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THE IMPACT OF E-DETAILING - Will it Complement, Replace, or Become Integrated with the Sales Force?

By **Mark Schmukler** and **John Mack**



David Hauben

The number of pharmaceutical sales representatives has increased sharply in recent years. According to data from Scott-Levin/Verispan, the number of reps increased 77% between 1996 and 2000. Other sources contend that the number of pharma sales reps has doubled within the past eight years, while the number of doctors has increased by only about 15 percent.

Perhaps the industry's traditional sales force has reached — and possibly exceeded — the saturation point. More than 90,000 representatives compete for the attention of 650,000 practicing physicians, only 125,000 of whom are top-tier prescribers. Some people, maybe physicians most of all, hope that online detailing (“eDetailing”) will reduce the number of office visits from all these pharmaceutical sales representatives chasing after the same docs.

David Hauben, Director of eBusiness at Aventis Pharmaceuticals, addressed this provocative topic in his keynote address at the Center for Business Intelligence's 2nd Annual eDetailing Conference, held September 18-19 in Princeton, New Jersey.

Challenges of Selling to Physicians

A description of today's “Rep visit to the Doctor's Office” showed what the numbers quoted above really mean. While the number of reps has increased dramatically, the total number of details is virtually flat. Many visits are “no see” service calls or at best “partial details”. The implication is that sales forces alone do not wield the promotional power they once did. The basic challenges in “Selling to Physicians” — “Access”, “Time”, and “Quality” — may not have changed, but the barriers are higher than ever.

Role of Online Detailing

Hauben demonstrated that eDetailing can play a variety of roles depending on marketing objectives, how resources are allocated and what kind of eDetailing program is implemented. A review of representative eDetailing tools proved his point.

eDetailing is often used as a blanket term for various activities, and its exact definition is hard to pin down. Verispan (www.verispan.com) identifies four primary types of “ePromotion” activities:

- **Virtual Details** – Web or CD-based self-guided informational programs with no live communication
- **Video Details** – Online, live, or phone assisted browsing through virtual sales presentations

Some Numbers

ACCESS

- 60% of physicians provide barriers to access or will not see representatives; this number may reach 80% in 2-3 years (Cozint, HSC, BCG)
- 43% of rep visits don't result in seeing the doc (HSC, BCG)
- At Aventis, an internal survey revealed that 90% of the reps listed access as their primary issue.

TIME

- 78% of calls last 2 minutes or less (HSC, BCG)
- Many calls result in a “30-second detail” and a sample drop

- **Online Events** – Online seminar, CME event, opinion leader event, or web conference
- **Other activities** – Electronically enabled promotional, educational or service efforts

By far, the most frequent type of activity, according to Verispan, is the virtual detail with nearly 500,000 of these delivered industry-wide during the quarter ending August, 2003. In comparison, there were only about 65,000 video details delivered during this period (see chart).

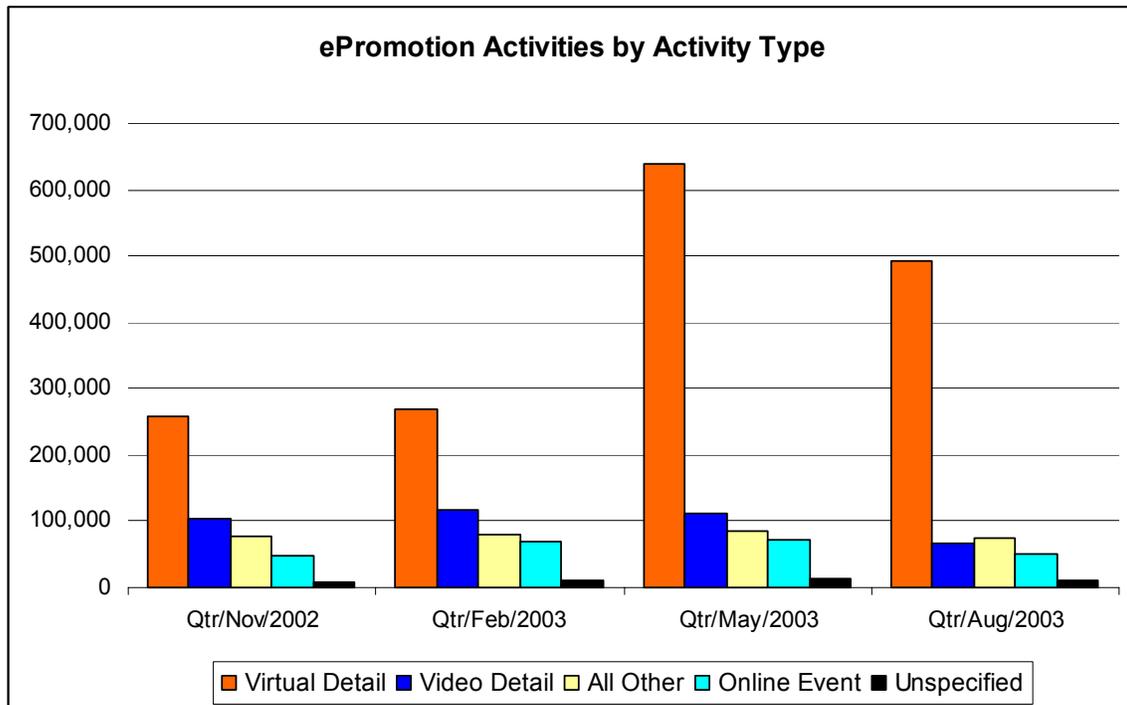


FIGURE: "ePromotion Audit" (Verispan, LLC, launched in June of 2002). Data is industry-wide.

Of the many benefits of virtual detailing, Hauben emphasized that, when properly executed, eDetailing

- Exposes physicians to rich promotional/educational messages (average 7-10 minutes)
- Facilitates sales force access through sales rep and sample requests
- Reaches large numbers of customers quickly
- Provides physician level data feedback to reps and the marketing team
- Is cost-effective
- Enhances relationships with health care professionals via timely, convenient, and targeted content

Execution, though, is key. It's clearly not enough to simply translate a sales message into a "canned" virtual presentation. Strategic planning and coordinated execution are essential. Hauben walked us through the process, describing the milestone elements in the development of an effective eDetailing program.

1. Target and segment the eDetailing audience
2. Develop eDetailing program/message
3. Obtain legal/regulatory/medical approval
4. Design/purchase and implement the technical application (Web, CD, etc.)
5. Recruit users through invitations by mail, e-mail, sales force, fax, phone, etc.
6. Engage and involve physicians in virtual detail
7. Provide online reporting

8. Receive and process customer requests for samples, clinical information, patient education, sales calls, etc.
9. Fulfill requests.

The hybrid ideal

The traditional personal sales model is a “push” model, with sales representatives coming to the target. Hauben sees the eDetailing model as a “pull” model, where the audience is motivated to act independently to participate. His view of the ideal is an integrated hybrid model.

Health care professionals are receptive to the “pull” component. According to a Verispan study cited by Hauben, 59% of physicians rated their attitude toward ePromotion as positive to very positive. This was illuminated by qualitative metrics such as physician comments and sales and marketing feedback, plus quantitative feedback such as participation rates, compliance and drop-out rates, requested follow-up activity, minutes per detail, and ROI.

Issues and Challenges

Hauben pointed out several issues and challenges that eDetailing must overcome, including

- Acceptance by sales and marketing
- Incentive legality and precedence
- Recruitment
- Compelling content
- Integration between online and offline promotion
- In-house development versus outsourcing

When asked if eDetailing creates a rift with the sales force, Hauben responded, “Certainly not. At first blush, those familiar with traditional detailing may be uncomfortable with eDetailing. However, once they realize that this new channel can enhance traditional detailing and add value to what the sales rep has to offer, they begin to embrace eDetailing.”

Hauben may have been the first, but certainly not the only, speaker at CBI’s eDetailing Conference to focus on the issue of incentives offered for eDetails and to suggest that a “dangerous precedent has been set.” Hauben suggested it is better to err on the conservative side and be careful that eDetails offer compelling information as the value proposition.

While recruiting physicians for eDetails in Hauben’s experience hasn’t been bad, there is a way to go before eDetailing proves it is scaleable and can reach many more physicians. “What ultimately will drive this [eDetailing] is Segmentation and Integration” he concluded.

Regarding the question posed in the title of his presentation, Hauben stated “The answer is eDetailing will complement the sales force and become integrated into the sales and marketing process. The sales representative is still the most effective promotional resource we have.”

“The sales representative is still the most effective promotional resource we have.”

-- Hauben

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