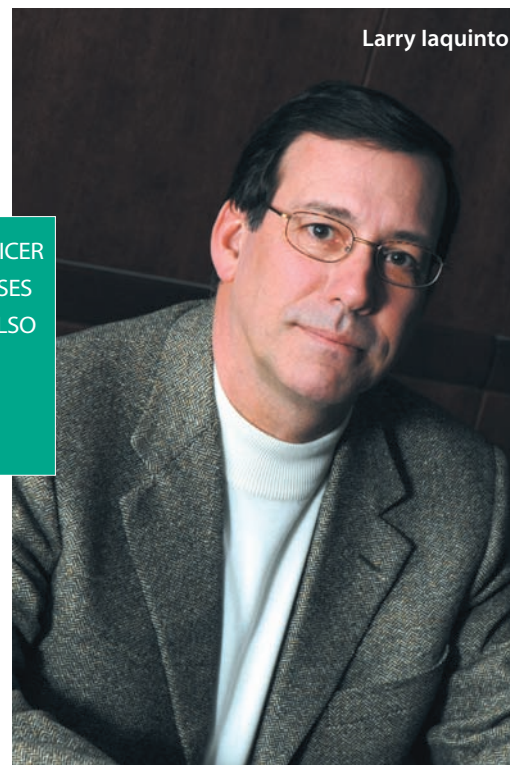


Overemphasis on Salesforce May **Shortchange** Promotion

LARRY IAQUINTO, PRESIDENT AND CHIEF OPERATING OFFICER OF INTERLINK HEALTHCARE COMMUNICATIONS, DISCUSSES WHY A WELL-BALANCED MARKETING PROGRAM THAT ALSO INCLUDES ADVERTISING, PUBLIC RELATIONS, AND NONPERSONAL SALES PROMOTION IS CRITICAL FOR GETTING THE SALES MESSAGE TO CUSTOMERS.



Gaining brand exposure right before or during a prescribing opportunity should be the gold standard for pharmaceutical marketing. Nothing less than a multidisciplinary approach will attain this type of brand recognition.

A general acknowledgment exists within the industry that pharmaceutical companies have traditionally placed more emphasis on personal selling than on support promotion. It's more difficult to elicit recognition that the high cost of building and supporting a salesforce to market prescription medications diminishes the company's capacity to implement well-balanced marketing programs.

A balanced program that allows for both personal and nonpersonal exposures is within reach by taking advantage of planning tools that are readily available today, says Larry Iaquinto, president and chief operating officer of Interlink Healthcare Communications.

"During the past decade, salesforce sizes have almost doubled, while there has only been a modest incremental gain in the population of physicians," he says. "With so much money flowing to the selling effort, it is inevitable that fewer dollars will be available for advertising, public relations, and nonpersonal sales promotion."

Consequently, with insufficient support from other marketing and promotional tactics, sales reps will have less of an impact. This applies to a variety of salesforce scenarios,

CAMPAIGN FUNDAMENTALS

- Develop the right brand message
- Deliver via a variety of media channels
- Ensure message is received by physicians
- Verify that customers (physicians) retrieve (recall) message when writing prescriptions

regardless of whether a company is downsizing the salesforce, increasing it, or retaining the same level.

Articles published in recent months have generated an abundance of data relevant to this topic, including a study showing that, despite the strong buildup of pharma sales reps, only eight of every 100 of their calls on doctors result in a full detail. Other research points to a drastic reduction in the average time the reps spend with physicians.

Recent cutbacks in sales departments indicate that pharmaceutical executives may finally realize the need for new approaches. As a case in point, when Pfizer reduced its salesforce earlier this year, the announcement was accompanied

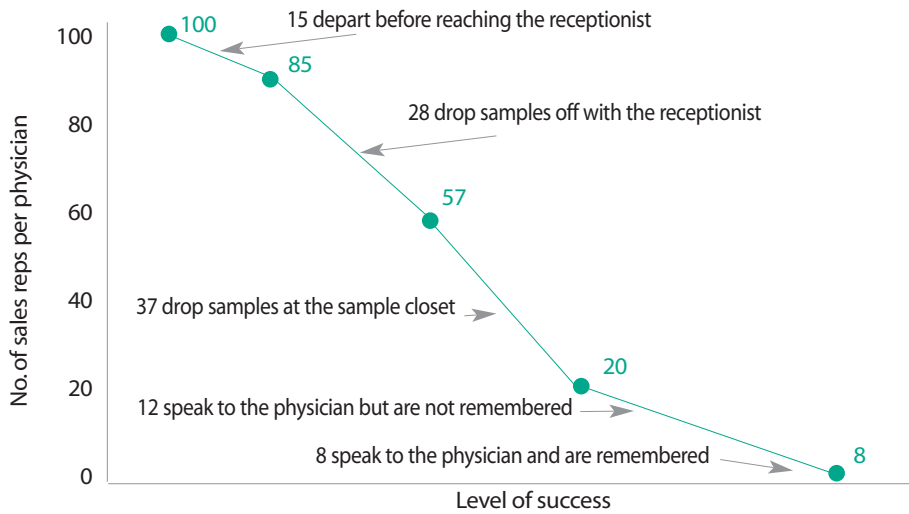
by assurances that the move was aimed at more effectively meeting ongoing customer needs.

"Our managers have witnessed how sales representatives are finding it increasingly difficult to get through the front door of physicians' offices and past the receptionist, and even when they succeed they are spending less time with doctors," Mr. Iaquinto says. "But we've also noted that reps have greater access when sales calls are supplemented with nonpersonal media or electronic venues, essentially helping to open the door to the physician's office. In this way, pharmaceutical companies are able to generate greater productivity and efficiencies from their top resource: their detailing effort. Repeat exposures to the same message via different media channels boost ROI. When the representative is outside of this loop, by either not seeing a physician or not using a sales aid, then ROI falls dramatically."

A MULTIDISCIPLINARY APPROACH

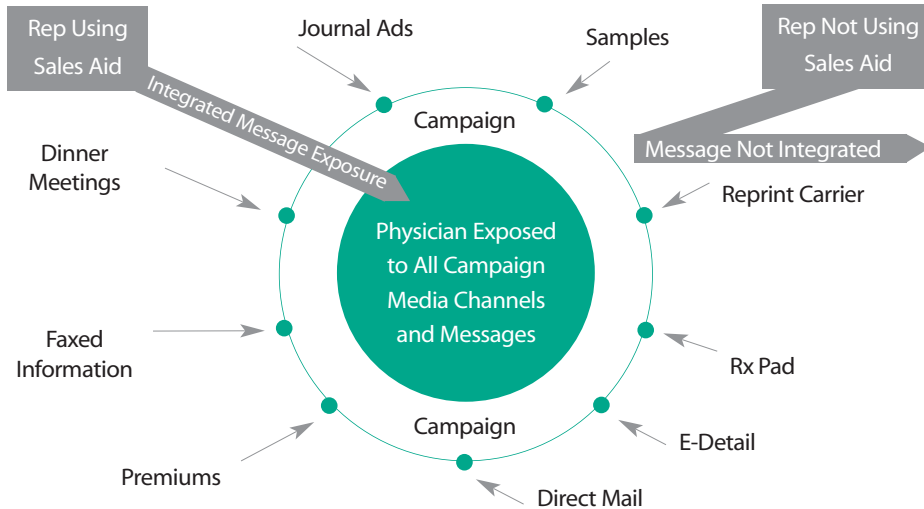
While personal selling will remain the power behind the marketing effort, support promotion can be undertaken at a fraction of the cost and contribute strongly to driving up ROI.

WHAT HAPPENS IN THE DOCTOR'S OFFICE



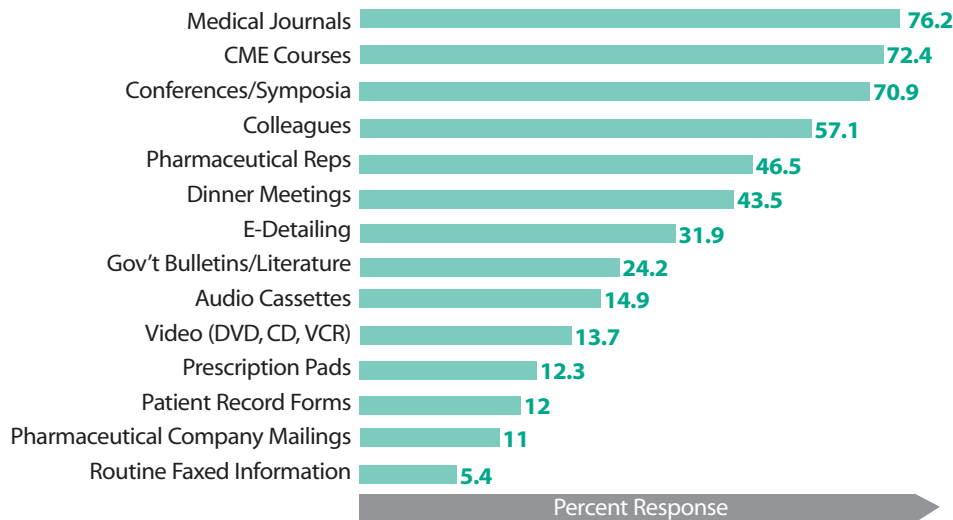
Source: Elling ME et al., McKinsey Quarterly 2002; McKinsey & Co., New York. For more information, visit mckinsey.com.

IMPACT OF THE SALES REPRESENTATIVE IN THE A&P CAMPAIGN



Source: Interlink Healthcare Communications, Lawrenceville, N.J. For more information, visit interlinkhc.com.

IMPORTANT SOURCES OF MEDICAL INFORMATION



Source: ACNielsen HCI 2005, Princeton, N.J. For more information, visit acnielsenhci.com.

Insufficient support from other marketing and promotional tactics **will reduce the impact that sales reps have in the field.**

Striking a healthy balance between the two is essential for producing and sustaining robust sales figures. No single formula will achieve this objective, but there are some guidelines to complement virtually any marketing plan and to help determine a favorable balance point.

“For openers, gaining brand exposure right before or during a prescribing opportunity should be the gold standard for pharmaceutical marketing,” Mr. Iaquinto says. “Nothing less than a multidisciplinary approach will attain this kind of brand recognition.”

Physicians tap into a number of sources to obtain information on pharmaceutical products: medical journals, CME courses, conferences, pharma sales rep visits, dinner meetings, and other activities.

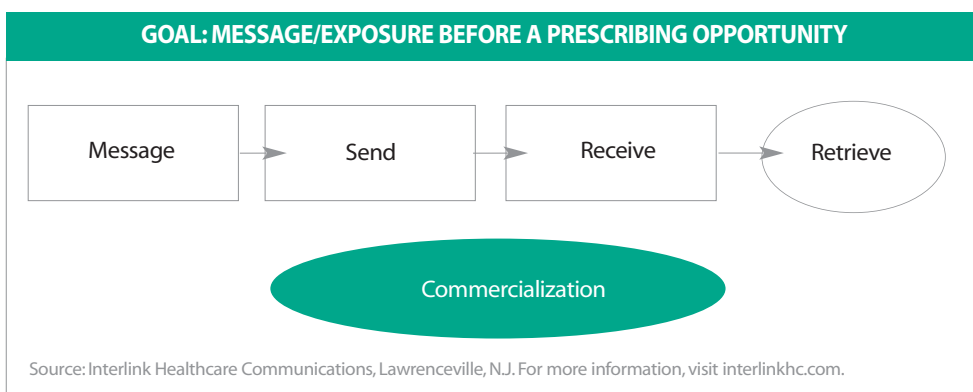
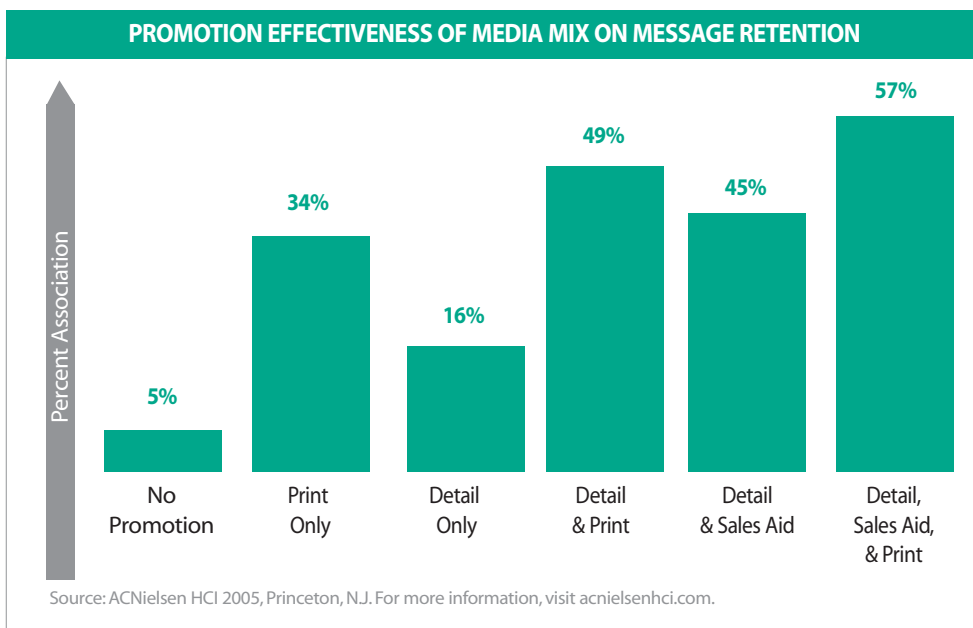
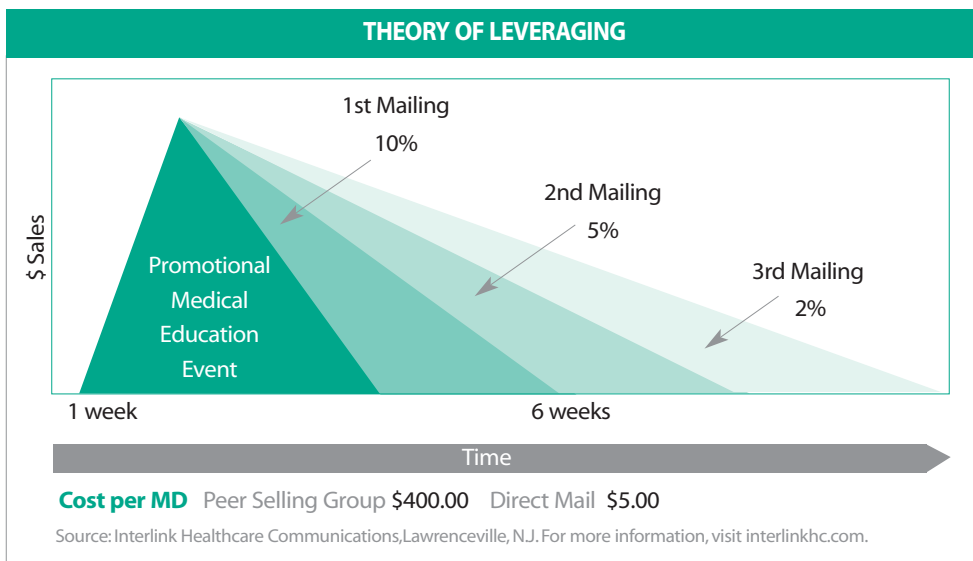
“Doctors recall seeing a sales rep about 46% of the time, which represents one exposure,” Mr. Iaquinto says. “Coupling this interaction with one or more of the other tactics incrementally increases the number of exposures physicians receive for the brand over any given period of time.”

SUPPORT PROMOTION REINFORCES SELLING

Research has long demonstrated that retention of a relevant and meaningful brand message correlates with increased sales. According to Mr. Iaquinto, in tracking some 6,800 campaigns over the last 19 years, ACNielsen HCI consistently found that a combination of print and detailing substantially improved message retention compared with detailing alone. Detailing uses the personal relationship between the physician and sales rep to provide the proper background for product claims. Support promotion reinforces the main selling message and underscores the product's image.

The number of exposures a brand needs before a prescribing opportunity hinges on several variables, including:

- The competitiveness of the selling environment for example, is the brand first or a leader in its category, or is it one of many sharing the market?
- Where the brand is in its growth (new brand, early phase, or mature brand)?
- Whether the message is simple or complex.
- The frequency of product prescribing (two or



three times a day, several times a month, etc.). Analysis of these variables should be part of every campaign.

“One nonmedia practice that has been found to be very effective centers on in-label medical-education events conducted by pharmaceutical sales reps,” Mr. Iaquinto says. “The events alone, without any embellishment, are valu-

able. But when this forum is used for repetition of the message, then followed up with an inexpensive three-wave mailing to physician attendees, the brand’s message is leveraged and results are significantly enhanced.”

ACNielsen HCI research has shown a 10% improvement in sales attributable to these techniques. The strongest sales peak occurs

after the first mailing. But without the second and third mailings, the incremental sales will trail off much more quickly.

“Relative to the cost of the event, the productivity of low-cost mailings is well worth the investment,” Mr. Iaquinto says.

SALES AIDS ARE KEY

Frequency of exposure is a critical success factor; but research also has shown that when making sales calls, it’s very important for the rep to use a sales aid to connect to the overall campaign, he says. This enables physicians to recognize all the brands’ messages being conveyed through promotional tactics and increases the likelihood that the messages will be recalled at the time of a prescribing opportunity.

“In spite of this well-documented fact, representatives use sales aids only 42% of the time,” Mr. Iaquinto says. “This suggests that the majority of the time the detail may not only be off message, but is not integrated into the campaign via a variety of other media channels.”

Furthermore, Mr. Iaquinto says the odds of the customer receiving and recalling the brand message are greatly enhanced if the message is relevant, easy to understand, arresting, and legitimate.

He says to successfully navigate through the labyrinth of strategies and tactics needed to balance the pharma company selling and promotional equation, managers must employ three brand-building disciplines: marketing strategy, creative style, and medical substance.

“As crucial as they are, marketing and creative expertise alone are not enough,” Mr. Iaquinto says. “When promoting pharmaceutical brands, in-house medical/scientific capabilities vastly increase the range of creative and marketing options. When promotional messages and other communications are developed by integrating these three disciplines, it is much easier for medical practitioners and consumers to understand the science and medical relevance behind the brands. And when this goal is achieved, a crucial step has been taken toward increasing productivity and generating greater sales.”

Larry Iaquinto is President and Chief Operating Officer of Interlink Healthcare Communications in Lawrenceville, N.J., a full-service healthcare advertising/communications agency that is part of the Lowe Healthcare Network, an Interpublic Group Company. For more information, visit interlinkhc.com. ♦

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