The COZAAR® e - Pilot 2005

An analysis of the effectiveness of e-Profiling and e-Detailing as Marketing Tools for use in the SA Pharmaceutical Environment

MANAGEMENT REPORT

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EXECUTIVE SUMMARY

The South African (SA) pharmaceutical industry has become very crowded and competitive. The industry is characterised by many sales representatives (hereafter referred to as sales 'reps'), jockeying for time in front of busy target physicians. With fewer calls available and less time afforded per call, many sales reps are unable to profile their physicians, develop relationships with them, deliver complete promotional messages and differentiate their products. Time in front of the physician has consequently become a significant limiting factor for many CRM and promotional strategies. Pharmaceutical marketers have now turned to the internet to find new and innovative ways to interact with physicians, without "time and place" restrictions.

e-Profiling and e-Detailing is essentially physician profiling and detailing done online. e-Profiling is expected to enhance relationships with physicians and improve our understanding of their attitudes and behaviours; while e-Detailing is expected to expose more physicians to higher quality and more interactive promotional messages, more frequently and cost-effectively. Based on research done in the USA and in Europe, it would seem that whilst most firms have not yet nailed down the 'winning formula', they have found that these initiatives complement the sales force and deliver reasonable ROI. However, in SA, very little research has been done on e-Profiling and e-Detailing to support their domestic viability. The COZAAR e-Pilot was therefore developed to quantitatively and qualitatively determine whether or not SA physicians are ready for e-Profiling and e-Detailing; and whether or not these initiatives could meet or exceed expectations.

This report includes a situational analysis of the SA pharmaceutical industry, an analysis of MSD's competitive position, a literature review on e-Profiling and e-Detailing and the results of the COZAAR e-pilot. The report draws on the findings of such analyses and research results, to make recommendations and provide action steps for the development and implementation of e-Profiling and e-Detailing at MSD SA.

OPSOMMING

Die Suid-Afrikaanse (SA) Farmaseutiese industrie het saamgedronge en mededingend geword. Die industrie word gekarakteriseer deur 'n groot aantal verkoopsverteenwoordigers (in omgangstaal ook bekend as "reps") wat almal skarrel vir tyd voor besige, geteikende geneeshere. Met al hoe minder afsprake tot hul beskikking, boonop met minder toegelate tyd per afspraak met die geneesheer, word dit vir verteenwoordigers onmoontlik om hul dokters te "profile", om verhoudings met hulle te bou, om volledige promosieboodskappe oor te dra en om hul produkte te differensieer. "Tyd voor die geneesheer" het gevolglik 'n beduidende struikelblok geraak vir verteenwoordigers om hul maatskappye se kliënteverhoudingsbestuur en promosiestrategieë uit te leef. Farmaseutiese bemarkers het hul dus na die internet begin wend om nuwe en innoverende maniere te bewerkstellig om met dokters te kommunikeer, sonder die beperkings van "tyd en plek".

e-Profiling en e-Detailing is, kortom, tradisionele profilering en "detailing" wat nou gewoon per internet geskied. Die verwagting is dat e-Profiling verhoudinge met dokters gaan verbeter en ons begrip van hul houdings en gedrag teenoor ons gaan verbeter. e-Detailing, andersyds, gaan na verwagting geneeshere aan hoë kwaliteit en meer interaktiewe promosieboodskappe blootstel op 'n meer gereelde en koste-effektiewe wyse. Na aanleiding van navorsing wat in Europa en die VSA gedoen is, blyk dit dat, alhoewel firmas nog nie die wenformule bepaal het nie, alles daarop dui dat hierdie inisiatiewe hul verkoopslui gaan aanvul en 'n aanvaarbare ROI gaan oplewer. Daar is egter nog feitlik geen navorsing in hierdie verband gedoen in Suid-Afrika om die lewensvatbaarheid van e-Profiling en e-Detailing te bepaal nie. Die COZAAR e-Pilot is, in die lig van bogenoemde gaping, ontwikkel om op kwanitifiseerbare en kwalitatiewe wyse vas te stel of geneeshere in Suid-Afrika gereed is vir e-Profiling en e-Detailing en of verwagtinge ten opsigte van hierdie inisiatiewe aan voldoen of selfs oorskry kan word.

Hierdie verslag sluit 'n situasionele analise van die Suid-Afrikaanse farmaseutiese industrie in, sowel as 'n analise van MSD se mededingende posisie, 'n literatuuroorsig oor e-Profiling en e-Detailing, asook die resultate van die COZAAR e-Pilot. Die verslag rapporteer die bevindinge van genoemde analises en navorsingsresultate, doen aanbevelings en verskaf aksiestappe vir die ontwikkeling en implementering van e-Profiling en e-Detailing by MSD SA.

TABLE OF CONTENTS

TABLE OF CONTENTS (continued):

TABLE OF CONTENTS (continued):

CHAPTER FOUR (continued):

CHAPTER FIVE: RESEARCH OBJECTIVES & DESIGN

TABLE OF CONTENTS (continued):

TABLE OF CONTENTS (continued):

CHAPTER SIX (continued):

CHAPTER SEVEN: RECOMMENDATIONS

TABLE OF CONTENTS (continued):

LIST OF TABLES:

LIST OF FIGURES:

TABLE OF CONTENTS (continued):

LIST OF FIGURES (continued):

TABLE OF CONTENTS (continued):

MEDICAL TERMINOLOGY

ACEIs – Angiotensin Converting Enzyme Inhibitors inhibit the synthesis of angiotensin which relates to dilation of peripheral blood vessels and reductions in mean arterial pressure, systolic and diastolic blood pressure.

Albuminuria / Macro-albuminuria – This refers to greater than 300 mg/d of protein in urine, with the term microalbuminuria being used to describe smaller degrees of protein (ie, 30-300 mg/d). Too much albumin indicates that protein is leaking through the kidney and is a sign of kidney disease and a marker of cardiovascular disease.

AIIAs – Angiotensin II Antagonists blockade angiotensin II receptors thereby blocking the effects of angiotensin and this relates to dilation of peripheral blood vessels and reductions in mean arterial pressure, systolic and diastolic blood pressure.

BBs – Beta-blockers blockade beta receptors in the vessels of the heart and periphery thereby blocking the sympathetic activity which relates to reductions in myocardial contractility, heart rate, mean arterial pressure, systolic and diastolic blood pressure.

CCBs – Calcium channel blocking agents affect the movement of calcium into the cells of the heart and blood vessels. As a result, they relax blood vessels and this relates to reductions in mean arterial pressure, systolic and diastolic blood pressure and increases the supply of blood and oxygen to the heart.

Cardiovascular Risk Factors – Independent factors that predispose a patient to cardiovascular disease and events, for e.g. stroke, myocardial infarction, angina, heart failure and renal / kidney disease.

Cardiovascular Morbidity: Irreversible / reversible target organ damage due to prolonged cardiovascular disease and/or cardiovascular event.

Cardiovascular Mortality: Death due to a cardiovascular event e.g. stroke, myocardial infarction, angina, heart failure and renal / kidney disease.

COZAAR – The trade name for **Losartan**, an anti-hypertensive drug of the Angiotensin II Receptor Blocker Class of anti-hypertensives.

Diagnosis – In a medical context this would refer to the process of assessing a patient for risk factors and/or signs and symptoms of injury or disease. In most cases physical examination followed by medical and laboratory tests will be carried out in order to confirm the diagnosis.

ECG - An electrocardiogram (ECG / EKG) is an electrical recording of the heart and is used in the investigation of heart disease. For e.g. an ECG can be used to diagnose Left Ventricular Hypertrophy.

ESRD – End Stage Renal Disease is the final stage of renal disease and is irreversible. ESRD is defined by the need for dialysis or transplant for survival.

Hypertension – Blood pressure that is consistently (more than 6 months) above a systolic of 140mmHg and diastolic of 90mmHg. Hypertension may have no known cause (essential or idiopathic hypertension) or be associated with other primary diseases (secondary hypertension. Hypertension is also an independent cardiovascular risk factor.

Left Ventricular Hypertrophy (LVH) – This refers to the abnormal enlargement of the left ventricle of the heart. This structural abnormality may impair the normal function of the heart and result in myocardial infarction (heart attack), heart failure, stroke and death. This condition often develops as a result of poor blood pressure control, diabetes and unusual growth factor stimulation.

Myocardial Infarction (MI) – This is a serious, sudden heart condition characterized by varying degrees of chest pain, weakness, sweating, nausea, and vomiting, sometimes causing loss of consciousness. It occurs when parts of

the heart muscle die because they are not supplied with enough blood. MI is commonly known as a heart attack.

Proteinuria – Excessive protein found in urine which is an indicator for kidney disease.

Renal Disease – Disease of the kidney, normally relating to uncontrolled hypertension and diabetes.

Stroke - Strokes, or brain attacks, are a major cause of death and permanent disability. They occur when blood flow to a region of the brain is obstructed or diverted and may result in death of brain tissue.

Target Organ Damage – Damage incurred to vascular smooth muscle of primary blood vessels in the heart, the brain, the kidney and the eyes, as a result of uncontrolled blood pressure.

Type 2 Diabetes - Type 2 diabetes is the most common form of diabetes. In type 2 diabetes, either the body does not produce enough insulin or the cells ignore the insulin. Insulin is necessary for the body to be able to use and store glucose. High glucose levels will eventually damage blood vessels in the periphery incl. the brain, in the heart and kidney.

MANAGED HEALTH CARE (MHC) TERMINOLOGY

Compelling Indications – When there is evidence to suggest that a product / class has molecular specific properties for exclusive and unconditional use in certain patient types, these products / classes are said to have a compelling indication for use, regardless of cost implication.

Evidence-based medicine - The conscientious, explicit and judicious use of current best evidence in making decisions about the care of beneficiaries whereby individual clinical experience is integrated with the best available external clinical evidence from systematic research.

Formularies – A restricted list of drugs developed on the basis of evidence-based medicine, taking into account considerations of cost effectiveness and affordability. Provision can be made for appropriate substitution of drugs where a formulary drug has been ineffective or causes or would cause adverse reaction in a beneficiary, without penalty to that beneficiary.

Generics - Generic medicines are produced after the patent on an original medicine expires. Other manufacturers are then entitled to copy the original product using the same active ingredients as contained in the original medicine. Generic medicines are much less expensive than the original medicines because of the costly and extensive research usually required before the latter are manufactured.

Managed health care – Refers to clinical and financial risk assessment and the management of health care and costs, with a view to facilitating appropriateness and cost effectiveness of relevant health services within the constraints of what is affordable, through the use of rules-based and clinical management-based programmes.

Managed health care institution – Any institution that practices managed health care as defined above.

Medical Scheme / Medical Aid – While these terms can mean different things, for the purposes of this report, both terms will be used interchangeably and in the context of the health care funder / insurer. The Medical Aid / Scheme manage the standard and cost of health care on the behalf of members who contribute to this fund on a monthly basis.

Physician – In many parts of the world a physician refers to a doctor that is responsible for providing primary care. These doctors have not specialised and treat a broad spectrum of patients with varied diseases and injury. However, in SA, this type of practitioner would be referred to as general practitioner (GP) and a physician would refer to a general specialist. In this report, the term – 'physician' is used in the context of the primary care giver.

Prescribed Minimum Benefits (PMBs) – Any benefit option that is offered by any medical scheme, must pay in full and without co-payment or the use of deductibles, the diagnosis, treatment and care costs of the 25 listed prescribed minimum benefit disease conditions contemplated in section 29 of the Medical Schemes Act.

Protocols – A set of guidelines in relation to the optimal sequence of diagnostic testing and treatments for specific conditions and includes, but is not limited to, clinical practice guidelines, standard treatment guidelines, disease management guidelines, treatment algorithms and clinical pathways.
Protocols must be developed on the basis of evidence-based medicine, taking into account considerations of cost-effectiveness and affordability.