

DTC

The Next Phase

In light of FDA guidances, more public scrutiny,
and trending corporate citizenship,

DTC ADVERTISING IS SUBTLY SHIFTING

TO DIRECT-TO-EDUCATION.

Direct-to-consumer advertising has been mainly focused on creating brand awareness for major blockbuster products, or creating awareness for new therapeutic categories, or both. Since 1997, when the FDA relaxed regulations on how drug companies can advertise products directly to consumers, there has been a steady increase in spending on advertising prescription medications in magazines, on television, and via the radio, as well as other consumer-directed media.

Advocates of DTC argue that it provides valuable consumer information. Others question whether DTC actually is having a positive impact on the health of the nation's consumers. The industry has also had to counter the argument that DTC has been a major factor in the perceived high cost of prescription medications.

According to a Kaiser Health Poll Report Survey in February 2005, most adults (90%) have seen or heard ads for prescription medications, and this share has increased since 2000 when just more than three-quarters (76%) said they had seen drug ads. Almost two-thirds (64%) who have seen prescription drug ads say these advertisements provide useful information most (22%) or some (42%) of the time. Just more than one-third (35%) say the information in ads is hardly ever or never useful. (For more information see box on page 35.)

A SHIFTING LANDSCAPE

A subtle shift to a new approach to safety-based, educational consumer advertising has

begun amid controversy regarding the market withdrawal of Vioxx. Merck, the marketer of the COX-2 inhibitor, spent \$81 million in 2004 on advertising, according to one industry source. Pfizer reportedly spent even more to promote rival Celebrex directly to patients, spending \$114 million for ads last year. After Celebrex also fell under a safety cloud, Pfizer voluntarily agreed to suspend advertising Celebrex to consumers at the FDA's request.

Johnson & Johnson is leading the way to more safety-focused advertising. The company is setting a new direction with TV and print campaigns for its birth-control patch Ortho Evra. The ads deal squarely with safety issues and the drug's risks as well as its benefits.

One of the ads shows a split-screen image with a gynecologist on one side and a woman on the other. Sitting at home, the woman says "I'm in." The doctor responds by saying "Let's Talk." The physician then proceeds to talk about stroke, blood clots, and other risks, including the impact of smoking while on the patch. She also urges women to talk with their doctors.

William C. Weldon, Johnson & Johnson's chairman and CEO, called on other pharmaceutical companies to follow J&J's lead during his speech as he assumed chairmanship of PhRMA.

"Today, patients want to be active participants in their own healthcare," Mr. Weldon says. "But if 'patient-centered healthcare' is to become a reality, patients will need a base of



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with the marketing of all
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APPROPRIATE COMMUNIC
AND EDUCATION TO CON

knowledge about health and the d
healthcare that is far richer and more
hensive than they have today. Here
must view our responsibility as larger.

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 rs. But DTC communication can be a
 tool for educating patients and helping
 make informed decisions. Our chal-
 o harness it and put it to work for the
 ls. I believe we should start by recog-
 at the framework we call DTC adver-
 ay inadvertently minimize the impor-
 d power of medicines and their risks.
 munication with patients should real-
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 tients work collaboratively with their
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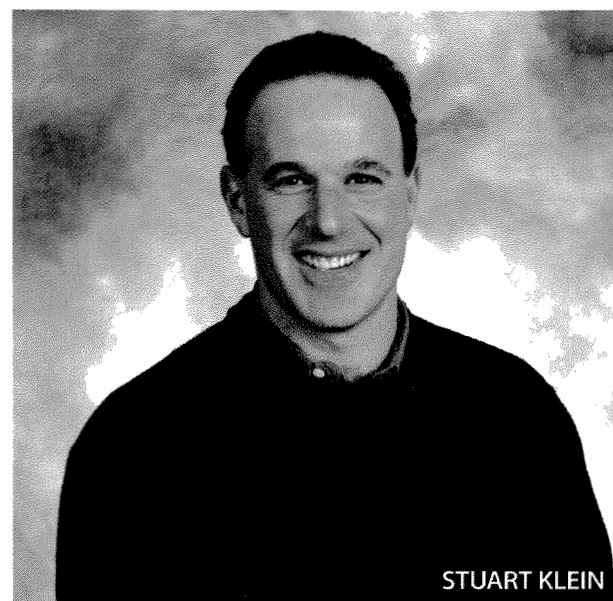
Weldon also said the appropriate use of
 s should be a cornerstone of direct-to-
 er education: the right dosage of
 e, for the right patient, with the right
 ondition, for the right duration of time.
 Ortho Evra ads are an example of the
 riented approach for prescription
 at J&J plans to implement across the
 er the next year.

Still, for any pharmaceutical company, a
 shift from the traditional DTC ads to ones that
 include explicit risk-management information
 might frighten away some customers.

Mr. Weldon says helping patients under-
 stand the power of medicine and how to use
 medicine wisely should be a top priority for all
 companies and for PhRMA.

“If our industry is to retain the important
 right to talk directly to consumers, each of our
 companies in our own way must work to make
 DTC what it very definitely can be: a way to
 educate and counsel consumers in improving
 their health,” he says.

“Mr. Weldon really drove the point home in
 his speech, which was that it is not about DTC
 anymore; it should really be about DTCE,
 direct-to-consumer education,” says Charlene
 Prounis, managing partner of FlashPoint Med-
 ica LLC. “We have to tell consumers both sides
 of the story and fully educate the consumer. The
 FDA’s guidance will impact patient communi-
 cations in terms of providing more information
 to patients so they can manage risks better as
 they go forward. The movement already has
 begun to shift advertising from brand specific
 to the information/education arena. With this



STUART KLEIN

The opportunity to run unbranded
 advertising, from a corporate standpoint,
IS A SMART WAY OF DOING BUSINESS.

trend, the industry will begin to regain some
 level of trust so people will want to go on new
 products in the future.”

Stuart Klein, president of Quantum, says
 over the last few years, there have been many
 new campaigns and interesting creative
 approaches from an advertising standpoint.

ON DRUG ADVERTISEMENTS

S (90%) HAVE SEEN OR HEARD ADVERTISEMENTS FOR PRESCRIPTION MEDICATIONS, AND THIS SHARE HAS INCREASED SINCE 2000 WHEN JUST THREE-QUARTERS (76%) SAID THEY HAD SEEN DRUG ADS.

ARE PRESCRIPTION DRUG ADS?

Two-thirds (64%) of people who have seen prescription drug ads say
 ements provide useful information “most” (22%) or “some” (42%) of
 ore than one-third (35%) say the information in ads is “hardly ever”
 ul.

ows were mixed on how well television ads present specific informa-
 ecription drugs. Almost six in 10 (58%) said ads do an “excellent” or
 plaining the potential benefits of the drug, while four in 10 (40%) said
 “or “poor” job. About half (51%) said ads do an “excellent” or “good”
 the condition the drug is designed to treat and slightly fewer said
 ut ads’ explanation of potential side effects of the medication (45%).

SCRIPTION DRUG ADS

is than two in 10 (18%) adults say they can trust what pharmaceuti-
 s have to say in their advertisements “most of the time,” and almost
 they can trust drug company ads “sometimes.” One-third (34%) say
 lly ever” or “never” trust these ads.

with other industries and groups, the share of the public who say
 pharmaceutical companies’ ads “most of the time” (18%) is about the

same as for health insurance companies (17%) and HMOs (16%), but higher than
 the share who say they can trust lawyers’ (11%) and politicians’ (6%) ads “most of
 the time.” Larger shares say they can trust what doctors (45%) and hospitals (37%)
 say in their advertisements “most of the time.”

The percentage of adults who say they can trust what drug companies say in
 their ads (18%) has decreased by almost half since 1997, when one-third (33%) said
 they could trust these ads “most of the time.” Trust has decreased slightly since
 1997 for health insurance companies (24% in 1997 to 17% in 2005) and increased
 somewhat for doctors’ advertisements (37% in 1997 to 45% in 2005).

OUTCOME OF TALKING TO DOCTOR AS RESULT OF ADS

Nearly one-quarter (23%) of adults say they have seen drug ads and talked to a
 doctor about a specific prescription medication as a result of an advertisement.

The most common outcomes of talking to a doctor about a specific drug are a
 recommendation for lifestyle change (57% of those who talked to a doctor as a result
 of a drug ad, or 13% of the total population) and a prescription for the medication
 (52%, or 12% of total). Somewhat smaller shares say the doctor recommended a dif-
 ferent prescription (44%, 10% of total) or an OTC medicine (34%, 8% of total), and
 about a quarter (26%, 6% of total) say the doctor recommended no medication.

Health Poll Report Survey, “Views On Prescription Drugs And The Pharmaceutical Industry,” February 2005, The Kaiser Family Foundation, Menlo Park, Calif. For more information, visit kff.org.



"Clearly, there are now fundamental changes going on," he says. "Some of those changes are for the better, some are not. On the positive side is the J&J Ortho Evra ad, which is an interesting approach in the new world of DTC. The ad is a very honest, straightforward exposition of what the brand's issues are. This is very much in keeping with the way J&J is handling many of its products, for example Tylenol. If patients aren't going to use the products appropriately, then the company doesn't want them as customers. This is really a refreshing and honest

There is definitely a transition happening from branded
**TO MORE DISEASE-AWARENESS, DISEASE-MANAGEMENT,
AND DISEASE-EDUCATION CAMPAIGNS.**

way to go. A downside is that if every DTC ad was like this, I think there might be a bit of an effectiveness problem moving forward."

Mr. Klein adds that while it's great to see the industry begin to address many of the concerns expressed by critics of DTC, in terms of this type of advertising, unbranded DTC represents another important option.

"The real art of unbranded DTC, from an ROI perspective, is finding a way to make people aware of the condition as well as stimulating a dialogue with their physician," he says. "This can result in an opportunity to prescribe the company's drug."

According to Mary Cobb, president and CEO of PACE Inc., there is an important role associated with the marketing of all pharmaceutical products for "appropriate communications and education" to consumers.

"Unfortunately, the term DTC has been used to refer primarily to consumer advertising or promotion, I believe it should be looked at in a broader context," she says. "Consumers are critical stakeholders and determining their deep informational and educational needs

through insight mining, and developing appropriate DTC communications, is to all brand communications plans."

A NONBRANDED APPEAL

The trend of nonbranded campaigns as well as a focus on more disease education if it is branded, is starting to resonate.

"There has been a lot of press about approaches companies such as J&J, Pfizer, AstraZeneca are taking to DTC," says Hodkinson, executive VP of sales and marketing at AccentHealth. "From my perspective, taking a more serious, educational approach to DTC communication makes a lot of sense. Giving a drug can have serious implications. There are a lot of safety issues that need to be closed. The challenge for marketers is to balance both the benefits and the risks clearly and transparently to patients. Nonbranded campaigns with a disease-education focus are appropriate. Specifically talking about direct-to-consumer communications. Because we know that education is the most powerful communication

CONSUMER RESPONSE TO PHARMACEUTICAL ISSUES

2005 DATA RELEASED FROM THE FIFTH ANNUAL NATIONWIDE MARS (MULTIMEDIA AUDIENCE RESEARCH SYSTEMS) PHARMACEUTICAL OTC/DTC STUDY REVEAL CONSUMERS' MOST CURRENT HEALTHCARE BEHAVIOR AND ATTITUDES, INCLUDING THEIR OPINIONS REGARDING HEALTHCARE ADVERTISING.

SEVERAL KEY HIGHLIGHTS OF THE MARS 2005 STUDY OF OVER-THE-COUNTER (OTC, NONPRESCRIPTION) AND RX (DTC, PRESCRIPTION) DRUGS INCLUDE:

- 40% of consumers looked for healthcare information to make actual treatment choices.
- Nearly 40% of consumers took medication as a result of seeing or hearing healthcare advertising.
- More than 34% of Americans often discussed new prescription drugs with their doctors.
- Almost one-third of adults in the United States believed their medical conditions limit their lifestyles.
- Compared with a year ago, 10% of adults felt in worse health.
- Compared with a year ago, 29% of adults felt a higher level of stress.
- Almost one-quarter of Americans purchased 10 or more prescription drug products in the past 12 months.

THE LATEST STUDY ALSO POINTS TO DEFINITIVE CONSUMER TRENDS:

- Significant increases over the past three years in professionally diagnosed conditions for noteworthy ailments including: 10% to 15% increases in asthma, year-round allergies, acid reflux, and backache; and more than a 20% increase for depression, hypertension/high blood pressure, and high cholesterol.

- The percentage of adult patients willing to ask their doctors for meds they see or hear advertised has remained flat over the past three years at around 38%.
 - 42% of adults in 2005, compared with 36% in 2002, made an appointment to see a doctor as a result of healthcare advertising.
 - The percentage of adults who find health/treatment information net to be very helpful increased to 32% in 2005 from 26% in 2002.
- ### HEALTHCARE SEGMENTATION

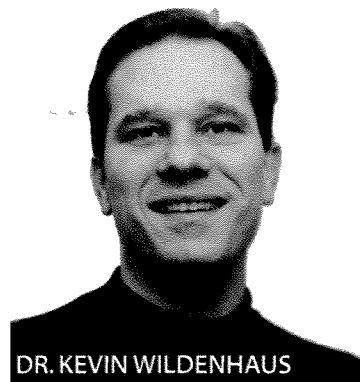
With more than half of Americans stating that they are active in their healthcare, the 2005 MARS Study has been able to segment the U.S. population into clusters to give more in-depth and directional analysis about healthcare behavior that are descriptive of the type and level of their activity.

- **Solution Seekers:** 10% of American adults are very responsive to healthcare advertising and proactively seek new solutions.
- **Self Managers:** 14% are more likely to take action on their own with OTC drugs.
- **Doctor-Led:** 34% are deferring to their doctor's judgment and advice.
- **The Healthy Half:** More than 41% of the population claim little to no healthcare information since they have no obvious health problems.

Source: MARS (Multimedia Audience Research Systems) is a U.S.-based survey division of KMR Group, New York, which provides in-depth analysis for media use and product consumption within vertical markets. For more information, visit kmr-group.com.

BUILDING LONG-TERM CONSUMER RELATIONSHIPS

PHARMACEUTICAL MARKETERS ARE CATCHING ONTO THE IMPORTANCE OF BUILDING LONG-TERM RELATIONSHIPS WITH PATIENTS. BRAND MANAGERS OF BOTH NEW AND ESTABLISHED BRANDS ARE STEPPING UP EFFORTS TO HELP PATIENTS COMPLY WITH THEIR MEDICATION REGIMENS AND ARE BUILDING LOYAL CUSTOMERS IN THE PROCESS.



DR. KEVIN WILDENHAUS

BRAND MANAGERS OF BOTH NEW AND ESTABLISHED BRANDS ARE STEPPING UP EFFORTS to help patients comply with their medication regimens and are building loyal customers in the process.

It is human nature to want to be understood as a complete individual. But, too often, patient-communication efforts address issues such as medication compliance from a limited viewpoint. For example, most standard communication tactics will emphasize the importance of taking medication as prescribed, as if knowledge alone will change patient behavior. What is missing in this approach is an in-depth understanding of the patient's relationship with his or her condition, barriers to compliance, possible motivators of change, and other key factors of self-management that drive individual behavior.

Without this framework, it is very likely that the compliance message will not be relevant to the patient and, therefore, will not succeed in changing behavior.

Focusing on overall improvement of self-management skills has a stronger impact on compliance and persistency than a narrow medication focus. This broader approach also increases patient satisfaction and brand loyalty.

There are many factors that contribute to effective self-management. At the top of the list, it is important to understand what motivates an individual to take care of his or her health and what specific barriers may get in the way. An individual's relationship with a physician as well as a social support system can help or hurt a person's ability to manage a condition. With respect to medication, many people have fears of side effects or unrealistic expectations that can be a factor

in poor compliance behaviors. Communications that address these important issues and are tailored to the individual will improve overall self-management and medication compliance.

Effective communications are the result of the collaborative efforts of behavioral scientists, market research professionals, health communication specialists, and marketing experts. And when delivering individualized communications to large audiences at a reasonable cost, technology plays a vital role.

A self-management program to support patients taking, for example, a diabetes medication would begin with a thorough assessment of the patient's baseline medication compliance and related health-behaviors (barriers, existing stress management skills, social support, doctor/patient relationship, etc.). This assessment is an excellent starting point for building a strong relationship with the patient. A patient whose diabetes is poorly managed because of lifestyle behaviors, for example, should receive different feedback than a patient who is struggling to remember to manage multiple medications. Yet the ultimate goal for both patients is to improve their ability to manage their diabetes.

Whatever the disease or condition, through improved self-management skills patients can take an active role in managing their healthcare and improving their quality of life; an outcome that not only helps patients also helps their family and caregivers, which is often a forgotten audience.

For pharmaceutical companies seeking a stronger and more lasting connection with patients, the natural by-products of using such programs are increased medication compliance, brand loyalty, and patient satisfaction.

Source: Kevin Wildenhaus, Ph.D., Director of Behavioral Science at HealthMedia Inc., Ann Arbor, Mich. For more information, visit healthmedia.com.

medium, it offers a great opportunity to patients with full sight, sound, and more to communicate effectively both the risk information, as well as the benefits of drugs."

According to Sue Ramspacher, senior Healthcare Consumer Practice, at NOPi, the company's DTC Monitor 2004 showed awareness of nonbranded DTC advertising in addition to the usual brand campaign.

"Although the number of unbranded was limited, the research revealed a high awareness for the nonbranded DTC Ramspacher says. "This might simply result of effective creative execution, could also be the consequence of a different more educational message resonating with consumers who recognize symptoms but have not come to grips with their need for prescription brand medication. Whatever the impetus from an industry perspective there is definitely a transition happening from branded to disease-awareness, disease-management, disease-education campaigns, and I think this is a result of a combination of things. On the FDA is certainly urging the industry to move in this direction in light of recent issues with products such as Vioxx."

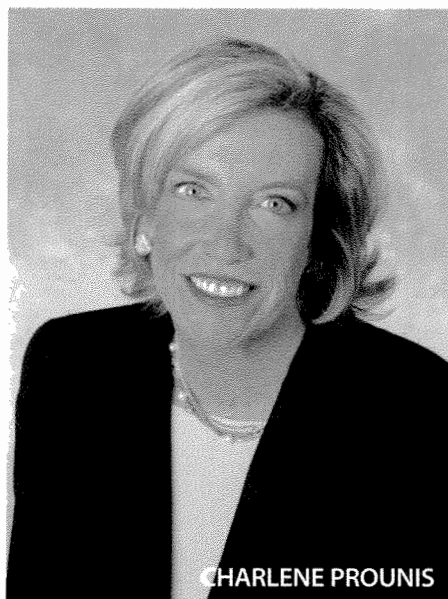
According to Ms. Ramspacher, the rate reputation issue plaguing the industry is coming to a crescendo.

"I think companies recognize the need to do something to polish their reputation," she says. "They are moving away from the branded types of advertisements to disease-awareness as well as corporate-responsibility advertisements. A couple of these types that come to mind are the GSK and Pfizer campaigns. Clearly, there is a shift occurring."

Closer scrutiny of DTC communication by the FDA has caused pharmaceutical marketers to be more diligent about the content of messages developed and the context in which they are delivered.

"Clearly, all consumer communication should be fair-balanced and delivered in an appropriate format, but they also need to cut through the clutter to effectively reach consumers — whether through advertising or other media," Ms. Cobb says. "At Pfizer we have invested in and gained significant experience in developing consumer communication to ensure comprehension of therapy, its controlling disease, the proper use of medications and their side effects, and how to flag them to their physicians. Our model 'Appropriate Use/Risk Management Program' has been implemented for several years in different therapeutic categories. The key to our model is a strong understanding of what consumers need and look for. It's not what doctors or manufacturers think they want."

Mr. Klein believes that unbranded advertising is part of a new world order.



CHARLENE PROUNIS

Communications beyond DTC that encourage patients to ask questions, talk about their options, and leave the office with more clear direction **ARE BEING PURSUED TO ENHANCE THE DOCTOR-PATIENT ENCOUNTER.**

tor and the patient are together, and they are interacting and exchanging trusted information. The challenge for us as pharmaceutical marketers is how to enhance that encounter between the doctor and the patient and how we can make the patient more prepared as a partner in his or her care."

An effective approach to improve the patient-physician relationship is through a customer relationship model that encompasses DTP and DTC.

"Our CRM model not only creates awareness and educates on the most relevant disease/product information, but drives better care by building an ongoing relationship with the brand as a trusted provider of relevant, value-added information and support," Ms. Cobb says. "Integral to the model is that it incorporates the right message to the right target audience. This helps consumers to self-identify, in terms of age, gender, demographics, disease state, relevance of message/information, potential/likelihood to take action, and so on. It also incorporates the right media mix to effectively reach them and engage them; the right behavioral insights to affect compliance and persistency; the right frequency and mix of messages/content and follow-up support over time; the ability to

simulate a dialogue through surveys and other feedback vehicles; and measurement parameters to evaluate communications effectiveness."

As more and more patients are going online and reading information, marketers believe that it is vital to help the patient be a better partner by developing an engaging campaign.

"Then we have to help physicians develop communication skills around patient interactions," Ms. Prounis says. "When patients leave the office, they often forget half of what the doctor says, and they are not always committed to their therapy. This is the issue that we are trying to address. Compliance continues to be a problem; 30% of patients fail to get their prescription filled, and then 50% of patients discontinue their treatment within a year. As pharmaceutical marketers, we need to bridge that disconnect between how physicians are communicating with patients. These could be simple techniques, such as having the physician use metaphors that patients understand. For example, when a physician speaks to a patient about hypertension, he or she might say: 'If you don't take this pill, you probably will do fine. But it's like driving a car on a highway in second or third gear; you'll get there, but it's just a little bit more wear and tear on the engine.'"

Another trend is communicating via consumers in the doctor's waiting room:

"We have performed research measuring recall and the effectiveness of communication in the doctor's office," Ms. Hodkinson says. "When patients sit in the office preparing to speak to the doctor, they are thinking about their health and their family's health. They are absorbing information at a much higher rate than when they are at home. Research shows that in the office environment, patients remember a greater percentage of program segments at a greater rate than they typically would be viewing at home. They also retain the copy points from ads, and they can recall the drug benefits and the drug risks after they have seen an ad. Most importantly, they are receiving this information just before they see the doctor, who can answer any questions they may have. DTC advertisers really can't take advantage of that. They have patients who are paying attention; in essence this is a captive audience, and they are really listening to the messages that are being given to them just before they discuss their health with the doctor."

PharmaVOICE welcomes comments about this article. E-mail us at feedback@pharmavoice.com

Experts on this topic

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