

There's an important  
reconciliation that must be made  
between the traditional methods  
of distributing drug samples  
and using e-sampling as a  
platform for greater  
marketplace penetration.

HOW COMPANIES  
INCORPORATE E-SAMPLING  
INTO THE BUSINESS PLAN IS  
THE NEXT CHALLENGE.



BILL JANSSEN • Saul Ewing

**P**harmaceutical product sampling is big business. The industry spends about \$12 billion in the United States on promotional sampling simply because samples are widely acknowledged to be significant influencers on physician prescribing behavior. As pharmaceutical companies search for ways to cut costs and expand their reach to physicians, e-sampling offers a potentially valuable avenue to explore.

Samples carry as much weight as patient requests for drugs and materials provided by sales representatives in terms of ability to influence physicians' prescribing decisions, according to Datamonitor's Physician Insight Survey.

# E-XPANDING SAMPLE DELIVERY

BYKIM RIBBINK

Given the importance of samples, companies use a number of ways to try to ensure supply, including direct mail, telemarketing, and the all-important sales-rep visit. Direct-mail costs associated with sampling are estimated to be \$1 per piece; telemarketing costs are estimated at \$25 to \$30 per call. While not as costly as a rep visit, direct mail and telemarketing involve overhead as well as paperwork.

ELIZABETH BOEHM  
Forrester Research



Given the number of different online initiatives that companies are doing to attract physicians, E-SAMPLING MAKES SENSE AS AN ADJUNCT to e-detailing or other e-mail programs.

More than 1 billion samples are distributed in America alone.

PHARMA COMPANIES, WITH AN E-SAMPLE SOLUTION, CAN DELIVER MORE SAMPLES TO MORE DOCTORS.



CECIL KOST  
MedManage Systems

RICK ROSE  
Dendrite



E-sampling becomes one of the components of the marketing mix to a physician based on MORE PRECISE SEGMENTATION AND TARGETING.

But the prevailing method of sample delivery — via a sales rep visit — might not always be the most cost-effective approach or wide-reaching enough. The cost of a sales rep visit to a doctor is estimated to be between \$150 and \$200 and possibly as high as \$225, according to estimates by those in the industry.

Yet, IMS Health's sample tracking has found that only 36% of samples are actually delivered by a rep in-person, while 54% are distributed via service visits without seeing a doctor. That's an expensive sales drop.

As the Internet continues to become a tool used by healthcare professionals more frequently, one possible solution to the logistics of sample delivery might be e-sampling.

## PUTTING "E" INTO ACTION

E-sampling allows a physician to go on the Web to request samples as and when needed.

"Offering an e-sampling option would enable the doctor to expediently request or replenish the supply of samples he or she needs to treat patients, and it takes out a big element of cost for the pharmaceutical manufacturer," says David E. Hammond, VP of sales and marketing at J. Knipper and Company Inc., which is developing an e-sampling offering. "Sampling is largely a weapon to win brand share and loyalty. If doctors have samples in their cabinet, they're going to have a greater propensity to

prescribe that product."

A recent survey found that 74% of physicians said if e-sampling were available, their office would use the service. The survey was jointly sponsored by MedManage Systems and MD Consult, which delivers a family of online clinical information services for physicians, to evaluate physician interest in ordering drug samples online. Currently, e-sampling takes several forms, including vouchers, coupons, and third-party Web portals.

According to Nicole Lamble, a pharmaceutical strategy analyst at Datamonitor, an important benefit of sample vouchers is that the cost to the pharmaceutical company is minimal until the voucher is actually presented at the

DAVID HAMMOND  
J. Knipper and Company



The benefit of e-sampling is the ability to cover thousands more physicians at an affordable cost and to EXPAND COVERAGE IN UNSERVED OR UNDERSERVED PHYSICIAN MARKETS.

TO BE ROI EFFECTIVE, companies need to integrate e-sampling into a database so they can measure, understand, and model physicians' behavior; overlay prescription data; and make sure prescriptions are increasing in proportion to the number of samples doctors are requesting.



DAVID DUPLAY  
Thomson PDR

LYNN CROWE  
Aventis



On paper, it is possible to design a platform that allows physicians to get the samples they need, manage sample resources, and ensure sample compliance. THE CHALLENGE IS IDENTIFYING WHAT EFFECT AN E-SAMPLING PROGRAM HAS ON THE BIG-PICTURE BUSINESS MODEL.

If the pharma industry wants to make the transition to e-sampling happen, all companies will have to provide such a service. If one drug is electronically sampled and another is physically delivered to the office, as a physician it's going to be EASIER FOR ME AND MORE CONVENIENT FOR THE PATIENT TO JUST GIVE A PHYSICAL SAMPLE.



JIM WHITE, D.O.  
Private Practice

pharmacy. With actual samples, an investment is made in the distribution of the product.

Another advantage of vouchers is the control such a system gives pharmaceutical companies in tracking samples.

"Right now when the rep drops off samples, that's the end of the information trail," says Elizabeth W. Boehm, senior analyst at Forrester Research. "Reps don't know if doctors drop them in the trash, stick them in the cabinet, give them to family and friends, give them to indigent patients, or provide them one by one to patients, which is what pharma companies hope they do. With a voucher system, it is possible to track who is redeeming the coupons and whether they are being redeemed by a single

patient or multiple patients. It's even possible to limit the number of samples patients can redeem against their account. This gives a pharma company a lot more control. But this is only valuable if the physician is willing to adopt such a system."

Reactions to vouchers and coupons are mixed. Dr. Jim White, D.O., who recently sold his practice after running his own 14,000-patient business for eight years, says he found vouchers and coupons a nuisance at times, although they could be helpful in certain instances.

"In the case of stimulant medications for attention deficit disorder, vouchers were helpful," Dr. White says. "Firstly, I would rather not han-

dle controlled substances, and, secondly, in treating such a condition, there's a lot of trial and error, so a sample is helpful for the doctor and patient."

He also believes patients might be unwilling to embrace coupons since they are accustomed to receiving their samples at the doctor's office.

Web interfaces, where physicians can order physical samples to be delivered to the practice, are emerging as a viable option.

"E-sampling allows a physician to go on the Web to request samples as and when needed," says Cecil Kost, president and CEO of Med-Manage Systems Inc. "Pharma companies can benefit by deploying an e-sampling solution to expand sample reach, serve 'no-see' physicians,

and ensure consistent sample supply for 'low-see' physicians, all in a way that works hand-in-hand with the efforts, and changing focus, of the field salesforce."

To get samples to physicians, MedManage connects to a brand-specific third-party organization that picks, packs, and ships the samples to the doctor.

"From the manufacturer's perspective, a request initiated by the physician for sample inventory can dramatically reduce the cost of sampling," says Bill Janssen, litigation partner and chair of the Life Sciences Group at Saul Ewing. "Because the manufacturer is monitoring those requests it can better accommodate volume by controlling production in response to demand."

Mr. Janssen says another advantage of e-sampling is reducing the risk of stockpiling, where a physician might give the patient a sample that is not at its optimum or peak level because it is close to the expiration date. E-sampling also provides a vehicle for patients to discover, become informed about, and discuss with their physicians new medication options.

For both high-decile and low-decile physicians, e-sampling can give a company greater control over sample management (see related box on page 32).

"When a physician treats a larger number of patients in a specific therapeutic area, a company might want to provide additional samples to that physician," says Lynn Crowe, senior manager of e-detailing at Aventis. "E-sampling can provide a company greater control over sample management."

Ms. Boehm says pharmaceutical companies don't often make a Web-based option available unless they have a high-value physician in a remote region.

## MEETING PHYSICIANS' NEEDS

About 70% of physicians surveyed said they are receiving insufficient quantities of samples, 32% reported they have stopped or greatly reduced prescribing a drug because of a lack of samples, and 25% held off prescribing a new product until they had samples, according to IMS Health research.

"There's clearly going to be a segment of practitioners who will be immediately responsive to e-sampling," Mr. Hammond says. "Ten years ago I participated in a lot of focus groups with doctors, and back then some physicians

were just becoming acquainted with the power of the PC. That's all changed. Today, we forecast there will be ever increasing numbers of doctors who will enthusiastically embrace the benefits of an e-sampling platform."

According to Datamonitor's Physician Insight Survey, 82% of physicians use the Internet for work-related purposes.

Manufacturers who provide e-sampling options can tap into the increased Web activities of these physicians.

"E-sampling is trying to create a one-on-one relationship through a Website with a doctor," says Rick Rose, VP and general manager, interactive marketing at Dendrite International Inc. "The real success of e-sampling, as with any e-initiative, is understanding how customers want to be treated and then meeting their needs."

For doctors, e-sampling can mean additional efforts and the time of office staff to sort deliveries.

"After a long day at the office, the last thing I want to do is go online and do more work," Dr. White says. "Yes, it's nice to send a patient out the door with samples, but if push comes to shove and time is a factor, going online may not be the most important thing on the doctor's mind."

Dr. White says when he orders samples online, his staff would have to stock them.

"That would frustrate me because I would have to pay my staff to open these boxes, organize the samples for me, and I was not getting any financial benefit out of it," Dr. White says. "When reps come in with samples, they stack them and organize them."

Nevertheless, several market-research surveys suggest that there is growing interest in e-sampling.

"We're continually looking for additional ways to add value to physicians, such as e-prescribing, e-detailing, and now e-sampling," says David Duplay, executive VP of Physician Desk Reference, at Thomson PDR. "We see e-sampling as a very high potential opportunity for pharma marketers to add to their marketing mix. In last year's annual PDR physician survey, ordering samples online through PDR.net was the most highly requested service by respondents to an open-ended question of what would they like to see offered on PDR.net. To put it into perspective — an astounding 83% of the more than 200,000 physicians said they wanted it. That cuts across all specialties and is a massive sample of physicians voting for e-sampling."

## CASTING A WIDER NET

Few believe e-sampling will replace delivery of samples and information by the sales rep to the physician's practice. Instead, e-sampling is viewed as a way to supplement the sales rep visit, to reach no-see and hard-to-see doctors, and to get product to physicians in remote locations, such as North Dakota and Alaska. E-sampling also offers some flexibility in dealing with physicians whose prescribing patterns aren't proven.

"For a physician who might not get samples because of the geographic location or because he or she is not a high-prescribing doctor, there's a potential to expand the marketing to that group of physicians," Ms. Boehm says. "If an e-sampling program shows an appropriate rise in prescribing levels then the company can begin to have the product rep-delivered."

E-sampling also can be used as part of a launch campaign to augment salesforce efforts.

MedManage is currently working with a pharmaceutical company that is preparing to launch a new product to primary-care physicians. The client has identified 400,000 prescribers in the category. The salesforce will be targeting only 100,000 of those physicians, the core group that accounts for a significant proportion of the category volume.

"Because those other 300,000 physicians still have significant economic value to the company, an e-sampling solution can reach these physicians to generate patient starts and help the brand realize its revenue potential faster," Mr. Kost says.

Industry experts say e-sampling should not be viewed as an isolated offering, but as part of a whole e-continuum in which healthcare practitioners are given access to online information and services.

"Our system provides links and integrates with other promotional tactics that pharma companies want to employ," Mr. Kost says. "For example, we are able to integrate our sample service with an e-detail. With print on demand vouchers or when samples are mailed to physicians, patient-education materials, physician-education materials, reprints, and so on can be included."

Companies, however, need to be careful to avoid over-promotion through an e-sampling medium, Mr. Rose says.

"Giving physicians online access to samples is very valuable, so we don't want to take advantage of the medium by spamming them with e-mails or layering a tremendous amount of pro-

motional material on top when we send them samples,” he says.

## THE BIGGER PICTURE

“On paper, it is possible to design a platform that allows physicians to get the samples they need, manage samples resources, and ensure sample compliance,” Ms. Crowe says. “The challenge is identifying what effect an e-sampling program has on the big-picture business model, for example sales-rep access.”

E-sampling has evolved over the course of the past three years, according to Mr. Kost, who says the initial form of e-sampling was “a dumb voucher,” a one-size-fits-all sample voucher that a physician could download from a Website, print, and give to the patient to take to the pharmacy.

“What we’re talking about is a much more end-to-end next-generation system that is personalized, intelligent, integrated, and that can support all types of sample formats,” Mr. Kost says. “This is next generation e-sampling.”

In moving forward, an area of caution for companies is ensuring that e-sampling does not disenfranchise the rep.

“Reps know that in many cases the only reason the doc lets them in the door is because they’re carrying samples, and if they lose that reason to get the doctor to open the door it creates some potential problems for them,” Mr. Rose says.

Mr. Hammond says while there is some concern that e-sampling may diminish the value of the sales rep, that need not necessarily be the case.

“The ideal e-sampling model would involve the sales rep by letting him or her know that the doctor was requesting e-samples,” he says. “Then, based upon what is occurring on the e-channel, the rep could adjust the samples distributed and even the sales message he or she communicates within the sales call.”

In all sampling situations, pharma companies must ensure they meet the requirements of the 1987 Prescription Drug Marketing Act (PDMA), which covers the safety, efficacy, storage, and handling of pharmaceutical samples.

Legal experts note that challenges in the e-world are the integrity and PDMA compliance of the electronic transmission process.

“Maintaining integrity of the electronic-request process is an important challenge for both the physician and manufacturer/distribution side of the equation,” Mr. Janssen says. “Electronic integrity implicates Internet security issues, the security of the possible electronic use of a DEA number, confirmation issues, and questions about

TARGETED SAMPLE EXPANSION STRATEGY			
Business Potential	Physician Segment	Status/Strategy	Sampling Tactics
<b>Core Business</b>	High Prescribers	Rep-focused coverage; samples as a key physician access tool	Manage sample inventories for efficiency (minimize subsidizing days of therapy, if possible)
<b>High Incremental Revenue Potential</b>	Restricted Access to High Prescribers	Rep service calls or supplement with complementary sample systems (enhanced online efficiency)	Opt-in recruiting to low-cost, online sampling platform: mail live samples, downloadable vouchers, and/or request rep delivery
<b>Moderate/ Incremental Revenue Potential</b>	Mid-Decile Prescribers	Revenue potential, but regular rep coverage is likely too expensive. Alternative sampling, tied to rep visit request option.	Efficient online sampling techniques to drive new patient starts and influence physician prescribing practices
<b>Lower Incremental Revenue Potential</b>	Low-Decile Prescribers	Lower revenue potential, little/no rep-coverage, low/no sample coverage	Test efficient online sampling to determine ROI impact

Source: MedManage Systems Inc., Bothell, Wash. For more information, visit [medmanagesystems.com](http://medmanagesystems.com).

the validity of a request, as well as safe delivery of the product to its proper destination. These issues are not encountered in the same way when a rep walks in the physician’s office and presents a box of new drugs.”

“E-sampling doesn’t bypass the need for original signatures for sample requests by the doctor,” Ms. Crowe says.

As part of its e-sampling offering, Knipper officials say the company will incorporate a CFR Part 11 compliant practitioner validation engine.

“Practitioners would be pre-enrolled and pre-authenticated,” Mr. Hammond says. “When a practitioner requests samples there has to be PDMA validation that indicates the practitioner has a valid state license and, in the case of controlled substances, a DEA license.”

Also built into the business rules engine will be controls on the amount and frequency of samples a physician can order.

“The PDMA guidelines specify that the samples distributed to practitioners have to be done in a reasonable way in terms of managing quantities,” Mr. Hammond continues. “There will be controls behind the scenes restricting doctors from ordering too many samples.”

An additional concern is that by having drug samples delivered by a third party and then stacked by in-office staff there is the potential that samples may not be properly accounted for.

“When reps deliver samples, they ensure their samples are stored in a secure location,” Dr.

White says. “If those samples are being stacked by staff in a large office, it’s not always possible to know who has access to the samples and there is a danger that drugs could be diverted.”

But Dr. White believes e-sampling will happen regardless of the views of physicians or patients if it is in the financial and regulatory interest of pharma companies.

“E-sampling makes a lot of sense for pharma companies because they need a better way to track how samples are being used,” he says.

Mr. Kost says there are advantages for smaller pharma companies to adopting e-sampling.

“Small companies often have excellent compounds but are competing against the big boys and need more resources to compete effectively,” he says. “E-sampling is a potent tool for overcoming this gap.”

Many in the industry predict wider adoption of e-sampling as pharmaceutical companies evaluate ways to reach physicians in simpler, more cost-effective ways. Aventis’ Ms. Crowe says, without taking into account the complexities of the pharmaceutical business, e-sampling on its own appears to be a viable tactic.

“People often look at ‘e’ for technology bells and whistles, but we must look at the business that surrounds the tactic,” she says. ♦

PharmaVoice welcomes comments about this article. E-mail us at [feedback@pharmavoices.com](mailto:feedback@pharmavoices.com).

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