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Bad For Pharma: Sales Reps And Patients Are Staying Home

by Jessica Merrill

Industry is limiting face-to-face interactions between sales reps and physicians, and some patients are sitting out visits, amid the COVID-19 outbreak. That poses big business challenges for pharma.

A new business challenge for drug manufacturers navigating the coronavirus outbreak has emerged, as companies restrict face-to-face interactions between sales representatives and physicians, industry's longstanding tool for building brand awareness for new launches and gaining attention in competitive drug categories.

Many drug makers are asking employees to work remotely and limit external interactions, and for the pharmaceutical industry that also means limiting interactions with a big customer base – physicians, some of whom are overburdened amid the outbreak and some of whom are also limiting external interactions to prevent unnecessary exposure to the virus.

Established brands are generally expected to be less impacted than new launches, which rely more heavily on sales rep engagement to gain traction.

"The general rule of thumb is that for a mature brand, the sales rep in-person calls, the impact is less than 10%. But on the flip side, for launch brands, using purely digital means, that approach has not worked well in the past," ZS Associates managing principle Pratap Khedkar said in an interview. "Reps have been very critical for launch success. Basically, the first 18 to 36 months, reps drive the majority of the brand's performance."

Not only do reps drive awareness of new drugs, but they are also critical for outlining safety data, providing free samples, demonstrating how devices work and offering in-office education, PwC US pharmaceuticals & life sciences advisory leader Greg Rotz pointed out.

At the same time, as reps are pulling back, some patients are staying home from non-essential physician visits to also limit exposure to the virus, further deepening the challenge as that could mean less prescriptions are written. Physicians are less likely to prescribe a new drug without a physical examination or physical interaction with a patient.

Drug Makers Brace For Impact On Sales

Some companies are already starting to caution investors that the launch environment will be uncertain. [*Aimmune Therapeutics Inc.*](#), for example, just launched the first treatment for peanut allergy, Palforzia (*Arachis hypogaea*), but management warned investors on 16 March that its account managers may not be able to fully provide support to clinics, which could slow the launch. (Also see "[*Aimmune Expects 'Robust' Demand For Peanut Allergy Treatment Palforzia, Though Slow Launch*](#)" - Scrip, 16 Mar, 2020.)

[*Amarin Corp. PLC*](#), on 15 March, announced that it is suspending field-based face-to-face interactions for two weeks until 30 March, for Vascepa (icosapent ethyl), a drug for which it has been ramping up its sales force. Vascepa was originally approved in 2013 to reduce triglyceride levels but received an expanded indication from the US Food and Drug Administration last year for a cardiovascular risk reduction, a substantially larger commercial opportunity.

Amarin is continuing to provide digital and internet-based educational materials to support the launch, but said it's too early to assess the potential impact of COVID-19 on Amarin's revenue growth and previously reported revenue guidance. The company previously forecast revenues of \$650m-\$700m in 2020, coming mostly from Vascepa in the US.

Many big pharmas also confirmed that they are pulling back on their sales rep activities. "[*Takeda Pharmaceutical Co. Ltd.*](#) is asking our customer-facing employees to step away from health care sites and provide support virtually," the Japanese pharma said. "Takeda will reach out to our health care providers and customers to discuss how we can best meet their needs virtually."

[*Pfizer Inc.*](#) said: "Effective Monday, March 16, all Pfizer customer-facing colleagues in the US and Puerto Rico will work from home. We plan to use virtual customer tools when possible to maintain important contact with HCPs and other customers."

At [*Novartis AG*](#), the company said it is "asking our field-based associates to limit face-to-face interactions and are encouraging the use of virtual HCP interactions, while only engaging in business-critical meetings necessary to ensure appropriate patient treatment and support with our medicines, continuity of supply, or care in a clinical trial setting, where no viable alternative to face-to-face meeting is available."

Other pharmas, including [*Boehringer Ingelheim International GmbH*](#) and [*Merck KGaA*](#) said they were taking similar actions to stop face-to-face meetings for sales reps.

Some Areas May Be More Affected Than Others

The impact of curbing sales reps and medical liaison interactions could be felt more heavily for drugs that rely on hospital-based physicians. The UK's National Credentialing Register started reporting that many hospitals are limiting access, restricting the ability of company reps to enter the facilities. Primary care physicians too are fielding increased calls from concerned patients, though patients are also expected to postpone visits for issues that aren't urgent.

"While it will greatly depend on the therapy and the disease being treated, there may also be less of a sense of urgency to adopt new treatments or alter current treatment protocols (more so if there is a current standard of care)," William Blair's pharmaceutical analyst team said in a 16 March report.

"In addition, physician education events such as lunch or dinner meetings, including at major medical meetings, will be less likely to occur in the near-term, further reducing the opportunity to market a new product," the analysts said.

RBC Capital Markets analysts agreed in a 10 March note. "We believe that upcoming launches of new drugs, or continued growth/sustainment of drugs on the market into disease spaces where there are already many competing options, or new areas where education awareness is critical, may be challenging in an environment where many are required (or choose) to stay home," RBC analysts said in a statement.

For some drugs, this could be an advantage. For example, RBC said [Biogen Inc.](#)'s spinal muscular atrophy brand Spinraza (nusinersen) and multiple sclerosis franchise, facing new competition, could "benefit from corona-related displacements."

The impact could be felt less for drugs in areas of critical care or cancer, though even there, treatment challenges could emerge given that so many patients are immune-compromised and at greater risk if exposed to COVID-19.

The oncology therapy area, however, may be less likely to be impacted by fewer sales rep interactions than some other areas because oncologists already are less likely to see sales reps. Only 30% of oncologists do not restrict the number of in-office visits from reps, according to ZS Associates' Khedkar. *(Editor's note: this story has been updated to reflect the percent of oncologists that restrict the number of in-office visits versus not allowing them altogether).*

"They are also the most open to digital promotion," he added. Compared to PCPs, "their rate of opening emails is 60% higher than what a PCP would do when it comes to pharma emails. In some sense, the oncologist is a little bit further along in terms of adapting to these times."

Short-Term Triage, Long-Term Impact

When it comes to expanding digital communications, near-term triaging may result in long-term changes to the way industry communicates with health care providers.

But pharma is going to have to work hard and make inroads to get there. Normally, about 47%-48% of physicians are willing to receive visits from reps, but physician willingness to open an email from pharma is only about 8%-10%, Khedkar said.

That means pharma is going to have to think of creative and engaging ways to use digital technology to interact with physicians. Khedkar pointed to opportunities around customer support or showcasing five key opinion leaders in a moderated conversation as options.

"A lot of these tools that existed will suddenly come into focus and mature because they are being forced to use it," Khedkar said. And if those efforts are successful, they could be used longer term.

"Pharma has been talking about changes to the commercial model forever, but nobody wanted to move first," he said. "If everybody were moving at the same time, it takes away some of that reluctance. Will everybody, including the customer, get comfortable with this new way of working so that it leaves behind a little bit more of a longer legacy?"