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Digital Strategies' Use
in Lebanese Pharmaceutical Companies

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Abstract

Digitalization is inclining as a communication tool between various parties. However, its use by pharmaceutical companies is limited and a restricted number of countries apply digital strategies in pharmaceuticals. The objective of this research is to study the Lebanese pharmaceutical companies' perception of the use of digital strategies, and the impact on margins and relationship with clients. To achieve the study purpose, a qualitative study is conducted by interviewing 14 respondents from 14 pharmaceutical companies, local and multinational. The results showed that pharmaceuticals mainly use email marketing, WhatsApp, web conferences, and social media marketing. However, pitfalls exist, including employee's and client's resistance and legal restrictions. Additionally, the results revealed that pharmaceuticals support the use of digital tools as they can improve the relationship with physicians and enhance their sales margins.

Keywords: Pharmaceutical, digital, marketing, physicians, communication.

JEL Classification: M31.

1. Introduction

The expression "digital marketing" has recently advanced from a particular term portraying the marketing of items, through the use of digital tools, to a broader word illustrating the process towards utilizing digital innovations. It is used to attract clients through accessing customers' needs, market products and services, maintaining long-lasting relationship with customers, and enhancing sales (Kannan, Li, 2017).

The use of digital communication channels in drugs has been restricted because of healthcare professionals' and staffs' refusal to accept change and the limitations forced by regulation particularly in Lebanon (Parekh, Kapapura, 2016). The adjustment of the marketing position itself is mandatory due to the constraints and crises that affected it like cost expansion, financial slumps, expanded joblessness,

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and organizations' cutting back. These reasons shed light on the importance of exploiting digitalization to ease and coordinate pharmaceutical work, upgrade their communication with their clients, decline their costs, and accomplishing patient fulfilment with the serious rivalry the Lebanese market is confronting (Bala, Verma, 2018).

Although extensive data is available supporting the use of digitalization in pharmaceuticals; however, limited data and research is available in Lebanon. The purpose of this study is to investigate the opinion of Lebanese pharmaceuticals about the use of digital tools and its impact on sales margins and the relationship with clients. This research will highlight the importance of digitalization for pharmaceuticals to differentiate themselves and maintain their growth.

2. Problem Statement

e-Detailing

e-Detailing Definition and Characterization

The expanded use of the web among individuals making it easier for healthcare communication and interaction by various touch points between doctors, pharmaceutical representatives, hospitals, and pharmaceutical organizations is called e-Detailing (Vijayabanu et al., 2018). Another definition, according to Banerjee and Dash (2011), e-detailing is characterized as the utilization of the online channel and data innovation to promote pharmaceutical items. It is the use of the Web as the way of communicating pharmaceutical products to doctors.

Most pharmaceutical officials see e-detailing as a key way to improve pharmaceutical representatives' traditional way of marketing; however, there is solid understanding among doctors that e-detailing will never displace conventional detailing (Alkhateeb, Doucette, 2009).

Types of e-Detailing

Virtual/Interactive e-detailing: Virtual e-detailing is an online system used for detailing products that doctors can access anytime. It is composed of product data regarding side effects, symptoms, diagnostic analysis, and case studies. The aim is to assist doctors with going through the data whenever it may suit them. In the end, physicians can emphasize their needs as far as free product samples, pharmaceutical representative visit, most recent publications, test reports, and so on (Banerjee, Dash, 2011). Regarding the duration of virtual e-detailing, it is set to be four to eight minutes by Alkhateeb and Doucette (2009), 10 minutes by Montoya (2008), 5-15 minutes by Trucco and Amirkhanova (2006).

Video e-detailing is characterized as face-to-face computer-based video conferencing between a doctor and a pharmaceutical representative. Physicians conduct video conferencing using a preconfigured and preloaded PC and web cam (Banerjee, Dash, 2011). This permits the representation and introduction of the required data in a fast and helpful manner. Moreover, specialists can plan the gathering whenever the timing is ideal and be in charge of span. A visit of this sort, as a rule, goes on for around 10 minutes (Balkanski, Getov, 2019). This framework

encourages doctors to pose inquiries and may explain questions with the assistance of the Web interaction (Banerjee, Dash, 2011). According to AlKhateeb and Doucette (2009), this type of e-detailing is shown to be most effective with physicians who live in rural areas or physicians who cannot see pharmaceutical representatives at their clinics.

E-detailing by portal for physicians: These are entrances which are accessible to specialists and can be utilized to indicate the product details to the specialists and, furthermore, provide sponsorship promotion of the item. Instances of such entries are Doctors.net.uk, detaildirect.com, and ommedica.net (Vijayabanu et al., 2018). This gateway gives information with respect to the time spent by doctors, their Web propensities, and areas of interests (Nalini et al., 2017).

Scripted e-detailing: Doctors can see an arrangement of intelligent sessions through the Web and intranet. They cannot have an immediate collaboration, yet they can contact through email or phone (Nalini et al., 2017). The specialist and pharmaceutical representative converse with one another on the telephone or through Internet-based phone lines (IP phones) and peruse web-based data at the same time. The visual association is missing, which renders the strategy to some degree less customized than the past one (Balkanski, Getov, 2019).

Advantages of e-Detailing

According to IMS Health (2015), 3.2% of the absolute pharmaceutical industry investments in 2014 were in the digital promotional tools, while 59% of it was in e-detailing. In spite of the solid development rate (+37,2% from 2013 to 2014), e-detailing is as yet a negligible advancement instrument. In information distributed as to year 2015, IMS Health (2016) reveals that digital channels weight expanded to 3,8%, expanding 15% from 2014.

The main reasons behind the adoption of e-detailing are its convenience and ease of use, its time saving benefit, its synergism with traditional detailing tool, and its compatible quality and quantity of information (AlKhateeb, Doucette, 2009). In addition, Gonul and Carter (2010) stated that the use of e-detailing by physicians and pharmaceuticals allows them to connect at a convenient time and time span for both parties. On the other hand, Trucco and Amirkhanova (2006) state that e-detailing, a cost-effective communication tool, assists pharmaceuticals in product launching. It has the ability to communicate with hard-to-reach physicians and has a synergistic effect with traditional detailing. This assists in filling physicians' free time at their convenience and in post-launching stages through re-positioning products, especially for physicians who work in distinct areas. In addition, Montoya (2008) proposes that e-detailing enhances the time efficiency of pharmaceutical representatives, decreases the cost of using traditional detailing tool, and positively impacts the prescribing behaviour of physicians.

QuintilesIMS (2016) addresses the several benefits of e-detailing stated by UK and Spanish physicians. Their study shows that these benefits include the ease to organize appointments, its suitability and convenience to fit in physicians' daily schedule, its time-saving characteristic, and the advantage of downloading

information necessary to keep physicians updated. Balkanski and Getov (2019) state that e-detailing provides the advantages of low cost per visit, greater customer reach especially for physicians with limited access, extensive organized data available for specialists, synergist effect with detailing strategy, higher acceptance by physicians due to its flexibility and customization, and faster access to data.

e-Sampling

By definition, e-sampling is an online strategy used by specialists to order samples online through filling a form using their laptops, computers, or mobiles (Kumar, Panigrahi, 2014). The change to e-sampling has transformed the process of sampling delivery to physicians, where physicians embed their sample demand through contacting the manufacturer (Puschmann, Alt, 2001). Moreover, they can contact drug organizations' sites and pharmaceutical representatives, which in return will have the chance to check the physicians' product preferences and customize their messages when detailing with physicians to understand the need behind the drug sample (Kumar, Panigrahi, 2014).

e-Mail Marketing

When you send a business message by email to a rundown of potential clients, the procedure is called Email Marketing. Email marketing incorporates conveying mass messages with promoted materials, distributing and circulating electronic newsletters, distance education, and other promotional messages by means of email. Mass messages are the most prevalent type of email marketing. The issue with this type of advertising is the potential to have your messages seen as spam. This is probably going to happen on the off chance that you send your messages to beneficiaries who have no enthusiasm for your items or benefits and have not communicated enthusiasm for getting messages from you (Venugopal et al., 2012).

E-newsletters are created to attract and maintain loyal customers by sending them updated information once a month about the company products, events, and offers (Schwarzl, Grabowska, 2015). E-newsletters can be a basic or as complex as you normally like and might incorporate content, designs, commercials, links, or any blend of these components (Wright, Bolting, 2001).

Distance courses offered by email is the last email marketing tool to talk about. These courses might be either offered for an expense and transform into an earning source, or they might be made accessible for nothing. The hypothesis behind offering these courses for nothing is that they frequently contain unobtrusive promotion asking guests to put resources into the items and services offered by your business. Regardless of whether you charge for your email correspondence courses or offer them for nothing, care should be taken to guarantee that the data contained in these courses is totally precise (Venugopal et al., 2012).

Moreover, E-mail marketing is a promotional tool used by pharmaceuticals to send medical and promotional information to doctors through using physicians' email list that pharmaceuticals have collected and available in their database or through referring to third parties as healthcare portals (ZS, 2014). According to

Jawaid and Ahmed (2018), a study done on 718 physicians shows that when they seek to update their medical information, only 4.59% of the participants use marketing emails. Furthermore, marketing emails are the least to affect the clinical practice and prescription behaviour of physicians with only 8% considering emails as influential.

e-Continuing Medical Education (e-CME)

Likewise, another marketing communication tool available to pharmaceutical companies to promote their products is electronic continuing medical education, or e-CME. Webinars that are live and interactive chat tools such as presentations, talks, classes, and workshops sent over the Internet are considered one of the types to provide e-CME to physicians (Buxton et al., 2012). According to Wutoh et al. (2004), web-based CME has been shown to be as effective as traditional CME in providing physicians with the necessary information to maintain their knowledge level and professionalism.

3. Research Questions / Aims of the Research

As pharmaceuticals are facing the new trend of digitalization and as digital strategies are not applied in most countries including Lebanon, the aim of this research is identifying what digital tools are used by pharmaceuticals and its effect on their clients. Research questions to be investigated:

- What is the perception of Lebanese pharmaceuticals regarding the use of digital tools to communicate with clients?
- Do digital strategies affect the pharmaceutical companies' margins/sales performance?
- Does the use of digital marketing tools affect the building and maintaining of a relationship with physicians?

4. Research Methods

Qualitative research through in-depth, face-to-face, semi-structured interviews with pharmaceutical marketing managers were conducted between February 2021 and April 2021. The sampling method was non-probability sampling that included 14 companies divided equally between local (SADCO, Benta Pharma Industries (BPI), Codipha, Omnipharma, UPO, Arwan Pharmaceuticals, and Pharmamed) and multinational companies (Sandoz, Pfizer, AstraZeneca, Novartis, Eli Lilly, Sanofi, and Procter & Gamble). 14 respondents, one from each company, answered open-ended questions, and each interview took 20-30 minutes. Content analysis was the method used to analyse data collected.

5. Findings

RQ1: What is the perception of Lebanese pharmaceuticals regarding the use of digital tools to communicate with clients?

In Lebanon, pharmaceuticals are not adopting e-detailing, e-sampling, and e-DTCA (Table 1). E-DTC is used by Lebanese nutraceutical products only, and social media marketing is adopted to build awareness about the company in general and stay engaged with customers rather than marketing pharmaceutical products, as law regulation forbids such acts. On the other hand, pharmaceuticals focus mainly on their sales personnel to communicate with physicians and pharmacists.

Table 1. Type of Digital Channel Used by Lebanese Pharmaceuticals

| Type of digital channel | Number of Respondents |
|-------------------------|-----------------------|
| E-detailing | 0 |
| Email marketing | 14 |
| Web conferencing | 14 |
| WhatsApp | 14 |
| E-sampling | 0 |
| E-DTCA | 0 |
| Social media marketing | 14 |

Source: Generated by Author.

The use of digital channels to communicate with healthcare practitioners has some advantages and disadvantages. According to respondents, the main advantages of digital tools are that it fits better the schedule, saves time, and can be used as a complement to face-to-face discussion. On the other hand, the main disadvantages include healthcare practitioners and employees’ resistance to adopt new technology (Table 2).

Table 2. The Advantages and Disadvantages of Digital Channels

| Digital Channel Advantages | Number of Respondents |
|-------------------------------------|-----------------------|
| Better fits in the schedule | 13 |
| Saves time | 12 |
| Discussion at ease at home | 5 |
| More educational | 3 |
| Easier to ask questions | 7 |
| Freedom to speak what’s in mind | 8 |
| Complements face-to-face discussion | 14 |
| Digital Channel Disadvantages | |
| Mistrust information | 2 |
| Employees resistance to use | 9 |
| Clients resistance to use | 11 |
| Legal restrictions | 14 |
| Increase in marketing cost | 7 |

Source: Generated by Author.

Lebanese pharmaceuticals use digital tools for several reasons. Although they do not adopt e-detailing and e-sampling; however, most of them believe that such strategies will help them communicate with clients in rural area, record data, and promote their products (Table 3).

Table 3. Use of Digital Tools

| | Email | WhatsApp | e-Detailing | e-Sampling | Web Conferences |
|---|--------------|-----------------|--------------------|-------------------|------------------------|
| Send announcements | 12 | - | - | - | - |
| Taking appointments | 10 | 14 | - | - | - |
| CME credits | - | - | - | - | 14 |
| Alternative to traditional conferences | - | - | - | - | 14 |
| Send reminders | 12 | 14 | - | - | - |
| Check availability | - | 14 | - | - | - |
| Send promotional messages | - | - | 14 | - | - |
| Communicate with clients in rural areas | - | - | 14 | 11 | - |
| Recording | - | - | 12 | 14 | - |

Source: Generated by Author.

RQ2: Do digital strategies affect the pharmaceutical companies' margins/sales performance?

Lebanese pharmaceuticals use IMS (Innovative Medical solutions) to access their products' sales data versus competitors. Additionally, IMS provides pharmaceuticals with sales per Lebanese region. To access the impact of digital tools, pharmaceuticals check their sales and market share before and after the adoption of any innovative or new way of marketing communication. Table 4 represents the pharmaceutical opinion on the effect of digitalization on sales margins.

Table 4. Digital Tool Impact on Margins/Sales Performance

| Respondent | Impact on margins/sales performance |
|-------------------|--|
| 12 | Positive impact |
| 0 | Negative impact |
| 2 | No change |

Source: Generated by Author.

RQ3: Does the use of digital marketing tools affect building and maintaining relationship with physicians?

Table 5. Digital Tool Impact on Clients' Relationship

| Respondents | Impact on Clients' Relationship |
|--------------------|--|
| 14 | Positive impact |
| 0 | Negative impact |
| 0 | No chance |

Source: Generated by Author.

The more the contact points with clients are enhanced, the better the end result. Compared to the implementation of traditional tools, digital marketing improved the relationship with physicians (Table 5). The continuous contact with them improved the profit margin due to the long-term relationship with various clients. E-detailing can be a promising tool to engage with clients on a continuous basis and to prolong the relationship with pharmacists and physicians. Thus, overcoming any barrier, whether economic, social, or environmental.

6. Conclusion

The main communication strategy used by Lebanese pharmaceuticals to communicate with physicians is personal selling. Adding to this traditional way of marketing, email marketing, WhatsApp, web conferences, and social media are adopted. However, as online marketing for medications is prohibited in Lebanon (Haddad, Salem, 2013), social media is only used to build awareness about the company. Despite that a lot advantages go along with digital use; from fitting work schedules to its synergistic effect with pharmaceutical representatives' visits; however, barriers exist that limit the use of digitalization. The main barrier is clients' and employees' resistance to adopt a new way of communication.

Lebanese pharmaceuticals expressed their opinion that e-detailing and e-sampling can assist in communicating their promotional messages to their clients, especially those in rural areas. Moreover, the attempt to use digitization helps in building a long-term relationship with physicians due to contacting them through several tools according to their convenience and thus improving pharmaceuticals' margins. Thus, adoption of digital tools to communicate with healthcare practitioners can increase sales and build and maintain relationships with clients.

Limitations for this research exist. More pharmaceutical companies should be interviewed, and to complement this qualitative approach, a survey targeting healthcare practitioners should be analysed quantitatively to access their opinion in adopting digitalization. Furthermore, the COVID-19 and the Lebanese economic and social situation can affect research results and raise the question whether companies and staff are willing to keep on using digitalization when face-to-face interaction becomes easier to apply.

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