

The 2010 Forecast for DTC

Trying to get a sense of the industry in 2010 is not an easy task. To some, the future is doom and gloom, filled with regulatory restraints and new “ad tax” implications. To others, the future is brighter, with healthcare reform providing the opportunity for improved DTC messaging and new media creating a forum for more educational and targeted messages.

BY AMANDA EHRLICH

In talking with several DTC marketing executives – from brand managers and publishers to agency heads and market researchers – one thing is clear: the direction DTC marketing will move in 2010 remains a mystery.

Next year, perhaps more than any prior year, holds much uncertainty for those involved with DTC marketing, due in large part to the ever-changing face of healthcare reform. While most in the industry are certain that some form of healthcare reform legislation will pass before the end of 2009 or in early 2010, none are positive what the reform bill will contain. On top of the ever-changing reform efforts, there remains the uncertain direction the FDA and DDMAC will take in the oversight of DTC.

November hearings on Internet promotion of Rx drugs were likely to cloud the marketing further, as no one can be certain what guidance, if any, will emerge from the hearing in 2010. And even if DDMAC publishes its first guidance specific to use of the Internet by pharma, there is always the possibility

that other regulatory or legislative proposals will put more stringent controls on consumer marketing.

Amidst this uncertainty, industry leaders spoke to *DTC Perspectives* about the state of DTC marketing in 2010, discussing worries, woes, complaints, trends and recommendations for making DTC and consumer education more effective.

The worries and woes

The first and perhaps most important question posed to DTC executives regarding DTC in 2010 was to identify what worries them most. There was an overwhelming sense among those questioned that regulatory uncertainty is the most salient worry for DTC professionals.

Sam Trujillo, director of consumer marketing for women’s healthcare at Bayer, said his biggest worry is “the lack of clarity on FDA/DDMAC rules and regulations” and how those rules and regulations will continue to play out. Marc Weiner, managing partner at CommonHealth, said he worries about the elimination of the tax deduction for DTC, as well as “the current

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healthcare reform discussion in Washington” and what that will mean for DTC.

Bob Hogan, president of cognito! communications, said he believes, among legislators, DTC is a “highly visible target” that lawmakers could “act on hastily to show how much they are doing on behalf of the consumer.” If this happens, Hogan said “the government will require even more hurdles to effective communication of drugs’ availabilities and benefits to consumers, and they will do so in the name of making the world safer for the consumer. The result would be quite the opposite, I believe.”

While many are clearly worried about new regulations, there’s also a group of marketers who believe pharma should be more pro-active in addressing critics and trying to improve public perception of the pharmaceutical industry. Paul LeVine, the vice president of analytic services at InfoMedics, said, “There’s still an opportunity for DTC to improve its public perception.” LeVine said he believes that by emphasizing the educational nature of DTC, marketers can achieve a much broader reach as well as demonstrate to the public that DTC is a tool for empowering patients to choose the right treatment for their condition.

Weiner of CommonHealth agreed. “There is a really severe image of the pharmaceutical industry,” he noted. “We haven’t really communicated our value proposition to the American public very well. Many people still believe that the cause of the rising healthcare cost really traces back to pharma. I think we still do have an image problem and its something that we, as an industry, need to work on.” Perhaps if the pharmaceutical industry worked cooperatively to better convey the benefits of DTC, some of the public criticism of DTC and “big pharma” would be dampened in 2010.

Healthcare reform and DTC

Another concern for those working in DTC marketing is the effect healthcare reform efforts will have on the pharmaceu-

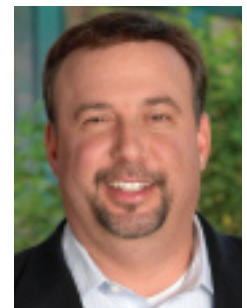
tical industry, particularly DTC. Hogan said he believes healthcare reform will change DTC “for the worse.” He cited the current regulatory environment for DTC, which is one filled with rules and regulations that marketers must closely follow.

“Look what we are dealing with now,” he said. “The single most ineffective, wrongheaded thing we have to live with is the current way DTC has to treat fair balance [in advertising]. No one really understands what they hear [and] how many people hear snippets of some 40-second fair balance and decide not to speak to their doctors about their condition or medication at all? [This] is counter to the entire reason DTC came about in the first place.”

Jim Joseph, formerly a managing director at Saatchi & Saatchi Wellness, said he believes that healthcare reform will not allow DTC to “stay the same,” but he does not believe DTC “should stay the same.” Eric Jensen, president at publisher HealthMonitor, agreed with Joseph, and predicted that healthcare reform “will bring DTC back to its original focus, which is more emphasis on educating patients on conditions.”

Getting back to focusing DTC on patient education is a positive, according to Weiner. He said he believes that under healthcare reform “people are going to have to be armed with better information.” If more Americans are covered by health insurance, as the bills being considered would require, patient education could become an extremely important aspect of DTC. Weiner said he believes that “the conversation between the patient and physician needs to be more on equal terms. We need to think about getting the empowered patient to ask the right questions and be armed with the right information; it will be a better outcome for both.” Perhaps healthcare reform can be the spark that ignites this push for educational messaging.

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Paula Garrett, a senior director of consumer marketing at Eli Lilly, summed up the benefits to patients and pharma should healthcare reform be enacted. "If more people have [healthcare] coverage, more people are going to be interested in learning what is going on," she noted. This greater interest in medications and treatments could be a great opportunity for DTC marketers to develop broader educational messages for their brands.

The quality of DTC creative

Another issue on which many DTC marketing leaders agree is the apparent lack of high-quality creative work that many feel is plaguing current DTC campaigns. The majority of industry marketers interviewed believe DTC has declined in quality in recent years, mainly due to what they see as a more strict interpretation of the regulations by FDA/DDMAC.

Pharma marketer Trujillo said he believes the quality of DTC creative "definitely [has] suffered because the creativity, messaging and communications have been second to compliance. People are not clear what the guidelines/regulations are." Bill Drummy, chief executive of Heartbeat Digital agreed. "The quality of the creative has gone backwards because of the warning letters that have been issued recently," he said. "I think [the ads] have gotten less interesting and more formulaic." Weiner cited an abundance of "doctors in white coats" as evidence of lackluster creative efforts. He said he believes that creativity will only continue to slide: "We continue to sacrifice the big idea to comply with DDMAC and other internal regulations. We end up with this slice-of-life advertising that we are just seeing all the time at this point."

Hogan agreed creativity is lacking in current DTC campaigns, and called some recent executions "dreadfully unimaginative."

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native." He finds the myriad of TV commercials with "talking heads" and "faux patients" uninspiring and current print campaigns, "a waste of space" for recreating TV spots in print form. Much of this uninspired creative is the result of "a sense of resignation by agencies and clients, almost a tendency to settle for 'good enough,'" he added.

Former Saatchi executive Joseph said he does not believe that it's the quality that is lacking in current campaigns – rather it's the communication of the message. "There is such an emphasis now on fair balance that the balance is no longer fair," he explained. "They spend so much time talking about the risks, that the communication gets lost. I think we have to figure that out as an industry. I just don't think it's good communication."

Offering a dissenting view are Eli Lilly's Garrett and HealthMonitor's Jensen. Garrett and Jensen said they are quite pleased with current creative efforts. Garrett said she believes DTC has "only gotten better as the industry is maturing and becoming more sophisticated." She also contends that the creativity has actually gotten "less formulaic." Jensen said he believes creativity is fairing quite well, and that regulatory constraints have actually inspired increased creative efforts.

Predicting creative trends

While discussion of the creativity of current DTC campaigns appears to garner rather mixed opinions, a discussion of the creative trends that are predicted for 2010 reveals a rather unanimous view. Most, if not all, of those interviewed believe that next year DTC will continue shifting into the online / digital realm. For example, Trujillo will continue to invest Bayer media dollars into Internet communications as he "looks at online as a very important vehicle. To ignore that would be to ignore a very important distribution channel." His goal is to

create a “360 integrated channel” between print, TV and the Internet.

The idea of integrated media is one Weiner sees further developing in 2010. He said he believes the synergistic approach is really the wave of the future. Weiner also sees much more online video production next year. Online video will become more prevalent as it is a great, inexpensive way to project a more comprehensive brand discussion than a 60 second TV spot, he said. Sometimes the grittier online video, the more contextually relevant it appears,” he added.

Joseph agreed with Weiner on the importance of online video. “Video gives you a chance, whether user-generated or brand-generated, to really communicate more information,” he said.

And while many are predicting more of a shift towards Internet communication, Drummy of Heartbeat Digital noted that this shift is already happening. In fact, many of his clients have “moved a larger portion of their spend to the online channel.” Indeed some “aren’t doing any TV and are doing all digital.” Drummy added, “Digital is starting to become a preferred technique for DTC advertisers.”

Making DTC more educational

On the flip side, there’s also a sense of optimism among DTC marketers, especially when the discussion turns to making DTC more effective in 2010. Many DTC executives believe that improving patient education would create more effective marketing and improve the public perception of the industry. Indeed, Weiner said he believes DTC campaigns should place less emphasis on claims and more “emphasis on ideas and patient insights.”

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In addition, Jensen said he believes DTC needs to be full of “quality patient education.” He added, “Research shows that DTC ads placed in targeted health content is much stronger... [and] more likely to engage patient/consumer to take action.” He suggested that DTC campaigns can increase effectiveness

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“by motivating and rewarding patients for positive behavior change,” such as “adding co-pay offers or other rewards for adhering to prescriptions and therapies.” LeVine also is a proponent of patient education. “It’s a bigger mandate than what’s typically called for under the label of DTC,” he said. In the long run, developing education-centric campaigns “will really help with the bad press that DTC is receiving,” LeVine said.

The push towards more educational marketing should help DTC to achieve better standing with the American public and Washington lawmakers. Hogan said he believes DTC marketers need to fight to keep DTC alive as it “can play a huge role in better health care self-management and reduced overall costs, if allowed to.”

Not just doom and gloom

While many DTC professionals look to 2010 with a feeling of uncertainty and trepidation, it appears the future is not all doom and gloom. Indeed, the industry has reached something of a standstill as it has become paralyzed by fear of the future. Media spend has been cut or shifted and the creative quality of campaigns has been stunted.

Healthcare reform and new FDA guidance in 2010 might actually throw the industry out of the doldrums and onto a more education-centric, digitally developed path. This new patient-focused path could lead to improved public perception of DTC and a renewed appreciation in Washington for the educational necessity of direct-to-consumer marketing. **DTC**

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