

SPIN[®] in the pharmaceutical industry

A Huthwaite International Report

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This report is based on an analysis of over 800 sales calls made in the UK, Germany, Denmark and France, spread over a number of years. Recent projects have confirmed that these findings are just as valid today.

Summary of key results

Selling to new and existing customers

- Sellers are more successful in gaining orders from existing customers than from new ones.
- Representatives (salespeople) are more likely to be successful with existing customers if they have appointments.
- Existing customers are more tolerant of questions from the seller than new ones! Even with existing customers some types of questions are more useful than others.
- New customers are particularly intolerant of basic fact-finding (Situation) questions. Too many can reduce success rates by 27%. The optimal level of Situation Questions seems to be 2 or 3.
- It's important not to spend time uncovering too many problems or difficulties with either new or existing customers – exploring the impact of a few problems has a much more positive impact on success.

How important is discussing the solution?

- All customers like considering what their ideal solution to a difficulty would be. Questions to help them do this can increase success rates to 75%.
- Most sellers did not uncover any ideal solutions (Explicit Needs) from their customers – those that did achieved a success rate of 72% as opposed to 39%.

What is the most effective way of describing products?

- If sellers can get Explicit Needs and show how their products can provide this solution their success rate increased by another 11%, from 72% to 83%.
- Most sellers made no real Benefits – if they made at least one their success rate increased from 45% to 83%!
- Talking about the product's general benefits (Advantages) may be effective with existing customers but fails to influence new ones.
- Existing customers may listen to and consider a detail of Features about the product positively, but it's more likely to turn a new customer off, decreasing success rates by 10%.

The rest of this report provides some of the data from which these conclusions have been drawn.

Basic sample information

The data was collected in the UK, Germany, Denmark and France.^{*1} 884 calls were used for an analysis of:

- success profiles
- differences between calls on new and existing customers
- the impact of making appointments.

Overall success profiles

	Successful calls orders & advances	Unsuccessful calls continuations & no sales	Statistically significant?
Situation Questions	6.2	7.5	Yes ^{*2}
Problem Questions	3.7	3.8	No
Implied Needs	2.8	2.5	Yes
Implication Questions	1.9	1.3	Very ^{*3}
Need-payoff Questions	1.5	0.8	Very
Explicit Needs	1.4	0.5	Very
Benefits	1.2	0.4	Very
Advantages	3.8	3.1	Very
Features	4.7	4.1	Yes

The number of calls in each outcome category was as follows:

	No of calls	
Orders	171	A specific commitment, by writing a prescription or specifying, by name, a specific patient for a product, or agreeing to run a specific trial and subsequently discuss its results.
Advances	411	Specifying a situation, condition or group of patients for the product.
Continuations	284	Agreements of the kind <i>"I'll bear it in mind"</i> .
No Sales	18	Saying the product will not be used or overtly criticising it.

*1 This analysis is based on call carried out between 1979 and 1984. More recent projects in the 90s indicate that these results are still valid.

*2 Significant = a probability of between .02 and .003 that it is a chance finding.

*3 Very Significant = a probability of less than .0000001 that it is a chance finding.

Behaviours and outcomes

Implication Questions

Questions that explore the impact or knock on effects of a problem in treating a condition for example. Although the difference is not large, the consistency of the trend and the significance of the difference indicate it is a real effect.

It seems that Implication Questions are a very powerful behaviour and just one can have a big positive impact.

Need-payoff Questions

This graph should be looked at in conjunction with those of Explicit Needs and Benefits.

Asking even one Need-payoff Question to develop an Explicit Need has a very significant impact on the chance of success, particularly if the seller then makes a Benefit statement.

Explicit Needs

There is little difference in the number of Implied Needs in successful and unsuccessful calls. What matters is the degree to which sellers use Need-payoff questions to convert Implied Needs to Explicit Needs. As can be seen, there is a clear link between Explicit Needs and success.

Benefits

Making Benefit statements that clearly show how the product meets the Explicit Need is strongly linked with success.

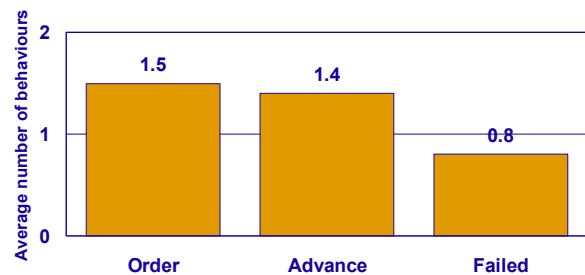
Advantages

Advantages are a behaviour we do not normally expect to show such a strong relationship with success. This graph shows their overall link to success. It should be remembered that they work best with existing customers and have less impact on new ones.

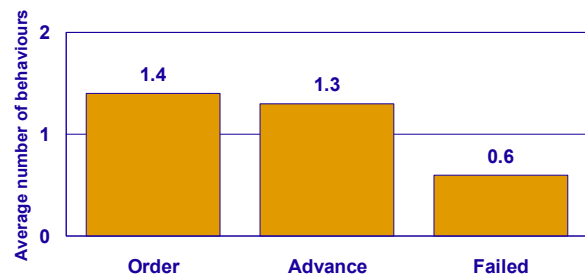
Implication Questions by outcome



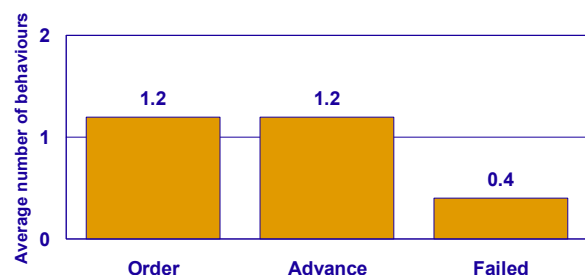
Need-payoff Questions by outcome



Explicit Needs by outcome



Benefits by outcome



Advantages by outcome



Success rates with new and existing customers



Note in this graph that although the proportion of Advances is higher for New than for Existing customers the level of Orders is much worse.

There are some interesting differences in the impact of the behaviours on New and Existing customers, which might account for some of this difference in success rates.

- With New customers only Need-payoff Questions, Explicit Needs and Benefits are significantly related to success, so its very important to convert Implied Needs to Explicit Needs using SPIN[®] and to offer Benefits.
- With Existing customers, Implication Questions and Advantages are also significantly related to success.

Discussions indicate that with new customers it is particularly important to identify specific cases (patients) where help is needed and then show how it can be given more effectively using the seller's products. Existing customers seem to be more willing to consider the product's Advantages and Features whether they have a specific case in mind or not.

Appointments and outcomes

As the chart shows making appointments rather than cold calling has a significant impact on success rates.

