

Leveraging Key Thought Leaders to Drive Brand Growth

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IMS Brogan Viewpoint

It is difficult to believe how much the pharmaceutical industry has changed over the last decade or so. Prior to 2000, a new product could be successfully launched with little support from local Thought Leaders/Key Opinion Leaders (KOLs). A pharmaceutical company could simply use a couple of good speakers to travel across the country and advocate the benefits of a product. Not having local specialists' support was not as critical to a product's success. Sales targets could still be achieved by growing the field force size and providing samples. However, those days are long gone and this approach will no longer ensure a product's success.

In today's marketplace, the need for Thought Leader/KOL support has become an imperative for any brand's strategy. No longer will a physician simply listen to a traveling speaker and decide against their local specialist's recommendations. Even teaching hospital specialists, once considered the pioneers of medicine, will rarely go "out on a limb" and similar to their GP colleagues, are seeking their national or international KOL's endorsement before starting to use or consider a change in therapy. This shift in product adoption patterns has not gone unnoticed by marketers nor sales people. No longer are sales and marketing teams saying, "What we are missing is another field force". Today, the discussion is centered on "How do we get the KOLs on board?"

To address this question, pharmaceutical companies have traditionally tried three distinct approaches:

1. Have their Medical Science Liaisons (MSL), Marketing and Sales Teams collaboratively create a list of KOLs to be targeted for ad-boards and other promotional activities.

Benefits of this approach

Cost: no out of pocket expenses

Drawbacks to this approach

- True KOLs are properly identified less than 50% of the time
 - The community specialists and GPs have no input in deciding who is important so their voices are not heard
2. Run a massive primary market research study to identify KOLs and determine why they are important.

Benefits of this approach

For the KOLs identified in the study, you understand what makes them a KOL and how you can leverage their individual strengths

Drawbacks to this approach

- Costs and sample size can be significant. In order to obtain a representative sample, 1,200 – 1,500 physicians would need to be interviewed and costs run in the hundreds of thousands of dollars
 - Only 10-15% of your target audience is reached and often your secondary data does not align with this research, which in turn causes internal confusion
3. Utilize IMS Brogan secondary longitudinal data to determine who initiates the prescription and who is repeating it.

Benefits of this approach

Full transparency on the local and regional KOLs, with a cost-effective methodology

Drawbacks to this approach

- The National and International KOLs are not uncovered as these individuals do not typically write prescriptions but are busy developing guidelines and conducting speaking tours
- Specific factors about what makes them a KOL (i.e., is it speaking or publishing?) are not uncovered

Despite their individual merits, given that each outlined approach has considerable drawbacks, IMS Brogan developed

a hybrid approach to mitigate some of the pitfalls of these other approaches. Moreover, the ideal approach would address all of the following important questions: Who are the KOLs at all levels (i.e. local, regional, national and international level) for my product’s therapeutic area? Why are these individuals important at the regional, national and international levels? Finally, how do we get these KOLs on board?

A Case Study

The following real-life case study provides some context to the above discussion. Pharmaceutical Company X’s “Product A” launched a new indication 36 months ago. When this new indication came out, the Sales and Marketing teams recommended that a field sales force (with excess capacity) be redirected to promote the new indication. This approach would leave the main field sales force with the primary indication, and the new field force with a second (smaller) indication. Based on earlier forecasting models, the new indication was expected to generate ~\$7 million in additional revenue, which would easily cover the cost of the field sales force.

With sales and marketing fully aligned, the organization followed the recommendation for a sales force expansion. Four months later, revenue was falling significantly short of the forecasted goal. It seemed that the local KOLs were not as supportive of the new indication as had been

expected. Initially, everyone thought it was because the new field sales force had not built the required relationships. Consequently, Company X shifted its primary field force to promote the new indication among local/regional KOLs, given that they already had established relationships with these physicians. Despite this strategy change, sales figures were still lagging. Moreover, local and regional KOLs were not endorsing the product at CMEs as Company X had anticipated. It appeared that the message was just not working, and no one knew why.

Fast forward to 2011 (36 months later) when Product A was preparing for an additional indication. As part of this process, Company X had decided to do a full “Launch Readiness Review” of what worked well and what did not in launching the previous indications.

Through this Launch Readiness Review process, Company X concluded that the two reasons that held sales back the most were:

1. Lack of KOL support at every level, along with a full understanding of the KOL cascades, on a name-by-name basis (see illustration on next page)
2. A belief that an additional field sales force could overcome this revenue gap

Having reached these conclusions, the organization began preparations for the launch of their newest indication. They reviewed their launch readiness in full and quickly

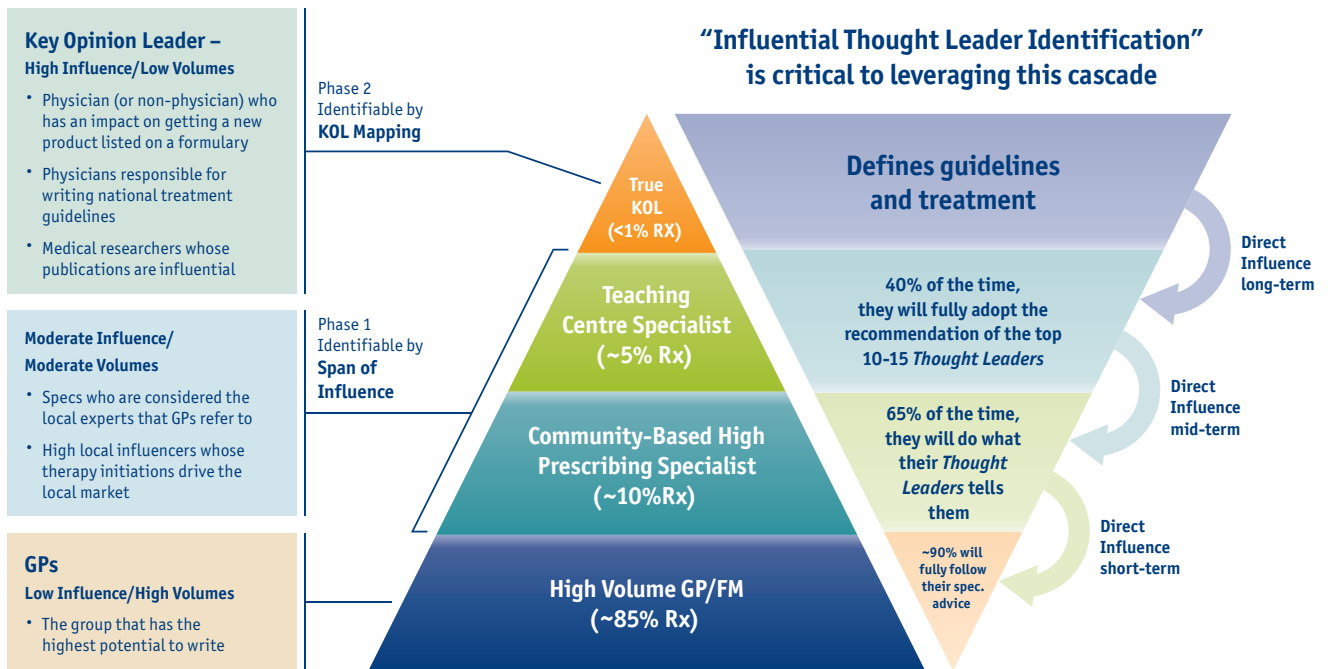


FIGURE 1: DESPITE THE FACT THAT MANY SPECIALISTS EXIST, ONLY A LIMITED NUMBER ACTUALLY SHAPE THE MARKET. IDENTIFYING WHO THEY ARE AND HOW THEY SHAPE THE INFLUENCE CASCADE IS CRITICAL FOR ANY BRAND’S SUCCESS.

identified each task that needed to occur for a full and successful launch. In terms of “Customer Preparedness”, the identification of the Thought Leaders for this new indication became paramount for success. The company needed to know who the KOLs were at the international, national, regional and local levels, and the names of the GPs who referred patients to them. They also wanted to know if any GPs acted like specialists in this market and referred patients back to other GPs.

The objectives were to identify every influential physician, at, or before launch, so that Company X could get them on board and to understand how these physicians influenced the market.

To address these objectives, a two-phased research study integrating primary and secondary data was initiated (see Figure 1). Phase 1, called Span of Influence, was designed to identify local/regional Thought Leaders using secondary data. By linking physicians via their common patients (through longitudinal data), Company X was able to track and follow each individual patient for prescription changes, identify who initiated the first prescription, and who subsequently repeated the prescription. This gave Company X’s Sales and Marketing Teams great insight into the local and regional Thought Leaders/KOLs network.

The results garnered from Phase I were used to initiate Phase 2, KOL Mapping using primary market research (see Figure 2). Specifically, local or regional Thought Leaders/KOLs were recruited and surveyed to determine who their national/international Thought Leaders/KOLs were, along with what made each of these individuals important.

Based on the perceptions of the selected local experts, nominated KOLs were segmented into:

- Rising influential stars
- Falling influential stars
- Rising non-influential stars
- Falling non-influential stars

The KOLs geographic span was also assessed to help brand teams leverage their influence and network. The geographic span analysis answered questions such as:

- If we want to focus on growing business in Alberta and Quebec, which national Thought Leaders should be targeted?
- If we want to organize a national conference or a coast-to-coast road show, which Thought Leader should we have as a speaker, and who should attend?

CONNECTS OF INFLUENCE

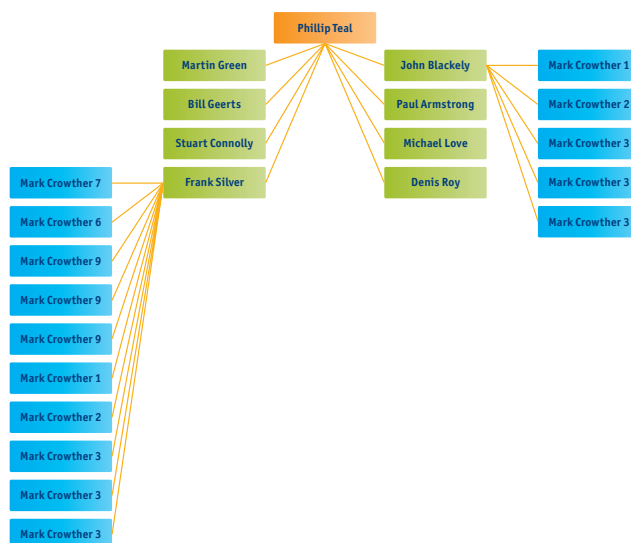


FIGURE 2: KOL IDENTIFICATION AND MAPPING

To Company X’s surprise, less than 20 national Thought Leaders/KOLs influenced over 80% of the new indication’s business within Canada. Furthermore, despite being aware of half of the individuals who were Thought Leaders/KOLs, Company X was astonished to discover how important these individuals were, who they influenced, and how they shaped the market differently in each region.

Within days of receiving this data from IMS Brogan, Company X aligned its MSL force to target and approach the appropriate Thought Leaders/KOLs with the goal of determining who would be a supporter during this pre-launch phase of the new indication. Specific KOLs were invited to attend the national sales meeting to help motivate the field sales force, while other KOLs were recruited as speakers for ad-boards and preceptorships initiated between KOLs.

Although the story is still unfolding; Company X has been extremely satisfied with the direction the Marketing and Sales Groups have taken with these insights. Overall, Product A’s market share is currently tracking above forecast, feedback from the field has been excellent and speakers are delivering the message as intended. As one director stated, “Too bad we had to learn the hard way the true importance of identifying the most influential KOLs. Just imagine what we could have done 36 months ago with KOL support and the extra field force.” **CPM**

Ian Johnson leads the Primary Market Research group at IMSB Consulting. For further information regarding this article, feel free to contact Ian Johnson or your local IMS Brogan representative.