least 80% of the plan executed by the end of each quarter. Concerning the RTEs, the sales force needs to send RTEs to all the health care professionals of a specific target group of their territory where already a marketing consent exists. Then the opening rate is tracked. With regard to the value of this KPI, everything below 40% is not reasonable and will be reviewed, between 40% and 60% it is successful and everything above 60% counts as a role model. One participant added that the best sales representatives might be able to go to opening rates of sometimes up to 80% on average. Regarding webinars, the HCPs receive a questionnaire during the webinar with standardized questions about the quality of the content, the approach etc. Then these answers are reviewed and the results are adjusted for future events. Moreover, the field force needs to do a follow-up with all health care professionals who attended the webinar and then they need to mark in the CRM System Scout the answers and reactions whether it was positive, neutral or negative. The goal of the company is to have at least 80% of positive feedback to the webinar.

With regard to the value of the share of voice, the participant from Belgium mentioned: *“What value should the KPI be, honestly? There are so many KPIs that you could track. I think in the end, I will track the overall impact and impact, meaning every interaction that really happened. So, meaning if I send out 100 emails and there were only 20 that were*

read, then I only counted 20 that were read.” Furthermore, the NPS is measured via the IQVIA channel dynamics part where the panel of physicians is being asked regularly to assess the quality of the interactions with the pharma company. The participant of Belgium mentioned that they are creating a lot of share of voice on digital but the creation of the NPS on digital is lower than that of the competitors. This can be solved by knowing the customers better. Moreover, the participant from Germany stated that they are having difficulties interpreting these numbers of the NPS data.

To improve the strategy of the KPIs SOV and NPS, in the case of access restrictions in the country due to the COVID-19 pandemic, the company should first drive more interactions with the health care professionals and as a second step try to have more intense relationships with the HCPs. However, if there is no such access restriction, the company should first increase the satisfaction of the customers (NPS) and only increase the reach of the customers (SOV) afterward which is stated in the statement below. *“So, I think as a key part of every exercise at a company that the country should do is, they should, once they have the information on the customer, they should ask themselves the question – what are we trying to drive here? Are we trying to drive interactions with more HCPs? So, are we trying to reach out to more HCPs or are we trying to have a better, more intense relationship with the HCPs that we have? ... I think this is true for both dimensions, ... I honestly believe they're both very linked and they have similar advantages. Of course, one has slightly more impact on one or the other, but it's really the combination of both that will drive the real value I think.”*

5.5 Success assessment of the commercial impact

5.5.1 KPIs

First of all, the activities in the segment “commercial relevance” are measured by the dynamic change of the sub-segments ‘potential’ and ‘propensity’. One participant from Poland mentioned that they do not use the data about the potential they have today, but instead they compare it with the data from yesterday. Therefore, the changes in the data are of more interest. The value of this KPI depends on the product and market situation but it is expected to grow. Furthermore, a relevant KPI here is the market share. The market share is expected to increase depending on the market situation. Novartis Austria mentioned that the commercial relevance segment is very successful since the field force knows everything

about their customers. The sales representatives need to fulfill target definitions concerning the frequency and coverage of targets of HCPs. However, these are rather interactional KPIs than success KPIs since the company cannot evaluate if the sales representative was successful with the visit or call. They can only track the interaction itself. Moreover, the company does not have the KPIs for the segment in general, but they have them individually per HCP. They conduct individual A to B shifts of the health care professionals but not in general for the segment “commercial relevance”.

Regarding the segments “digital affinity” and “content preference”, the organization is trying to drive interactions. Three main KPIs exist. The goal is to have more interactions and at the same time to retain health care professionals as customers who are happier about each interaction. As participants mentioned, these two KPIs, SOV and NPS, then will translate into more market share. That is clear for the digital affinity. For the content preference, the primary driver will be the Net Promoter Score. Although if the company knows their customers better, they will automatically feel more comfortable sending the HCPs more information. The outcome will be that the NPS regarding the commercial impact will result on the one side in more market share and on the other side in a potential increase in share of voice.

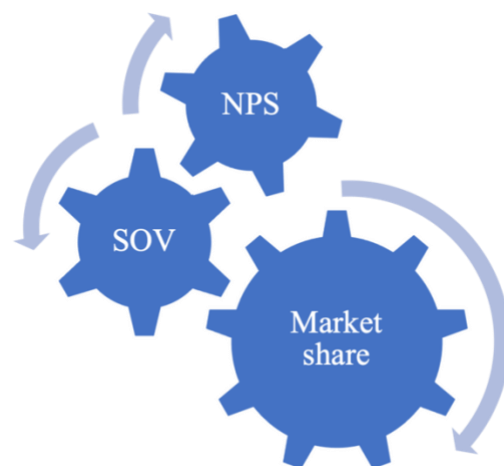


Figure 10: KPIs of the segments "digital affinity" and "content preference" regarding commercial impact

6 Discussion & Implications

This master's thesis identified different segments regarding an omnichannel strategy in a pharmaceutical organization concerning the success of the physicians' engagement and commercial impact. In this section, the researcher discusses the findings and emphasizes the theoretical and practical implications. The work will be concluded by highlighting the limitations and possible future research.

6.1 Discussion

Based on the data that is collected internally and externally, the segmentation and targeting will be performed. The answer to the first research question RQ *“Which segmentation should be considered when developing an omnichannel strategy in the pharmaceutical industry?”*, the results indicate that an optimal omnichannel segmentation strategy in the pharmaceutical company takes a 3-dimensional approach including the segments “commercial relevance”, “digital affinity” and “content preference”. Moreover, within these segments, different criteria can be derived and personas can be found and formed.

However, two countries, Poland and Belgium, went already a little bit further in their explanation of the different segments. The statements below show how they would like to segment in the distant future additionally to the three segments elaborated. It can be debated that a segmentation based on “engagement” should be another segment or simply a sub-segment of an already existing one. It can be also discussed that the content dimension is simply further advanced by going deeper into behavioral drivers. Nevertheless, companies can send customers the right content via the right channel and at the right time but does this mean in the end that the physician really engages with it and in the broader sense with the company? “Engagement” would be going even further than only segmenting after the channel and the content like these statements below show:

“Let's say you are a cardiologist, but you are super interested in how it interacts with diabetes. And this is the right content you really want to engage with and you are asked would you like to hear more, yes or no? Or I'm actually an expert on that, then that would be the engagement. I get engaged differently, right? ... So, it's the right channel, the right content but also the right situation for me I engaged at this moment and this is for me this

golden point that you actually have the content, the channel and you have something that people are interested in, so they want to hear more and then you trigger the campaign not because they are cardiologists not because they are women or they like remote visits. But because this is something that resonated with them.”

“... I believe that we even should go deeper into the segmentation targeting because I think the commercial segmentation will be good, the channel segmentation will be good, but I do believe that content preference is just a baby version of the third axis where I think we really should go to true behavioral segmentation and targeting. Going beyond the content. But really what drives individuals. ... I hope to get there one day. I don't believe that sending the right content by just sending the right content is the way to go with. I do think there is kind of like a journey of every individual and that you need to play into the needs that go below the content of every individual.”

Regarding the assessment of the criteria within the segment “digital affinity” it can be discussed that the actual behavior of the HCPs of the engagement with digital channels is more important than the declaration of their behavior. It holds more weight to see what the health care professionals do. Also, as it was mentioned, the sales representatives are allowed to enhance the assessment of the customers concerning the respective criteria of the segments. Furthermore, they are allowed to give input regarding the engagement plan and the multichannel equivalent (MCQ) data sets. But this sales force based segmentation is suggested to be done carefully since there might exist a bias of the medical representatives.

Regarding the sub-question RQa *“Does a respective segmentation lead to higher physicians’ engagement and thus to higher commercial impact?”*, participants answered as followed:

- *“It's hard to say no to any of these data points. I would say if they weren't successful, we wouldn't use them, right? ... Because basically I assume that if the company used some segmentation then by definition it usually is successful, otherwise it wouldn't be used for segmentation then.*
- *“You asked is it successful? As I shared we are before the point of conversion, so I cannot tell you whether it makes sense, but to be very honest, I would be highly surprised if it wouldn't. If you look at other industries, this type of work always*

works. ... projects related to customer experience, usually translating happier customers, more sales, more traffic or whatever you're trying to measure. So, I would be highly surprised if it doesn't translate for this industry.”

In addition, one participant from Poland said that the segment “digital affinity” concerning the physicians’ engagement is successful as they are SOV leaders in their market. Another participant mentioned that more interactions and more meaningful interactions lead to happier and more satisfied customers which in turn leads to more market share. But there is no data which confirms this. It cannot be said anything more about the impact of a segmentation on the physicians’ engagement and commercial impact derived from the interviews since the companies are in the middle of the implementation of an omnichannel strategy and do not have the data yet in place to analytically evaluate the success assessment. In conclusion, it can be drawn from the interviews that at the status quo it cannot be yet clearly stated if the segmentation is successful, but the general opinion of most participants was quite optimistic that the paths taken will lead to further success.

After the segments are identified, marketing strategies can be built for these segments to achieve a competitive advantage (Kakisheva, 2020). The next step will be the quantification of the marketing and sales activities and to receive richer segments to offer more specific channels and content. So, the more segments there are the richer it gets, therefore every segment is needed.

6.2 Theoretical Implications

Recent research has already emphasized the importance of a respective omnichannel segmentation (Barwitz & Maas, 2018). Nonetheless, this thesis complements this research in the pharmaceutical industry by discovering new segments which will be the basis for the development of an effective and successful omnichannel strategy. Most studies already begin to examine customer journeys and customer experiences without taking one step before this – having an effective segmentation of their customers in place. As Barwitz and Maas (2018) state, *“particular areas of concern involve the understanding of the reasons for customers' interaction choices and adoption of an effective segmentation approach that provides better customer experiences in this complex environment at sufficient scale”* (Barwitz & Maas, 2018, p. 116).

Through an effective segmentation of the customers, the company might better manage the customer experiences and the customer journeys of the physicians to achieve a higher commercial impact. Moreover, the company can focus on the chosen segments of customers and can provide them with appropriate interactions and is then able to provide them with superior experiences (Barwitz & Maas, 2018). However, customer journeys are very individual when thinking of all interactions and channels. Therefore, theoretical segmentation approaches might not always be sufficient. Due to an elaborated fixed segmentation strategy, it will be operationalizable in practice. Furthermore, as Akar (2021) mentioned, segmentation is highly important to influence particular customer segments in buying a product which on the other hand will lead to more products sold. So, this master's thesis contributes to current research with a suggested segmentation approach in the pharmaceutical industry and by examining this segmentation regarding the commercial impact and the physicians' engagement. This perspective of understanding the impacts of omnichannel segmentation in the pharmaceutical industry at an early stage of an omnichannel strategy may lead to future research in this area.

6.3 Managerial Implications

This work provides practitioners with important insights into the omnichannel business with regard to a respective segmentation and an idea of how to develop successful omnichannel strategies in the future to improve the physicians' engagement and thus the commercial impact of the company.

The medium-term goal of the organization is to use a 3-dimensional segmentation and targeting: “commercial relevance”, “digital affinity” and “content preference”. Afterward, it is considered to upgrade the way how this picture of the customer is used to have more and deeper interactions by setting partially automated customer interaction plans since it is not only about getting the segmentation and targeting in place but also operationalizing that. An effective segmentation approach can be furthermore used as a basis to then create tailored customer experiences and touchpoint journeys and engagement plans (see Appendix G) for the respective segments or even further going, for every individual HCP. Setting up customer journeys that are meaningful based on those preferences will be a big next step for the organization.

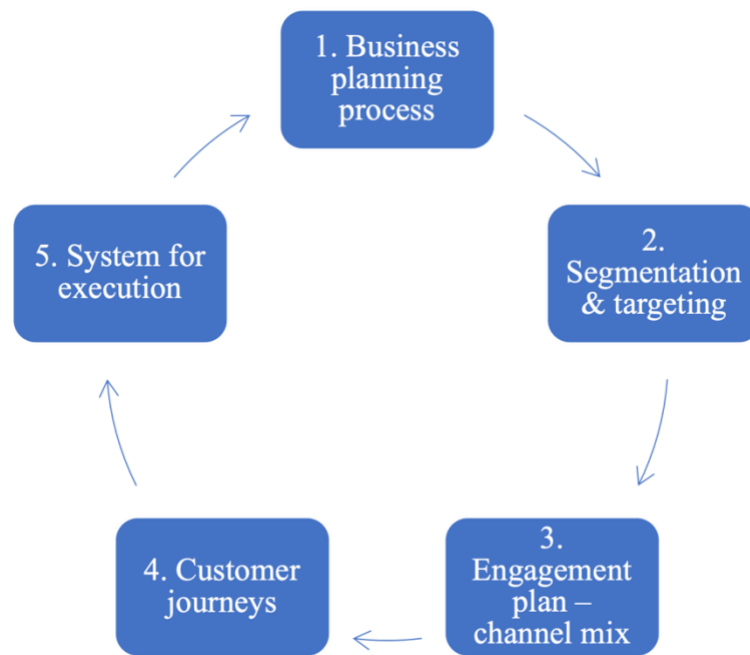


Figure 11: From planning to execution of an omnichannel strategy

Figure 11 shows that at the beginning of each omnichannel journey, first, a business planning process should be done to illustrate the expected results and achievements of the company. Second, it is recommended to establish segmentation and targeting. However, if one talks about the topic “omnichannel” it is broader than segmentation and targeting. In the end, the ultimate goal will be to have a personalization in place, a segment of 1, meaning that every individual health care professional receives a tailored approach consisting of the right channel and content. The aim will be to establish personal relations. To achieve this, the quantification and operationalization of the data will be the next important step after the segmentation and targeting is in place. The company needs to know everything about its customers – the channel, the content and the timing that each individual health care professional prefers.

Third, the next step will be to create engagement plans including a channel mix to observe how many interactions are needed to achieve the expected results. Two countries, Poland and Croatia, already have multichannel interaction plans in place. *“We did this kind of planning on the brand level”*, as one participant gave the information. The participants were asked during the interviews to provide such a plan to see the advancement of their omnichannel strategy. An engagement plan indicates how many interactions by which channel must be performed to achieve the goal that is set by the company. Then by applying

the number of activities and interactions the company can calculate the MCQ of those activities. The MCQ is the calculation of the weight of the particular activity compared to the medical representative's visit. For example, if an email is sent, it is calculated how much of a promotional impact the company makes compared to a physical F2F visit of the sales representative. If the weight of the email is 0.2 then 5 emails need to be sent by the medical representative to have the equal of one visit. Belgium mentioned that as soon as this plan is constructed, the sales representatives are allowed to optimize the plan. *"Once we decide what is the KPI we want to drive ... then we tell the rep this is what we would propose and then we let the reps tweak and I think that's the main difference in how the interaction plan will look like for us versus all of the other countries. For the other countries from what I've seen so far, usually they say this segment means this interaction plan and it's forced, and their reps cannot change anything, but it means it becomes very dependent on how much data you can process centrally. While I do believe honestly in giving the reps some freedom to tweak. So that's the only thing that I really think that is going to be different for us from probably what you get from the other countries."* The idea behind setting up engagement plans is that the company receives better results if the customers are approached with several channels than if they are just approached with one channel. Based on the different activities the company plans the channel mix for the health care professionals.

Customer journeys need to be set up which are meaningful based on the segmentation preferences. Through these, the company should see what touchpoints have taken place between the company itself and the individual HCP. Therefore, in the customer touchpoint journeys it is recommended that everything is noted, every little detail should be captured. To execute this, the right system and algorithm are needed that puts together all that information of the content and channel preferences. Novartis Austria provided a touchpoint journey of one of their physicians in detail (see Appendix F) to get a sense of the digital affinity and to see if the doctors are going forward with the digital topic. This example provides the touchpoint journey around all the congress activities of one of their biggest congresses in 2021. In this touchpoint journey, several activities and channels were involved such as interviews, RTEs sent, email conversations, post channel etc. and in the end the doctor even requested something through the company. *"We are trying to find a system which helps us to create very fast touchpoint journeys. So, this would then be easier for us to create more of them ... Maybe it's also an excel file or something like that where*

you just can klick and create easily a touchpoint journey. Because then we could ask our field team if they could for example do it for the top HCPs per account that we really see how they interact with them during the year. And it would be also very nice to see kind of a channel mix there.” The outcome of an executable omnichannel customer journey will be to change the behavior of the customers.

7 Limitations and future research

A few limitations can be found in this master's thesis which can influence the findings. However, they might propose directions for future research. First, from a methodological aspect, the sample size can be too small and therefore no significant data might be derived. It might also be difficult to ensure a representative group of people to whom the results will be generalized. Future research should take a bigger sample size into account by conducting qualitative interviews with more and different countries. Second, no competitors will be benchmarked, this will only happen within the Sandoz group. This might affect external validity and thus the generalizability to which the findings can be applied. It is suggested and useful to replicate the research with other organizations in this industry or even go further and look outside the pharmaceutical industry.

Another limitation might be that by only using the tool of benchmarking, it will not show the company what the customers want. It is therefore recommended to take a completely different approach, such as conducting quantitative or qualitative research by involving the customers, the healthcare professionals directly. Also, benchmarking is only efficient if the elaborated and evaluated results through the benchmarking process will be implemented in the company. Then the next step should be to analyze how the performance has improved due the implementation of new strategies (Bhutta & Huq, 1999).

The findings can be the basis for future research in this field, especially regarding an omnichannel strategy in the pharmaceutical industry. The segmentation approach elaborated in this thesis can be taken to further operationalize the data by setting up omnichannel engagement plans and meaningful customer journeys. Furthermore, it is recommended to examine the segments more in detail and further develop them so that in the end a personalization of every individual customer will be in place.

8 Summary and Conclusion

Omnichannel is an emerging topic across all kinds of research fields. Especially due to the COVID-19 pandemic the environment in pharmaceutical companies regarding how to best reach the healthcare professionals has rapidly changed and has become more digital. Therefore, companies need to adapt and improve their omnichannel strategies. In this master's thesis, the researcher examined an effective segmentation approach in the pharmaceutical company Sandoz and thus the impact of a respective segmentation on the physicians' engagement and commercial impact. A qualitative analysis through expert interviews was employed to discover new segments in this field of study and for giving input for further research in establishing customer journeys. The findings highlight how a segmentation approach might look like and what criteria within these respective segments should be considered. The success assessment of the physicians' engagement and commercial impact is closer examined regarding the use of the KPIs and their values. Future research needs to be done to examine the actual success of segmentation on the physicians' engagement and commercial impact as soon as there is more significant data available in the organization itself and through empirical studies.

Appendix A: Interview Questions

Q1. Status Quo & Strategy

Segmentation/Questions	Your answer1	Your answer2
By which dimensions do you segment your HCPs?	e.g. channel	e.g. content
What are the different criteria within the respective segments?	e.g. Channel differentiates between Digital and Traditionalist	
How do you collect the data?		

Q2. Success assessment

Segmentation /Questions		What applies to the segments you listed in answer1, e.g. channel	What applies to the segments you listed in answer2, e.g. content
Commercial impact	Is it successful? (commercial impact)	e.g. yes	
	Which KPIs do you use to measure success?	e.g. market share increase	
	What value should the KPI have?	e.g. increase in MS from 15% to 20%	
	In which format do you track the KPI?	e.g. platform, QS, Excel	
Physician engagement	Is it successful? (physician engagement)	e.g. yes	
	Which KPIs do you use to measure success?	e.g. RTE Opening Rates	
	What value should the KPI have?	e.g. 30%, after 40%	
	In which format do you track the KPI?	e.g. platform, QS, Excel	

Q3. Can you please provide us an engagement plan based on the segments in question 1? (see below example)

Customer segment	N° of HCPs	MCQ ambition	MCQ Mix F2F Digital		Frequency per channel/ <u>cycle</u>							
												
					MCQ	0,45	0,8	0,05	0,5	0,2	1,0	0,25
	785	12	10	2	>	2	1	1	0	-	0	1
	1'150	9	5	4	>	5	-	2	1	2	0	3
	3'942	3	2	1	>	1	-	1	0	-	0	2

Appendix B: Templates with Interview Questions

Appendix B.1: Template Poland

Q1. Status Quo & Strategy

Segmentation/Questions	Answer 1	Answer 2	Answer 3	Answer 4
By which dimensions do you segment your HCPs?	Demography and professional details	Potential	Propensity	Digital Affinity
What are the different criteria within the respective segments?	Specialty, Title, Practice Address	Patient count distribution A,B	Prescription share of Sandoz brands in defined market (analogically to Potential) A – 1,2 decile, B – 3,4 decile, C – 5-10 decile	Digital Affinity score computation tailored based on availability of real data points and quality of prediction.
How do you collect the data?	External vendor	External vendor (HCP Prescription data)	External vendor (HCP Prescription data)	Survey to HCPs Real behaviours

Q2. Success assessment

Segmentation /Questions	What applies to the dimension: Demography and	What applies to the dimension: Potential	What applies to the dimension: Propensity	What applies to the dimension: Digital Affinity
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professional details					
Commercial impact	Is it successful? (commercial impact)	yes	yes	yes	yes
	Which KPIs do you use to measure success?	e.g. market share increase	Dynamics change (grow/decline Y/Y-1)	Dynamics change (grow/decline Y/Y-1)	Selecting cut off points for: a) digital savvy, b) digital oriented c) traditionalists
	What value should the KPI have?	100% database segmented	Depending on product/market situation. Expected to grow.	Depending on product/market situation. Expected to grow.	90-100% of database segmented
	In which format do you track the KPI?	SQL, Own Data Warehouse, Dashboards	SQL, Own Data Warehouse, Dashboards	SQL, Own Data Warehouse, Dashboards	SQL, Own Data Warehouse, Dashboards
Physician engagement	Is it successful? (physician engagement)	yes	<u>yes</u>	<u>yes</u>	<u>Yes, SoV leaders on PL market</u>
	Which KPIs do you use to measure success?	e.g. RTE Opening Rates			SoV

	What value should the KPI have?	e.g. 30%, after 40%	Above the market, above the competitors	Above the market, above the competitors	Above the market, above the competitors
	In which format do you track the KPI?	e.g. platform, QS, Excel			

Q3. Can you please provide us an engagement plan based on the segments in question 1? (see below example)

Example engagement plan for Cardiology in 2021

Plan - 2021								
Channel	# of content pieces/events	Reach % (on total Tgt)	Total Planned Reach (# of contacts)	# of Working Days	Daily Call Rate	# of Active Medical Reps.	#of TP	MCQ
F2F	-	-	-	15	8	2 520	321 300	321 300
Remote Detailing	-	-	-	15	2	2 520	87 150	74 949
Phone Call	-	-	-	15	1	2 520	18 900	15 876
RTE	36	30%	64 798	-	-	-	64 798	46 655
Webinars & Conferences	49	-	5 696	-	-	-	5 696	4 691
HCP Portal	220	-	32 400	-	-	-	32 400	24 300
Mass Mailing	45	10%	24 584	-	-	-	24 584	15 488
Banner								
Total							554 828	503 258

Appendix B.2: Template Germany

Q1. Status Quo & Strategy

Segmentation/Questions	Your answer1	Your answer2
By which dimensions do you segment your HCPs?	1. Commercial relevance 2. Channel preferences 3. Content preferences	
What are the different criteria within the respective segments?	1. A, B, C, (D) based on prescriptions / sales in pharmacies (on reg. level as no individual transparency allowed in Germany) 2. Digital engagement preference, hybrid engagement preference, traditional only 3. Depends on business, e.g. studies, patient infos, economical reasons etc	
How do you collect the data?	Internal: Based on CRM interactions and sales rep assessment (consent as prerequisite), external data by IQVIA	

Q2. Success assessment

Segmentation /Questions		What applies to the segments you listed in answer1, e.g. channel	What applies to the segments you listed in answer2, e.g. content
Commercial impact	Is it successful? (commercial impact)	Market share E-Mail/RTE open & click-through rates	
	Which KPIs do you use to measure success?	Market share Limited insights: IQVIA NPS	
	What value should the KPI have?	Increase/depending on the market situation	

	In which format do you track the KPI?	QS	
Physician engagement	Is it successful? (physician engagement)	so	
	Which KPIs do you use to measure success?		
	What value should the KPI have?		
	In which format do you track the KPI?		

Q3. Can you please provide us an engagement plan based on the segments in question 1? (see below example)

(Not in place yet)

Appendix B.3: Template Belgium

Request for Master Thesis

Topic: The importance and key criteria of an omnichannel strategy in the pharmaceutical industry based on best practice examples of selected Sandoz countries

Sender: Victoria Rössel

Please fill out the following details:

Name:	Nicolas Steylemans
Business Unit:	Commercial Excellence
Profession:	Head of Commercial Excellence
Country:	Belgium

Information on my research question (only for your information)

My research question is:

Which personal and technical criteria should be considered when developing a holistic omnichannel strategy in the pharmaceutical industry in order to achieve commercial impact?

As a medium term goal, we will be using a 3 dimensional segmentation & targeting: Commercial, Channel Preference, Content Preference

Afterwards, we will be upgrading the way we use this picture of the customer (more & deeper interactions), by setting partially automated customer interaction plans.

Once this is set up, I believe we should advance the content dimension, by really going deeper into behavioral drivers.

My two hypotheses are:

- a) Content relevance of communication has a positive impact on physicians' engagement and thus on commercial impact.
- b) Channel preference has a positive impact on physicians' engagement and thus on commercial impact.

Please fill out **all fields marked in green** in the tables below:

Q1. Status Quo & Strategy

Segmentation/Questions	Your answer1	Your answer2
By which dimensions do you segment your HCPs?	Digital affinity: High, Medium, Low Next, we also capture channel choices	Content
What are the different criteria within the respective segments?	High, medium, low	Governance, Patient, Scientific, Services
How do you collect the data?	IQVIA project, HCP Survey	HCP Survey

Q2. Success assessment

Segmentation /Questions		What applies to the dimension you listed in answer1, e.g. channel	What applies to the dimension you listed in answer2, e.g. content
Commercial impact	Is it successful? (commercial impact)	TBC	TBC
	Which KPIs do you use to measure success?	SOV & NPS => MS	NPS => MS Potentially also SOV increase
	What value should the KPI have?	TBD	TBD
	In which format do you track the KPI?	QS + Excel	QS + Excel
Physician engagement	Is it successful? (physician engagement)	e.g. yes	
	Which KPIs do you use to measure success?	Overall impact: -More interactions (SOV), incl. #RTEs sent, RTE opening	Overall impact: -More interactions (SOV), incl. #RTEs sent, RTE opening

		rates, Qlik through rates, Qlik through rates, webinars conversion, participation, ... -Higher Customer Satisfaction (NPS)	rates, Qlik through rates, Qlik through rates, webinars conversion, participation, ... -Higher Customer Satisfaction (NPS)
	What value should the KPI have?	TBD	TBD
	In which format do you track the KPI?	QS + Excel	QS + Excel

Q3. Can you please provide us an engagement plan based on the segments in question 1? (see below example)

Customer segment	N° of HCPs	MCQ ambition	MCQ Mix		Frequency per channel/ cycle							
			F2F	Digital	channel							
					MCQ							
					0,45	0,8	0,05	0,5	0,2	1,0	0,25	
	785	12	10	2	>	2	1	1	0	-	0	1
	1'150	9	5	4	>	5	-	2	1	2	0	3
	3'942	3	2	1	>	1	-	1	0	-	0	2

We are about to start this exercise so no concrete example for now.

Appendix C: Audit trail

Table 4: Researcher diary

WHO – Name	Country	When	Status	Template	Consent Form
Lidia Tseitlin	Germany	Monday, 14.02.2022 12:30-12:55	DONE	received	received
Giulia Maria Bolognesi	Switzerland	No answer on request			
Nicolas Steylemans	Belgium	Wednesday, 23.02.2022 14:15-14:55	DONE	received	received
Dorota Wysocka & Sebastian Dzierbicki	Poland	Thursday, 03.02.2022 12:00-13:00	DONE	received	received
Nadine Schaal	Austria Novartis	Tuesday, 15.02.2022 11:30-12:00	DONE	Did not fill out	received
Iskra Pavlinac Josipovic	Croatia	Tuesday, 29.03.2022 15:30 – 16:00	DONE	Did not fill out	received
Dmitriy Zenkov	Russia	No answer on request			

Appendix D: Coding Book

Table 5: Coding book

1 segmentation	16
1.1 commercial relevance/segmentation	20
1.1.1 demography & professional details	5
1.1.2 potential (+)	10
1.1.3 propensity	6
1.1.4 influence level of HCP	3
1.2 digital affinity (+) (+)	24
1.3 content based/behavioral segmentation (+)	20
1.4 engagement	4
2 criteria within segments	19
2.1 scientific content	1
2.2 patient related information	1
2.3 service-oriented doctors	1
2.4 governance	1
3 data collection	10
3.1 external data collection	11
3.2 internal data collection	15
4 personas	4
5 success assessment - commercial impact	13
6 success assessment - physician engagement	17
7 KPIs	25
8 KPI value	11
9 KPI tracking	11
10 strategy	21
11 operationalization	9
11.1 engagement plan	10
11.1.1 MCQ	4
11.2 customer journey	4

Appendix E: Interview Transcriptions

Appendix E.1: Sandoz Poland

Interviewer: Victoria Rössel (VR)

Interviewee: SD & DW

Date and time: February 3rd 2022 12:00

Location: MS Teams

00:00 – 30:07

00:00 --> 00:10

VR: So, thanks for taking your time again. Maybe you can introduce yourself just quickly, your name and the business unit and the country you are working in.

00:11--> 00:24

DW: Sure. Dorota Wysocka, customer excellence. I'm multi-channel and digital manager. Poland, of course.

00:24 --> 00:24

VR: OK.

00:26 --> 01:02

SD: Yeah, so my name is Sebastian Dzierbicki. I work in a commercial excellence unit. My role is a channel development and digital solutions manager which means well, basically, I mean in reporting directly to Dorota, so we are together with one team. We represent the digital of Sandoz in Poland. So, whatever the new solutions are coming there, we are there to evaluate them and bring them to the market.

01:03 --> 01:19

VR: OK, thank you. So, my first questions would be concerning the status quo and your current strategy in your company. So, by which dimensions do you segment your HCPs?

01:21 --> 03:58

SD: Right, so here I proposed for different dimensions. So first, again. Depending on who you talk to, it will be, you will get a different answer about by which data we segment people. So, for me the most basic stuff is demography and the professional details. So, things like specialty or the title or the practice or the city of practice of the HCP is of course the information that we rely on in order to segment HCP's as well, right? So, the second dimension is a potential, so long story short, the number of patients that are

treated by the given HCP. Let's see. And then we have the propensity, which will basically means that prescription share of Sandoz brands among the fight market, right? So how does the, I would say, what is the likelihood for Sandoz product to be prescribed instead of the competitors, right? And then the final one is the dimension called digital affinity. So well basically how much the digital channels are preferred by HCP, and by preference we mean both declared and also the actual likelihoods to use those channels because, you know, especially in a Covid situation there are HCP's who might be a little bit tired of the remote visits and the digital presence. However, it doesn't mean they are not using these channels, right? Because they are necessity, so it's worth paying attention to the fact that sometimes you know there are declaration and there are the reality as well which might differ. And at the end regarding the source of this data.

03:51 --> 03:52

VR: OK.

03:59 --> 04:34

SD: Most of them they come from the external vendor, so we purchased this information from the company who's providing it. So basically, they have the know-how about this information. So, the part that is done let's say locally by Sandoz is collecting marketing consents to those customers so we can use them for the marketing purposes.

04:36 --> 05:03

VR: OK, thank you very much. So, the second question blocked would be regarding the success assessment of the segments you just mentioned. So, maybe we go through it by each dimension. Concerning the commercial impact. My question would be, is it successful?

05:05 --> 05:42

SD: Sure, so well it's hard to say no to any of this data points. I would say since well, if they weren't successful, I would say we wouldn't use them, right? I'm not sure exactly what was the intention to ask, is it successful or not? Because well basically I assume that if company used some segmentation then by definition it usually is successful, otherwise it wouldn't be used for segmentation then.

05:43 --> 05:44

VR: Yes, you're definitely right.

05:43 --> 06:59

SD: Right so if you're saying about the KPI's, regarding the demography, we have pretty much entire total universe covered. Regarding the information about the customers we

have, so we know if we talked to the doctor. We know obviously his address specialty and things like that which is important for us to plan the visit and also assign the right person to the right medical representative, for example, right? So, I would say that this is successful, and it is like a baseline to even start, right? So, 100% of the database segmented. And the data again, we get it from the external vendor and analyze it through the tools we own in a company like data is stored in the data warehouse and then dashboards analyzed by data analysis team and so on so forth.

07:01 --> 07:09

VR: OK, maybe you can go a little bit more detail? Which KPI's you used to measure the success concerning the different dimensions?

07:12 --> 09:00

SD: So, well. For the demography I would say I don't have any other KPI than the percentage of databases that we have covered in this database, right? So here as just everyone. Right so then maybe let's moving onto the potential. Because that's maybe easier to grasp. Again, I would say the way we measure it is the dynamic change, right? So, it's not, maybe information about you know what is the potential today? But is it bigger than yesterday, right? Or smaller? And why, right? So, the changes are more of our interest. So, this is why I, as a key KPI propose something like that, right. And then regarding what value should we have here? It's really the discussion that depends on the particular product. So, it was very hard for me to be specific since we do not speak in for any specific product here, right? So, maybe that would be worth noting. Dorota, did you want to add something please say.

08:59 --> 10:01

DW: I want to add something that this is actually this triggers for me really important things. How much we segment for ourselves and how much we segment for the clients, right? So, if you look at the demography dimension, potential and propensity, this is something we do for ourselves. It's not to serve any better experience to the client, it's rather to get the most we can from the market. And that's why I'm really keen on using another segmentation that we are actually working very intensively on is digital affinity is the first one, so this is a metric that actually serves client. If I segment to in the right way, of course I'm doing that because I want to further my goals, but in the same time you asking HCP get this contact in the channel you prefer, right? And the second one, which I would propose. And if any country uses that currently, that could be really interesting. The second one is this content preference.

10:01--> 12:23

DW: This is something we are really wanting to add, so not only which channels, but also what kind of content. Is it long form? Is it for short form video or maybe rather text or maybe a meeting with peers. Anything that you feel that it's actually you know serving you better. So, this is the second one and the third one what we are actually planning to do is a segmentation based on engagement. So, people who engage with something we would like to segment them in this way. That's why when you, when I was seeing that's what's Sebastian filled in, it actually triggers a lot of, you know, thinking like where do we do it for ourselves? And our KPI is to have it done. It just it. And where do where do we do it to actually? Like I don't know, cocreate some kind of environment to give people what they really want, right? So, this is, I think the conversation we are just starting to have now. That's why I'm really interested about your results. But like looking at this thing like, not in a way like what we have now, but what is needed to have so these two factors this content preference and this segmentation through engagement will be, I think, something that we will try to measure and then KPIs they would be different. Like the KPI wouldn't be, let's say, you know, if I segment digitally on content preference, then I would like to know that this segmentation actually brings me something, like people read more of that right. And so that will be different, like KPI wouldn't be, I want to know what content people like. I would like to deliver content that is better read, has better you know performance, right? So, it's I don't click know through more is you can see that people read it or I don't know they watch the video. They participated well in webinars because they got what they wanted, right? And for this first three the only KPI, so when I was looking at this question, I was really interested what Sebastian will write. Because yeah, but that's super true. That these KPIs are ours, like I want to have this database done and that's all.

12:23 --> 13:27

SD: Yeah, exactly. I mean for me maybe it's worth defining what direction you wanted to analyze when speaking about the segmentation. Because for me, segmentation is just reflecting the market. I mean what are the groups of people? How can we you know, segment them into some qualities? But I don't, I wouldn't say there are bad or good answers, it's just the reality that is reflected that, right? So, for us if, you know the, of course you know when you were speaking about the potential propensity, the higher the better. Of course, right? But I if you ask me, what is the good propensity? Then I will

really start stutter, but because I don't have a good answer. I mean the bad, the good propensity is better than last year. That's for sure and better than market.

13:28 --> 13:41

VR: OK, thank you very much. That's super interesting. One question regarding this. What you just mentioned with the channel and engagement. This goes to digital affinity right to this dimension. Or you mean?

13:41 --> 16:11

DW: Not exactly, because if you like the digital affinity, is the fact like do you like to have, I don't know, be contacted by remote visit? Yes or no? And then so this is this level, the clarity and the second one we were checking. If you are, you know using that and for content preference would be let's say if you prefer digital channels, what kind of content in this digital channels we prefer, right? So, if you like I don't know interviews with calls or if you like different kinds of content, not only digital and non-digital. OK so this would be, and engagement would be something different in general. So, for example if you see, I don't know, editor, right, made on the visit, it can be something that resonated with you, if you are a doctor because this is the thing that actually concerns you. Let's say you are cardiologist, but you are super interested how it kind sites with I don't know diabetes, right? And you are just, this is the right content. You really want to engage with and you are asked would you like to hear more, yes or no? Or I don't know, I'm actually an expert on that then that would be the engagement. I get engaged differently, right? I can be in non-interested and not because of the channel, but because of the I'm not because of the form so I'm not interested in that. Not because it's digital, not because it's webinar, but I'm not interested because I actually never treat diabetes. Let's say in the same time I treat heart disease or the other way around. I'm really interested because I do exactly that, right? So, it's the right channel the right content, but also like the right situation for me, I engaged in this moment and this is like for me this golden point that you actually have the content, the channel and you have something that people are interested in, so they want to hear more and then you trigger the campaign not because they are cardiologists, not because they are women. I don't know they like remote visits. But because this is something that resonated from them. For that in this moment, so these are like really crowd close, but this is like each time a little bit different parts from this part.

16:13 --> 16:35

VR: Thanks a lot for explaining. So, maybe we go now to the second book. To the

physician's engagement. And I would ask you to, yeah, explain here if it's successful and also which KPIs you use here to measure the success.

16:36 --> 17:14

SD: Yeah, and that was exactly the part I had some issues with the evaluating the success rate. May I go back slightly to the digital affinity part because I think it is important to understand that algorithm how we pay attention to that. I pasted into the chat two screenshots two slides. Maybe let's start with the last one. Is it OK if I share my screen? I think it might be easier than.

17:14 --> 17:15

VR: Yes, of course.

17:17 --> 19:21

SD: Alright, so, the propensity and potential the way we use it, is used then to create strategies towards the customer, right? So, depending on the potential and propensity, we assign so called letters to them, right? So, from A to B or A to C depending on the dimension, right? And then we have those with a high potential but low propensity. Then the strategy is to convince right? So, they will be, they will receive different type of content at different type of the key messages that revert to them right? The same goes, well, if there is a high propensity but low potential, then it means that we need to build efficiency, let's say right. And then when we have the high propensity and high potential, it's more a matter of the recognition, then, right, and also still have the group of customers who have low potential low propensity. So, these are like let's say, I would call it lower value or lower potential customers that then we serve on demand. Let's say when it's needed and then these information are used to build targeting and select the customers that are wishing to talk and well worth talking to. Regarding the algorithm for the digital affinity. Because I think that might be useful.

19:22 --> 21:05

SD: So, as you can see, here is a mix of the declarative and the actual activities with the HCPs. So, I don't know if we should maybe go deeper into the algorithms, but as you can see, so we have 3 dimensions. I mean three type of the segments, let's say. So, the A digital savvy, B digital oriented and C traditionalist depending on the their behavior and declarations. So, it's called the 3rd letter. So, we have the potential, propensity and then those digital preferences or digital affinity sort of, say, right. So, if the HCP is likely to have a remote calls, for example, that is already the message to ask that HCP's digital savvy, but if he's not experienced, but declares at least readiness, then still he falls into

this funnel. Then we have digitally engaged what we pay attention to other channels, in digital, like attendance to webinars, RTEs, and basically the information that the HCP is using the digital channels actively.

21:06 --> 22:40

SD: Alright, in case we have information that HCP is not using it that at least we pay attention if he's declaring their readiness to it, right? So, because some of the information we can check ourselves like whether HCP opens and interacts with the messages that we sent to hire him directly, but also the from not the entire database we have this information right? So sometimes we use third party vendors for that so then we based on the declaration as well at least right. And then there is the rest of the customers that fall into the category of traditionalist. And traditionalist still doesn't mean that we do not try to approach them with digital, but here we expect the lower engagement and also, I will try to give them the opportunities to interact with us digitally in order to check if maybe they should have fall into the different category, right. So, effectively, in a remote presence reality there's not so many traditionalists on the market realistically, but still we segment this database according to these criteria.

22:43 --> 22:53

VR: Thank you very much. I don't know if you mentioned it right now, but, how do you track the KPIs? On which platform?

22:55 --> 23:59

SD: So, we have a CRM system, called "Scout". Before it was "Veeva". So basically, no matter the technical solution, basically every message we sent of an email we are able to track whether the email was opened, clicked, delivered successfully and so on so forth. So, based on this we already know that we have interaction with HCP and digital channel, right. So, for the webinars for those who we track the HCP identifier, we are again able to see that that given HCP interacted with us remotely, right? So, this is the way we are able to calculates a multi-channel equivalent of those activities. These so called MCQ. For example.

24:01 --> 24:13

VR: OK. So, I saw you also provided an engagement plan for cardiology in 2021.

24:12 --> 24:31

SD: Yeah, so I paste some example of how the business planning happens, right? So these are the, this is the plan that then is checked against the execution, let's say.

24:33 --> 24:48

VR: OK. Could you explain that plan a little bit further or? What you wrote in there. I can share the screen if that's OK.

24:44 --> 24:47

SD: Sure.

24:48 --> 24:58

VR: OK. Can you see?

24:57 --> 26:03

SD: OK, so during the business planning process, marketing plans activities so well, basically it's always you know, start with some expected results. Then the baseline of the discussion is how much interaction we need to generate in order to have some expected results, right? So, based on this we, I mean, marketing marketers. They plan how many interaction by which channel needs to be happening in order to achieve that, right so by applying the number of the activities and interaction were able to calculate the marketing, multi-channel equivalent of those activities. So, I'm not sure if you're familiar with MCQ, multi-channel?

26:02 --> 26:04

VR: No, I'm not.

26:03 --> 28:31

SD: OK so basically multi-channel equivalent is a calculation of what is the weight of the particular activity compared to this Sales Rep, the medical representative visit right? So, if the medical representative visit is 1 then let's say remote visit is 0.9 for example right? And then if you send the email, how much of the promotional impact you get to by just sending an email compared to the physical visit face-to-face of the medical representative. In our calculation, if I remember that correctly, it's 0.2 right? So, in theory of course, based on a calculation, if you send five RTEs from Rep it means that it's equivalent of one visit. Of course, you know statistically it doesn't make sense to send 5 emails in a row and we will certainly not achieve the success that way. But it bases some assumption that you have a way more result if you approach to their customers with several channels with the same message, than if you approach just with one channel right? So, it's always incremental right? So that way there are activities plans not just the face-to-face, but also the remote visits, phone calls, RTEs, but also some digital activities which are outside our system like webinars or inviting to the conferences. So, based on that we are able to plan and let's say the PDM mix or the channel mix towards the HCPs.

I'm not sure if I was able to clarify that or maybe blur it even more. So please, Dorota, in case I'm drifting away. Please bring me back.

28:26 --> 28:42

DW: Yeah, I'm ready now speaking out. No. It's actually like, you know I am in the same universe, so it's good. I guess I won't tell you if it's understandable or not. I got it, but Victoria feel free to ask any questions.

28:44 --> 28:57

VR: Thank you, I think it's quite clear to me now. Yes, from my side I actually don't have any further questions now.

29:00 --> 29:52

SD: Sure. I would say maybe if you'd like to go deeper into the data. I would probably recommend to you another contact that is more capable. I would invite Andrzej Ziemba to this meeting, but he's on a holiday right now so this is why I did my best to provide it myself. But if you would like still to learn more then I think it's not a bad idea to link the two of you, if you would like to have some more detailed information, because I don't know. They don't know on which level you know you want to go. So, with that, I don't want to flood you with information.

29:26 --> 29:27

DW: Next week.

29:52 --> 30:00

RV: That would be actually really great if it's possible to go yes, further in detail, yes.

29:56 --> 29:56

SD: Sure.

29:58 --> 29:58

DW: Yes.

30:01 --> 30:06

SD: OK, great then it's settled. I will link you guys.

30:07 --> 30:07

VR: So.

Appendix E.2: Sandoz Germany

Interviewer: Victoria Rössel (VR)

Interviewee: LD

Date and time: February 14th 2022 12:30

Location: MS Teams

00:00 – 16:42

00:00 --> 00:30

VR: Thanks again for taking your time today. Maybe a few words to myself. So, I'm working half time with Sandoz in Austria and I'm also writing my master thesis there about the topic omnichannel and I am doing my masters at the main university in Vienna and should be finished by the end of March. So maybe you can introduce yourself quickly, which country you're working in and business unit?

00:30 --> 00:39

LT: Yeah. I'm Lidia Tseitlin. I'm working for Sandoz Germany. I'm heading the digital and customer engagement team here within commercial excellence.

00:40 --> 00:57

VR: OK, thank you very much. So, my first questions will be concerning your status quo and your current strategy in your company concerning the omnichannel strategy. So, by which dimensions do you segment your HCPs?

00:59 --> 01:11

LT: I mean, beyond the commercial segmentation? Or do you also include the commercial segmentation here? But classically we segment by commercial relevance.

01:06 --> 01:07

VR: What do you mean yeah?

01:11 --> 01:23

LT: Um in ABC and this year we started to also look at the channel preferences and at the content preferences. So, it's basically 3 dimensions.

01:24 --> 01:27

VR: So yes, this is what I mean actually. OK.

01:28 --> 01:34

LT: And do you want me? Because in your template you have the question one, question two which, where is the difference in which one do you want me to fill it in?

01:37 --> 01:59

VR: At the first question, and then you have the, you have answer one, answer two. For example. So maybe in answer one you can do one segment and the answer two the other one. I didn't hear you.

02:00 --> 02:01

LT: If I have 3.

02:02. --> 02:03

VR: Ah yeah, OK. Then we need a.

02:05 --> 02:09

LT: I'll do it in a way you can treat it off, send it to you. Then you can shift them though.

02:08 --> 02:08

VR: Yes. It doesn't have to be that concrete like it doesn't have to look that nicely.

02:18 --> 02:19

LT: Does that answer your question?

02:21 --> 02:25

VR: Yeah, yes that answered the first question, and the next question would be what are the different criteria within the segments you just mentioned.

02:36 --> 03:19

LT: Yeah, so for the commercial one. It's obviously our success assessment of their prescription behavior. And for the channel preferences, it's. We have any directions data, the data based on the email, for example interaction. But also for the channel preferences, we are currently running projects with IQVIA. So, it's data basically collected by IQVIA based on which they will be segmenting, and the content preferences it's their assessment of their sales reps for prerequisite.

03:20 --> 03:23

VR: OK, and how do you collect the data?

03:24 --> 03:25

LT: Which ones?

03:28 --> 03:33

VR: In every segment. How do you just get the data?

03:38 --> 06:23

LT: That there are a number of different data sources, and I'm not writing our managed to type that in into your template. But maybe because we are recording it you can just, I don't know if we see somehow structure. Basically, because we have three different dimensions, the data for those three different dimensions are also coming from different sources, right? Now if you look at the commercial relevance data, this is the IQVIA based data which in Germany is not available obviously on the physician level, we're not allowed to know that, but we have bricks. So this is sub regional data where you can see in an area how many prescriptions were generated. Dialing from that you can draw conclusions through the physicians located through the relevant positions for the TA located in that area. We are usually running those exercises every 3-4 years with IQVIA to reassess their potential and then you basically have your ABCD depending and on that, this is how we've then define the segments. We also include the sales reps assessment, so if there is a physician who is marked A but the sales rep knows this one, he says she's not relevant, he doesn't think that this is the one who's generating the prescriptions. Here is also a way to sort of give feedback and refine. This is for the first one. Now coming to the second one, channel preferences. You can have mainly two internal sources of data and an external source of data. For the internal ones we can have interaction data from the from Veeva. So, we are running on CRM system Veeva, we don't have Scout rolled out. In Veeva we can see for example emails sent, emails opened, emails click through rates. From that you can draw certain assumptions. You also see interactions data from the sales reps. Let's say with whom they were maybe video calls conducted. So, you have the data and then I think you can even look sort of the content level data, but usually we wouldn't do that. And then the external data where like IQVIA provides data based on their interactions for the physicians engagement. I have to say that this is all, we are very in the beginning of all those projects, so we are starting to do that now. But then we are running now one project for the content segmentation and we will start planning a second one. But that's basically how we approach it right now.

06:24 --> 06:50

VR: OK great, thanks a lot. So, the second question block would be regarding the success assessment. Maybe we will do first concerning the commercial impact and maybe you can explain there regarding the different segments. If they are successful and in which KPIs you also measured the success and what value the KPI should have.

06:54 --> 06:56

LT: Can you repeat the question again?

06:57 --> 07:24

VR: Yes, so you see the template, right? And I structured it after the success assessment after the commercial impact and after the physician engagement. And maybe we concentrate first now on the commercial impact. And here it would be interesting for me if your segments what you're doing, if it is successful, and which KPIs.

07:01 --> 07:02

LT: Yes.

07:23 --> 07:25

LT: This segment is successful? The activity in the segment or what the customer engagement activity?

07:27 --> 07:28

VR: Yes, the activities.

07:34 --> 08:15

LT: We only look at market shares, so there, the target definitions are we have for sales reps, the frequency and coverage targets. That is sort of the classical sales reps KPI, but this is an interactional KPI's, right? So do they see the physicians in that frequency? So, this is one KPI we're looking at. So, I wouldn't call it a success KPI because it's an interactional KPI, right? We don't know if we were successful with a call, but you know you went there and you talked to the physician. The only metric which we have for success in the market share. Some outdated market share. This is if we don't have anything else.

08:15 --> 08:17

VR: So only the market share, ok.

08:17 --> 08:26

LT: Yep.

08:18 --> 08:28

VR: In which form do you track these KPIs then? Do you have it on a specific platform or in an excel sheet?

08:28 --> 08:32

LT: On QlikSense dashboards via product based QlikSense dashboards.

08:33 --> 08:57

VR: So everything is in there, in the QlikSense dashboards. OK. Then the physicians

engagement. That's the second block, which KPIs do you use there to measure the success? Is it also the market share or is there another KPI?

08:59 --> 09:53

LT: Well, it's mainly the market share. We are looking into Net Promoter score data, but for now we really have difficulties interpreting the data. I know if you are acquainted with that data source. It's the IQVIA channel dynamics part, where the panel of physicians is being asked regularly to assess the quality of interaction split with the pharma companies. So we are looking at it, but we can't draw really conclusions from it, just because of the way how it's assessed, because we don't know if this is the doctor to whom we actually talked a lot. So, I would say we do look at the market share mainly and secondary at the Net Promoter score, we are currently trying to understand what actions can we, how can we interpret those numbers?

VR: OK, promoters score you said right?

09:57 --> 09:58

LT: Net Promoter score.

09:58 --> 10:09

VR: Net Promoter score OK. OK, and do you also track this then in qlik sense or?

10:09 --> 10:29

LT: General Dynamics is not in qlik sense at the moment. There is a web interface of IQVIA. It's running on pads, it's like a web analytics online dashboard type of thing. Where you can define your criteria. We don't have that data in qlik sense at the moment.

10:31 --> 10:45

VR: OK, and one question, when you said you look at the market share. At the KPI, does it count for all the different segments like the channel and content and commercial relevance?

10:48 --> 11:00

LT: Physician is a position, right? This is with whom interact? We can't dissect at the moment the other interactions.

10:50 --> 10:50

VR: Yeah.

11:01 --> 11:17

LT: What we do look at though, that's actually for emails sent. That's actually the only ones where we could look at the quality, so it's sort of a success measure, right? We are looking at open rates and click to open rates.

11:18 --> 11:19

VR: OK.

11:19 --> 11:32

LT: So, what share of the sent emails was open and out of that share, on what share of the emails that the physician actually clicked on something, and that's the KPI then for the quality of, you know, for your emails in the relevance of the rest of them.

11:33 --> 11:50

VR: OK, perfect thank you. That's actually it from my side. Ah, no. But I'm not sure if you have that now. Do you have an engagement plan? That's the third question.

11:51 --> 13:14

LT: No. We have targets, MCQ targets but for, I believe for A, B and C customers. But not on subsegments because we don't have them yet, so we are now currently at the stage to build those, but we are not there in terms of our maturity journey. Because we are just starting it right now. So, at the moment we are looking at, we have MCQs in place. We're looking at overall MCQs, but we don't have that target state in terms of channel mix. So, it's overall MCQ, right? And you have certain equivalence and you have sort of targets for face-to-face interactions, but we don't have targets for mixes of interaction. If let's say you have an A customer and you could say, OK, you want to get to, I don't know, three MCQs per quarter? Sorry, let's maybe five and out of those, two need to be face-to-face, right? And then you need to send them five emails and have three phone calls to fill out. We don't have that in this regularity at the moment.

13:15 --> 13:33

VR: OK, that's no problem, thank you. So yeah, that's actually from my side, all the questions. I will provide the results, of course, when I'm done with it. If you're interested.

13:30 --> 13:36

LT: Yeah. So, to whom else are you talking?

13:37 --> 13:47

VR: I already talked to Poland. And to Novartis in Austria. I will also talk to Belgium and maybe Russia.

13:49 --> 13:55

LT: OK, great. Novartis Germany don't want to participate? That would be super interesting.

13:57 --> 14:06

VR: OK, my tutor didn't tell me that, maybe I will talk to him. Or do you have a contact?
No, it's definitely interesting.

14:08 --> 14:18

LT: I have the contact of their head digital. I'm not sure he will necessarily be the right one.
I'm sure you could reach out to someone there.

14:19 --> 14:24

VR: OK, no perfect. Thanks for the tip. I wrote it down, yeah?

14:23 --> 14:31

LT: And I would be definitely very interested in the outcomes. What is the? What is your research question?

14:33 --> 14:42

VR: My research question is actually, it's written in the template. I can read it.

14:43 --> 14:44

LT: Absolutely.

14:44 --> 15:20

VR: It's, which personal and technical criteria should be considered when developing a holistic omnichannel strategy in the pharmaceutical industry in order to achieve commercial impact? And then does a respective segmentation lead to higher positions engagement and trust to commercial impact? So, I just want to see how the omnichannel strategy looks like, how they segment the countries and if this segmentation leads to higher physician's engagement and higher commercial impact. So that's basically what I'm trying to answer.

15:22 --> 15:29

LT: Yeah. Super curious. Are there countries where the segmentation is completely in place already? Poland maybe?

15:30 --> 15:33

VR: Poland, yes they do. They are actually very advanced.

15:34 --> 16:05

LT: Yeah, yeah. Because for us we are just not there. I think it would be in a year we would be able to say more about how we change the customer engagement action based on the percentage. But it's super interesting. Look, let me type a few more things into the template which you shared, and I'll share that with you and maybe you can add, probably

based on the conversation. If you have any other questions, feel free to reach out there.
Hope this was more or less conclusive, or if you have any questions now, please ask.

16:05 --> 16:07

VR: It definitely was for me, it's clear.

16:08 --> 16:09

LT: OK.

16:08 --> 16:11

VR: And yeah, thanks a lot for taking your time.

16:13 --> 16:34

LT: No worries. Keep me in the loop with the results and if you need any facilitation for Novartis Germany, reach out and but as I said, unfortunately only really know Christian Buehnemann, the head of digital. You can't cc me if you want on your email if you will be reaching out to them. I don't know if it helps.

16:29 --> 16:39

VR: Yeah. OK, perfect thanks a lot and have a nice day.

16:35 --> 16:42

LT: But good luck. No worries. You too. Enjoy it, bye bye.

16:41 --> 16:42

VR: Thank you, bye bye.

Appendix E.3: Novartis Austria

Interviewer: Victoria Rössel (VR)

Interviewee: NS

Date and time: February 15th 2022 11:30

Location: MS Teams

00:00 – 22:07

00:03 --> 00:20

NS: ob you from the team to really have this omnichannel approach to, ah now it's, ich glaube es startet erst jetzt. Now it's the button recording started. Did you capture the minutes before?

00:24 --> 00:30

VR: That's a good question. Why is it only starting now?

00:23 --> 00:29

NS: Ok no worries. That's the question.

00:31 --> 00:35

VR: Recording has started. Started transcription.

00:36 --> 01:23

NS: So, no worries. My name is Nadine Schaal. I am working in Novartis since already five years. I started with an internship in Hematology for three months and then I switched to the communications and patients' relations team for another trainee ship for eleven month and after that I worked as a Project Coordinator within the communications and patients' relations team. And then with our transformation in 2019, I changed to the marketing team to Hematology as a Project Manager and since summer last year I am working as an Omnichannel manager and I am responsible for the whole Omnichannel strategy and for all Hematology brands. Can you hear me? Because you are a bit frozen?

01:23 --> 01:25

VR: Yes, now I can hear you again.

01:25 --> 01:28

NS: Oh no.

01:28 --> 01:28

VR: But I think it should be fine.

01:29 --> 01:34

NS: Ok that's perfect. As long as you are happy with me and your recording its fine.

01:34 --> 01:39

VR: Yeah. Thank you, a lot. It should be fine. Ok then let's start with the first questions now.

01:39 --> 01:39

NS: Yeah, yeah

01:39 --> 01:50

VR: Concerning your status quo and your current omnichannel strategy. So the first questions would be by which dimensions do you segment your HCPs?

01:50 --> 02:23

NS: So, in general we have two dimensions, so two segments for our HCPs. It is not just regarding omnichannel, its regarding our total customer engagement. On the one side we have the influence level of our HCPs and on the other side we have the potential of our hospitals. Currently we are not able to segment between for example channels or something like that, so we have just these two segments for everything we are doing with our customers.

02:24 --> 02:29

VR: Ok and what are the different criteria within these segments?

02:29 --> 03:07

NS: So, the first segment, the influence level of the HCPs, we have three influence levels. So, I am super sorry, I just saw that I don't have the latest version of my notes but let me, so the first, we have influence level 1 is formal or informal influencers. Influence level 2, and now let me just, I need just to open the list again. I am super sorry. Because I needed to restart my computer in the morning and now I just.

02:45 --> 02:45

VR: No problem.

03:15 --> 03:59

NS: Sorry. Okay super slow. So again. Influence 1 is formal or informal influencers. Influence level 2 is independent treatment decision makers of followers, influence level 3 is patient journey influencers, influence level 4 are others for example young students, maternity leaves, or other reasons and then we also have the not tiered HCPs. But if you want, I can also share the screenshot with you. Maybe then it's easier for you.

03:59 --> 04:02

VR: Yes, that would be perfect, thanks.

04:02 --> 04:05

NS: Perfect. Then I will send it to you. So, let me.

04:05 --> 04:05

VR: Thank you.

04:08 --> 04:22

NS: I go back to the work file. So, and then I also answer the last questions for the first segment, the how we collect the data

04:23 --> 04:29

VR: Yes, or you can go on also with the second segment, how you, what are there the different criteria.

04:29 --> 05:00

NS: Yeah. ok. So, the second segment we have the potential of our hospital. And here we classify our accounts. And we classify them as high, medium, or low. And this is based on the size of the population in this account. But this definition of high, medium, and low differ between the disease areas. So, it is not the same for all disease areas. This depends on the indication.

05:01 --> 05:06

VR: Ok. And yes, how do you collect the data in these two different segments?

05:06 --> 05:32

NS: So, the influence level, the first one, is collected in a CRM system, so it is filled in by us and the field team in the CRM system. And the other one, the potential of the hospital, we collect the data in Cognus. And there we have several data sources but to be honest I am not sure from where we get all the data because this is not in our team. This is in the strategic and SBI team.

05:32 --> 05:33

VR: How is it called?

05:33 --> 05:45

NS: SBI, strategic, business and innovation team, the CRM team, we have more or less more fancier name than in Hematology.

05:46 --> 06:13

VR: Ok. Then maybe let's go to the second question block now, to the success assessment. Let's start with the first block. With the commercial impact. And, yeah, maybe you can tell

here if it's successful, which KPIs you use to measure and what value the KPI should have regarding the different segments?

06:14 --> 07:05

NS: So, the influence level, so the first one, it's really successful because our field team knows exactly what is, everything about their customers. And which KPIs do we use to measure the success? This is really based on individual strategy. So, we in Hematology, we have about I think 350 hematological HCPs and this is really individual. So, we do not have this KPIs for the segments in general, it is more individual per HPCs. So, the questions are a bit difficult for me to answer because we have individual A to B shifts but not in general for the total influence level of our HCPs. Do you know what I mean?

07:09 --> 07:10

VR: Not completely.

07:12 --> 07:32

NS: Okay so, it is really successful that we can segment our HCPs into the different influence levels but the problem is that we have of course KPIs but not per influence level of the HCP but individual for each HCP.

07:33 --> 07:33

VR: Okay.

07:34 --> 07:46

NS: Do you know what I mean? I am not able to share a KPI for the whole influence level 1 for example, because there we have different KPI depending on the indication, depending on the account.

07:47 --> 07:52

VR: Okay, no I understand.

07:52 --> 08:19

NS: Okay. Also, the next question what value should the KPI have. That's also difficult. So we have different A to B shifts but to be honest, currently we are a lot working on the account planning and also our field teams are working on a strategy how to shift the physician from A to B. But we started with this process last year and I think we will go one step further now this year to really have discussed the nicest approach for each HCP.

08:20 --> 08:26

VR: Okay. And yes.

08:26 --> 08:48

NS: But the only thing how we track this, yeah ok, this is also a bit individual but the KPIs we track basically in the CRM system. Or the base for the KPIs, let's say it like that. So, we have all our calls and then you can take the data from there out and then make the individual A to B shifts.

08:51 --> 08:58

VR: And yeah, the second segment, the potential of hospital?

08:58 --> 09:12

NS: Of the hospital. To be honest. that is also a bit tricky because as I have already mentioned, a definition between his medium, high, and low accounts is also different by the disease area.

09:13 --> 09:18

VR: Okay. So, you also don't have an overall value or?

09:18 --> 09:30

NS: Yeah, I am super sorry. As I read this, I thought okay you are really advanced in this topic in Sandoz to be honest. We are not that far unfortunately.

09:30 --> 09:40

VR: No problem at all. That's why I am conducting the interviews. Okay. And where do you track these?

09:41 --> 10:02

NS: This is tracked in Cognus, do you know Cognus? This is a system we got. So, the system is filled by several data sources. So, I think from IQVIA and other ones but I am not very sure where we got the data there from but I can ask the team where we get it from and then I can come back to you if you want to.

10:03 --> 10:19

VR: Okay perfect, yes. But that's fine yeah thank you. And the block with the physician engagement. Maybe can you answer there which KPIs you use to measure?

10:20 --> 11:18

NS: So, regarding omnichannel, we are currently focusing a bit on engagements around congresses. And of course, we have there, so our daps, our disease area partners, our sales reps, have the opportunity to choose their preferred physician for the physician engagement but we have some KPIs like touchpoints so meaningful touchpoints or briefing interviews. Then we also collect for example the push interactions versus the pull interactions. Yeah, this is basically the only thing we track with the physician engagement. But this is a bit separate from the influence level of the HCP and the potential of the hospital, but this is

more or less so the first cross functional project where we really want to check a little bit the omnichannel KPIs.

11:18 --> 11:32

VR: Okay. But that's super interesting, okay. And which format do you track it here?

11:33 --> 11:59

NS: So, we track it to be honest in a simple excel file or power point slides. So, me and my colleague are leading a bit these projects and so we are asking the whole cross functional to provide us the KPIs and then we do manually the data. We put this into an excel file or a power point slide, so it's not that.

12:01 --> 12:11

VR: Okay but yes thank you. Okay. I think there you answered all the questions, right?

12:12 --> 12:16

NS: But not that. Hopefully it helps.

12:17 --> 12:24

VR: It definitely. But the question 3. Do you have an engagement plan?

12:25 --> 13:21

NS: So, not in total. Not in total for the whole segments, but we are currently working on an individual omnichannel touchpoint journey. Maybe this is bit similar to this what you are looking for. So, I could just share you what I did for also a congress project. So, let me just open it. Maybe I can show you this and this helps a bit because as I already mentioned we are currently planning on a very individual basis and for example I took here, wait I just share my screen and I also give you.

12:42 --> 12:42

VR: That would be very interesting

13:23 --> 13:27

NS: So, for example here I tried to. Can you see it?

13:27 --> 13:28

VR: Yes. I can see it now.

13:28 --> 15:56

NS: Okay perfect. So, I tried to make a kind of an omnichannel touchpoint journey for one of our tier one physicians. So, this is for example Clemens Feistritz, tier one physician from the west and we also trying to get a bit of a sense for the digital affinity they have. But this is not, that's not the really official tracking we have but just if we work with them, we also want to see are they really going forward with the digital topic or not that strong?

So here you can see for example we had the EHA, this is one of our biggest congresses in 2021. And you can see here that we really had a nice touchpoint journey with him around the whole congress activities. So, for example we asked him if he can do a peer interview for us. This was done by one of our sales reps who called him. Then the same sales rep offered via RTE and congress voucher to him and then they had a face-to-face kick-off for the video interview. And after the kick-off, they also had an email conversation. So, the briefing for the video interview was with the email channel. Then they had the recording. I thought that was via I think it was via MS Teams. And then he attended the congress. Then he got another rep triggered email where his video was sent to him, then we also have the letter post as an own channel. So we also created a material which we then send via post letter to him. And then he attended to a post EHA event and after this, this was really nice to see. He requested something through us. So, this was the only cool interaction in this journey from Feistritzer to us, but it was really good to see. And then also after this whole touchpoint journey, they recapped discussion on this congress moved on. But this is just one example we tried to visualize as a journey. So, an engagement plan for our physicians but we are not, so we don't have this in total as you mentioned it in your word file.

15:57 --> 16:01

VR: Okay that's not problem. But can I ask you something here?

16:01 --> 16:01

NS: Yes sure.

16:01 --> 16:04

VR: So, this is for one doctor, right?

16:05 --> 16:06

NS: Yes, this is just for Feistritzer, yes.

16:07 --> 16:11

VR: Okay but are you trying to do it for more of them in the future?

16:12 --> 17:05

NS: Yes, we are trying but to be honest we are currently looking because this is just a power point slide which I created. So it took a bit of a time and we are trying to find a system which helps us to create very fast touchpoint journeys. So, this would then be easier for us to create more of them. So, we also have an omnichannel workstream within the hematology team and with this workstream we are trying to find something. Maybe it's also an excel file or something like that were you just can klick and create easily a

touchpoint journey. Because then we could ask our field team if they could for example do it for the top HCPs per account that we really see how they interact with them during the year. And it would be also very nice to see a kind of a channel mix there.

17:06 --> 17:10

VR: Okay yeah that's very interesting.

17:10 --> 18:30

NS: I will just do here also a screenshot maybe then it's also easier for you. So, let me just go back to the word file because I also had some notes there. So, I just heard from the SBI team, so from the oncology CRM team, that we are currently trying to plan the engagements with the physicians for this year. The deadline for this plan is end of February. And we want to plan the first half of the year. So, this is just the only thing we have for this engagement plan. I just see, because the problem was that our access is really hard during the Covid times. So, we cannot go into the hospital, and now we are really trying to have as much meaningful interactions as possible. And so, we really tried to create such an engagement plan, such an account plan to really have this is also. Yes. But just there is nothing more she wrote.

18:31 --> 18:32

VR: Okay. Perfect.

18:34 --> 18:45

NS: But I really liked this picture from you. Is this really from Sandoz? Is this a customer segment plan? Or is this just an example from your side?

18:46 --> 18:51

VR: This I took out, yes, I actually have it from a Sandoz PPT presentation.

18:51 --> 18:53

NS: Ah nice. Nice.

18:54 --> 18:57

VR: But I don't know which one right now.

18:57 --> 19:25

NS: No worries. But it's very interesting. So, I also like that you also have the channels here, so that you really plan by when you contact whom, through which channel. I really like this approach. So maybe we also have at the end of the year something not as advanced as this is but maybe something like that for the main physicians in Hematology. Would be great.

19:25 --> 19:35

VR: I will definitely, I give you as soon as I'm done with the analysis of the results. So maybe you can also take something out of it.

19:33 --> 19:44

NS: Great. This would be great. And just one curiosity question. So, you are also tracking this in your CRM system the whole data?

19:45 --> 19:47

VR: Yes, right now in Veeva.

19:47 --> 19:47

NS: In Veeva, yes.

19:48 --> 19:52

VR: But Scout is coming out at the moment. Do you know that?

19:53 --> 19:53

NS: How is it called?

19:54 --> 19:55

VR: SCOUT.

19:55 --> 20:02

NS: Scout. So not yet. But sometimes Sandoz is a bit earlier in launching something than Novartis.

20:01 --> 20:01

VR: Ok, ok.

20:02 --> 20:11

NS: But maybe we also get this. So, I didn't heard it but maybe it also comes to us.

20:11 --> 20:22

VR: Ok. Maybe. I mean we in Austria, I'm not sure how advanced we are at Sandoz actually. For example, Poland is I think they are the leaders.

20:23 --> 20:34

NS: Yeah. Ah interesting. Interesting. Yeah, so I'm happy to read then the results if you share it with me, maybe I can take something out and also plan it for us, would be very great.

20:35 --> 20:39

VR: I definitely will. Thanks a lot for the interview again.

20:39 --> 20:48

NS: No worries. I am super sorry that we needed to postpone it and that I am not that prepared.

20:48 --> 20:49

VR: No problem.

20:49 --> 20:52

NS: But hopefully you can still take something out.

20:53 --> 20:55

VR: I definitely can.

20:55 --> 21:01

NS: Okay perfect. So, I will share you the two screenshots in the chat and if you need something else please just reach out to me.

21:02 --> 21:04

VR: Perfect, thanks a lot.

21:04 --> 21:05

NS: You are welcome.

Appendix E.4: Sandoz Belgium

Interviewer: Victoria Rössel (VR)

Interviewee: NS

Date and time: February 23rd 2022 15:15

Location: MS Teams

00:00 – 39:32

00:00 --> 00:01

NS: Is it readable while I'm sharing?

00:03 --> 00:08

VR: Yes, I can read it perfect. OK. Thanks.

00:08 --> 00:52

NS: So, look, I started filling in to my understanding, but maybe correct me if it's, you were asking a different question. So, my name is Nicholas Steylemans. I'm not really part of a business unit, so I'm part of commercial excellence like Michael Schick was. So, my job is head of commercial excellence for Belgium. So that's about it. So, if that's OK, then we'll just dive into the questions. So, your first question was on your research questions which personal and technical criteria should be considered when developing a holistic omnichannel strategy in the Pharmaceutical industry in order to achieve commercial impact look.

00:37 --> 00:59

VR: Yes, perfect. But you don't really have to answer my research questions, just a template I sent.

01:00 --> 01:00

NS: OK.

01:00 --> 01:04

VR: Maybe it's, but you can also tell me something about that. That's totally fine.

01:04 --> 01:07

NS: Template you sent so maybe I did something wrong.

01:06 --> 01:11

VR: Do you know? The template is in there, just on the next side.

01:11 --> 01:12

NS: Ah, you mean this?

01:12 --> 01:18

VR: Yes, I mean these template questions. Yes.

01:15 --> 01:46

NS: So it's overlapping, so it will be a little bit double, but I think that's fine. So, look if you talk about what we need to do as an omnichannel, I think the question is broader than only segmentation and targeting, but I think your question was mainly related to how do you set up a segmentation and targeting and then afterwards how do you, what do you expect to change, right? So, I think that was more your scope of your research. I do believe it's a lot more broader than that but.

01:26 --> 01:45

VR: That's fine. Yes, exactly.

01:47 --> 02:45

NS: But I think it's a good it's where most of Sandoz is at this moment and I think probably a lot of the companies or industries that were not advanced before COVID are probably at this stage. So that's a bit of how I see it. We just had a Comex offsite by the way with cluster two and most of the other countries are either a slightly more advanced than we are or slightly behind us or on the same path. So just for reference, in terms of the scope, this is also how the other countries are looking at it in terms of just an idea. You know which countries are in cluster 2, right? So, it's the other countries like Slovenia, Croatia, Czechia, Romania, they're all going about more or less in the same direction. Everybody has their own implementation, but that kind of gives you an idea of this is at least relevant for Sandoz, let's say like that.

02:45 --> 02:49

VR: So, these countries are going in a similar direction like you are going?

02:49 --> 02:49

NS: Yeah.

02:50 --> 02:51

VR: OK, got it.

02:54 --> 05:55

NS: So, look, I think at the moment to give you a bit of background. So, we started in 2020 with COVID. We had a very outdated CRM system. So, we had very limited, depending on which team we had, either a purely commercial segmentation or sometimes

we had also some kind of a content based/behavioral segmentation but to be very honest, the teams were not always using all of that information, so the main driver was usually commercial. We've been collecting a lot of information throughout last year, but because of some vacancies in the team, we have not really translated that into an updated segmentation and targeting, although we do have a plan to do it. So that's the bit where we are.

So, what did we collect in terms of information? We did a market research study with IQVIA where we gave them all of our operational data, all our interaction data of the last years. And together with them, we took a subset of the total universe in Belgium which was relevant for us. So 20K physicians where we did digital segmentation on. And then next to that, we did an HCP survey, that we do in the face-to-face conversation where we answer a couple of questions together with the physician. And then based on that, we get information on the digital affinity and on the content preference. So that kind of gives you an idea of what we want to do in the short term or in the medium term. We want to get through the typical 3-dimensional segmentation targeting that I think you've probably already seen. So basically, commercial, channel preference and content preference.

I think as a next step, once that's there, I do think that we need to use that picture to create better interactions because it's not only getting the segmentation and targeting there, but it's really operationalizing that. And I think if you talk about a big step after that, it's really about setting up customer journeys that are meaningful based on those preferences. And then after that I believe that we even should go deeper into the segmentation targeting because I think the commercial segmentation will be good, the channel segmentation will be good, but I do believe that content preference is just a baby version of the third axis where I think we really should go to true behavioral segmentation and targeting. Going beyond the content. But really what drives individuals. Now I'm not pushing this because I do believe in you need to first walk before to run and I don't think we are there close to. But I'm just giving you that picture because for me, I hope to get there one day, right. I don't believe that sending the right content by just sending the right content is the way to go with. I do think there is kind of like a journey of every individual and that you need to play into the needs that go below the content of every individual.

05:55 --> 06:01

VR: OK. Thanks a lot for this background. It definitely gives me a clearer picture now what is going on.

06:00 --> 06:07

NS: OK. So maybe if I go to your questions and more in depth, right, so.

06:07 --> 06:08

VR: Yes, perfect.

06:08 --> 08:36

NS: So, look, you kind of structured in a way that was very easy because we are aligned with, I think the hypothesis you want to prove right. So, what are we doing? We are complementing our existing commercial segmentation and targeting with a digital affinity, what we call, and a content affinity or content segmentation. Why do I use digital affinity and not digital or channel preference too much at this stage is because in the first stage, we don't have the analytical capacity and already experience to go model per channel because there is multiple ways of looking at it, right? Do you look at channel preference as a 1-dimensional thing or do you look at as a multi-dimensional thing? Because to be honest you could look into every channel you have and go measure the preference of every individual in every channel but you easily get to maybe 5,6,7,8 or even more channels, and if you only take two commercial segmentations and then you already use like 5 channels and then you even use four buckets of content, you easily get two hundreds of mini segments, which is too much to handle for a team that is used to work with four segments. You know what I mean? So, it to make it more realistic in the short term, how we'll probably do it, of how I'm thinking about doing it, is probably using a high, medium, low. That's also how we are doing the analysis at the moment. We use a high, medium, low digital affinity. And we will make an assumption that the average person that is in high, medium and low likes this mix of channels meaning a high person will probably like all of the channels and medium person will probably feel comfortable with emails and doing an occasional video conversation. But probably the video conversation is not a preferred channel. You know what I mean. So, we kinda will make an abstraction of what is the average per digital affinity level and then we'll give some, as we have some information on an individual level of each channel, we'll let the reps tweak the plan a bit before it goes into the CRM system. So how I would like to work is we make a proposition from the commercial excellence team on every customer level, and we let the reps tweak based on their knowledge of the customer that they acquire through the HCP surveys that we did, right? I don't know if that's clear of what I'm sharing with you?

08:36 --> 08:39

VR: It definitely is. I can follow, yes.

08:38 --> 11:05

NS: So, look, if you ask me what are the three criteria within the respective. So, for me it's just, we map everything on the high, medium and low segment and how we got the data is from indeed the IQVIA project and the HCP survey. But for me the next step there will be to operationalize it because at the moment it feels like an on top thing. But I believe it should be part of the reps daily day to day journey, right? They should be prepared, they go in, they think they know this is a low digital customer, right? I maybe should not talk about an RTE, I should talk about an RTE. I don't know. Look we need to talk how they have to use it. But then if they see for example this, this doctor starts proactively talking about an RTE, I sent him two months ago and is interested about knowing more. It means he read the RTE. You know what I mean? And then if you see couple of these signals, the rep should have an open conversation with the doctor about. Look, I see you, you're evolving more to "lalala" is this confirmed? And then the reps should automatically adjust the segmentation targeting of that doctor or not a segmentation targeting but the attributes of that doctor, because what I would like to do is use all the attributes that we are now capturing to make one segmentation and targeting. So, the reps can tweak those. So, when we refresh the exercise, we have better supporting data to make that exercise. You see what I mean there?

So, for example, now if you have a customer profile in a in a CRM system, you have all of the data on the customer, right? So, you know the name, you know this specialty, the address, the primary place over the secondary place of work, the contact details, the opt-in, all that kind of chisel, but then there's also the segmentation targeting info, but there's also other attributes that you can keep. So, for example, let's assume that we say this is a I don't know, a digital pioneer if you want to call the segment like that. But we came to that conclusion because he loves webinars. He loves video calls, he loves RTES, but he hates telephone calls, but on average it means it's a digital pioneer. Then that's the conclusion, right? But if over time you see that he says I have enough of video calls, I have enough of webinars, then you need to adjust those little elements. And then when we refresh the exercise, then we will say OK. But this means he dropped down in his segmentation on the digital access. It means we need to take him down and we need to adjust the call plan based on that.

11:06 --> 11:10

VR: But this would be the specific personas then right which you create?

11:10 --> 11:11

NS: Yeah.

11:10 --> 11:16

VR: Yeah, but you don't have that yet in place. That's just what you want to do, OK?

11:14 --> 17:41

NS: No, this is the current discussion because like I said we came from very far with the CRM system and we need to. It's always a decision that we take, although we know what we want to do, it's always a decision of how much can we have the reps absorb in terms of knowledge and the way of working. And we also had a change in marketing strategy and commercial strategy. So, it's always a decision of how much of change are we going to bring each cycle and what is going to be the priority for the reps so. Although we could have probably changed it six months ago or a year ago, we really believe in making a gradual change because in the end it's not about what is in the system, but it's about driving different kind of conversation. And at the same time, to be very honest, I know that it really feels weird, but at a certain point in time that the field force doesn't become the bottleneck anymore and commercial excellence has become the bottleneck anymore. But it's the BU who becomes the bottleneck and the reason why I'm saying that is because to drive impacts, marketing will need to work differently and create different types of content and more content for different channels and to create. Because you will create a higher level of complexity, which means you need to have more scenarios which means that you need to have content for every relevant scenario. So, the balancing exercise that we are trying to do on a local level is to make sure that we run together at the same speed and that not one team runs ahead and is frustrated about the other team is lagging behind. And at the same time, the other teams lagging behind or frustrated about a team running in advance. But then we were lagging on some other projects. So, it's a really constant balancing exercise of what makes sense there. I think it's a local decision because it has to do with for example, for us, we didn't have the systems. Now we have the systems, but at the same time marketing is other projects that they need to prioritize. So, it's really not a standalone thing. Unfortunately. So that's a little bit where our method to digital access on the content side.

At the moment it's look, we have a content access. We created four buckets that we measure the people towards. We used to have six, then we had three, then we had five,

and now we landed on four and I'm pretty sure it will change again in the future. For me to be very honest it doesn't matter that much. I think we need to agree on the limited amount of buckets that we want to use because like I said the more complexity you capture. It's not worth capturing more complexity if you're not using it because the impact on the market only comes from leveraging the information that you have. So, if you have, if you can only handle two segments, why then segment people into 15 buckets, if you can only handle two. So that's a bit of the discussion we are having internally. We agreed that we could handle probably three to five segments in terms of content creation, right? And here we kind of created four ones across the board which were scientific. So, doctors would like to get really the latest studies, the latest findings, all these kind of things. Patient related information like for example which types of patients do you need to use this for? How does the patient feel during the treatment? How is the journey of the patient on this drug? What are the, not the side effects necessarily, but for example people who get cancer, I don't know, don't only need drugs, but probably benefit from using support groups or, you know, all that kind of thing that is related to the patients. Then we have what we call service-oriented doctors. Doctors that's next to information would like to get additional services like, I don't know. It can be very small too like material to distribute to their patients on how the patients can structure their days. For example, if they run very heavy drugs to maybe patient support programs, you know like doctors that are not really interested in getting a lot of information but are interested to get the latest news on new support programs that we have for example. And then the last look at that we have is governance, which has more to do about all the rules changes coming from the government, from the authorities on the health care system, but also about new treatment guidelines and rules that are set by associations or something like that. Of course, there's probably an overlap between all of those buckets, but at least you kind of see the doors are four categories that we have identified as relevant for the Belgium market.

Again. How do we measure that? At the moment the best way to do it is HCP survey. Now you could argue that once we do that and once we have segmented all everything into, I mean the next step for me would be that once everything is allocated to certain buckets. Like for example you say these 15 content pieces are in governance, these 15 content pieces are in patient services, and scientific. And then you send to that doctor and you see what is the response rate of the doctor to the different channels, to the different pieces and you can see whether their behavior matches what they say. Then you can challenge. Look, they said they like scientific information, but if we send them five RTEs

about scientific information, they never opened it. But if we send them something about services, they always open it. But although they said they were more scientific, so they may be miscategorized their own behavior. So that is something you could go into, but it would require a little bit more history on how much information we sent. And at a moment as we are still developing these categories internally, I would need to set up the structure that every content item is allocated to the right category to measure whether each doctor is mapping with the categories that they said. And at the same time, even a step before that is making sure that we are sending consistently matching the categories of the doctors. You know what I mean?

17:43 --> 18:01

VR: Absolutely. Perfectly clear. Thanks a lot. So yeah, let's go to the success assessment of these segments.

18:01 --> 20:38

NS: Look you asked is it successful? As I shared we are before the point of conversion, so I cannot tell you whether it makes sense. But to be very honest, I would be highly surprised if it wouldn't. Because I mean, let's be very honest. If you look at other industries, this type of work always works. I myself was as an ex-consultant. I did this type of projects for other companies and there you did see that. I mean, not this specific thing, but projects related to customer experience, usually translating happier customers, more sales, more traffic or whatever you're trying to measure. So, I would be highly surprised if it doesn't translate for this industry. Look how I may be a very simplistic guy, but I always look at it as its volume and its quality of the volume, right? So, we are trying to drive interactions, which is what I call share of voice. Independent of whether it's face-to-face, digital or any kind of channel. What you're trying to do with the segmentation targeting is measure what does my customer need, you know, independent of what we have in agenda from a company. If you are my customer, I would like to know how do I need to, what's the best way to reach out to Victoria, right? And then I can decide to do it yes or no. But my goal is to better meet your needs, right? From a channel perspective and from a content perspective. So, what I think will allow me is, if I know you better, it means that I will feel more comfortable sending you more things because I feel less like I spam. So, my interactions will go up by better knowing you and at the same time, because I know you better, your appreciation of what I'm sharing with you will be higher and you will have less moments where you're frustrated with me. So, I think we will get a closer relationship. You know what I mean? Like there will be more interaction at the same

time, you will be happier about each interaction that we have. Those two KPI are for me very important and they will translate into more market share, so that on the commercial side that's for me really clear. I think that's definitely very clear for the channel access. I wrote here on the secondary axis of content, I think the primary driver will be NPS, although I do think like I said, if I know better what you like, I will feel more comfortable sending you more. So, I do think that as a side consequence of knowing you better on the content access, in the end I will share more with you because I will be less restrictive with myself.

20:38 --> 20:43

VR: Can I just ask you, what is NPS? I don't know SOV is share of voice but.

20:41 --> 20:45

NS: Net Promoter score.

20:45 --> 20:47

VR: OK, that's OK. Yeah, I know.

20:48 --> 20:53

NS: So, it's a 10 point. You know NPS or Net Promoter score?

20:53 --> 20:56

VR: Yes, I've had it in another interview actually.

20:56 --> 22:40

NS: OK, look, there are super good clips on YouTube which explains very easily. But maybe you know in two sentences. It's you know if you go to a bank and you come home or if you go to a hotel and you have to do weekend, you come home and on Monday you get an email from the hotel and did you like your stay with our hotel. And then you want to further in the survey and if you need to say would you recommend this to your friends on a point from zero to 10, right? And if you and then why? That's basically measuring that NPS. And I think the how they score it is, if you give me a nine or ten, it was positive, if it's like seven or eight it was neutral because people on average give high scores because they want to be friendly. But it's seven or eight is rather neutral and everything below is 7 actually says that there's something wrong. And an NPS just says OK, all the neutral doesn't really count and we subtract the positive and the negative from each other and then we see on average if are the interactions good or bad that we are creating? And for example what we see because I would like to measure NPS ourself. But at the moment we are measuring NPS via IQVIA and what we see for example for Belgium is that we are creating a lot of share of voice on digital. But we are creating our

Net Promoter score on digital is lower than our competition because our competition is not changing a lot and we are changing a lot and we are creating a lot of new interactions, but not all of these interactions are success. So, meaning that our Net Promoter scores, so the satisfaction of our customers is going down, which is for me is signal that we are trying, but that we are not necessarily hitting the right the right spots. And I think this will be solved by better knowing our customers.

22:42 --> 22:43

VR: OK. Get it.

22:46 --> 23:00

NS: So yeah, long discussion. So, what value should the KPI be? Look, we didn't look like I said we didn't make a plan about it. Do the other countries have the concrete increase in market share that they have?

23:01 --> 23:02

VR: No.

23:02 --> 24:00

NS: It's a very interesting metric. I mean, it's a very interesting thought exercise about how much should the market share increase. You can either approach it back of the envelope and say if you can drive more traffic then you should ideally get more market share. And then if you now have like let's for example, imagine you have a market share of 10 and you have 10 reps and you now can create one extra rep virtually by all of the interactions. And ideally you go to market share of 11. But I've not seen this translate at the moment and my assumption is because we are not doing it correctly. So, I think the moment we see it work in reality, it will be the moment that we see how much the impact can be in this market. So, I haven't seen it, to be honest. That's also why I don't know what to put there.

24:00 --> 24:06

VR: OK, no problem. That's why I'm asking that to see what the status is, yes.

24:04 --> 24:41

NS: Yep. But to be very honest, my expectation would be that a market share should go up. And here also for the for the physician engagement. I didn't fill it in. The reason why is because once you have all this information, it doesn't lead automatically to one or the other thing. It's actually a conscious choice you can make because it's not because I know you better that I will address your needs because every need and I need to address is a resource choice that I need to make. If you tell me you would like to get 15 different

emails every month that's great because it's efficient only sending emails, but on the other hand I need to create the content for those 15 emails. So, I think as a key part of every exercise at a company that the country should do is, they should, once they have the information on the customer, they should ask themselves the question – what are we trying to drive here? Are we trying to drive interactions with more HCPs, right? So are we trying to reach out to more HCPs or are we trying to have better, more intense relationship with the HCPs that we have? And that's maybe a question that you should ask so, for example, in Belgium my assumption would be that in the 1st place we will drive more interactions per HCP because at the moment are, we have access restrictions in Belgium. The average physician. There is kind of like this habit people, doctors allow a very low frequency of reps to visit them and that's why we have mirrored lines with face-to-face. So, it's really a problem for us. But as you know in marketing you will not change the thoughts of a person by only talking to them once. You need to bring the message a lot of times. So probably we will focus first in getting more interactions per doctor, right? And then afterwards, I think if we for example see that some doctors don't really appreciate what we're doing, we will reallocate that into to getting more reach with other doctors that we are at the moment not visiting, for example. So, I think it will allow us to free up some resources to reallocate to more doctors. And I think if you look back at the end of 2022, we will probably have interacted with more doctors than we have in 2021 or 2020. So, in the end, I think for us it will go in that way. But I think for example with other countries where there is less access restrictions and they have less this problem and they're already more optimized. I think the first reaction for them should be about increasing the satisfaction of the customer and then about increasing the reach of the customers. But I think we have one step before that.

27:01 --> 27:01

VR: OK.

27:01 --> 32:24

NS: So, and then look you asked me which KPI do you use to measure success. For me, like I said, it's two things. It's what we call impacts. I like to talk to the reps about impact because they used to talk about doing a call. But to be very honest, I don't like, I don't care if they do a call. You know, it just visiting a doctor, it doesn't change anything. You need to have a meaningful conversation with that doctor. So, opening the door, sitting down doesn't change anything. So, for we talk about overall impact and impact for me is again the same two things that we talked about before. It's the interaction itself and then

the satisfaction that you get from that interaction. So, it's again about volume and quality and then look for me the interactions is a mix of the face-to-face calls, but it's also includes what you wrote down originally there, like number of RTEs send, the opening rates will increase, the click through rates will increase, webinar conversion will be higher. You know what I mean? It's not only limited to two emails, it could really revolutionize all the KPI's that we are measuring with relating to the customer. For example, if you now do a webinar. Then what happens is you say to the reps, ok you can all invite 10 customers to the webinar or I don't know how you do it, but let's assume that that's how we wanna do it. We wanna invite 100 people. So, we ask every rep to do it. So, in total we are 300 people and one in three will say yes, right? But now we do this kind of blindly based on relationship. They noticed doctor better and then they have reason XYZ which is implicit to invite certain doctors. If now you know that you are doing a webinar on, you know, for now it will be different. Now we will know from the customer segmentation. We have a lot of people who are in the scientific elements, right. We see that 2/3 of the people are in scientific. So we will set up scientific webinars. We know who's scientific. So will target those people to invite them. So, we assume that instead of having to invite 300 people to get 100 people there and then probably only 80 people showing up, that we will probably just have to invite 130, 40, 50 people to get 100 and 100 yeses and probably all 95 will be there. You know what I mean? So, it will increase the efficiency of how we work. So, it's not only about sending out emails and then making sure that it goes from 40 opening rate to 45. That's a very visible KPI, but I think it will be everywhere. And then look again like I said. As long as, if you're a more relevant to your customer and they get the feeling they know you better or just having the conversation with your customer, what do you like? How can I better help you? They will see you better. They will not see you as a spammer who just comes to visit. They will remember that conversation. And I think this is true for both dimensions, so maybe I'm a little bit repetitive, but I honestly believe they're both very linked and they have similar advantages. Of course, one has slightly more impact on one or the other, but it's really the combination of both that will drive the real value I think.

And then so what value should the KPI be, honestly? I don't. There are so many KPIs that you could track. I think in the end, I will track if I need to choose two. I will track overall impact and impact, meaning every interaction that really happened. So, meaning if I send out 100 emails and they were only 20 that were read, then I only counted 20 that were read.

See what I mean? And then I would even want to go as far that I only count the, but I don't know how to do that yet. That you only count interactions that people were happy with, you know. So probably this will remain two separate KPI's at the moment because we will need to measure the interactions per se and then afterwards how happy the customers were. But those are the ones that would really track and then if you want to go to a more detailed level, if you want to push emails, then of course it will be opening rates or click through rates and then what value should the KPI be? Look, if we see that at a moment an average rep can have an opening rate of 40 and you really work on it, then I expected to go to 50 or 60% at least. You know what I mean? Because I see now that the best reps that have the good behaviors that we try to train them through training, the ones that pick it up. They can go to opening rates of 60, 70, 80% sometimes on average because they're having the good conversation, they were having the right reflections. So we have reps, they know their customers so well that they will not even propose to send an RTE that they know the customer will not read. But we're not really talking about the exceptions.

Yeah, you asked me, where do we track it. Look, everything is tracked in Excel and if we track it on a more regular basis, we do it in Qlik. That's true for all KPI's. I think it's the same as in Austria. We have a lot of Qlik dashboards, too many I would say because people don't always use them to the full extent. So, I'm now a little bit more conservative with how much we will invest in further developing Qlik dashboards. I think people could.

32:24 --> 32:25

VR: It's the same here.

32:25 --> 32:45

NS: Yeah, I know. It's always cool and fancy to look at a lot of numbers, but in the end the numbers need to tell you something and then need to change your behavior or your decisions. Look, I don't know if this was useful for you or?

32:46 --> 32:48

VR: Definitely was super useful.

32:48 --> 33:54

NS: Yeah, I mean I really believe in this topic to be very honest. I think it can be revolutionary topic for our industry, although it's very basic and it's not rocket science. But the difficulty of it becomes it not only having it on paper or in or an Excel or in your CRM system that, as you as you heard. What I tried to convey was, the difference or the

impact will come from a different way of working. Marketing needs to work differently. You know you start from your segments, then you develop content for those segments. You put it out throughout the year. You invite the right people. And now we work differently. We say, OK, we want to do a webinar, want to invite 300 people? OK, let's invite 300 people, you know. It's less, it's more like internally driven and what this will do is we will everything will revolve around the customer and I think that will bring a lot of benefits.

33:55 --> 34:02

VR: And it's definitely possible, especially if you look at other industries. I just think Pharma is, yeah.

34:00 --> 34:05

NS: Yes. We are traditionally very traditional, let's say like this.

34:05 --> 34:13

VR: Yes. That's true. Do you also have an engagement plan maybe? What I mentioned down there?

34:13 --> 34:36

NS: So, we are like I said, so this is the step that we are working on. But so, I think we are going to do it more or less in the same way because we have, for example these MCQs, we have the customer segments. So, we are going to probably more or less do it in the same way. So, I cannot give you an example, but the only new ones that I saw between us and a lot of the other ideas that we're having is.

34:17 --> 34:17

VR: OK.

34:37 --> 35:25

NS: I would really want to do it in a way that, once we decide what is the KPI they want to drive, is it reach or impact per customer and kind of freeze or protect certain face-to-face elements? And then we tell the customer, we tell the rep this is what we would propose and then we let the reps tweak and I think that's the main difference in how the interaction plan will look like for us versus all of other countries. For the other countries from what I've seen so far, usually they say this segment means this interaction plan and it's forced, and their reps cannot change anything, but it means it becomes very dependent on how much data you can process centrally. While I do believe honestly in giving the reps some freedom to tweak. So that's the only thing that I really think that is going to be different for us from probably what you get from the other countries.

35:26 --> 35:26

VR: OK.

35:27 --> 35:34

NS: The moment we have with it, I'm of course willing to share but we are at the moment at the start of working on its own.

35:35 --> 35:41

VR: OK, no problem. Perfect. I think we are done right.

35:42 --> 35:43

NS: I think so too.

35:44 --> 35:58

VR: Thanks a lot Nicolas again for taking your time and explaining everything so in detail. And as soon as I'm done with my analysis, I'll let you know my results and of course share with you.

35:59 --> 35:59

NS: OK.

35:59 --> 36:00

VR: Maybe you can take something out of it.

36:01 --> 36:30

NS: I definitely. Look like I said, this is the result of a lot of discussions, a lot of plans, but I know that other countries have different experiences and I'm glad to learn from that. What's your current thinking, right? Like if you see this versus the other interviews you did, how do you assess what I'm sharing with you versus maybe other things that you say, OK, it would be good if you add this or this or this?

36:31 --> 36:56

VR: Um, what you shared for example, was very similar to Germany. I had an interview with them. And with Poland, for example, they are quite advanced at this idea. Then I also had an interview with our Novartis, but in Austria and they are super behind. So, it's everything I already had kind of.

36:57 --> 37:06

NS: Yeah. In general, everybody is doing it more or less in the same way. I have the feeling right, or?

37:07 --> 37:13

VR: Yes, Novartis, I think they have little bit but OK they're not that far already so.

37:14 --> 37:21

NS: But it surprises me because Novartis in Belgium, for example, they already use multi-channel interaction plans for two years now for example.

37:14 --> 37:15

VR: They are not there.

37:23 --> 38:34

NS: But for me, I only have a new CRM system since September. I could not even, this, I would not be able to put it in a CRM system before. We had only one field for interaction tracking. We had no channels. I could not send RTEs last year. You see what I mean? Like so I do think that. If you want to probably get to a more advanced country. I think from what I understand, there is a I've been in contact two years ago with, how is he called again, Malik something from Novartis? And they I think it was the EMEA countries or something they used to do a lot of work on it because they didn't have a lot of resources on the field and so they needed to try digital. And they developed a lot and I think they were like two years in advance of us. Probably maybe a little bit more advanced than Poland even. And if I look at, for example, Novartis, Belgium, they have the basics, but they are not operationalizing it, I feel. Like they have everything. So, what we talked about, they have.

38:24 --> 38:24

VR: OK.

38:34 --> 38:48

NS: But then when I talked to how do you use new morality? They're not. So, it feels like they have everything, but the mindset is not there yet or something, or the habit is not there yet. So, it's really important to make sure that the reps are on board with everything.

38:48 --> 38:51

VR: What is the EMEA countries? What do you mean?

38:51 --> 38:55

NS: Like, sorry the Middle Eastern countries I meant.

38:55 --> 38:58

VR: Ah Middle Eastern countries, ok.

38:59 --> 39:16

NS: If you want I can maybe check if I can find the name back of the person and then put you, I mean, I don't know the guy that well, I talked. He was a friend of a friend, let's say

like that. And I talked to him to get inspired. He shared some material at the time. I think he's still works in Novartis, so.

39:16 --> 39:18

VR: If you find it, would be great.

39:16 --> 39:21

NS: Yeah. Look, we can only learn, right?

39:22 --> 39:23

VR: That's very true.

39:24 --> 39:25

NS: OK.

39:25 --> 39:27

VR: OK. Thanks a lot.

39:26 --> 39:30

NS: Thank you very much. Have a great day.

39:30 --> 39:34

VR: Yes, you too have a great day. Bye. Ciao.

39:32 --> 39:32

NS: Ciao, ciao.

Appendix E.5: Sandoz Croatia

Interviewer: Victoria Rössel (VR)

Interviewee: Iskra Pavlinac Josipovic (IPJ)

Date and time: March 29th 2022 15:30

Location: MS Teams

00:00 – 18:46

00:00 --> 00:13

VR: OK, perfect. So, thanks again for taking your time today for doing the interview with me. Maybe you can just quickly introduce yourself. Which country you're working in and your business unit.

00:14 --> 00:18

IPJ: So, I'm head commercial excellence for Croatia. That's it.

00:20 --> 00:20

VR: OK.

00:20 --> 00:22

IPJ: Commercial excellence is a business unit, so.

00:22 --> 00:38

VR: Yes. OK, thank you. So, my first questions will be concerning your status quo and your current omnichannel strategy in your company. So, by which dimensions do you segment your HCPs?

00:40 --> 02:55

IPJ: I would say in general we are going towards omnichannel, but we are more in the multichannel phase, which means that we have in segmentation and targeting still majority of the criteria commercial relevance which we used in the past. Which means the size of, for GPs for example, the size of the number of patients or the number of descriptions or their affinity towards Sandoz. These are the main criteria that we have. So, a year and a half ago, we did a digital segmentation through our sales reps, which means that we had a questionnaire on the preferred channels and preferred content. And these were the interviews done by our sales reps. But we had quite a good response rate, but unfortunately we didn't do anything with this data. So, we still have the commercial relevance as the main driver in segmentation and targeting. So, this is the status now. In

parallel, since now the segmentation targeting has more than methods of course than the commercial, we are doing with IQVIA the project on digital segmentation and targeting and I don't have the results now. I expect them by mid-April, where we will combine the, not the preferences of the HCP, how they receive it or answer some questions but how they actually behave. So we will compare the data and multichannel activities from Sandoz and from IQVIA data source and see who really has digital affinity proven that they actually use different channels. And then once we have this data, then we will use them and to adjust our activities towards what they actually prefer in the multichannel mix that we need to create.

02:50 --> 03:09

VR: OK. Thanks. That actually also already answered my question with how do you collect the data? But do you also have an segmentation in place with regard for example to the channel or content?

03:10 --> 03:11

IPJ: No, not yet.

03:14 --> 03:14

VR: OK.

03:14 --> 03:31

IPJ: This is in progress, so it will be done for our major target group which are general practitioners and for gastroenterologist. So they're included now in this project and then we will get the channel preferences and the content preferences and then act accordingly.

03:32 --> 03:39

VR: OK, I understand. And what are the different criteria within the segments you just mentioned?

03:41 --> 00:03:51.010

IPJ: Within the segments, the size of the practice, the number of the patients, prescriptions and definitely towards Sandoz.

03:43 --> 03:54

VR: Yes. OK. Thanks.

03:54 --> 04:14

IPJ: So, we are quite mature market. We have really good position on the market, which means that we already have established really good relationship with a lot of HCP, which then effects on how we structure ABC customers. Now it's a little bit, we have more like A customers who are top customers. But it's usually another country. I know the ratio is

different across the countries but considering the portfolio and maturity and our position on the market, which is the 2nd on the generic market, it's quite strong. We already have established really, really good relationship and this is why we use a lot of the field force inputs from the field when we do segmentation targeting.

04:42 --> 05:12

VR: OK, so you use a lot of input from your sales reps actually. OK, interesting. And my next question block would be now the regarding the success assessment. Let's start with the commercial impact. And there my question would be - is it successful and which KPIs do you use to measure also the success here?

05:13 --> 05:23

IPJ: Yeah, I was struggling with this question of, well, a success of what? Of the general sales or a success of certain channels sorted out approach?

05:24 --> 05:30

VR: Yes. Of the activities you're doing within the respective segment.

05:31 --> 10:36

IPJ: OK. So, we basically have a, let's see how to structure it. OK, so from channel point of view we have face-to-face, we have phone calls, we have webinars and we have RTEs. But we don't have that portal, mass mailing and we don't have remote detailing with these other channels that we just don't use. So, each of these channel has its own let's say set of KPIs. So our sales force they have an interaction plan for the upcoming quarter which is based, which is not still multichannel. It's still based on face-to-face and phone. This is planned and this is tracked and they need to have at least 80% of that executed idea, end of the quarter. In parallel, we have RTEs. RTEs are more in terms of campaigns which are planned by the marketing. It's not traditional RTEs where they have a set of content and then they push it through the different HCP's. It's more of a campaign. The strategy part it's not in their hands, but the execution is. So what is their goal is that introspective territory they have with HCP that have consents. And we use Scout for that. The pitcher connect, they need to send to certain target group which is defined to have the coverage 100% to the all HCP's intent territories. They need to use fully all consent they gathered and the constant part is. Where it's like a trigger of digital affinity for us, where they already said, yeah, we want to get some info remotely from Sandoz, get promotion, get invited to the webinars. So for us it's a trigger that there is a digital affinity. So one criteria is that they need to send it to all the doctors in their territory and then we track also the opening rate. And for us the criteria are everything below 40% it's not OK we

review it, between 40 and 60% it's successful, it's OK and above 60 it's some role model. Super attractive RTE which was opened by so many people. And then we do it quarterly but in next week for example, we review how we did on the KPI's part, how we did on the field force part and then the third part are the webinars. So we have a lot of webinars. There is, there are actually two sets of tracking of successfulness. So one is the questionnaire which we give to HCPs during the webinar. They are unified across all business units, so we can combine the data on the on the country level. It's called five pillars and there are standardized questions where we get the feedback on the quality of the content, on the approach, on the dynamic and so on. And so we can review it and adjust it for the future events. This is the first and the second is the one that we introduced just in February and this is that all people who attended the webinars are visited after the webinars and then field force need to do a follow up after the webinar and they need to mark in Scout what is the reaction. Was it positive, neutral or negative? And we have defined what does it mean positive, neutral or negative? And the goal is to have at least 80% of positive feedback to our webinar. So, this is something that we started in February. We did it for two webinars, feedback was OK, but it's still in the evaluation phase to see you know, the vote was quite good. So the response rate was positive about 80% and now we need to see what to do with the ones that are not so happy or are neutral or negative. But this is something that we also introduced to measure how successful are we because it's still a push strategy. It's still us doing. It's still the multichannel where we have different channels and we push the content, we pulled the frequency of course. So this is how we try to measure it. I know it's not ideal. It's not omnichannel but going there step by step.

10:35 --> 10:46

VR: No, it is interesting. And does this go now with regard to the commercial impact or the physician's engagement, the KPI's or both you just mentioned?

10:48 --> 10:50

IPJ: More on the engagement part, yeah.

10:50 --> 10:52

VR: The physician engagement, yes. OK.

10:52 --> 10:53

IPJ: Yeah.

10:57 --> 11:09

VR: OK. In which format do you track these KPIs? Do you have it in an Excel file or?

11:12 --> 12:46

IPJ: We do it I would say in three ways. So one are Scout reports, so directly in Scout we have some reports on the visits and on RTEs, like opening rate and to whom they will send, are they delivered, you know what is the status. Then we have a QlikSense dashboards where, of course, QlikSense has a little bit more complex calculation and better visuals. This is also where we track. And another one is in Excel outside because we don't have the combination of everything, which means that for example, after the quarter is over this week for the next week, we will do f2f calculations outside, they're done either on the field force level, you know their activities or are we also track the share of voice of different channels. And share of voice on total, all channels, all interactions towards certain HCP's because what we want to achieve is that the most important customers are not missed. Or what we had in past that some people are overwhelmed like they have 50 interactions in one quarter and some of them have none which means that we need to little bit fine tune that and we do it quarterly to review if this appropriate.

12:48 --> 13:04

VR: OK. And the third question, do you have an engagement plan like I showed? Do you have something like this in place?

13:01 --> 13:59

IPJ: Yeah, we have it. Basically this is the part of the Sandoz way the brand planning. So we started to use it for Ericsson, for Bio, OTC still hasn't started and we did this kind of planning on the brand level when we will preparing with the Eric's, the brand planning. So basically, what we had we filled in this number of targeted HCPs are face-to-face plan, which is as it is. The number of visits that we already have planned and then we combine it with the marketing with their planned activities of all different channels. And did the calculation. So my question here is. The answer is yes, we use it. It's used on the brand level and if it's useful for you, I can share this for few brands if it makes sense for you to have this data.

14:00 --> 14:04

VR: Yes, definitely. If you have it in place, I would be very happy. Yes, if you can share it.

14:04 --> 14:26

IPJ: No worries. I will share with you a few of them. I will let you know for which brands are they, if it makes sense for you. Like I said, there is no OTC, but there is bio

and Eric's has I think more than 10 brand plans. So I will use what makes sense and yeah it's done. It's done in this way.

14:28 --> 14:32

VR: Very cool. Thanks a lot. We're at the end.

14:32 --> 15:14

IPJ: Well, excellent. I hope it was helpful. Look, we of course are on the way of omnichannel but don't want to rush it, which means that we go you know step by step evaluate as it makes sense and then add something additionally. So I don't know, now we are debating on the marketing cloud, should we do it, does it add value, how it correlates with what we do with our own field force because this is driven not by the field force. So we are taking it step by step to see if it adds value, but there are much more dimensions into you know, how it all has impact on the customers.

15:14 --> 15:18

VR: Yes, I know. And it's a very complex topic. I see it in my master thesis.

15:20 --> 15:31

IPJ: Yeah, no one can prove anything, so I would be happy to see if you would be able to have your, you're trying to achieve what with the?

15:20 --> 15:50

VR: So actually my topic is more in the direction of segmentation and targeting. Because omnichannel is big, you can do a lot of it, but I'm trying to yeah see how the segments look like and if they are successful. And then make some implications out of it.

15:51 --> 16:01

IPJ: Did you go through the digital excellerator, the modules and to see there what are the dimensions of some segmentation and targeting?

16:02 --> 16:02

VR: No.

16:03 --> 16:14

IPJ: Ah, that's very useful. Then let me, I will try to find it so I will try to do you know what digital excellerator is?

16:15 --> 16:18

VR: Kind of. Well, I mean, I've heard it, but I don't know.

16:18 --> 16:20

IPJ: Ok, so you have up for growth, right?

16:21 --> 16:21

VR: Yes.

16:22 --> 17:10

IPJ: OK, great. Then I will maybe it will be useful for you because this is the, let's say, a new way of segmentation and targeting which countries are adopting. So there are three dimensions and this commercial elements is just one of them, so I can share with you this one module. Take a look and this is the approach that countries are now adopting in to segmentation and targeting. So maybe this will be helpful for you, just to see if you speak with any other countries also that we try to combine this three dimensions to see how to properly target customers.

17:11 --> 17:15

VR: Oh yes, that would be super helpful. Interesting to see.

17:14 --> 17:36

IPJ: I will find it. Yeah, there are several modules, but I will find this one which is the most appropriate on this topic. I know I saved it also and we go through it a lot locally. So maybe it will be also good for you. Just you know if you are collecting internal data, what is some kind of you know region Europe view on how to approach this topic?

17:36 --> 17:38

VR: Thanks a lot for this.

17:38 --> 17:40

IPJ: No worries, excellent.

17:40 --> 17:47

VR: And do you have the, sorry. Do you just have the template also filled out or on your laptop?

17:48 --> 17:49

IPJ: Which template?

17:49 --> 17:52

VR: Which I just send you, where we went through the questions.

17:52 --> 18:00

IPJ: No, I just print it out and did some notes for me. But you wrote it down?

18:00 --> 18:02

VR: Yes.

18:02 --> 18:29

IPJ: And you have the recording. Look, if anything else is needed, just ping me or give

me a call. It's really not, I can find the time if anything is needed and I will now check immediately the excellerator and you go to up 4 growth, learner home and just in the search you click the name of the module and then you will even get it to go through it.

18:29 --> 18:32

VR: There will see it. OK. Super. Thanks a lot.

18:32 --> 18:34

IPJ: No worries.

18:35 --> 18:39

VR: Yeah. Have a nice afternoon and thanks again.

18:38 --> 18:40

IPJ: You too. No worries. Bye.

18:40 --> 18:41

VR: Thanks. Bye, bye.

Appendix F: Engagement plans & customer journey

Appendix F.1: Engagement plans

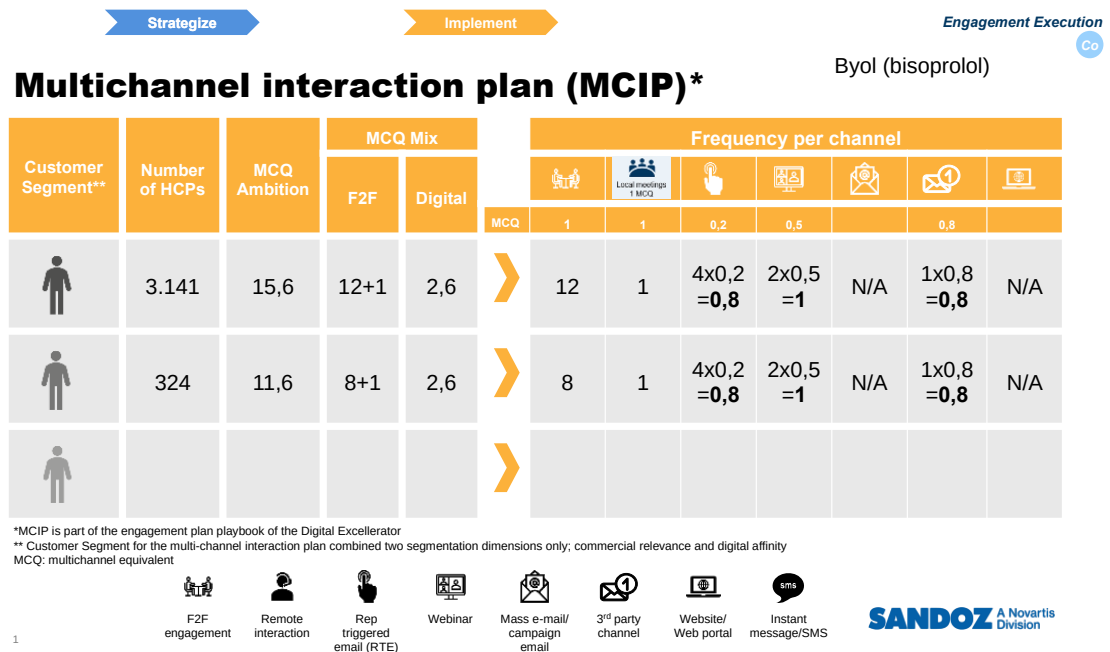


Figure 12: Multichannel interaction plan for Bisoprolol

Source: Sandoz Croatia

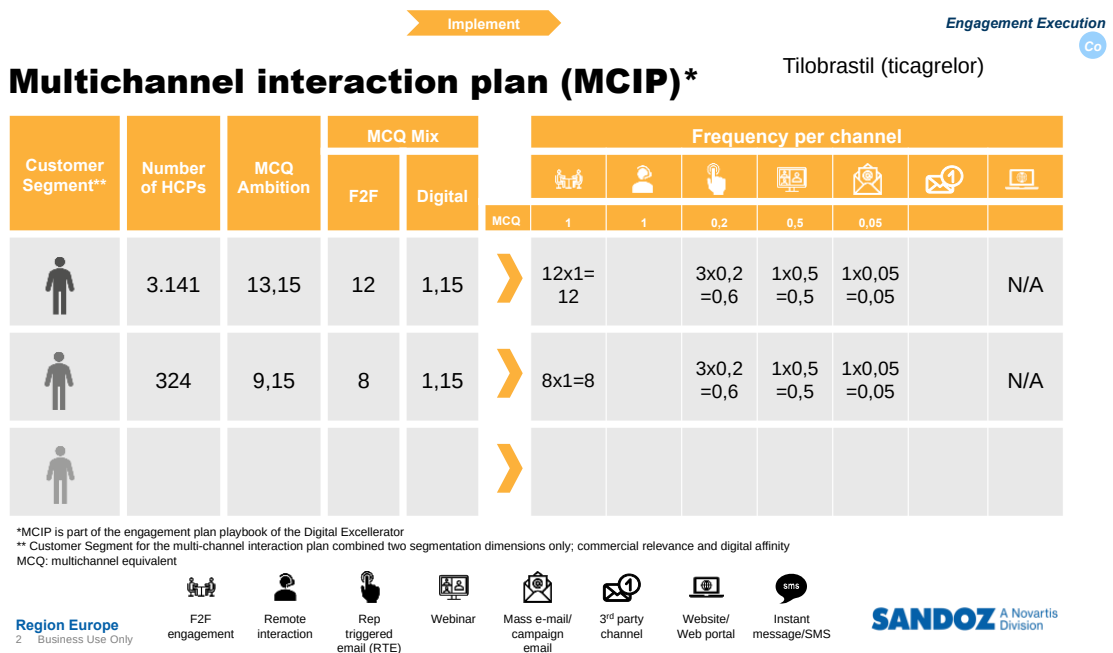


Figure 13: Multichannel interaction plan for Ticagrelor

Source: Sandoz Croatia

Multichannel interaction plan (MCIP)* Vilspx (vildagliptin+metformin)

Customer Segment**	Number of HCPs	MCQ Ambition	MCQ Mix		MCQ	Frequency per channel						
			F2F	Digital								
						1	0,2	0,2	0,5	0,05	1	NA
	1.843	18,1	12	6,1	>	12	NA	3x0,2 =0,6	1x0,5 =0,5	NA	5x1=5	NA
	174	14,1	8	6,1	>	8	NA	3x0,2 =0,6	1x0,5 =0,5	NA	5x1=5	NA
					>							

*MCIP is part of the engagement plan playbook of the Digital Excellerator

** Customer Segment for the multi-channel interaction plan combined two segmentation dimensions only; commercial relevance and digital affinity

MCQ: multichannel equivalent

Region Europe
3 Business Use Only

F2F engagement
Remote interaction
Rep triggered email (RTE)
Webinar
Mass e-mail/campaign email
3rd party channel
Website/ Web portal
Instant message/SMS

SANDOZ A Novartis Division

Figure 14: Multichannel interaction plan for Vildagliptin & Metformin

Source: Sandoz Croatia

Appendix F.2: Customer Journey

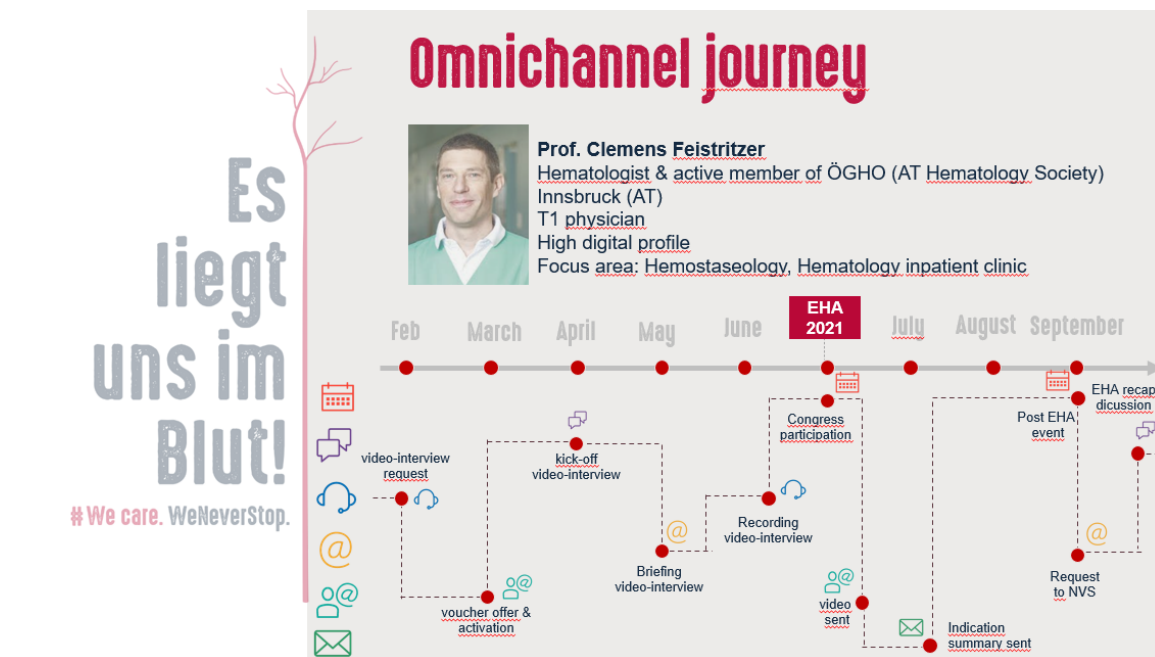


Figure 15: Omnichannel Customer Journey

Source: Novartis Austria

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