



RepReviewsm Study Synopsis

Gauging the Sales Representative Perspective on the Pharmaceutical Industry's Trends, Practices, and Environment

Project Overview

The pharmaceutical sales force arms race phenomenon is closely followed and well documented. The industry average for field force budgets is now close to \$875 million, with the higher echelon companies dedicating upwards of \$1 billion.ⁱ From 1995 to 2001 the number of pharmaceutical sales representatives doubled to 80,000.ⁱⁱ Today, the number stands around 90,000.ⁱⁱⁱ These trends have multiple implications on the industry, including promotional practices, customer reactions, and effects on the sales representative. But while many articles have focused on the industry and the physician, what about the sales representative's perspective?

This inaugural program was designed by G & S Research to gauge healthcare sales representatives perspectives in certain areas, namely: understanding the sales representative environment, product marketing support, industry trends, and healthcare company perceptions.

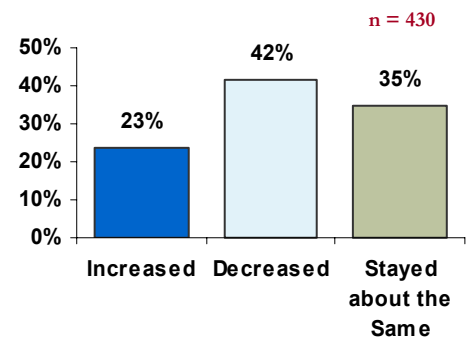
This study used the ePocrates panel of 4570 healthcare sales representatives who opted in to their online network. Using a web-based survey platform, a total of 430 (9%) recipients successfully completed the survey between July 22nd and July 31st of 2003.

The Selling Environment: Physician Access and Interaction

With more competing representatives in the field and an associated increase in aggressive tactics, both access to and amount of time with physicians are decreasing.

- In an open-ended question asking representatives what their **single greatest challenge** in promoting products was, **67% indicated access to physicians.**
- **78%** reported that they **do not get enough time to adequately detail** their physicians. Of those 78%, a **vast majority reported "too many competitors representatives take up physicians time"** as the most significant reason for the lack of time available to detail.
- **42%** indicated the **amount of time they get with physicians has decreased in the past 12 months.** See chart (right).
- **82%** of respondents rated the aggression of their primary competitor as either slightly more or much more aggressive in the past year; however **61%** indicated they are better prepared with respect to selling materials.

Amount of Time with Physicians



Headquarters
600 East Carmel Drive
Carmel, IN 46032
317.252.4500 tel
317.252.4510 fax

Regional Offices
3368 Governor Drive
Suite 176F
San Diego, CA 92122
858.613.0009 tel
858.592.4792 fax

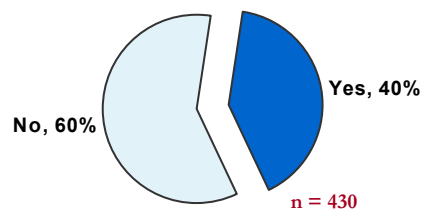
1121 South Military Trail
Box 104
Deerfield Beach, FL 33442
954.421.7199 tel
954.421.7190 fax

Industry Trends

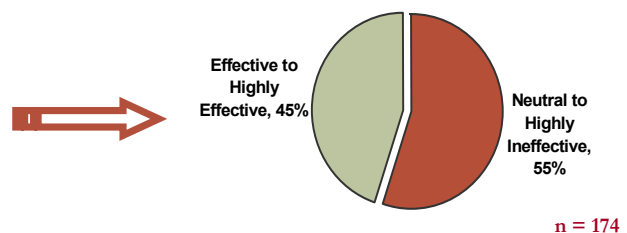
Industry guidelines, technology advances, and co-promotions are contributing to the changing landscape of the selling environment.

- 69% of representatives indicated the new **PhRMA** (Pharmaceutical Research and Manufacturers of America) **guidelines regarding physician promotion has affected their ability to do their job.**
- In an open-ended question asking how their job has been affected by PhRMA guidelines, **96% responded with negative implications.** The two biggest reasons cited were **limited access and time with physicians and/or staff (40%) and difficulty with program recruitment (35%).** *Note many respondents answered with more than one response.*
- Over half of respondents are aware of physicians discussing and/or using **point-of-care (POC) reference tools**, selecting **ePocrates (96%) and Mobile PDR (67%)** most often.
- 40% of respondents currently **co-promote products** with another company's sales force. **Of these, 55% rated the efforts as neutral or highly ineffective.** *See charts (below).*

Currently Co-Promote Product



Effectiveness of Co-Promotion Effort in Maximizing the Market Share Potential of the Product(s)



- The reasons most cited for ineffectiveness in the co-promotion effort were:
 - **Company Focus and Commitment:** conflicting priorities and objectives of companies involved
 - **Sales Representative Issues:** number of reps, turn-over, coordination, duplication
 - **Communication /Coordination:** lack of these areas

Open Ended Response Samples

What currently is keeping this co-promotional effort from reaching its potential?

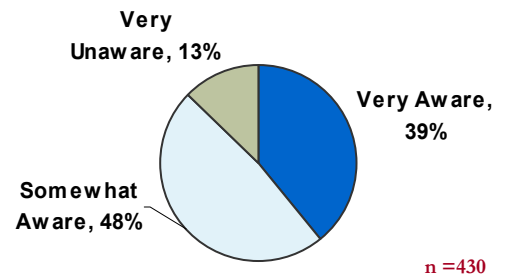
- ✓ “The other company has a new drug out that is taking away their focus from our new drug.”
- ✓ “The companies' goals are different. The reps for each company have different call goals and different parameters to meet.”
- ✓ “Lack of knowledge from other company's representatives.”
- ✓ “Two different companies have two different ways of doing business so there are gaps sometimes in communication...”

Product Marketing Support and Relations

Despite the challenges representatives are facing, most feel supported by their product marketing teams.

- 78.8% rated the following statement as **TRUE: I believe the product Marketing Department does a satisfactory job of providing me the necessary resources to compete with my competitors.**
- However, only 39% indicated their Product Marketing Department was “very aware” of what was going on in the field. *See chart (right).*
- Those who answered Somewhat Aware or Very Unaware were asked why. **The most common reasons cited in an open-ended question were time/experience in the field (44%), followed by not soliciting feedback (16%).**

Awareness of Product Marketing



Open Ended Response Samples

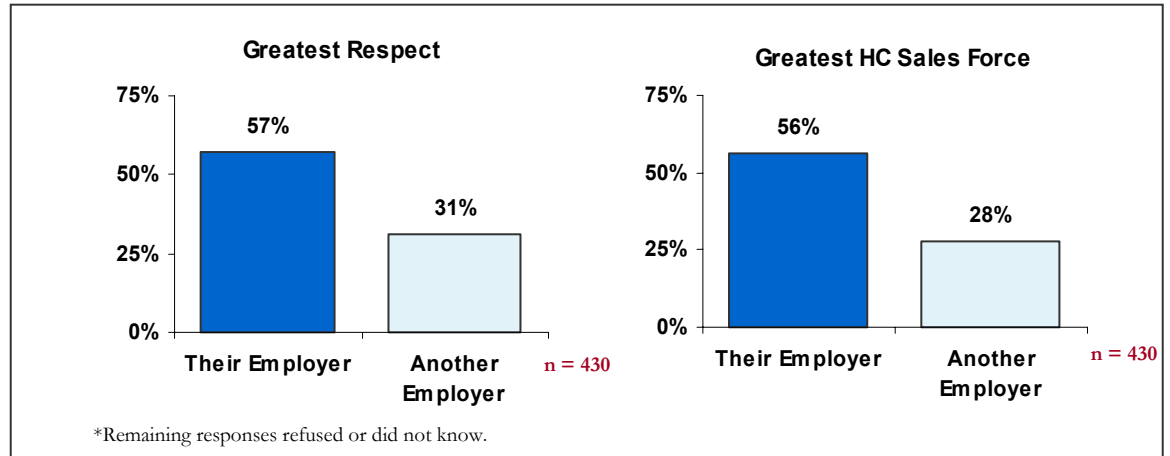
Why are they (Product Marketing Department) not more aware of “what’s going on” in the field?

- ✓ “They spend too much time in the office and not in the field with representatives.”
- ✓ “They base the materials on the assumption that you will have 10-15 minutes face to face selling time.”
- ✓ “Without actually being in the field regularly it seems hard to realize the constraints reps have when trying to gain access to the docs.”

Employer Image / Loyalty

Even though representatives indicated they are prepared with selling material and are given the necessary resources to compete, they do not necessarily feel their company is “the best.”

- RepReview asked respondents for which healthcare company they have the **greatest respect** and for which healthcare company they feel has the **best healthcare sales force in the world**. **Surprisingly, 31% and 28% (respectively) did not select the company they work for.** *See charts (next page).*



Demographics

The overall industry experience of the respondents is relatively high.

- Over 90% of the respondents classified themselves as Sales Representatives.
- The average (mean) number of years worked at their current company is 5 years and 9 years in the industry overall.
- Over half (52%) have worked at another healthcare company.
- The average (mean) age is 38 years.

This survey spanned the industry, including representation from companies like **GlaxoSmithKline** (12%), **Johnson & Johnson** (9%), **AstraZeneca** (8%), and **Novartis** (7%). See table (right).

It also includes representatives of multiple physician specialties with **Family Practitioners** (27%), **Internal Medicine** (26%), **Cardiologists** (10%), and **Psychiatrists** (9%) completing the top specialty areas.

Which company do you currently work for?		
Company	n	%
GlaxoSmithKline	53	12%
Johnson & Johnson	39	9%
AstraZeneca	36	8%
Novartis	30	7%
Bristol-Myers Squibb	21	5%
Forest Laboratories	19	4%
Wyeth	18	4%
Pfizer	16	4%
Eli Lilly	14	3%
Schering-Plough	14	3%
Aventis	13	3%
Abbott Laboratories	12	3%
Merck	12	3%
Reliant Pharmaceuticals	10	2%
Biovail Pharmaceuticals	7	2%
Procter & Gamble	7	2%
Purdue Pharma L.P.	5	1%
Schwarz Pharma	4	1%
Refused/Don't Know	8	2%
All Others	92	21%
		100%

ⁱ "Pharmaceutical Sales: Sales Force Budgets Approach \$1 Billion," contact Jan Blanchette, Cutting Edge Information, Article A100436818.

ⁱⁱ "Making More of Pharma's Sales Force," by Martin E. Elling, Holly J. Fogle, Charles S. McKhann, and Chris Simon, McKinsey Quarterly, 2002 Number 3.

ⁱⁱⁱ *PMR2 News Notes*, Pharma Marketing Research, June 2003, p. 1. Quote of Scott Hensley of The Wall Street Journal.