

DOCTOR OF PHILOSOPHY

The influence of marketing factors and
substance characteristics on
pharmaceutical sales in a state-controlled
prescriptions pharmaceuticals market

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1 **MARKETING - Q1: What is the procedure when purchasing prescription drugs?**

2 SA: Primarily pharmacists and physicians have access to prescription drugs (some give the
3 drug directly to the patient). Pharmacists often give a generic substitute (even when not
4 demanded by patient but allowed by prescription). There are several reasons why a product is
5 preferred by the doctor: scientifically oriented physicians decide on the basis of the medical
6 scientific documentation, clinical study results, independent studies; economically orientated
7 doctors decide on the basis of a price to performance ratio and the best customer service. They
8 prefer the products with the best margins (some distributors offer attractive price conditions
9 e.g. “Zur Rose”)

10 BB: It is possible that a patient asks the doctor for a prescription of a drug that has been
11 recommended by the pharmacists. The physician prescribes a drug usually on the basis of his
12 personal experience, historical data (there is quite often no reason to prescribe a new
13 medication when an existing medication has a good record (personal habits). The purchase
14 conditions are also relevant.

15 SC: Physicians do have preferences. The patients’ profile is becoming more and more
16 important. Patient are better informed nowadays (accessibility as a chance or risk?)

17 BD: It is essential to know which medication has been introduced first. Good previous
18 experience will cause hesitation in changing the drug. The scientific medical documentation is
19 relevant. It is also a disadvantage when a drug is seldom prescribed. Rare side effects will
20 remain unknown. In case of similar products, personal contacts with sales executives are
21 essential.

22 BE: The internet should also not be forgotten. Consumers purchase prescription drugs from
23 abroad (without a prescription) via the internet as a grey channel (risk of faked products). The
24 consumers often go to the pharmacy and ask for a drug they have encountered on the Internet.

25 **Q2: What are the most efficient sales methods for prescription drugs?**

26 SA: A prescription drug can only be prescribed by a doctor. Personal acquaintanceship with a
27 physician is a major criterion for success. Many physicians do not accept any sales visits,
28 especially from small firms. It is therefore relevant to meet the physicians, primarily at a
29 congress. The multiplication effect is also a good approach. Opinion leaders are the main
30 target group. Their opinion is accepted within their indication area (professor as an opinion
31 leader for the head doctors in a university hospital).

32 BB: Convincing documentation is essential. Reasonable pricing is necessary. A regional
33 relation network that endorses the medication and is able to justify its usage (for example in
34 conversations in breaks) has a positive effect. It is important for a company to be in a hospital
35 first. General practitioners usually have little reason to change the patients' hospital
36 prescription. Prescription habits may emerge.

37 SC: A clear positioning and target group analysis is relevant. The sales rep must know the
38 market situation to be able to apply the given marketing strategy and to employ the
39 appropriate sales policies: more frequent sales visits (remark: there is an upper limit of
40 possible sales visits frequency, usually not more than one per year and firm), information of
41 opinion leaders, price policies and good product presentation.

42 BD: It is important that the company is able to convince the relevant opinion leaders' one or
43 two years before a new product will be launched. The strategy has to be based on the target
44 group. It is also useful to have opinion leaders recommending the product at appropriate
45 opportunities. Promotion is an important issue but is probably normally unconsciously
46 recognised. There can also be too much promotion. It is therefore important to promote
47 adequately.

48 BE: The complete product information and sales strategy has to go via the doctor. Life style
49 drugs, however, are better advertised via patients who ask the doctor for the preparation.

50 GD: Personal contact to doctors is relevant. Pfizer organises an event covering a non-
51 pharmaceutical topic once per year (e.g. the search for luck as a door opener for life style
52 themes). This enables Pfizer to reach doctors who normally would not take part (contacts are
53 made in breaks) because they might benefit more. Information “pushing” is another strategy.
54 However, patients are increasingly gathering the relevant information and asking doctors for a
55 specific medication. The customers do ask in the pharmacy for additional information about a
56 product they have already heard about. Despite the circumstance that direct -to -customer
57 advertising is illegal in Switzerland, this is becoming more and more popular. However, there
58 are other ways a drug can be promoted. “Have you already talked with your doctor about your
59 bladder troubles?” Physicians know what the topic on the previous night's health television
60 program was, based on the reasons for patients visits to morning surgery; issues such as
61 Viagra, Xenical, folic acid and vitamins are especially popular issues.

62 **Q3: What are the criteria when appointments are given to the sales reps?**

63 SA: The doctors’ specialisation is of relevance (e.g. dermatologists do give appointments at
64 short notice, general practitioners once per year and company, a doctor might have every
65 Monday from 1400 to 1415 reserved for sales visits). Appointments have to be booked
66 months in advance (often when the free diary of a Swiss publisher house appears). Some
67 doctors also run an internet booking platform. There are a couple of criteria for getting an
68 appointment (personal relationship is important). Appointments are in general given by the
69 doctors assistant according to an instruction that serves as a filter (entry can be facilitated by
70 referring to a doctors’ conversation at a congress).

71 BB: I welcome a sales rep once per week. The appointments for the whole year are usually
72 already arranged in October. I do not have any preferences when arranging appointments.
73 This gives me the chance to get acquainted with a new medicine. There are also chances for
74 meetings at a congress. It works by coincidence.

75 SC: For general practitioners might apply: Will I like the main matter of the sales visit? Will I
76 benefit from the sales visit? How will I interact with the sales person?

77 BD: A general practitioner has to know such a large number of substances that a pre-selection
78 has to be made. I welcome every sales person from any pharmaceutical company. I do not
79 have any restrictions. I do want to learn about the activities of the pharmaceutical firms. There
80 are colleagues in the field of psychiatry who do not welcome any sales reps, which I consider
81 strange. They do not take the opportunity to receive information from sales reps. The sales
82 person is in general quite well informed, also gives information about possible side effects,
83 but is a little bit biased. If you listen to them on a regular basis, it is an easy way to gain
84 further education.

85 BE: A sales visit is attended by various members of our staff in rotation in my pharmacy. We
86 do inform each other in case of interesting news after a sales visit. I try to reduce the time of a
87 sales visit. The conversation might give me some first information. If necessary, I might seek
88 better -founded information. A sales visit has to fit into my daily schedule. In case of
89 medically less important issues, I cancel a sales visit.

90 GD: Certain groups of specialised doctors more likely welcome sales representatives than
91 others. There are some communication problems between the medical practice assistant and
92 physicians. Some sales reps have been rejected even when they have been invited by the
93 doctor at a congress. A reason for cancelling a sales visit might also be the doctor's fear of
94 showing that he is not up to date. Some of my doctor' colleagues do not welcome sales reps at
95 all, but are informed by independent resources. Others advise their medical practice assistant
96 only to welcome representatives from certain companies or areas of interest such as proton
97 pump inhibitors, anti depressants, etc. Anything else does not interest them. It is very difficult
98 to access objective information. Therefore, pharmaceutical representatives still remain an
99 acceptable information source. Information from the relevant specialist literature is usually

100 too critical and deters from trying new medical approaches. For this reason, I do like to hear
101 the producers view.

102 **Q4: What methods are applied in prescription drug sales?**

103 SA: Depends if the generic or the new substance is known. Physicians are the decision makers
104 when purchasing prescription drugs. Financial incentives are relevant. Classical sales
105 approach: influencing the physician: to show the benefit and make sure that the drug is being
106 distributed at the pharmacy. All parties have to be included: physicians, pharmacists (product
107 substitution). The patient has also to be kept in mind.

108 BB: Relevant criteria are: Sales person, printing material, presentations at scientific
109 congresses (conflicts of interests), Sales rep is their most important contact.

110 SC: It depends on the product properties, application area and target group. The marketing
111 strategy and especially the pre-launch activities have to be set-up accordingly. Access to
112 identified target groups has to be gained (good positioning). Marketing performed after the
113 market introduction phase has to be extremely target group orientated.

114 BD: Good scientific medication documentation is relevant. The marketing strategy has to last
115 for at least five years. A good slogan mentioning the key therapeutic problem is also essential.
116 It is important that the substance has been presented at a scientific congress previous to the
117 market introduction. The lay press should be involved. Sometimes, patients ask the doctor for
118 a specific medication (Viagra as a positive example). Levitra, as an example of a substance
119 with similar properties to Viagra, was marketed by a relatively small company and therefore,
120 one assumes, did not manage a market breakthrough.

121 BE: Good scientific documentation (the quality of medical information shows the company
122 standard) is relevant. There is also a dependence on market customs. In Europe, advertising is
123 performed via physicians whereas drugs are marketed via patients in America.

124 **PRODUCT – Q5: Which criteria are applied when choosing a pharmaceutical product?**

125 SA: The indication (application area), compliance (once, twice or three times daily) and
126 possible side effects are key criteria. The safety and producers' reputation are other relevant
127 issues. Large companies have an advantage over small companies because the consumers
128 believe that their medication will have fewer side effects.

129 BB: The effectiveness, side effect profile, 'my own experience' and the medication
130 documentation are relevant criteria.

131 SC: Safety and side effects.

132 BD: The drug will only be successful when the adequate type of drug delivery is chosen. It is
133 more likely that a medication with a modern image will be prescribed.

134 BE: The compliance is relevant. The less the drug has to be taken the better.

135 **Q6: You have a choice between two similar products. One is from a well-known
136 producer, the other one from an unknown.**

137 SA: In a case involving two similar products, the personal relation to the sales person is a key
138 issue. In case of an unknown producer, the larger one will be chosen.

139 BB: I will choose the company me and the patient has more confidence in. In case of
140 problems, the larger company will be more likely able to pay (in case of a possible law suit).

141 SC: In a case of two similar products, the branded product will be chosen.

142 BD: Personally, I would definitely choose a product from a well-known firm. Despite this, I
143 would recommend a generic product to my patients because of lower price.

144 GD: The sector of generic drugs is still in the growth phase. There are not any well-known
145 generic producers at the moment. The patient generally knows the producer. Especially major
146 producers are known. A frequent query is whether the drug has been produced in Switzerland.

147 **Q6SA: Are there differences between drugs (angiotensin inhibitors)?**

148 GD: No, the difference is usually exaggerated by the competitors. The medical substances
149 also do not react in the same way when applied in-vitro or in-vivo.

150 **Q6BB: Therefore, the conclusion would be that the market shares would remain the**
151 **same, but they are not**

152 GD: The medication has to show good effectiveness at first and will then be prescribed
153 afterwards. A habit seldom changes. Viagra, as an example, was a new drug in contrast to the
154 angiotensin inhibitors. The market introduction of Viagra would have been very difficult
155 without the laymen's involvement and an enormous marketing effort. In contrast, Serotonin
156 inhibitors were unsuccessfully introduced because of their wrong positioning and a poor
157 marketing performance. Their potential has not been realised.

158 **Q6SC: Does branding also play a role?**

159 GD: The sum of the experience you have of a firm also gives a certain impression. This is
160 very important when you have to choose between two similar substances.

161 **Q6BD: What is a good company?**

162 GD: For me, a good company is one where I know that their employees will continue working
163 until pensioned. A good company also has a social responsibility towards its employees.
164 However, some firms, because of their exploiting working conditions, do have a very high
165 personnel turnover rate. It is not very favourable for the companys' sales success, when the
166 customer learns about a negative company employment policy.

167 **PRICE - Q7: What is the influence of price on the purchase decision?**

168 SA: Until recently, the price did not have any relevance. However, since the government has
169 implemented a new regulation, that 20% of the price has to be paid directly by the patient, the
170 price is more relevant. Drug prices have been reduced twice in the last year. This has fuelled
171 the price discussion. However, because of the unclear governmental information, pharmacists

172 have become afraid of possible stock depreciations. I would consider the price as the main
173 issues at the moment. The new regulation has raised the patients' price sensitivity.
174 Consequently, physicians are also confronted more frequently with this issue. This
175 development is also supported by the fact that big firms such as Pfizer made losses, generic
176 firms made profits. There is a switch to generics; however, some substances usually have
177 similar pricing.

178 BB: The price plays an important role for me. This is also caused by the fact that I look after
179 elderly patients. Their medication costs are usually between 200 and 500 Swiss francs per
180 month. Prices are continuously being reduced at the moment.

181 SC: There are differences in price sensitivity world wide.

182 BD: In my opinion, there is still a huge potential for further price reductions. I have a patient
183 from Tadjikistan. He pays ten times less for the same medication than we do.

184 BE: Until recently, the price was not a huge issue. However, a medical drug without a generic
185 substitute still has a high price. The patient considers the price when he has to pay out of his
186 own pocket. Patients know that generics do exist and are increasingly asking for them when
187 purchasing medication. There are differences between over the counter (OTC) and
188 prescription drugs. Customers are asking especially for generics when purchasing over the
189 counter drugs.

190 **PROMOTION – Q8: What is the sales persons' influence on the physicians' decision?**

191 SA: This depends on the physicians' frankness. In some situations, there will be quite a big
192 influence, in other situations there will not be any. It depends on the substances and their level
193 of innovation. In the case of a good product, the sales person has an influence on the doctor in
194 terms of fulfilling his mission as an information supplier. If the sales person knows something

195 about the product but is being tripped up all the time, the physician will be influenced, but
196 negatively.

197 BB: I do expect reliable information and a convincing personal appearance. However, this
198 influences my decision only to a minor extent. I do read clinical studies, attend seminars, and
199 exchange information with colleagues. I do also consider the opinion leader's point of view.
200 These factors are very important for me; nevertheless, the sales representative does also have
201 an influence.

202 SC: As more products for a certain treatment are on the market, sympathy for and or antipathy
203 of a sales rep becomes even more important.

204 BD: The pharmaceutical representative cannot provide me with any new vocational subject
205 orientated information. I am an expert at Swissmedic and know the complete medical
206 documentation of the substance. The companies are not obliged to publish the complete
207 medical documentation in America and Europe. The companies can decide what is to be
208 published. Almost every piece of information provided by sales reps is biased. A sales visit is
209 only useful for me when some helpful information is given. I do not look at the accompanying
210 documents.

211 BE: I have a similar opinion. The sales reps only give me some inspiration. I will seek
212 additional information in cases involving interesting information. The representative has
213 relevance as an information provider. The sales do not have any impact if there is no news.

214 **Q9: How do you gather product information? What are the most important sources?**

215 SA: I usually search for information about a competitors' product in the internet. The sources
216 are: Compendium, Pharma Vista, Red list (Germany), different journals and databases such as
217 Medline, etc.

218 BB: I do have to consult the producers' information. However, I do not know if the complete
219 information has been provided. Additionally, I read the critical pharmaceutical information
220 from Etzel Gisling (I see this as a very objective source) and consult the Compendium and
221 also ask colleagues on congresses.

222 SC: I check the share prices. The online trading platforms usually provide information

223 BD: The sales figures of a substance are a very important indicator. A rise in share prices is
224 usually related to the product. This is official, unbiased information.

225 BE: Compendium, Internet and companys' information.

226 **Q9SA: What is the role of the sales persons' personality?**

227 GD: In todays' sales, there are more women in charge then men. I have known many of the
228 sales staff for more than thirty years. It should always be the same sales person you are in
229 charge with. The good sales reps have usually been with the company for more than twenty
230 years.

231 **Q9BB: What is a good sales representative?**

232 GD: A good sales person is competent in vocational matters, knows the medicines'
233 documentation, has a good appearance and appropriate communication skills.

234 **Q9SC: How important are incentives such as organised journeys, leisure activities and
235 seminar offers?**

236 GD: The Swiss government has introduced a new regulation (Heilmittelgesetz Art. 33) that
237 includes criteria such as the duration of breaks in a seminar. In the next year, the congress fees
238 will have to be paid by the visitors. Invitations will only be given for scientific educational
239 seminars. The amounts spent by a company pro doctor per year should not exceed 300 Swiss
240 francs. There have been cases recently, where managers of pharmaceutical firms have been
241 charged with high penalties. It is also in the interest of the pharmaceutical industry that the

242 physicians cannot be bribed. In general, this regulation has quite a negative effect. For
243 example, the maximum I will get for a presentation at a congress is 200 Swiss francs. Taking
244 preparation time into account, this is far too little. I also not earn anything when attending a
245 congress. These rules will reduce the scientific standard dramatically.

246 **Q9BD: How will this regulation be introduced?**

247 GD: The pharmaceutical companies betray each other on principle. In such cases the
248 physicians and the company will be fined automatically. A report is not necessary. A hint to
249 Swissmedic is sufficient. I find this regulation quite dubious, especially because of the
250 practice of customer incentives (giving away things such as Aida concert tickets, dinner
251 invitations, etc.). That is quite common in the banking sector. This is an unfair treatment.
252 Megalomaniac senior physicians do not allow their members of staff to attend certain
253 congresses. This is a very bad trend.

254 **Q9BE: What are regional opinion leaders?**

255 GD: It can be a head doctor in a regional hospital providing regular seminars or a specialist.

256 **Q9f: Who is recognised as an opinion leader?**

257 GD: The person that has shown exceptional vocational competence.