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An exploration of B2B social media practices in an era of digital transformation: The case of the pharmaceutical industry in Thailand

Research suggests that humans' experiences have been significantly impacted by the digitisation of communication technologies (Castell, 2001). In this digital context, marketing practices in the B2B sector have shifted towards leveraging new technologies (Goggin, 2012) and new platforms such as social media. While some studies support the view that digitalisation processes have largely produced positive impacts, in turn creating marketing opportunities especially in emerging growing markets such as Thailand (Ansari and Phillips, 2011; Gross, 2014); others point to the associated tensions that arise from that particular digital environment where technology demands challenge firms' traditional frames of reference, stability and resources, thus threatening current strategies (Andriessen et al, 2011; Santos and Eisenhardt, 2009). Tension is defined as "clash of ideas or principles or actions and... the discomfort that may arise as a result" (Stohl et al.; 2001 pp.353, 354). As such, leveraging the power of social media in B2B (Pharmaceutical sector) is somehow under investigated especially in the context where strong legal constraints are present (Ventrataram and Nagatode, 2014; Whalen, 2012; Liu, 2011). The aim of this study is to explore how and to what extent pharmaceutical stakeholders (firm, physician and pharmacist) are starting to leverage the power of social media communication. Sale force management and social media literature is utilized together with literature on communication and innovation management in B2B. Findings from 23 in depth interviews (6 physicians, 7 pharmacists and 10 managers from a leading global pharmaceutical firm) are analysed. Themes such as content acceptance, self-efficacy, control, managerial tensions, technical issue (security and privacy) and legislation impact are found to be relevant. In addition, cultural factors appear to also mediate engagement by stakeholders. Theoretical implication of social media communication in B2B sector under strong and evolving legislative conditions are discussed together with the emerging managerial implications for the pharmaceutical industry of digital transformation in an era of accelerated culture.

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Extended abstract

In B2B both technology influence and relationships with broader marketing and management research has a long history (Bidgoli, 2010). Regarding the sales discipline in particular, the role of technology, from early non-networked main frame to personal ubiquitous laptops and today's mobile Smartphones/tablets, is well documented (Comer, 1975; Anderson, 1996; Moncrief et al., 2015). Relating the multifaceted relationships between Information Communication Technologies (ICT) and sales personnel, over the years, a large literature has emerged ranging from customer relationship management to sales force automation (Bush et al, 2005). Today, the latest marketing channel, social media, is being explored to enhance firms' social interactions with global value chains, which promotes sharing, telling, and overall interactive two way communication within the supply chain (Michaelidou et al, 2011; Vuori 2012).

As portrayed by Kaplan *et al.*, (2010), social media is a combination of internet applications in a Web 2.0 environment, enabling and fostering relationships and exchange of user generated content among various stakeholders. Social media tools (software and hardware) assist internal communications while engaging existing and potential value chain partners (Treem et al, 2012). Social media applications are found to empower partners, foster innovation, cut costs, reduce delays and improve overall firm performance (Agnihotri et al., 2012; Andzulis et al., 2012). Numerous studies exist investigating adaptation of social media in B2B (Shih 2009; Bulte et al., 2007), competitive advantages for smaller businesses (Copp et al., 2001), establishment of long term relationships (Schultz et al, 2012), resource allocation (Kietzmann et al., 2011) and evaluation of unfamiliarity with technology and perceived lack of control (Buehrer et al, 2005, Kho, 2008) to name a few.

Yet, reports show that overall B2B firms are slower to adopt these technologies (Agnihotri, et al., 2012). White Horse, (2010), a survey which specifically looks into the B2B market, reported that the reasons to justify the situation include lack of skills (generational argument); lack of access to ICT by all partners; and misfit with current management practices (lack of control). Also among these reasons are; firm, often vertical, organizational structure; the fact that many firms are only consumer focused or ROI-driven (unproven channel); a perception that decisions are more rational in B2B as opposed to B2C where they can be emotional (no needs in the field); and B2B marketing is less brand driven with few known players (White Horse, 2010). What is more, a clear gap exists in the literature regarding the specific case of 'regulated' industries. Regulated industries include for example, financial services, Tabaco and alcohol, pharmaceutical but also food preparation, chemicals, telecommunications, electricity, gas, water and oil (Garcia-Canal and Guillén, 2008). These industries are often regulated through in-country and cross-border regulators such as FDA and European Agency for the Evaluation of Medical Products. Their core concerns regarding social media include the licencing of products, pricing, misinformation, updates, promotions, and their trade including B2B and B2C deals (Elefant, 2011; Spain et al., 2001). In terms of cross-border trade, the limitations of international laws allow trade gaps for the regulated markets. Not surprisingly, when it comes to the regulation of online marketing of pharmaceutical products, regulators are more concerned about the B2C marketing than B2B marketing (Spain et al., 2001). The easy conduct of counterfeit transactions, illegal drugs trade, and misinformation over the online sales sites form some of the reasons of pharmaceutical regulations in B2C markets (Mackey, 2012).

Indeed, the pharmaceutical industry is often described as one of few large and global industries, that has yet to leverage digital marketing and social media in particular in sales

Table 10: Ranking by IMS Health Social Media Engagement Index	
IMS Health Social Media Engagement Index	Score
Johnson and Johnson	70
GlaxoSmithKline (GSK)	25
Novo Nordisk	23
Pfizer	20
Novartis	18
Boehringer Ingelheim	18
Bayer	16
Merck & Co	13
AstraZeneca	10
UCB	9

management (Klue, 2009; Lerer and Piper, 2003). Aitken, the Executive Director of IMS Institute for Healthcare Informatics (2014), stated that in the B2C market half of the top 50 global pharmaceutical companies still ignore digital media when creating healthcare-related contents to engage the users. The IMS Health Social Media Engagement Index which reflects the overall usage of social media including Twitter, Facebook and YouTube by pharmaceutical companies on relevant topics about healthcare shows (Table 1) the clear lack of engagement even by the largest firms. In B2B, further concerns are present regarding the lack of standards in digital media usage (impact on ROI) together with unclear and impractical regulations associated with social media (potential litigation and legal impact) (Venkataram and Nagatode, 2014). Consequently, traditional platforms of communication are often preferred mostly requiring pharmaceutical value chain actors to interact with sales representatives via face-to-face to gain information on the latest research, or selected top selling drugs innovations (Britnell, 2011).

For example, in the US, the Food and Drug Administration (FDA) (2014) has long been concerned with social media and digital marketing related applications. Thus, regularly publishes updated guidance for the pharmaceutical industry under the topic of “Fulfilling Regulatory Requirements for Postmarketing Submissions of Interactive Promotional Media for Prescription Human and Animal Drugs and Biologics” which covers mainly the B2C market, and over the counter drugs. Set of guidance principles and rules determine how “a firm is responsible for product promotional communications on sites that are owned, controlled, created, influenced, or operated by, or on behalf of, the firm”. These include any sites supported by pharmaceutical companies including social media sites. The US FDA (2014) also underlines that any product promotional communications of pharmaceutical firms must be submitted to FDA for approval *prior to* publishing on any marketing channel. In our case of Thailand, Hutagalung the Regional Director of US-ASEAN Business Council (2010) also confirmed that “All advertisements of pharmaceutical firms in Thailand must be *pre-approved* by government officials before they are allowed to be dispatched and promoted”. Furthermore, Francer et.al., (2014) remarked that any nation that requires pharmaceutical rules and guidance in a new area such as digital marketing, must verify that provision of information is compatible with the International Federation of Pharmaceutical Manufacturers & Associations (IFPA) code which in the case of Thailand, is represented by the Pharmaceutical Research and Manufacturers Association (PReMA) of Thailand. For promotional media, PReMA of Thailand (2008) explained that “audio-visual materials including sound recordings, VCD, DVD-recordings, tape slide presentations, video-recordings and sound or television broadcastings, etc., must comply with all relevant requirements of the Code *and be restricted* to an audience of healthcare professionals”.

These strict guidance and regulations create interesting conundrum regarding the opportunities and challenges offered by the social media channel and B2B sales management particularly for regulated sectors. First, social media postings do not foster pre-approval of content but real time communication making deployment and management complex (Michaelidou et al, 2011). Second, regulatory approval of material is often slow and incompatible with limitless discussion thread and limitless size for documentation and information. Third, web 2.0 encouraged the sharing of material such as videos and photos that are often presenting multi-faceted information, from numerous stakeholders including competitors in a single file, making it harder to be controlled and less likely to be approved. Fourth, social media encourages open, often anonymous, and speculative discussions presenting difficulties in a context driven by *information based transactions*. That is, where the information is false or includes biased presentation of evidence, or when some actors volunteer to be excluded from the conversation (intense competition), or access to proprietary data are common. Essentially, in many deals with government hospitals; thus, *competitive bidding* among suppliers is at play, rendering information on social media sensitive information, revealing factors, such as quality levels, timing of deliveries, inventory, and customization possibilities. Moreover, most firms do not have resources to investigate fully their customers' priorities, create distinctive (local) offerings, or even map out paths to profitability. To be precise, *buyer-biased exchanges* that characterize B2Bs of today will not be able to achieve the required critical mass to achieve ROI (lack of standards). Furthermore, other services may have to be developed to make the channel sustainable. Among these, stock planning, maintenance contracts, ICT training, or integrated multi-drug services (bundle of products) can be listed. Lastly, in the pharmaceutical sector, in particular, trust in information provided has been low due to mass reported court cases involving drug side effects, poor information disclosure and unethical research funding practices to name a few (Braithwaite,1993).

Yet, as Schneider, the Executive VP of Greystone.net, stated "It is impossible to ignore the effect that social media is having on the Internet in general, and on hospitals and health systems specifically" (Commins, 2010). Still, Greene and Kesselheim (2010) quickly underline that it is arduous to provide an effective balance between risk and description of medicine with character limit on social media. For instance, Twitter allows only 140 characters per tweet. It is too short for a post of indication and important information. Nevertheless in the case of emerging market and middle income countries (MIC) in particular, Andrew Witty (2011), Chief Executive of GSK, stated "that new customers in emerging markets were targeted, there was a high demand in healthcare products but many people in the MICs still could not access suitable treatments, medication and information about novelties". Clearly further access to information is required by health professional that ought to lead to better and cheaper healthcare overall. If the pharmaceutical marketers could leverage the opportunities offered by the new digital channel, it could support pharmaceutical companies' sales, allowing them to be more efficient so as to engage with a greater variety of stakeholders. This leverage would be the product of pharmaceutical consortiums, similar to R&D activities (Sakakibara, 2002).

The aim of this study is; thus, to provide insights into how and to what extent a set of pharmaceutical stakeholders (firm, physician and pharmacist) are starting to characterize and leverage the complexity of B2B social media marketing in the sector. We first address these questions by drawing on the literature on sales management and social media with literature on communication and innovation management in B2B. We then use a case study of a large global firm in Thailand through 23 in depth interviews to illustrate the issues.

This study makes two contributions to discussions of digital transformation and B2B social media in highly regulated sector. First, this study develops a greater understanding of

the significances and nuances of key characteristics such as content acceptance, self-efficacy, control, managerial tensions, technical issue (security and privacy) and legislation impact which allow stakeholders to manage competing logics and their shifting salience within pharmaceutical B2B social media development. Second, this study provides insights into the management of social media in regulated industries addressing a clear lack of research in the literature. In doing so, we provide a deeper understanding of the nature of how social media management by sales force is experienced particularly as a property of capability enhancement, and how competing logics of marketing communication coexist. This analysis extends our understanding beyond the more visible signs of instability and conflict, which might cause the termination of social media initiatives towards an understanding of the on-going discomfort resulting from active endeavour. We then propose that social media management in regulated B2B industries could be developed leveraging frameworks based on consortium and co-opetition behaviours, a situation found in new market creation conditions (Toral et al., 2015).

Digital transformation of the firm has been at the forefront of most manager agenda over the last decade (Van Belleghem, 2014). Social media growth as the key channel to communicate in real time using multiple formats reflecting the changing nature of the sales force management and the day to day roles attributed to sales force cannot be ignored any longer (Andzulis, Panagopoulos, and Rapp, 2012). The traditional assumptions put forward by the firm not to engage i.e. sales people using social media due mainly to generational gap (Robinson, Marshall, & Stamps, 2005), and that social media may be irrelevant to the field do not hold anymore. Indeed, under B2B conditions and within highly regulated industries, the lack of models and practices may level the generational field further than expected and call for integration with traditional tactics. Beyond the gadgetology of the various tools that could be leveraged by sales personnel, strategic thinking seem to be lacking with a certain lack of leadership to overcome the inertia of internal politics, leaving little directions for managers. Still, following the traditional Walker, Churchill, and Ford's (1979) model, Moncrief, Marshall and. Rudd (2015) clearly describe how sale force management functions, including selection, training supervision, compensation and deployment are affected by social media (see Table 2 p 50). In fact, today's global competitive pressures require higher engagement with business partners, regular explanation and demonstration of expertise, understanding of partners' diversity, dynamic change, and brand enthusiasm which encourages actions. These engagements are particularly crucial to increase firm and industrial efficiency, alignment of policies, standardization and flexibility of resources (Castro et al., 2003). But, they are not without the potential co-opetitive tensions which challenge these engagements (Kankanhalli, et al., 2006). Moreover, nothing is said about the content creation and management of the information and knowledge that then can be discussed, shared and commented upon, a central criterion for highly regulated industries as pre-approval is required. In essence, the literature has up to now concentrated mainly on the mechanics of applying social media in B2B sales force management often emphasizing the new relationship with consumer i.e. B2C.

Findings from 23 in depth interviews (6 physicians, 7 pharmacists and 10 managers from a leading global pharmaceutical firm) are analysed. Themes such as content acceptance, self-efficacy, control, managerial tensions, technical issue (security and privacy) and legislation impact are found to be relevant. In addition, cultural factors appear to also facilitate engagement by stakeholders. Theoretical implication of social media communication in B2B sector under strong and evolving legislative conditions are discussed together with the emerging managerial implications for the pharmaceutical industry of digital transformation in an era of accelerated culture. Lastly, a framework based on consortium co-opetition literature in new market development is proposed as a potential solution.

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