



Insights and Sound Bites

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"If you want to know what's happening in the market, ask the market." – Japanese Proverb

New PhRMA Code Increases Need for Qualitative Market Research

In 1998, Dr. Ravi finished his residency in Internal Medicine and joined an established multi-specialty group. As the son of a Pediatrician, he had grown up with a positive image of the pharmaceutical industry and its sales representatives. Although many aspects of medicine had changed since his dad started practicing, he, like his father, perceived the industry to be a valuable partner and relied on them to provide current information on the drugs that he prescribed. And, while not every representative was equally valuable, he had developed personal relationships with many of them.

As he ended his residency an average week could include seeing 20 or more pharma reps between patients or during lunch, a minimum of 3 invitations to attend various company sponsored events, and numerous giveaways such as pens, anatomical models, clinical study reprints and personal notes reminding him of dosing instructions, side effects and new indications. Through each of these "marketing channels", Dr. Ravi was constantly reminded of the drugs that he could prescribe and also of the relationships that he had with the companies and their representatives.

During his first few years of practice, Dr. Ravi quickly felt the impact of managed care pressure. Subsequently, in 2000, his group practice was purchased by a local hospital network. And, it was not long before procedures were established which limited the pharmaceutical representatives' access to him during his office hours. However, his personal relationships with some of them continued to grow by attending their company sponsored lectures which often included socializing during a golf outing. In contrast to his residency years, he began to have fewer personal relationships with the sales representatives.

On July 1, 2002, PhRMA (the Pharmaceutical Research and Manufacturers of America), the trade organization that represents research-based pharmaceutical and biotech companies adopted a Code which its members agreed to follow. The Code served as a self-regulator to ensure ethical interactions with healthcare professionals that relate to the marketing of the member company products. As a result of the PhRMA Code, many of the pharmaceutical representatives were prohibited from inviting Dr. Ravi to dinner, golf outings and from providing him with non-educational giveaways.

As the following 6 years went by, his personal relationships diminished to a handful of representatives. In contrast to his earlier years when a week was filled with personal interactions where he could quickly get new information and have questions answered, his week now held only a few personal conversations but seemingly even more items arrived for him as reminders.

Beginning in January, 2009, a revised PhRMA Code will take effect. Dr. Ravi will no longer be reminded of any pharmaceuticals via non-educational items including pens, notepads or coffee cups. Nor will he learn about new product indications over dinner with a company representative and KOL. While member companies have agreed to the revised PhRMA Code, it clearly poses a greater challenge to pharmaceutical brand managers.

There was a specific "job" that was being done for Dr. Ravi by these previous tactics. They delivered an "outcome" that he valued. These new "constraints" place limitations on how the "job" will be successfully completed, however Dr. Ravi still needs the job to be done. So the question is what are the new tools that the brand manager will use to help Dr. Ravi choose to prescribe a new drug that will launch in January 2009? **Using a "Jobs, Outcomes, Constraints" approach, Ladd Research Group can help you discover innovative ways to reach physicians within the confines of the new PhRMA guidelines.**



The Kids of Ladd Research Group

(Back L to R) Sarah Ladd, Alec Eckert, Gracie Winstel, Marcus Eckert
(Front L to R) Scooter Winstel, Kristen Ladd, Will Ladd

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Insights and strategies for healthcare marketing