

# **Increase Sales By Targeting High Value Groups**

By: Jeffrey Schott, President  
Schott Consulting Company/PharmaStats.com

In today's business environment, pharmaceutical companies are searching for new ways to increase sales without increasing sales force size. Targeting high value non-called on groups can help in accomplishing this goal. Since the majority of pharmaceutical companies target based on individual prescriber volume, many high potential groups are being completely ignored by the industry and are, therefore, subject to less competitive sales pressure. There are several additional reasons to target group practices:

- **Group practices continue to increase in number and size** - According to an article in Pharmaceutical Executive "The number of doctors in physician groups of 100 or more, more than doubled in the past 10 years. The number of doctors in physician groups of 15 to 49 has increased almost 90 percent since 1988. This trend showcases the importance of local influence mapping because group practices increase the complexity and importance of interrelationships, and the sheer number of doctors who are influenced by group-practice dynamics".<sup>1</sup>
- **The potential is there** - There are an average of 3.5 doctors per group practice location and 4.2 doctors per group practice in the United States. Hence, on average, current targeting methodologies are considering less than 29% of the total value of average group/location and less than 24% of the total group value when determining whether or not a group gets called on. Many of these groups have a higher potential than even the highest individual prescribers.
- **Prescribing habits are greatly influenced by peers and sampling** - Even if a sales representative can not get access to all of a group's prescribers, there is a high probability that other group members will be influenced by the called-on members that the representative can get access to and the samples that they leave behind. A recent Stanford study titled "Asymmetric Peer Effects in Physician Prescription Behavior: The Role of Opinion Leaders"<sup>2</sup> describes peer effects on prescribing habits. It states that 67% of the physicians in their study reported their opinion leaders as other physicians they have contact with in a group or hospital setting. It goes on to estimate that peer effects alone provide a 19% lift in the return-on-investment from targeted marketing.

However, switching to a group based targeting model can be very disruptive. Dropping currently called-on doctors from the call plan could cause the loss of loyalty already gained by a sales force. This is especially true, when these called-on physicians are local opinion leaders. It is, however, possible to target group practices without incurring major disruption to your sales forces. One possible approach is to have representatives target high-value non-called on groups within their territory. This can be accomplished using the following information:

- **Group affiliation data** – This data links prescribers to the groups that they participate in. Make sure that the provider of this information updates their affiliations frequently with reliable data and account for doctors who have moved.

- Accurate business addresses - Accurate business addresses are paramount. Many information providers supply only a single address. Often this is the AMA address and frequently the prescriber's home address. It is not uncommon for this information to show many members of a group at different locations even though they actually all practice together at a single location.<sup>3</sup> The prescription volume also needs to be linked to every address the prescriber practices at in order to effectively determine the value of a given location.
- Prescriber level prescription data – This data will be used to determine the potential of the groups.
- Call Plan – Call Plan data will be used to determine whether groups are called-on and a called-on to non-called on ratio.
- ZIP to territory alignments – Alignment data is needed to accumulate and distribute the results by territory.

This information can be used to accumulate prescription volume by territory, group and location. The call plan can be used to accumulate called-on versus non-called-on volume. Sorting the results by territory, and descending prescription volume will immediately reveal high-value non-called group/locations. Have your reps target the top groups and watch your revenue grow. For an average sales force, if each sales representative gets the doctors in one average group to write one prescription a week, you're revenue will grow more than \$10,000,000.

This article only touches on the true potential of group level targeting. The recommended approach can be quickly implemented, exposes little risk, minimizes disruption, and can quickly increase sales. In the future, the industry will inevitably further explore the social interactions between prescribers, managed care organizations, consumers, pharmacies, hospitals, etc. and adjust accordingly.

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<sup>1</sup> Mike Iafolla, Steve, [Under the Influence](http://www.pharmexec.com/pharmexec/article/articleDetail.jsp?id=187082&pageID=5) (Pharmaceutical Executive, October 2005)

<sup>2</sup> Harikesh Nair, Puneet Manchanda, Tulikaa Bhatia, [Asymmetric Peer Effects in Physician Prescription Behavior: The Role of Opinion Leader](http://faculty-gsb.stanford.edu/nair/PDF-s/OPL_Dec_2006_Final.pdf) (Stanford University, December 2006)

<sup>3</sup> PharmaStats.com, [We can see clearly now – Bad Doctor Addresses](http://pharmastats.blogspot.com/2007/08/we-can-see-clearly-now-bad-doctor.html) (August 2007)