

DTC spending continues to slide, and with many of the blockbuster, mass-market drugs that have sustained it over the past decade set to lose patent protection, the print-and-TV-advertising formula seems sure to go with it. **Matthew Arnold** reports

CODE RED FOR DTC?

Rest in peace, Digger, Abe and the Beaver. Soldier on, Lunesta Moth, Nasonex Bee and VESIcare pipe people. You may be the last of a dying breed, flitting across our TV screens—and increasingly, our computer screens—to inform us that treatment options are available for maladies that many of us suffer from.

Consumer advertising spend for prescription drugs inched down last year, going from \$4.6 billion for the year to October 2009 to \$4.4 billion for the same period in 2010, according to SDI data. That 4% decline is modest enough, but spending is down more than a billion dollars since 2006, and the reigning best-advertised drug, Lipitor, loses US patent protection in November. And consider this: The \$272 million Pfizer spent on Lipitor DTC in 2010 is alone more than the \$191 million less pharmas spent on consumer advertising last year. Another top advertised brand, Lilly's Cymbalta (No. 5 for 2010 with \$171 million), goes off patent in 2013.

"Looking at a lot of these recent launches, newer brands aren't exactly coming in like lions," says Liz O'Neil, VP director of channel marketing at Ogilvy CommonHealth Worldwide. Few of the brands coming to market these days are indicated for the sort of mass-market conditions—like high cholesterol, diabetes, ED, insomnia or osteoporosis—that has fueled the big-ticket channels of TV and print over the past decade. TV makes less sense for many of the smaller and far more specialty-focused brands that are making it

through the approval process these days. Products for these more narrow conditions typically employ a broad mix of highly targeted channels, mostly digital—if they market to consumers at all.

There are a number of specialty brands advertising, though—products like Bristol-Myers Squibb's Orenia for rheumatoid arthritis, Amgen's Neupogen, Amgen/Pfizer's Enbrel and Abbott's Humira autoimmune disorder treatments, and AstraZeneca bipolar/schizophrenia treatment Seroquel XR.

Newer brands at home online and on TV

"The economics of many biologics and the size of the potential audience still allow for the effective use of TV and print," says Healogix CEO Harris Kaplan. "While it's unlikely we will see drugs indicated for orphan diseases advertised on TV, there are still a number of diseases with significant populations of patients and untreated consumers that pharma and biotech will want to reach."

In part, that's because the cost disparity between TV and online has changed dramatically over the past year or two. As TV has evolved from one-way broadcast medium to on-demand and interactive, smaller and more targeted buys have become possible. The old truism about the "shotgun" awareness approach to advertising was that it was wasteful, particularly in television. Increasingly, that doesn't have to be the case.

For example, one top COPD drug spent big on three shows in the third quarter of 2010—and could have done much better, according to SDI's TV-HealthRatings, which estimates the number of viewers with a particular condition for a given show. The brand team bought most of its advertising on CBS's *CSI: Miami* and *NCIS* and ABC's *20/20*. SDI found that there were 37 shows better-suited to reaching COPD patients than *CSI: Miami*. In fact, the best bet would have been CBS's *Miami Medical*, followed by CBS's *The Bridge*. SDI calculated its patient index based on households filling prescriptions for at least one COPD drug for an over-55 patient, since COPD drugs are also used for treatment of asthma, predominately in younger patients.

Meanwhile, the cost of internet marketing has increased exponentially as pharmas have begun building increasingly sophisticated digital platforms for their brands. Heartbeat Ideas CEO Bill Drummy says he's seen brands spending \$20 million, even \$40 million on online media buys in recent months—sums unheard of in the Oughts.

"If you want to set up a dynamic website, that's a pretty expensive undertaking," says O'Neil. "It may have video assets, patient stories, a back end infrastructure that allows brand managers to understand what content patients are going to and what's useful. From a production standpoint, it can be just as expensive as a TV shoot."

Media buys are traditionally where the expense is in advertising, and that's still where online shines, compared to old school media. The cost of staffing those sites, apps and social media efforts, of producing them and monitoring them and keeping content fresh, evens things out. For smaller brands, though, the more information-rich nature of online media, with its unlimited space, is often ideal.

"They're finding that for conditions that are not tens of millions of patients, they can target patients much more efficiently in online channels," says Drummy, who sees timeshifting and fragmentation eroding the value of TV. According to Nielsen, the average American was watching 10.5 hours of timeshifted TV at the end of 2010.

They're still watching, though.

"They're multitasking, but they're still viewing," says O'Neil. "The internet didn't kill TV."

Indeed, average viewing time was up 18 minutes to 154 hours per month, according to Nielsen Q4 data—although the increase came, in part, due to DVRs allowing viewers to skip the ads and squeeze in extra shows.

Amber Edwards, EVP group management director at Drafftcb Healthcare, says marketers' budgets are being pinched by cost cutting, and they've been spooked by the FDA's tougher line on consumer advertising of late. Targeting and trackability makes digital more appealing for many specialty brands, especially with the rise of search. "All that being said, I don't think traditional media is going away any time soon," says Edwards. "For brands that have a mass target to reach and heavy consumer influence, DTC generates the greatest awareness and continues to be proven to drive discussions between patients and healthcare professionals."

Plus, as O'Neil says, "No one's searching for information about a drug they haven't heard of."

Scarcity brings ROI, adherence to the fore

"I think what you'll see is that TV as a broadcasting medium, and this notion that you beam into homes what you want them to see, is dead," says Jeremy Shane, president of HealthCentral. "Everything will be on demand and within that, everything that's interactive will

Big spenders

Top products—DTC advertising (millions)
Year to October 2010

Rank	Brand	DTC dollars	% of total spending
1	Pfizer's Lipitor	\$272	6.5%
2	GSK's Advair Diskus	\$209	5.0%
3	Lilly's Cialis	\$206	4.9%
4	Pfizer's Chantix	\$178	4.3%
5	Lilly's Cymbalta	\$171	4.1%
TOTAL MARKET		\$4,444	100.0%
DTC excluding online		\$4,208	94.7%

Source: SDI, Direct-to-Consumer Advertising Audit/Kantar Media

Top companies—DTC advertising (millions)
Year to October 2010

Rank	Company	DTC dollars	% of total spending
1	Pfizer	\$1,037	24.7%
2	Lilly	\$405	9.6%
3	Merck & Co.	\$349	8.3%
4	GSK	\$345	8.2%
5	AstraZeneca	\$334	8.0%

Source: SDI, Direct-to-Consumer Advertising Audit/Kantar Media

be more valuable."

With industry budgets under the microscope, DTC is being driven ever more by ROI.

"Because the media out-of-pockets are particularly high compared to other media channels that they've done historically, and as companies are needing to prepare for the days of the blockbuster gone generic, there's a lot of digging to see where's the ROI on everything," says O'Neil. "The brands launching do warrant that approach because they're in smaller categories and so they're more tentative in determining what's the best way to communicate."

One safe bet: expect to see more advertising aimed at promoting compliance and adherence as companies look to plug the "leaky bucket" and get more mileage out of fewer and smaller drugs.

"Getting a new patient is very expensive, but having a modest change in behavior in existing patients is a very significant marketing opportunity," says Jamie Adams, chief strategy officer at Integrated Media Solutions. "Branded campaigns are a very important part of that, because when people are prescribed a medication, they want to know four things: why the doctor's writing it for them; what it's going to do to them, so they want some understanding of the mechanism of action; how it's going to make them feel, which is different; and when they can stop taking it. People have lots of opportunities to investigate conditions independently of drug manufacturers now, so the issue for compliance becomes: Why is this brand of medication important to me, and not why is treating the condition important to me." ■