If Physicians Aren’t Listening to Sales Reps, What Are They Listening To?

Despite incipient signs of leveling off, pharmaceutical rep access to physicians continues to decline, particularly in certain specialties and areas of the country. Overall, close to half of all doctors in the United States are now considered “access restricted” to varying degrees.¹

Does that figure constitute a point of no return for physician access, a need for pharma companies to reinvent access strategies, a reconsideration of “access” entirely—or all of the above?

According to ZS Associates’ latest AccessMonitor™ survey, which examines call reports for more than 200 pharmaceutical sales teams,² 51% of prescribers were considered “accessible” in 2014, compared with 55% in 2013. Though this year’s drop was less precipitous than in previous years, it reflects the steady decline in access over the past decade.

¹ Physicians who were considered “access restricted” (who met with 31% to 70% of reps who called on them) and “severely access restricted” (who met with 30% or fewer of reps calling on them).
² AccessMonitor™ examined data for teams comprising approximately 35,000 sales reps, and interactions with approximately 325,000 physicians and prescribers.
This executive summary analyzes key findings of the 2014 AccessMonitor™ report and offers insights about what the findings mean for the industry. That nearly 50% of doctors have restricted access brings up a crucial question, according to Pratap Khedkar, ZS’s Managing Principal for Pharmaceuticals and Biotech: “If physicians are not listening to sales reps, what are they listening to?”

Key findings

Since the initial AccessMonitor™ survey in 2008, access has steadily fallen, with 77% of physicians considered “accessible” that year, compared with 65% in 2012, 55% last year and 51% today (see Figure 1).

Notable are the changes in access by physician specialty: While oncologists and cardiologists have always had substantial restrictions on access, physicians in “rep-friendly” specialties are now becoming more difficult to access. In 2013, 84% of dermatologists were accessible to reps, but only 67% this year; among gastroenterologists, accessibility fell from 63% to 47% (see Figure 2).

Pratap observes that the decline in these specialties is “a clear call to action. It’s proof that the change in physician behavior has truly taken hold and can’t be ignored. Access will not get much worse—but it will not get better.”

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About the Expert

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Pratap is ZS’s Managing Principal for Pharmaceuticals and Biotech. He has advised many pharmaceutical and health-care companies on a wide range of sales and marketing issues, including multichannel marketing, marketing mix, promotion response measurement, managed-care issues, sales force strategy and incentive compensation.

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Figure 1. Sales rep access to prescribers has dropped markedly the last six years.

ACCESSIBLE PRESCRIBERS, 2008-2014*

* Based on data for more than 240,000 prescribers.
Access is also declining from a geographical perspective. Of the 10 most-restrictive geographical areas in 2013, eight have gotten worse in 2014 (see Figure 3). “The access problem doesn’t seem to have bottomed out in certain areas, even where access was already poor,” Pratap says.

*Metropolitan statistical areas with the most restrictive access in 2013. National average in 2013 was 55%, compared with 51% in 2014.
Vertical and horizontal integration is a major reason for declining access. When payers and providers consolidate, it creates a payer-provider nexus; and when hospitals buy physician practices and mandate policies to those practices that restrict access, “it makes it harder for physicians to be independent and to prescribe the medications they want,” Pratap says. “And once consolidation proves successful in an area, it accelerates, chilling access even further.”

The size of the pharma company puts restrictions into sharp relief. Relative to large and small companies, midsized companies are doing better: They reach 61% of their desired contacts, versus 45% for large companies and 48% for small companies (see Figure 4).

Pratap says that one reason for this disparity is midsized companies may specialize in a limited number of therapeutic areas, and they may be fielding newer products that doctors want to hear about.

Also, he notes that these midsized companies are often nimble while possessing the resources and longevity required to establish credibility and a good reputation.

The decreased accessibility comes at a cost: AccessMonitor™ determined that the pharmaceutical and biotech industry wastes approximately $1.4 billion in “infeasible” calls. (A call is considered...
infeasible if a best-in-class sales rep can’t deliver it.) The cost of infeasible calls appears to have plateaued (see Figure 5), as companies have largely squeezed out sales force inefficiencies—making alternative channels the best path to improving access and customer engagement, Pratap says.

![Cost of Infeasible Calls, 2008-2014](image)

**Figure 5.** The industry has squeezed out inefficiency from its sales forces, and better access and engagement will have to come via alternative channels.

### Three reasons why access won’t improve soon

Pharmaceutical companies should be advised that the dynamics restricting access will continue. Pratap cites three reasons that access will not improve:

- **First,** **reducing the number of reps has not eased the access problem.** Access still fell—by a resounding one-third—after companies cut the number of reps in the field. In fact, the number of reps will likely to creep back up, serving to worsen access slightly.

- **Second,** **in certain specialties such as oncology access is likely to decline further** because a glut of new drugs are moving through clinical trials. When they reach the market, the number of companies and brands attempting to gain access to specialists will ultimately result in further restrictions. (This is somewhat balanced by the fact that access usually improves temporarily when a company introduces a best-in-class drug.)

- **Third,** **provider consolidation will result in larger physician practices and health systems with greater access restrictions.**
Consolidation will take hold in places where it hasn’t been seen yet, Pratap says, cautioning that the pace and nature of consolidation will vary by geographic area.

**What pharma and biotech companies can do**

“There will always be room for reps,” Pratap says. “The pipe won’t be eliminated, but the diameter will shrink. Companies need to use other channels—not only must pharma reps live with the other channels but work with them, coordinating all sources of information.”

Shifting to on alternate channels (and figuring out how sales reps fit into this new environment) may seem daunting, but certain steps can help the industry down the path:

**Know the customer.** Different doctors prefer different approaches, making it important to understand when, how and how often to approach individual physicians—that is, understanding separate physicians’ affinity for particular channels. “It’s now up to the customer to decide what they’re willing to accept—how they will choose to engage with us, as opposed to us determining how we choose to engage with them,” Pratap says.

This fall, ZS Associates will debut AffinityMonitor™, which can help determine individual physicians’ channel preferences. For instance, ZS has found that in the aggregate, physician affinities lean toward new channels like the Internet and email, which are often 90% less expensive than traditional channels.

**Leverage the channels customers already favor.** Pharmaceutical companies’ sales and marketing operations need to optimize emails, websites and speaker events because, as Pratap notes, “it is very clear that physicians are turning to other channels.”

In addition, most teaching hospitals have eliminated most rep access, meaning new physicians will be accustomed to accessing brands from alternate channels rather than from sales reps.

**Transform the rep into an orchestrator.** Reps need to work closely with marketing departments to implement customer-centric approaches.
Reps can “orchestrate” and optimize inbound and outbound contacts with customers—gathering information about the physician experience and working with marketing to design the best ways to engage with individual physicians.

**Rethink access and prioritize engagement:** “Access” needs to include more than sales calls; it will mean something different than today. Companies need to think of rep visits as “information-gathering events” rather than simply sales calls, Pratap says, and determine the best channels for engaging customers—which may or may not be the sales rep.

Customer-centric marketing is key to determining which channels or opportunities are best for individual customers, enabling the company to engage with the customer on the customer’s terms.

As a result, engagement, which is the degree to which customers have responded to sales and marketing efforts, is supplanting access as the most important metric in measuring success, Pratap says. For instance, does a specific physician open an email sent by the company, or will the same physician only open an email sent by a sales rep?

“The definition of access needs to be broadened to include channels in addition to the traditional face-to-face call,” Pratap says. “And tracking access is not enough—companies need to start tracking engagement.

“It’s easier to apply engagement measures for electronic channels than field rep activities, but it will be necessary to find a disciplined way of measuring not just the number of calls a rep makes, but the success of those calls in terms of engaging customers.
About ZS Associates

ZS Associates is a global leader in sales and marketing consulting, outsourcing, technology and software. For more than 30 years, ZS has helped companies across a range of industries get the most out of their sales and marketing organizations. From 21 offices around the world, ZS experts use analytics and deep expertise to help companies make smart decisions quickly and cost-effectively. ZS comprises multiple affiliated legal entities. Learn more at www.zsassociates.com.