

# Optimizing Promotional Investment Mix in a Post-COVID World

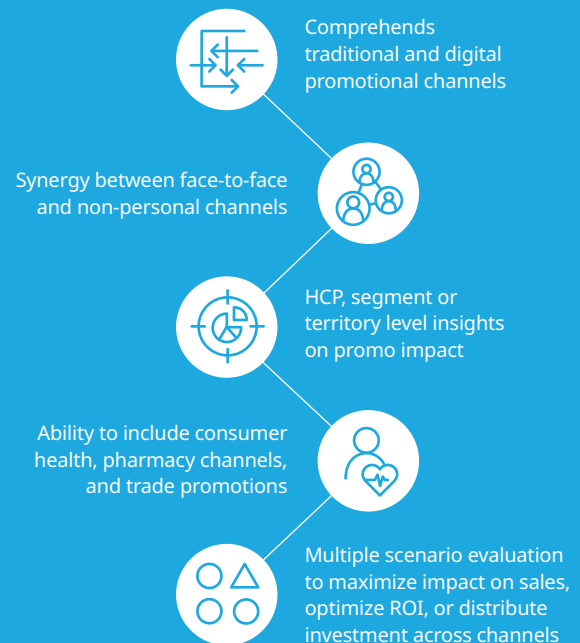
*Ensure a balanced and future-fit promotional investment strategy with IQVIA's AI-powered Promotion Mix Optimization solution*

Life sciences companies continue to witness the rapid transformation of commercial models, driven by pre-pandemic trends as well as direct pandemic disruption. Legacy engagement strategies and methods used by marketers and sales teams to engage healthcare providers (HCPs) has changed significantly. Companies have adapted by embracing new customer engagement strategies that emphasize a broader set of channels, coupled with more coordinated and integrated promotional efforts. Balancing and appropriately resourcing promotional investments across this expanded channel set is critical to maximizing impact and brand performance.

Today's commercial teams face an increased need for agile promotion mix strategies that maximize investment impact and brand success. Static plans have given way to flexible approaches that adapt to ongoing marketplace dynamics. IQVIA has pioneered an approach that can not only optimize existing promotional budgets, but also provide an understanding of the optimal promotional budget across channels to better plan for the future.

IQVIA's Promotion Mix Optimization solution is an AI-powered approach that measures, models, and comparatively benchmarks channel response, enabling on-demand simulation and optimization of promotional investment through a user-friendly platform.

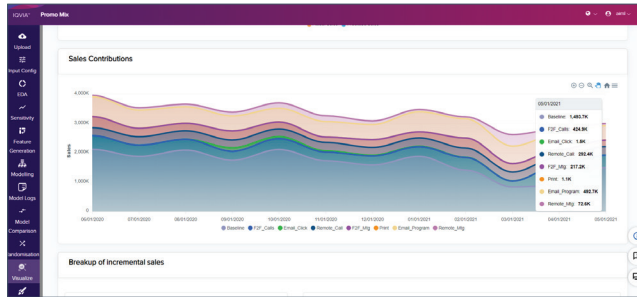
## KEY CHARACTERISTICS OF A ROBUST PROMOTION INVESTMENT MIX SOLUTION



There are three fundamental elements to IQVIA's Promotion Mix Optimization solution, driven by a connected suite of analyses that first models promotion response and concludes with the simulation of various scenarios and investment optimization options. The process also allows you to model and compare your promotion effectiveness to that of the competition.

## PROMOTIONAL MIX RESPONSE MODELING

Leverage data from multiple sources, including that from IQVIA and elsewhere, to create channel-specific promotion response via advanced AI-powered econometric models at the appropriate geographic and customer level granularity.

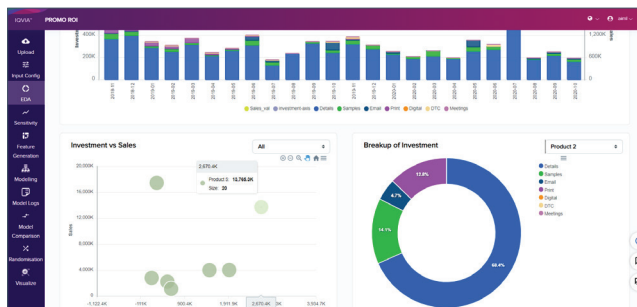


- Multi-channel promotional investment impact assessment
- Calculate ROI, mROI and sales impact using **AI-powered analysis engine**
- Analysis levels – national, sub-national, customer segments, etc.

**Data inputs:** Client CRM, marketing spend, and Xponent/subnational sales

## PROMO BENCHMARK ROI

Leveraging IQVIA ChannelDynamics®, modelled against MIDAS or Xponent sales data, promotional response models measure effectiveness of promotional spend for each competitor in the market. Commercial teams can proceed with confidence for the subsequent simulation and optimization of investment.

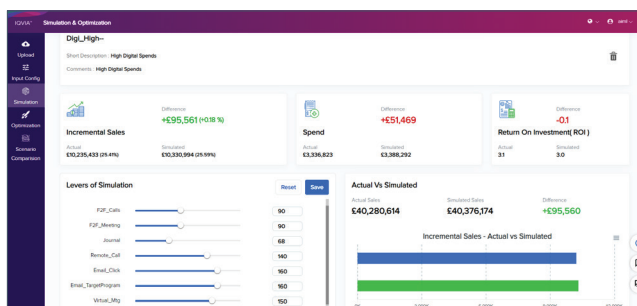


- Promotion ROI benchmarking at national level
- **Compare and benchmark client promotional effectiveness vs. competition**
- For every product in market, measure ROI by promotional channel

**Data inputs:** Channel Dynamics, MIDAS sales

## SIMULATION AND OPTIMIZATION

Simulate and optimize promotional mix plans by channel, customer type, and geography – as appropriate and available – to achieve a balanced and optimally resourced promotional investment mix. Options are available for teams to access an easy-to-use platform for conducting these analyses independently, if desired, by using a standalone or SaaS-based platform.


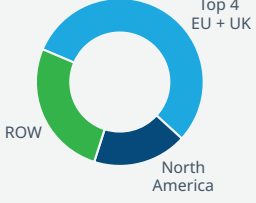
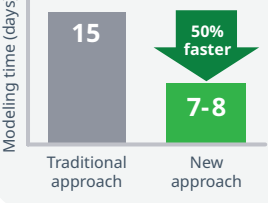
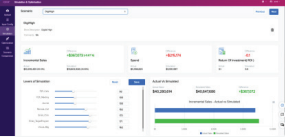


- Scenario simulation and spend optimization based on results from promo mix modeling
- Algorithm can either maximize profits, **maximize revenues or reach a target revenue number**
- Compare multiple scenarios before finalizing recommended plans

**Data inputs:** Promo mix model outputs including response curves and ROI by channel

## WHY THE IQVIA PROMOTION MIX OPTIMIZATION SOLUTION

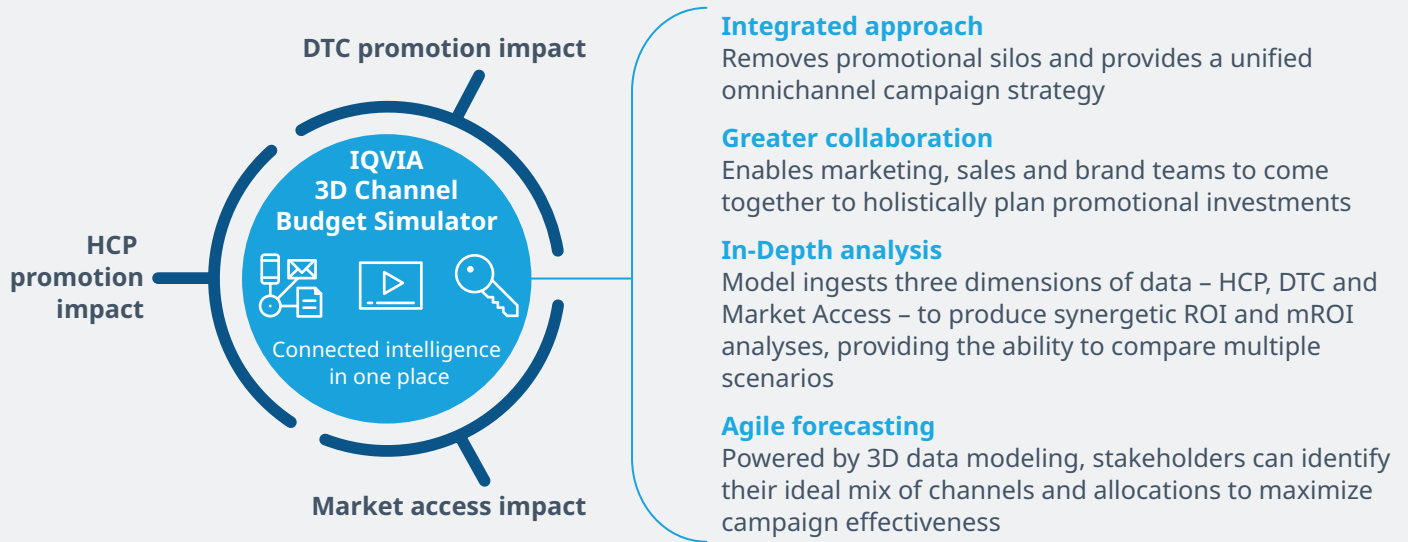
IQVIA's solution for promotional investment optimization creates a new market standard, driven by key differentiators including an omnichannel-enabled approach, global institutional knowledge, increased efficiency using an AI-powered process, and multiple delivery options.

<p><b>OMNICHANNEL-ENABLED APPROACH</b></p>	<p><b>GLOBAL MARKET EXPERTISE</b></p>	<p><b>AI-POWERED PROCESS EFFICIENCY</b></p>	<p><b>FLEXIBLE DELIVERY MECHANISM</b></p>
<p>Seamlessly measures impact from a broad range of channels, including traditional rep-driven, digital, NPP, and DTC, among others</p>	<p>Experience across all major markets as well as emerging markets, resulting in significant benchmark capability to support modeling</p>	<p>AI-powered analytics engine allows for significant experimentation, reducing modeling time up to 50%, thereby lowering cost and timeline</p>	<p>Delivery as a consulting engagement, as a managed service, or through IQVIA's cloud-based platform to enable collaboration</p>
			

### IN A COMPLEX GEOGRAPHIC MARKET ENABLED BY DTC?

In complex markets like the United States that utilize direct-to-consumer (DTC) advertising channels and/or have market access challenges due to managed care considerations, an integrated approach has been developed that up-levels promotional mix optimization. This approach simultaneously solves for the impact due to promotional mix, DTC promotion and payer controls thus eliminating the 'double-counting' impact that can often occur in separate, siloed analytics across the three elements.

This results in a single source of truth across these three elements, while saving considerable time, resources, and potential frustration that can occur when undertaking multiple and often separate data collection and analytics efforts.



# Case studies

The following represent a few recent case studies where clients derived significant value from the IQVIA Promotion Mix Optimization solution.

## Promotional Mix Modeling – US

### Promotional mix assessment for a multi-indication respiratory drug in the US, covering F2F, NPP and DTC

Wide range of promotional channels included

#### Client situation

##### Product background:

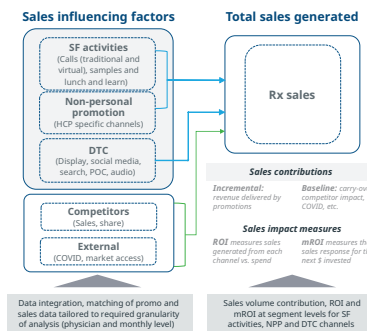
Global life sciences client had a respiratory brand with multiple indications

##### Key objectives:

- ✓ Understand the effectiveness of sales force detailing by tier and indication
- ✓ Understand effectiveness of face-to-face vs. virtual calls
- ✓ Understand effectiveness and ROI for DTC and other non-personal promotion channels
- ✓ Include the impact of COVID-19 on channel effectiveness

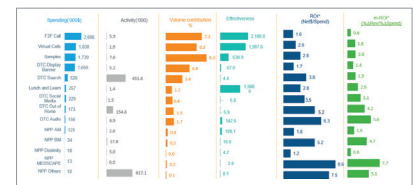
#### IQVIA solution

Applied advanced modeling across the promotional mix to identify the relationship between product sales and factors that influence sales directly or indirectly, leveraging a mix of AI models



#### Results

Optimized investment and built confidence in the investment strategy. Provided business decision support at the national, regional, and account level



Lowered investment cost by **>\$2.5M** for same level of sales, making room for additional value-added investments

## Promo Benchmark ROI – France

### Expanding into additional channels for an over-the-counter product in a crowded market in France

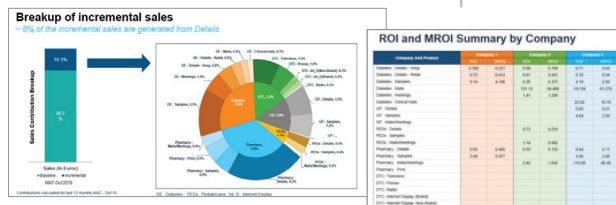
Comparing promotional effectiveness of the target brand vs. key competitors

#### Client situation

- Global leader in metabolic care including pharmaceuticals, nutritionals, devices, and diagnostics
- Medical device product experienced decline in over-the-counter (OTC) demand. Company was interested in benchmarking and improving its promotional effectiveness across traditional and digital channels
- Company also wanted to evaluate investment in DTC promotion

#### IQVIA solution

- Leveraged IQVIA sales data and ChannelDynamics® promotional data
- Used advanced modeling to determine the impact and ROI of promotional channels for all brands within the market of interest
- Compared results and identify best practices in the market



#### Results

- Provided much greater insight into market dynamics of a crowded market saturated with promotional activity
- Recommendations for DTC promotion to provide a 3% uplift in sales
- Confirmed the appropriate usage of several existing channels in the market as well.

**>3%** Uplift from DTC in this market



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