The Virtual Pharma Sales Rep
Ensuring the Survival of a Venerable Species
Author: John Mack
Back in 2007, I asked “Are Sales Reps Necessary?” (see http://bit.ly/PMN61-01). At that time, there were about 100,000 pharma sales reps in the U.S. and drug companies were preparing to make personnel cuts to save money. Pfizer, for example, proclaimed that there are "no sacred cows" when it comes to cutbacks.

And cut back they did! ZS Associates estimated that the number of sales reps working for U.S. pharmaceutical companies fell to under 60,000 in 2013 (see Figure 1, below).

What Are Reps Absolutely Needed For?
A poll posted to Pharma Marketing Blog back in 2007, which asked "What Are Sales Reps Absolutely Necessary For?", continues to generate responses. Respondents were asked to choose one or more of the following choices:

• Increase Scripts Written
• Deliver Samples
• Source of Practical Information for Docs
• Cater Lunches for Docs
• Compensate for Lack of Trained Hospital/Office Staff
• Manage Patient Assistance Programs
• All of the Above
• None of the Above

The results to date are shown in Figure 2, page 2. The most popular response (24%) was “Source of Practical Information for Docs.” Obviously, a major goal of sales reps is to increase written scripts, but their usefulness in delivering free samples is waning (see http://bit.ly/PMN79-01). And due to the Sunshine Law fewer reps visits include catered lunches.

What’s the Cost of a Sales Rep Visit?
Visits to physicians by live field representatives are expensive. According to Cutting Edge Information, the average cost of making a sales call to a primary care physician, with samples, is $210. But costs ranged from $50 to $500, underscoring differences among therapeutic categories and medicines. To visit a specialist, the average cost with samples is $285.

Physician Access Continues to Decline
As reported not too long ago in the WSJ, “many physicians no longer have the time to take the calls and some doctors refuse to see pharmaceutical representatives out of concern about improper promotions.” Access to prescribers by sales reps has declined steadily since 2008 (see Figure 3, page 2).

It is estimated that pharmaceutical companies waste between $1 billion and $1.5 billion annually on “infeasible calls” due to limited physician access. Infeasible calls represent approximately 8% of the pharmaceutical industry’s sales force effort.

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Figure 3. Accessible Prescriber Trend. Over the last five years, reps’ access to physicians has steadily declined (Source: ZS Associates/AccessMonitor).

“The traditional way of physicians interacting with the sales force is not working—it’s not as effective as in prior years,” said Khedkar Pratap, ZS’s Managing Principal for Pharmaceuticals and Biotech. “When half of your customers don’t want to interact with you the way you want to interact with them, it’s a problem.”

The Virtual Sales Rep

What Pratap is referring to is the growing number of doctors who prefer digital communications. Pharma is currently in the process of moving its sales force to a smaller structure that is more directly aligned with this new reality. A 2012 CSD Promotional Audit estimated that the U.S. pharmaceutical industry increased its professional digital marketing spend by 65% in 2012 to $879 vs. $534 million in 2011.

But what is included under this “digital” umbrella?

Cutting Edge Information recently published its "Pharmaceutical Sales Management" report, which included data on "eDetailing." Ed Silverman, a Wall Street Journal blogger, summarized the data in the report and stated "the average annual [per company] investment in electronic methods [of pharma sales interactions with physicians] is $1.96 million."

What Cutting Edge estimated was the spend on LIVE online activities such as virtual reps performing online informational sessions and linking field reps with doctors via webcams. That’s a much more limited definition of "eDetailing" than is typical.

See Figure 4, below, for a chart from Cutting Edge Information showing how the average of $1.6 million per company number was determined.

A Case Study

At the recent ePharma Summit, Andrew Watson, VP of Sales & Marketing at Wockhardt USA, spoke about his personal experience using vRep, a virtual face-to-face selling application that allows virtual pharma reps to build the same type of relationships with doctors that traditional reps can. The presentation was titled "The Doctor Will 'See' You: Bridging the Gap Between Doctors and Pharma."

According to data presented by Watson, seventy percent of doctors are open to receiving virtual sales calls. Figure 5, page 3, shows how vRep accomplishes a virtual sales call. You can also hear how Lilly is using the Web and telephone to carry out "Tele-Web eDetailing" in this podcast interview: http://bit.ly/PMT127gpAd  

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In order to achieve success with any virtual sales rep program, it must be an integral part of the company’s sales structure. In Wockhardt’s case, virtual reps are not mere tele-detailers but are trained sales reps that have “fixed” territories, which lack field rep coverage. The virtual reps also work with field reps to gain access to “no-see” doctors.

Watson claims vRep allowed Wockhardt to enter into places it could not with the traditional sales model and resulted in 8 to 10 details per day per rep with an average time of 18.3 minutes per detail.