Direct-to-Consumer Marketing Generates Calls: Is the Pharmaceutical Industry Prepared?

By Paul Spiegelman

There was a time when most Americans hardly knew the names of pharmaceutical companies, let alone the medications they produced. That was before the industry began to embrace the kind of direct-to-consumer (DTC) marketing that has been increasing steadily over the past decade.

According to a 2001 Kaiser Family Foundation report that examined trends in spending by pharmaceutical companies on DTC advertising, some 90% of consumers recall having seen drug ads. Contrast this figure to about 40% of consumers in 1993. This comes as no surprise, considering that DTC promotion increased nine-fold, from $266 million in 1994 to almost $2.5 billion in 2000.[1]

As a result of DTC advertising and a more visible public posture, today's consumers can routinely recite the names of many medications and the symptoms they treat—even if the consumers don't use the drugs. They ask their doctors about specific drugs, they respond directly to toll-free phone numbers, and they volunteer to participate in clinical trials as never before.

Because people are interacting directly with pharmaceutical companies at a growing rate, the industry is quickly ratcheting up its ability to be as consumer-responsive as the most sophisticated retail provider. For many companies, this means evaluating the two tools that consumers are most likely to use to communicate—the telephone and Web sites.

Companies have basically two options for managing customer communications: constructing and managing in-house call centers, or outsourcing this critically important function to an organization that does this exclusively. Here are nine factors that companies need to consider:

1. *Call volume.* If call volume is very low, it may be more cost-effective to manage calls internally. Other organizations choose to retain this service in-house because they believe that the nature of the information that is to be communicated is very complex. If a company is going to outsource, it will need to find a business partner who knows about health care and is comfortable translating that language to the lay public.
2. *Availability.* Because a potential customer might be reading about a product at 2 a.m. and might want information on a new drug right then, call centers should operate "24/7."
3. *Flexibility.* Because short-term campaigns have the potential to be disruptive to daily operations, companies should develop a plan for handling after-hours or overflow calls. Some companies that operate an in-house call center retain the assistance of an outsourced call center as "back-up" during heavy periods of advertising, new product launches, or other times when call volume is particularly heavy.
4. *Staffing.* It takes time and dollars to recruit, train, and manage a call center staff. It is important to recognize that (1) it is difficult to find the right people and (2) history has shown that many such employees have a propensity to be "short-timers." Adequate training and management can help lessen this problem.
5. *Adaptability.* Companies need to develop a strategy that allows them to quickly adjust staffing as their needs dictate—allocating more operators when there is a spike in calls, for instance. This may be triggered by an aggressive advertising campaign or by the launch of a new drug. Outsourced call centers inherently have this flexibility; in-house centers need to find a way to do this too.
6. *Training.* Call advisors must be thoroughly trained in company products, should be well versed in the types of questions callers may ask, and must have at their fingertips the necessary information to provide intelligent and courteous answers to callers' questions. Calls must be answered quickly, often in languages other than English, and operators should be instructed in how to achieve stellar customer service. If a company is going to build a call center, it should simultaneously build the training programs that are needed to go along with it.
7. *The Internet.* All pharmaceutical companies use Web sites to provide basic information to their customers. But what if these customers have questions? Real-time chat and prompt email responses are two ways in which companies can enhance their delivery of customer service. Resources should be implemented and programs should be put in place to allow consumers to interact using the medium with which they feel most comfortable.
8. *Technology.* The pharmaceutical industry is all about cutting-edge science. But applying this same cutting-edge thinking to setting up a call center can be daunting. Before purchasing technology for an in-house call center, companies should consider contacting a consultant who is knowledgeable about what it will take to create the call center that is needed. It's easy to spend thousands, if not millions, of dollars on inappropriate technology or services. If a company is not prepared to make this kind of financial commitment on an ongoing basis, outsourcing may be appropriate.
9. *Focus.* Pharmaceutical companies exist to develop products that help people live longer, healthier, and better—not to answer phones. Companies should determine whether operating an internal call center would detract from their focus and critical business issues. If there is a chance that it will, operating an internal call center may not be the best use of the company's resources.

Consumers demand a high level of customer service. If they have a pleasant experience with a company, they are likely to return, to recommend the company to others, and to feel better about its products. On the other hand, a single unpleasant experience can have just the opposite effect. What looks on the surface like a simple phone call or email may be an opportunity to cultivate a lifetime customer.

Paul Spiegelman is founder and chief executive officer of The Beryl Companies in Dallas, Texas. Beryl provides outsourced call center and customer interaction services exclusively to the health care industry. Since 1984, Beryl has served more than 500 health care–related organizations nationwide. For more information, visit www.beryl.net.

REFERENCE

1. Kaiser Family Foundation. *Prescription Drug Trends: A Chartbook Update*. November 2001.

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