

## MARKETING ROUNDUP

BY ERIC LADLEY

### Reps: Publicity is negative

Most pharmaceutical sales representatives believe that the public's view of their employers has declined during the past year, and they say media exposure is most to blame. This negative public image of drug manufacturers has combined with tougher competition and more stringent industry guidelines to make a sales representative's job increasingly difficult, according to a new survey by G & S Research Inc. The survey explores and monitors factors that may influence sales representatives' success and satisfaction with their work. To improve job performance amidst these trends, representatives are asking their companies for training that will help them to better appeal to doctors.

About 85% of pharmaceutical sales representatives say public opinion of health-care manufacturers dropped from 2004 to 2005, and only 5% believe that the opinion improved, according to the survey. Of those who believe that public opinion has declined, 51% say media exposure is the reason why. About 37% of representatives place the blame on high medication costs along with the perception of manufacturers' greed, and 13% of sales representatives name unsafe or failed drugs and related lawsuits as the cause.

Most representatives do not believe that public opinion will improve, according to George Grubb, co-founder, G & S Research (gs-research.com).

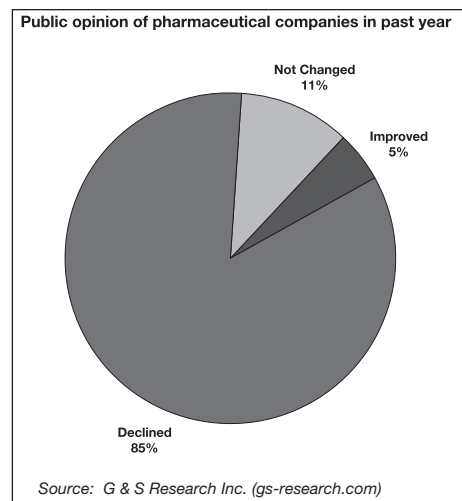
The biggest obstacle that representatives face, however, is a saturated market. The number of sales representatives in the

United States has increased 85% during the last five years to about 90,000, with a minimal increase in the number of physicians. About 68% of representatives say they do not receive access because too many competing representatives are taking up the physicians' time.

Even without taking this increase into account, doctors have less time to meet with representatives because they have to see more patients under managed care. In some cases, physicians are seeing 150 patients a week for less money. These factors are inhibiting pharmaceutical companies from achieving their goal of improving the return on sales-force investment.

Competition among representatives has showed signs of easing slightly. About 72% of representatives report having insufficient time with physicians in 2005, which declined from 78% in 2003. About 74% of sales representatives rate the aggression of their primary competitor as either slightly or much more aggressive in the past year. On the whole, the level of aggression among competing sales reps may be waning because in 2003 the reported figure was 81%.

But the field remains highly competitive, and increasing regulatory scrutiny has made navigating through this situation even more difficult. Representatives view the guidelines adopted by the Pharmaceutical Research and Manufacturers of America (phrma.org) and their company's approach to the guidelines as taking away from their ability to create relationships. Restrictions placed on taking physicians to dinner has limited a representative's ability to work around the physician's



busy schedule during the day, according to Melinda Spaulding, VP, client management, G & S Research. Representatives need time to deliver complex scientific content and now often are able to give only sound bites of information.

"From a rep perspective, it isn't about trying to buy the physician's love, it's about trying to get time to get into a healthy dialogue," Mr. Grubb says. "That's just part of the process."

About 70% of representatives report that their ability to do their job is being affected by the PhRMA guidelines, which is a number similar to 2003. More than 90% rate the impact as negative. About 40% of representatives say the guidelines affect program recruitment the most; 20% say relationships with physicians are affected most; and 16% say access and time are affected most.

"This is still a relationship-based business, and the guidelines have made it very mechanical and difficult for these reps to do what they feel they do very well," Mr. Grubb told *Med Ad News*. "I've heard some independently say, 'The skills that I brought to the table that got me hired by the drug company are no longer the skills necessary for success in the job.'"

Representatives say sampling is the best way for them to gain access to the physician and then present their message. Almost 50% report that physicians would not see them if they did not have samples on hand, which would limit their ability to expand on the relationship with the physician. Other important sales aids are reprints, detail pieces, and program dollars. Patient education and local speakers scored lower.

Once they get into the office, representatives need to be viewed as more than just providers of samples. According to the G & S research study, representatives who say physicians view them as a "trusted colleague" receive more face time with physicians than those who say they are perceived as a "new information provider" or a "sample supplier." About 41% of sales representatives believe that the physician viewed them during their last sales call as a "trusted colleague." Representatives estimate an average of 45% of their details include new information for physicians. Presenting this new information in a compelling way is what makes sales representatives good at their job.

"Away from this data, there are very good reps that are having a positive impact on physicians," Mr. Grubb says. "And there are reps that are not. That comes back to the value that the physician perceives that the rep brings beyond the samples."

Training in certain areas could equip representatives with the skills to become trusted colleagues to physicians. Pipelines increasingly are dominated by specialty or niche products, which require different messages and promotion strategies. To sell products in a more specialized field, representatives say they need more science-based training. About 75% of representatives say their training levels are inappropriate. About 36% of representatives say they need more training on disease states and treatment, and 22% say

they need training on sales strategies to gain more time with physicians. About 42% of representatives say they need less training on pharmaceutical regulatory environment issues, and 28% say they need less training on customer segmentation.

Pharmaceutical companies already have made improvements in training and preparing representatives. According to Mr. Grubb, representatives see major obstacles in the market, but they think their company is doing a better job of adjusting to the situation. In training, companies are focusing on what makes a good representative rather than on perceptions that physicians have about a product. The representatives are taught to focus more on listening to what doctors say, according to Ms. Spaulding.

As seen in the 2003 study, more than 90% of sales representatives feel that they are equally or better prepared for sales calls than their competition. About 61% of representatives say management expectations of their detail frequency are about right, but 38% say these expectations are too high. Representatives say they could be helped if they receive sales information more quickly for key sales calls. A little more than 25% of sales representatives say marketing materials arrive too late.

But representatives believe that marketing departments generally are working well with them. About 73% of sales representatives say marketing does a satisfactory job of providing them with the tools needed to compete.

Although representatives view media coverage as negative, they say mass-market pharmaceutical advertising has benefited their job. About 60% of sales representatives promote brands that are advertised directly to consumers. About 58% of sales representatives say their job was affected by direct-to-consumer advertising in 2005, compared with 41% in 2003. About 67% of these sales representatives say the effect on their job is positive. About 40% of participating representatives reported that they are very to extremely informed about direct-to-consumer initiatives related to their brands. Ten percent say they are very to extremely informed about direct-to-consumer initiatives related to their competition.

## IMPORTANT FACTS & FIGURES

**T**he chronic obstructive pulmonary disease market will more than double to **\$12 billion** by 2014, and experience **9%** annual growth.

**92%** of executives say their company employs formal programs to train influential physicians as speakers.

About **87%** of seniors who voluntarily enrolled in a stand-alone Medicare prescription drug plan reported that the new prescription drug benefit worked well. About **77%** of seniors reported peace of mind knowing that they have prescription drug coverage.

About **45%** of executives say corporate culture and lack of buy-in are the greatest barriers to successfully managing a pharmaceutical portfolio.

Branded drugs lose as much as **30%** of their average market share when their first generic competitor hits the market. Successive generic launches may take away as much as **90%** of the branded drug's market share. Generic drugs generate more than **\$40 billion** in annual sales.

Medical affairs teams supporting portfolios with fewer than 10 brands dedicate **22%** of their staff to medical education.

The Middle East has achieved a **10.6%** combined annual growth rate between 1999 and 2003. This number is about **4%** more than the estimated world average and second only to South East Asia and China.

Sources: Best Practices LLC ([best-in-class.com](http://best-in-class.com)), Cutting Edge Information ([cuttingedgeinfo.com](http://cuttingedgeinfo.com)), Decision Resources Inc. ([decisionresources.com](http://decisionresources.com)), Medicare Rx Education Network ([medicarerxeducation.org](http://medicarerxeducation.org)), Urch Publishing Ltd. ([urchpublishing.com](http://urchpublishing.com))