

3-2-2013

# The Effects and Role of Direct-to-Physician Marketing in the Pharmaceutical Industry: An Integrative Review

Puneet Manchanda

Elisabeth Honka

Follow this and additional works at: <http://digitalcommons.law.yale.edu/yjhple>

 Part of the [Ethics and Professional Responsibility Commons](#), and the [Health Law Commons](#)

---

### Recommended Citation

Manchanda, Puneet and Honka, Elisabeth (2005) "The Effects and Role of Direct-to-Physician Marketing in the Pharmaceutical Industry: An Integrative Review," *Yale Journal of Health Policy, Law, and Ethics*: Vol. 5: Iss. 2, Article 8.

Available at: <http://digitalcommons.law.yale.edu/yjhple/vol5/iss2/8>

This Article is brought to you for free and open access by Yale Law School Legal Scholarship Repository. It has been accepted for inclusion in Yale Journal of Health Policy, Law, and Ethics by an authorized administrator of Yale Law School Legal Scholarship Repository. For more information, please contact [julian.aiken@yale.edu](mailto:julian.aiken@yale.edu).

## The Effects and Role of Direct-to-Physician Marketing in the Pharmaceutical Industry: An Integrative Review

Puneet Manchanda, M.Phil., Ph.D.\* and Elisabeth Honka†

### INTRODUCTION

The pharmaceutical industry plays a vital role in the world's economy, as well as in ensuring the welfare of its citizens. In the United States, this industry constitutes a large and important part of the economy. In 2002, health care expenditure in the United States reached \$1.6 trillion, accounting for fifteen percent of total GNP.<sup>1</sup> This percentage is also growing over time—it was seven percent in 1970.<sup>2</sup> An important component of the health care industry is the pharmaceutical industry—in 2002, its size was estimated at \$193 billion.<sup>3</sup> While the pharmaceutical industry is driven by innovation, it spends more money on marketing than on research and development.<sup>4</sup> For example, this industry spends more than any other U.S. industry on its sales force (\$7 billion annually) and on media advertising (\$2.8 billion annually).<sup>5</sup>

Pharmaceutical companies typically direct their marketing efforts toward physicians and, as of late, directly to patients (consumers). The marketing efforts directed at physicians comprise personal selling through sales representatives

---

\* Associate Professor of Marketing, Graduate School of Business, University of Chicago. He would like to acknowledge research support from the Kilts Center for Marketing at the Graduate School of Business, University of Chicago.

† Doctoral Student, Graduate School of Business, University of Chicago. She would like to acknowledge financial support from the German Academic Exchange Council (DAAD).

1. *What's Driving Health Care Costs and the Uninsured: Hearing Before the Senate Comm. on Health, Educ., Labor & Pensions*, 108th Cong. 38 (2004) (statement of Douglas Holtz-Eakin, Director, Cong. Budget Office).

2. *Id.*

3. PHARM. RESEARCH & MFRS. OF AM. (PHRMA), PHARMACEUTICAL INDUSTRY PROFILE 2004 44 (2004), <http://www.phrma.org/publications/publications//2004-03-31.937.pdf>.

4. FAMILIES USA FOUND., OFF THE CHARTS: PAY, PROFITS AND SPENDING BY DRUG COMPANIES 3 (2001), <http://www.familiesusa.org/site/DocServer/offthecharts.pdf?docID=823>.

5. DICK R. WITTINK, ANALYSIS OF ROI FOR PHARMACEUTICAL PROMOTION (ARPP) (2002), [http://www.rxpromoroi.org/arpp/media/arpp\\_handout\\_0927.pdf](http://www.rxpromoroi.org/arpp/media/arpp_handout_0927.pdf).

(detailing);<sup>6</sup> sampling (provision of drugs at no cost); physician meetings and events; and advertisements in medical journals.<sup>7</sup> Since 1997, a change in the legal environment that allowed direct-to-consumer advertising (DTCA) has resulted in a 350% increase in expenditures for such advertising between 1996 and 2001.<sup>8</sup> However, the biggest chunk of marketing expenditure is directed toward detailing.<sup>9</sup> Historically, detailing has been the pharmaceutical industry's primary promotional instrument.<sup>10</sup> Our aim in this Article is to provide an integrative review of the academic research on the effect and role of detailing. We highlight the main findings that arise from the medical, legal, economics, and marketing literature. Finally, we propose an explanation of the pervasiveness of detailing over a drug's life. We conclude by proposing how an increase in the efficiency and effectiveness of this expenditure can benefit firms, physicians, and patients.

As noted above, we attempt to provide an integrative review of the literature on detailing. As a result, we need to provide organizational criteria in order to deal with the large number of studies on the subject. We use two such criteria to organize this review: the outcome variable and the nature of the data collected by the researcher. The outcome variable is the variable that is affected by detailing, which can range from "softer" variables, such as physician attitudes, to "harder" variables, such as drug sales. The nature of data collected can be survey data or actual behavioral (market) data. While we believe that these two criteria are important, we also describe the extant literature using all relevant criteria in the form of tables in the Appendix.<sup>11</sup> We first examine physician attitudes toward

---

6. For an excellent overview of the evolution of modern detailing in the United States, see Jeremy E. Greene, *Attention To 'Details': Etiquette and the Pharmaceutical Salesman in Postwar America*, 34 SOC. STUD. SCI. 271 (2004).

7. STEPHEN P. BRADLEY & JAMES WEBER, *THE PHARMACEUTICAL INDUSTRY: CHALLENGES IN THE NEW CENTURY* 7 (Harvard Bus. Sch., Working Paper No. 9-703-489, 2004).

8. *Id.*

9. WITTINK, *supra* note 5, at 6-7.

10. BRADLEY & WEBER, *supra* note 7, at 8-9.

11. There have been other such integrative articles. See, e.g., Dale B. Christensen & Patricia J. Bush, *Drug Prescribing: Patterns, Problems and Proposals*, 15a SOC. SCI. & MED. 343 (1981); Richard J. Plumridge, *A Review of Factors Influencing Drug Prescribing* (pt. 1), 13 AUSTL. J. HOSP. PHARMACY 16 (1983). But not all include detailing as an independent variable, see, e.g., Dennis W. Raisch, *A Model of Methods for Influencing Prescribing* (pts. 1 & 2), 24 DICP, ANNALS PHARMACOTHERAPY 417, 537 (1990), even the ones that do not differentiate between detailing as a general source of information, detailing's function in new product introductions, and its influence on physician prescribing, see, e.g., James R. Williams & Paul J. Hensel, *Changes in Physicians' Sources of Pharmaceutical Information: A Review and Analysis*, 11 J. HEALTH CARE MARKETING 46 (1991). Most other literature reviews cover a very broad set of variables that affect physician prescribing. See, e.g., T.S. Caudill & Nicole Lurie, *The Influence of Pharmaceutical Industry Advertising on Physician Prescribing*, 22 J. DRUG ISSUES 331 (1992); Elina Hemminki, *Review of*

#### THE EFFECTS AND ROLE OF DIRECT-TO-PHYSICIAN MARKETING

detailing using studies from the medical literature. As the purported reason for the existence of detailing is that it provides information to physicians, we then examine whether the medical community indeed perceives it as such and if these perceptions have changed over time. We then look at whether detailing affects stated and actual prescription behavior. Finally, we examine the role of detailing over the life cycle of a drug with a special emphasis on its effects in the early, awareness-building stage. We conclude by integrating the main findings into a coherent explanation of the role of detailing.

Based on our analysis we draw the following major conclusions. First, it seems that physicians have negative (at one extreme) to neutral (at the other) attitudes toward pharmaceutical sales representatives. The variance in this attitude is explained by a variety of factors. Some of the important factors are the quality of informational and educational support provided via detailing, detailer style, and the physician's practicing environment. However, detailing exists and flourishes in spite of this attitude as it provides an inexpensive and convenient source of information. Interestingly, the importance of detailing as a source of information has declined over the past five decades, as it is no longer the most important source of information.

Second, not only is detailing an important source of information, it affects physician prescription behavior in a positive and significant manner. More important, this seems to occur over the length of the drug's life cycle. This is puzzling considering that over a drug's life cycle, most information about the drug is likely to be disseminated early on—a fact confirmed by physician surveys. Thus, detailing's effect should diminish over the life cycle of a drug. There is no obvious explanation for the fact that detailing has a positive and significant effect late in the drug life cycle. Based on our analysis and industry observations, our explanation is that in addition to providing a "reminder effect," constant interaction builds a stock of goodwill between a detailer (or the firm) and the physician, translating into positive physician prescription behavior. This goodwill is not based on purely objective and rational factors but on social and cultural norms. Its character changes from informative to more persuasive in the

---

*Literature on the Factors Affecting Drug Prescribing*, 9 SOC. SCI. & MED. 111 (1975); Russell R. Miller, *Prescribing Habits of Physicians: A Review of Studies on Prescribing of Drugs* (pts. 1-8), 7 DRUG INTELLIGENCE & CLINICAL PHARMACY 492, 557 (1973), 8 DRUG INTELLIGENCE & CLINICAL PHARMACY 81 (1974); J.P. Rovers, *The Doctor's, the Druggist's, and the Detail Rep's Dance: Who Leads, Who Follows*, 37 CAN. FAM. PHYSICIAN 100 (1991); Dennis B. Worthen, *Prescribing Influences: An Overview*, 7 BRIT. J. MED. EDUC. 109 (1973). In other words, reviews concentrating on detailing as a factor influencing physician attitudes and prescribing behavior are relatively rare. Also noteworthy is Joel Lexchin, *Doctors and Detailers: Therapeutic Education or Pharmaceutical Promotion?*, 19 INT'L J. HEALTH SERVS. 663 (1989), which critically discusses doctors, detailers, and their relationships.

later stages of the drug life cycle. The evolution of goodwill in this manner reflects the deepening relationship between the physician and the pharmaceutical sales representative.

Finally, detailing is clearly here to stay. Although physicians claim to tolerate it as a necessary evil, detailing evidently has an impact on prescription behavior via both a subjective and an objective path. From the industry perspective, pharmaceutical firms continue to invest heavily in this mode of promotion—they have more than doubled their 1997 sales force to about 90,000 in 2002.<sup>12</sup> Thus, one possible approach that could be beneficial to all concerned parties—patients, physicians, firms, and policy makers—would be to ensure that this large expenditure on detailing is carried out in the most efficient manner possible. We conclude the Article by providing suggestions on how this could be carried out.

## I. REVIEW OF PAST STUDIES

### *A. Physician Attitudes Toward Detailing*

In this Section, we focus our attention on physician attitudes as documented (mostly) in the medical literature. We focus on general attitudes toward detailing and detailers and attitudes toward gifts. We then look at studies that provide an explanation for the formation of these attitudes. (Tables 1a-1c provide a more detailed overview of the studies discussed.)

#### *1. Physician Attitudes Toward Detailers*

A series of studies document that physician attitudes toward detailing and pharmaceutical sales representatives are mostly negative. First, Poirier et al. surveyed physicians on their attitudes toward pharmaceutical marketing practices.<sup>13</sup> They found that only 24% of the physicians were satisfied with detailing and 48% were dissatisfied.<sup>14</sup> These skeptical attitudes were confirmed by the finding that only 20% of the physicians believed in the accuracy and objectivity of presented information, while 44% did not.<sup>15</sup> Nevertheless, 56% admitted that representatives could influence formulary decisions if efficacy,

---

12. *Pushing Pills*, THE ECONOMIST, Feb. 15, 2003, at 61.

13. Therese I. Poirier et al., *Pharmacists' and Physicians' Attitudes Toward Pharmaceutical Marketing Practices*, 51 AM. J. HOSP. PHARMACY 378 (1994).

14. *Id.* at 379.

15. *Id.*

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.