



16th annual DTC advertising report: Multi-channel challenge

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Emerging media channels are having a significant impact on direct-to-consumer pharmaceutical advertising. Digital channels are now a requisite part of marketing any brand, and forays into social media will continue despite the lack of clear FDA guidelines. As DTC marketing evolves, marketers will be challenged to adapt their methods accordingly and develop a consistent multichannel message.

DTC ad spend was up slightly in 2009, increasing 1.9% to \$4.51 billion, according to The Nielsen Co. (nielsen.com). Total television ad spend was up 0.6% to almost \$3 billion. Radio advertising spend saw the greatest increase, rising 112% to \$46.3 million. Internet advertising spend also saw strong growth, increasing 30.8% to \$117.4 million.

The uptick in DTC ad spending is not surprising given the growing need for health information, according to Marc Weiner, managing partner, CommonHealth (commonhealth.com). The trend in DTC advertising has been away from simple messages pushing a particular pill toward longer-form, educational advertising.

“We’ve had some 60-plus, 75-second spots out there, because it’s more than just the pill,” Mr. Weiner says. “It’s behavior modification. It’s a whole lifestyle communication.”

Traditional mass media advertising continues to bring returns for pharmaceutical marketers, particularly big brands. With a looming patent cliff, marketers are spending on DTC to take advantage of their brands’ volume while they still have it. Traditional mass media’s role remains disease awareness and connecting people to brands, while also driving audiences to more personalized content available in the emerging media channels.

“It’s going to be TV to drive to the Internet or mobile to get the full, rich depth of story that consumers are looking for,” Mr. Weiner says.

The entire direct-to-consumer business is in flux because consumers are changing the way they research and find information. Healthcare consumers are no longer simply passive receivers of print or television advertising. Most healthcare consumers are active researchers.

“Many consumers, young and old, proactively search the Internet, participate in online communities, and engage with their peers even before they ask questions of their physicians,” says David Ormesher, CEO, Closerlook Inc. (closerlook.com). “Share of voice among consumers now means being present and participating in this extended conversation. It’s less important to have a clever ad than to be ready and responsive to online consumer inquiries.”

Because consumers have become more participatory in their health by asking questions and discussing symptoms, treatment options, and drug effectiveness in online forums, Mr. Ormesher believes that brands have an opportunity to perfect their listening skills.

“Brands need to realize that they are guests at the party,” he says. “They can be important participants and contributors to the conversation, but they can’t control it. For marketers used to controlling the brand messaging, this can be a difficult transition.”

The impact of emerging media

When DTC marketing first came into existence, marketers were limited to a few mass media channels for communicating with consumers. Now many more ways exist to distribute a message and engage with consumers in a more meaningful way than a broadcast, one-way message. In addition, given that many product portfolios today are composed of niche products rather than blockbuster drugs, emerging media allows DTC advertising to be a possibility even for rare diseases in targeted ways that are not possible through television advertising.

Regardless of the type of marketing, emerging media has changed the call to action for marketers, according to Meredith Ressi, VP of research for Manhattan Research (manhattanresearch.com).

“While the focus used to be to drive the consumer directly to the physician to ‘talk to their doctor’ about a prescription drug, marketers realize that for many patient audiences, the Internet will be a necessary stop along the way for information - both before they talk to the doctor, and, in many cases, before filling a prescription,” Ms. Ressi told *Med Ad News*. “Any DTC campaign today has to take this new behavior into account and provide information and support for patients along that treatment continuum.”

This past year, Manhattan Research found more consumers went to the Internet for more information after seeing a DTC ad than went to their doctor as a primary post-DTC action. NuvaRing and Latisse were the top pharmaceutical brands in terms of having the highest percentage of overall product Website traffic driven by their DTC television advertisements, according to Manhattan Research. NuvaRing, a contraceptive now marketed by Merck & Co. (merck.com), jumped five spots from last year to take the top ranking. The campaign for Latisse, an eyelash enhancement product launched last year by Allergan Inc. (allergan.com), was also successful in driving individuals online for additional information.

“When consumers go to the Internet post-DTC, they are not necessarily going to the product.com,” Ms. Ressi says. “In fact, they are more likely to go to a search engine or general health site. So any television ad should have an integrated search campaign, as well as supporting information on the major health portals, in order to provide consumers with the information they seek after ad exposure.”

For pharmaceutical companies, emerging media channels such as social media and out-of-home digital signage represent new opportunities to connect with consumers in innovative ways, according to Steven Cisowski, media planner for interactive online marketing agency Razorfish Health (razorfishhealth.com).

“They essentially allow consumers to have interactions with brands in a more personal fashion and in timely situations, in waiting rooms or at pharmacies for example,” Mr. Cisowski says. “At the same time, however, brands must obviously be extremely cautious in leveraging some tools due to strict FDA governance in their marketing efforts.”

Mr. Cisowski believes that as a result of regulations on DTC marketing efforts, many companies are hesitant to try to take advantage of emerging channels, thus missing opportunities in completing their entire marketing mix. “Offerings such as social media, mobile, and digital signage can enhance offline efforts and make marketing work more effectively,” he says.

The biggest impact of emerging channels is that consumers now have a means of collectively debating, and even contradicting, a DTC message and advertising campaigns, according to Sarah Larcker, director, strategy and analysis, **Digitas Health** (digitashealth.com). “This means that your DTC messaging must be authentic and reinforced by your corporate actions, since lack of transparency will no longer be accepted,” she says.

The Internet and digital media now have more influence over consumer health decisions than traditional vehicles such as television and print, according to Mandy Buhler, media director, HC&B Healthcare Communications (hcbhealth.com). As a result, DTC marketers need to understand how consumers find information online and what they rely on most for their health and pharmaceutical information.

“Since online media effectiveness depends on many factors, including income, education, gender, disease state, social status, etc., it’s important to not generalize,” Ms. Buhler says. “When developing an online strategy, DTC marketers must research their target audience to determine what online media they prefer and what information they want to receive.”

Search engines are widely used by consumers researching health and pharma questions - not necessarily proactively, but more often when they are experiencing symptoms. Additionally, the growth of DTC marketing during the past decade and the simultaneous growth of the Internet have led to a surge in online health publishers and resources that consumers turn to for info and support.

“The net result for pharma branded sites is a significant increase in site traffic over the past year, a clear indicator that online media is working for DTC marketers, at least from a branding perspective,” Ms. Buhler says.

Although the Internet offers instant data and information, developing and maintaining an effective online marketing strategy takes discipline and patience, according to Ms. Buhler.

“Online success requires a dedication to the space,” she says. “Just as marketers develop multi-year, off-line marketing strategies, so too should they plan for their online efforts.”

Balancing online and offline media and maintaining a consistent presence across all channels is a challenge, especially when budgets are tight. Ms. Buhler believes that the cornerstone of any digital marketing strategy is a well-designed, engaging Website where consumers can go to learn more and that keeps them coming back for updated information.

“If you’re planning to build a Website, first, determine your objectives,” Ms. Buhler says. “Lead generation? Search engine optimization, search engine marketing, and display ads will drive traffic to the site. Customer service and engagement? Social media and blogging will build customer rapport and possibly lead to a sale.”

Are the new channels working?

New media channels appear to be working for consumers, based on growth and participation metrics. They work for pharmaceutical marketers, meanwhile, when brands learn how to play by the new rules of engagement.

“Realizing that consumers go to the Internet for both information and patient experiences, some brands are beginning to use so-called peer-influence marketing to tap into the voice of the patient for testimonials,” Mr. Ormesher says. “To the extent that brands can use these new social media channels as a way to listen and engage around broader health issues such as prevention, behavioral change, living well with a chronic illness, reimbursement, etc., credibility can be strengthened.”

In determining success, many marketers are still trying to look at new technologies through the traditional media lens of reach and frequency, using metrics such as page views, click-throughs, and lead generation. The reality, however, is that many of the new channels, tools, and technologies available to companies can serve a variety of different purposes, according to Fabio Gratton, chief innovation officer of Ignite Health (ignitehealth.com).

“Some are great for creating engagement, while others are better for communicating product-specific messages,” Mr. Gratton says. “What is becoming increasingly important for marketers is the need to be educated and well-versed in the various channels available to them, the role each channel can serve, and how the combination of various channels can work effectively to meet a specific set of objectives for a specific disease, product, and population.”

For some brands, a Facebook page may be a good tool for communicating brand-specific messages. For others, it might work better as a way to build a community of advocates that help educate others about a specific disease. For some, Facebook may not make sense at all.

“That doesn’t mean that social networking doesn’t make sense,” Mr. Gratton told *Med Ad News*. “It could simply mean that the particular audience in question prefers to interact in a private, password-protected, disease-specific community, in which case, it would be wise to reach out to the community moderators and discuss if and how it might make sense to engage. In other words, the new world of DTC requires spending more time and energy in understanding the subtleties of audience behaviors, technologies, and how those technologies can be leveraged in the most effective way.”

Measuring impressions has never been the right tactic for measuring ROI in pharmaceutical marketing, because even with traditional mass media, the majority of viewers that receive a message are not the right audience.

“When we’re advising clients, it’s not about the number of eyeballs like it used to be, because we’re not consumer products,” says Mike Myers, president, Palio (palio.com). “There

are intermediaries here, and there are more and more based on the new healthcare legislation. So, we're definitely seeing people try to target more, and as a result of that, the media mix is going to change because of the targetability of the emerging media technologies we are discussing."

If emerging media channels can create a more educated consumer, that in itself can be considered a success for what it can bring to the physician-patient dialogue. Physicians have very little time with patients, so when a patient can enter the office more fully informed about his or her condition and the products available, the resulting conversation may introduce brand choices not otherwise considered.

"That motivation through information makes them a very educated consumer/patient, where they can say, 'Hey doc, you didn't mention this to me, why don't we consider this?'" says DJ Edgerton, CEO, Zemoga (zemoga.com), a digital marketing agency. "That's a very powerful position to put a patient in, considering the fact that doctors don't have a lot of time."

For evidence of the effectiveness of emerging media channels, however, one must look beyond the patient-physician dialogue. More often than not, when physicians or patients discuss DTC marketing, it is in context of traditional media channels such as television and less in the context of new media such as product Websites or micro-targeted Web content, according to Jeff Kozloff, president and CEO, Verilogue (verilogue.com), a company that records and archives a nationwide database of in-office physician-patient dialogue.

"We see these new media channels as promising ways to empower and educate patients, but there is little evidence at this point in the ever-evolving doctor-patient conversation that patients are internalizing anything beyond messages they receive from their physicians and the television," Mr. Kozloff says.

Pharmaceutical companies are challenged with measuring effectiveness and return on investment in most media efforts. Directly tracking prescription fulfillments from print, billboard, and television advertisements can be difficult. Emerging digital media may actually offer some solutions, however, with technologies that add more transparency to the purchase exchange.

"The use of QR and image-recognition codes can be applied to offline print ads and mobile programs and can help facilitate the transfer of product information to consumers," Mr. Cisowski told *Med Ad News*. "The use of codes for offers, downloads, or coupons can also tie in actual purchase data and may be an opportunity for marketers to build a case for positive ROI for such programs."

Razorfish Health has seen several pharmaceutical brands achieve success in connecting with consumers using social media. "Efforts like blogger outreach and utilizing Twitter feeds to keep consumers informed of important news and connected with similar patients all inherently help the core of their businesses," Mr. Cisowski says. "Companies who do not properly manage their social media presences by not being transparent and readily available to consumer voices, however, may face negative repercussions in their DTC marketing and in their public reputations."

A consistent presence

Emerging media is impossible to define, with new tools and technologies launching every day. The recent debut of Apple's iPad, for example, has opened up a brand new potential marketing platform.

"It's a very dynamic world," Mr. Weiner says. "That's why with things like emerging media or emerging channels, we should back up from that and just talk about channels in general and the idea of having a very strong brand position and brand objectives and strategy."

Many marketers make the fundamental mistake of siloing off social media from other marketing channels. "They should be looking at it much more holistically and talking about objectives and strategies as a brand and not necessarily for the social media channel," Mr. Weiner says. "I still do not understand the silo mentality."

According to Mr. Weiner, CommonHealth addresses this need by integrating across channels. The advantage of working with an integrated agency is that when new technologies such as the iPad emerge, messaging for that channel can be carried across seamlessly because the agency already understands the brand objectives, core message, and insights that have driven everything else.

Marketers must have a specific message that is central within all marketing channels, and one that will resonate with the consumer regardless of the outlet.

"Speaking tactically, a TV spot or print ad can link out to a brand Website, which can include info about the brand, savings information, and can then further link out to social media platforms for a larger degree of interaction," Mr. Cisowski says. "Assuming that all of these touch points provide the consumer with a coherent message of value, the impression of how a 'story' is told will ultimately be the end result."

The first step to maintaining a consistent presence among various channels is to know what is going into the various channels. For emerging media, this means listening to the conversation that is already taking place online about the company, brands, competitors, and marketplace.

"Once you have a clear understanding of the elements and themes of the ongoing online conversation, it's important to evaluate your brand messaging and DTC marketing to ensure that it resonates with what customers are actually saying about your brand," Ms. Larcker says. "If there is a lack of consonance, it's time to dig deeper in an effort to understand why this may be the case. Forward-thinking companies are actually embracing the online thought leaders by inviting them to have an honest dialogue about their concerns and ideas for remediation."

Many of the traditional "push" marketers are having a difficult time making the transition to a mass "pull" marketing model, which requires useful and inspiring content.

"It's an anathema to how they've been trained and advanced in their careers," says Robert Grammatica, global chief healthcare officer of Rapp (rapp.com), a full-service agency leveraging data-driven creativity. "It used to be that you earned your career stripes by airing big 30-second TV spots; now it's Facebook and Twitter. The danger here is that the 'gold

rush' mentality of the DTC era that caused a lot of overuse and misuse of mass media is already repeating itself in emerging media."

Mr. Grammatica believes that not every brand needs a Facebook page, yet this is what marketers are asking for these days. Although many agencies will be all too happy to jump on board - regardless of whether it makes sense for the brand - Rapp is deploying resources across a wide variety of disciplines to ensure that the agency is not one of them.

According to Mr. Grammatica, the way to make emerging media work is to first understand not just what consumers say they do, but what they actually do, through marketing sciences such as cultural anthropology, statistical analysis, and behavioral analytics.

"What we have seen very clearly from tracking patient behavior across many categories is that their journey is far from the nice, neat, linear journey that follows our beloved marketing funnel," Mr. Grammatica stated. "It is, in fact, entirely non-linear and highly variable. That is why we have evolved to architect brand experiences that allow us to understand and measure consumer behaviors, not only across different channels and properties but also across different journeys."

Rapp has seen overall brand ROI increase in situations where the agency can get consumers to interact with the brand across more marketing assets.

"We have an example where consumers who interact with a branded site, unbranded site, and Facebook page are 27% more likely to convert than one that is connected with just one or two channels," Mr. Grammatica told *Med Ad News*.

Ultimately, whether or not social media and other emerging channels are a good thing for DTC marketing is a moot point, according to Dean Logan, creative director of **MicroMass** Communications (micromass.com). "Consumers are already having thousands of conversations about brands and products without a moment's thought about the presence of FDA or any other legal entity," he says. "Maintaining a presence in this new landscape will be critical to the success of any organization whose target is the consumer audience. Yet simply being there isn't enough. They need to make a conscious decision to talk not at people, but with them; to engage with their customers on a personal, one-on-one basis."

Due to the specter of governmental regulations and potential for damage, taking a chance on such engagement is a risk few companies are willing to take at the moment. But Mr. Logan believes that within seven years, the marketers who will be the most successful will be the ones that kept up with technology and communication and took the risk to embrace a culture that is rapidly on its way to demanding transparency, value, and relevant engagement from every company it does business with.

"That's an impact not many companies are prepared for right now," Mr. Logan says.

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Summary: Digitas Health's Sarah Larcker discusses DTC advertising through a variety of channels, as well as the consumer role in the process.

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